

against the constitutionality of a bank chartered by Congress, and the common sense of the nation has accepted this view.

* * *

When the Civil War broke out in 1861 the State banks were stronger than ever, and it was in the face of their determined opposition that the National banking system was inaugurated in 1863. This system would have been an utter failure had the State banks been permitted to retain the privilege of issuing their notes. This right was not directly attacked, but in 1864 it was rendered unprofitable by the imposition of a heavy tax. Most of the State banks in existence at that period entered the National system.

The State banks of to-day are chiefly new creations which have grown up with the increase of the deposit and loan business. Except in a minority of instances they have never exercised the power of issuing notes. The State banking systems in nearly all the States have been brought up to a very high standard, and these institutions generally compare most favorably with the National banks.

The National banks found circulation profitable until about the year 1878, when the rapid funding of the national debt increased the premium on the bonds. At this date, too, the silver certificates, issued as the standard silver dollars were coined, began to take the place of National bank notes, and have since done much to prevent expansion of the bank currency at periods when the price of bonds has been so depressed as to otherwise make the issue of such currency profitable.

As the State banks have again increased in numbers, the old rivalry between them and the Federal banks goes on, though in a more subdued way.

* * *

Popularly, then, the prejudice against banks to-day seems to apply altogether to their supposed power to create money by issuing bank notes. Nobody is aroused or excited when the question of a bank's receiving deposits or loaning money is under consideration. There is thought to be an occult and malign power in the right to issue bills that seems to draw all the hatred of the population towards the banks that possess it. It is a power that should only be possessed by the Government or sovereign, is a remark frequently heard. People do not see that the power of simply issuing a bill of credit is inherent in anyone who can write one, that is if anyone will take it. Government does not in any true sense grant the power, it simply controls it in a negative manner.

There is no danger to the public in an individual demand note, because it will not circulate as money. Banks are institutions that, rightfully or wrongfully, have so far secured the confidence of the public that, if they issue demand notes, the public with a blind trust in the word "bank" will take them as money. The Government therefore steps in and says, no man or set of men shall conjure with the word "bank" to deceive anybody, and therefore that anything calling itself a bank must not issue demand notes unless it conforms to certain laws insuring safety to the public. The bank issuing demand notes must satisfy the Government that they will be paid in actual money when money is demanded.

But this idea and the other ideas which show that bank paper money is in the long run the best and most profitable to the public can only take possession of the public mind through a process of education.

Just as the public mind is to-day virtually convinced

that banks are good for the people when they receive deposits and make loans, so the public mind must be disabused of its prejudices and political traditions against bank notes, and be convinced that the issue of these notes is as necessary an adjunct of business and prosperity as the taking of deposits and making loans.

The work of education has already proceeded far. The Monetary Conference and its Commission have made a deep impression on the public mind. The falsification of all the prophecies of the silver shouters made during the campaign of 1896, by the growing prosperity of the two years which have elapsed since that time, is an object lesson which will continue to gain force. The excitement of the war has drawn the minds of politicians to issues more full of interest than the financial question. With a period before the meeting of the next Congress for reflection, it is not beyond hope that when the banking bill comes before Congress it will go through without being made a political issue as readily as any other bill of acknowledged economic merit.

THE WORLD'S BIRTHS AND DEATHS.

The Massachusetts' State Board of Health has just issued a pamphlet, consisting mainly of a compilation from the *Bulletin de l'Institut International de Statistique*, together with omissions supplied by the State Board. It gives the birth-rates of the various states and countries as well as the death rates. The largest birth-rate is in European Russia, and is 479 per annum to 10,000 of the population. Next to Russia is another Slav country, Servia, with 421. Next in the list stand Saxony with 397; Uruguay with 381, Roumania with 380; Prussia with 370; Austria with 369; Bulgaria with 367; Italy with 363, and Bavaria with the same; the German Empire with 361. Most of the states and countries are in the neighbourhood of 300 to 10,000. Examples of a very low birth rate show France with 226; Ireland with 228; Connecticut with 223, and in a suitable interval, Rhode Island with 262.

In the matter of mortality, Russia also enjoys an unenviable distinction. Her death rate is 355 out of every 10,000, and has shown no improvement in the last twenty years. A criticism upon the Russian Government more scathing than this cannot be put into words. Chili follows at a considerable interval with 305. There are some surprises in this list; for instance, Bavaria shows the heaviest death rate from consumption, namely, 2,894 per million inhabitants; Prussia, 2,389, and the German Empire, 2,363. Wurtemberg follows with 2,008, and Ireland with 2,002. Then comes Switzerland with 2,000, a most remarkable showing, taking into account the mountainous character of the country which is thought to be so great a protection against this disease. Massachusetts does not show up well in this comparison, the mortality being 2,230, and that of Rhode Island is 2,885. The most salubrious of all countries in this respect appears to be Japan with a mortality of only 1,281, but even there it is increasing. Not long ago it was but 938. Of European countries Italy appears to be the best in this respect with a mortality of but 1,303, while, of the