

known excuses—privileged fictions (so to speak) always at hand. It is not "convenient" to make the advance. But that is a fact, and no fiction : It can never jump with the convenience of a bank to make an advance, the repayment of which is more than problematical. Or, "You are a stranger to the directors, Mr. Smith, and they do not know enough of your circumstances to warrant them in making the advance." Another fact, and only an indirect way, perhaps, of intimating that they do know enough of Mr. Smith's circumstances to warrant them in *not* making it. Or again, "It is your rule to make no advances without security." The greatest fact of all, and I should apprehend in most cases conclusive.

This must suffice by way of introduction. In our next we shall proceed to business.*

* The old fashioned rule—and many of those old fashions are good to last—is, not to give a reason for refusing an advance. There is a reason for thus declining to give a reason. A manager may offend a customer by calling his standing in question, he may do an endorser harm by questioning his sufficiency, he may injure an acceptor by objecting to his name, and finally he may bring trouble on the bank itself, if he bases the refusal on inability. Discretion is required in this, as in every other banking matter, but it may safely be said, that nothing requires more judgment than stating a reason why a discount is refused. The only case where a banker can speak freely is that in which he knows his customer's business thoroughly, and is able to give him confidential advice. In such a case he may safely say "I am really doing you a service in declining the transaction. Your endorser, I know, is a man you had better keep clear of—or, the man you have