

mands for higher wages emanating from their employees. It is doubtless the case that the railway companies, now that they may not look towards higher freight rates as a means of bettering their finances, can effect substantial economies in their purchasing departments and in their pay lists or wage sheets. So it happens that many good judges of market conditions do not regard the action of the Interstate Commerce Commission as in any sense destructive of value as regards railway stocks. It is not likely that the other decisions which are awaited by Wall Street will prove destructive no matter what is decreed by the courts. And in the meantime, basic conditions are improving steadily through the working of the lower prices for commodities.

Interest rates in Canada remain practically unchanged. Call loans are quoted at $5\frac{1}{2}$ to 6 p.c., and the financial community is gradually making up its mind that any marked easing in rates is not to be expected. The Canadian banks are too closely loaned up and the general business situation is too promising to permit of the coming of monetary ease. Everybody looks for a good forward movement by the Dominion during the spring of 1911. The winter now drawing to a close has been of the old fashioned variety. In the West and in the East the snow lies deep upon the ground, and conditions have been such as to favor agricultural operations in the coming summer. If suitable weather is forthcoming during the seeding season it is certain that Canada will have an area in wheat and other important cereals greater than ever before. The fall in grain prices that has taken place is by no means discouraging. Prices could recede still further and the farmers would be left with a good margin of profit upon their products.

CHARACTER AND BANKING.

Were it possible to draw a distinction in such a matter, it might be said with some truth that in banking, character is of greater importance than in any other department of commerce and finance. The banker, if he is to carry on his business successfully, must enjoy the confidence of those who do business with him or are likely to become his customers. Readers of "Lombard Street" will remember the description Walter Bagehot gives of the establishment of private banking in England:

A man of known wealth, known integrity and known ability is largely entrusted with the money of his neighbours. The confidence is strictly personal. His neighbours know him and trust him because they know him. They see daily his manner of life and judge from it that their confidence is deserved. In rural districts, and in former times, it was difficult for a man to ruin himself except at the place in which he lived; for the most part he spent his money there and speculated there, if he speculated at all. Those who lived there also would soon see if he was acting in a manner to shake their

confidence. Even in large cities, as cities then were, it was possible for most persons to ascertain with fair certainty the real position of conspicuous persons, and to learn all that was material in fixing their credit.

The development of the complexities of joint-stock banking has materially altered the conditions of which Bagehot wrote, but under the vastly changed circumstances of banking in Canada and elsewhere at the present day, the fact remains that it is character which tells. That elusive banking attribute of "standing" is really nothing more than an acknowledgment of "known wealth, known integrity and known ability" centred in a bank of the present day. And under current circumstances of communication it is hardly more difficult for most persons to ascertain the "standing" of a joint-stock institution carrying on business at a number of centres and managed, perhaps, from a point a great distance away, than it was in the old days to discover the character of the banker in his own country town.

It is important that this predominant part which character plays in banking should be borne in mind at the present time, when there is a tendency on the part of democracies to regard legislation as the panacea for every evil. In Canada, as in the United States and in Europe, should there be a commercial or financial accident, due, say, to a man's dishonesty, at once there is a cry for legislation to prevent such an accident again occurring. And where there are governments weak enough to listen to these popular outcries, the result is, not infrequently, legislation, ill-considered and poorly drafted, harassing to legitimate business and incapable of fulfilling the purpose for which it was designed. In these matters, democracy appears to entertain the belief, implied, if not expressed, that it is possible to make a man honest by Act of Parliament. It is a curious dogma, possibly requiring a prolonged period of disappointing legislation to eradicate belief in it.

"No amount of legislation," said Sir Edward Clouston at the last Bank of Montreal meeting, "will guard against the fallibility of the personal factor and keep men from being knaves or fools." Common sense, and every teaching system suggest that it is by other means than acts of Parliament that the virtues of honesty and wisdom are inculcated. Leading bankers in Canada, as elsewhere, have long kept their "standing" high, but it is not widely recognised that it is an easy matter for the general public also to play its part in keeping character in banking at a high level. It would be a simple matter for practically everyone, who is approached by a glib-tongued salesman of bank stock—though this line of business is hardly likely to be extensively followed in Canada in the near future—to make enquiries which would