

tion must be had, and this association can, in my opinion, deal with no more important question. The policy of paying interest, especially the large percentages, and to the great extent which prevails in some places, works a disadvantage both to the banks and their customers. It decreases the legitimate earning power of a bank, interferes materially with conservative management, and places an institution generally upon a more or less precarious basis.

To the borrower it increases rates upon loans, and it makes it necessary for a bank to resort, at least, to all legitimate means to increase its income through dealings with its customers. I think I am acquainted with and appreciate the difficulties in the way, and yet I believe that, with united effort, the payment of interest to individual depositors by banks of discount can be reduced to a reasonable basis, if not entirely abolished, without material loss in deposits, and certainly with the result of increasing the net earning power of the bank, and at the same time lessen rates to legitimate borrowers. Perhaps the question may be more difficult of solution in places where trust companies or savings banks are located, but even here united and determined action will accomplish much. I cannot too strongly advise this association earnestly to consider this matter and attempt its satisfactory solution.

**The Bank and the Borrower.** Equally good and sound are the views of Mr. Kilburn upon the attitude of bank and borrower. He refers to the impression that a man who borrows money from a bank is conferring a favour upon the bank, and that the question of security or the kind of paper which shall be given for the loan must be left to the discretion and judgment of the borrower. He then says:—

When a bank loans money there ought to be no question about the kind of security it shall receive, and the customer should be made to remember that he cannot borrow money from his bank unless he gives for it, paper or collateral, which, at the time at least, is considered by the bank absolutely safe. The evil to which I refer exists more largely in country towns than in the large centres. The system adopted in our large cities, and especially in New York, is perhaps as good as human ingenuity can make it. Collateral is scrutinized very closely. Paper is taken upon the basis that the bank has the money to loan, and that the paper offered is good beyond question. This is the general rule. There may be exceptions, of course, and conditions which will make it advisable for a bank to take into consideration other things than those which I have named.

Comparatively very little paper goes to protest in New York. The customers who borrow money there are made to comprehend that they are expected to pay when their paper is due. This is hardly the rule throughout the State, and, in the smaller places, and especially in farming communities. Borrowers in these places have an idea that it makes no difference whether their paper is paid upon the day it is due or not. They are used to methods more lax. The hard and fast rules which prevail and are absolutely necessary to the conduct of large institutions located in the larger cities of the State are not enforced, and perhaps they are not so necessary in the smaller lo-

calities; and yet you will find that the banks which are the most successful are those which scrutinize with the most care the paper they take, have the least amount of past due paper, and which are not afraid to have a goodly amount of their deposits on hand in their vaults rather than take such loans at high rates of interest.

**The Public Health.** For what has been done by the guardians of the public health in the way of preferring for a possible outbreak of contagious disease, every citizen will be grateful. For the sake of the commercial and maritime interests of the city, the most vigorous and uncompromising methods to stamp out disease are necessary. If at any time the lax administration of civic affairs makes it possible for careless and uncleanly people to neglect with impunity the ordinary precautions for the preservation of healthy conditions of living, the whole community suffers. We want accumulations of dirt when discovered in out of the way places, where disease germs might find congenial soil to propagate, removed, and all foul spots cleansed by gangs of scavengers. It is useless to plead the lack of funds where-with to keep the City of Montreal clean and wholesome. If requisite and necessary, recourse can be had to the reserve fund which is intended for use in case of need. The citizens of Montreal will not listen to any excuses from those entrusted with the care of the public health if any neglect of proper precaution should seriously affect us as a trading community. We must not be classed among the dirty peoples of the earth.

Since the recent outbreak of bubonic plague in Sydney, Australia, the people of that city have been looking for somebody to blame, and "The Review," a banking journal, in the course of an article upon what it calls "a much slandered city," admits that the difficulty of sheeting home responsibility for an epidemic is no light one, and adds: "For instance, if the plague was introduced by a vessel or vessels coming to the port, the health authorities cannot be held blameless. If the disease could not have spread without the help of congenial soil, represented by accumulations of disease-breeding dirt, the Municipal Council, equally with the dirty people in whose possession they were found, should be held responsible for allowing these accumulations. If the city aldermen neglected this part of their work because they were short of funds, the citizens themselves are indirectly to blame for not providing the necessary funds for the proper management of the city's affairs, seeing that they have known for many years that the city's finances were in a hopeless muddle." Much of which can be said of previous outbreaks of a filthy disease in the city of Montreal.