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# BANKER'S MAGAZINE

AND

## STATISTICAL REGISTER.

*"No expectation of forbearance or indulgence should be encouraged. Favor and benevolence are not the attributes of good banking. Strict justice and the rigid performance of contracts are its proper foundation."*

*"The revenue of the State is THE STATE; in effect, all depends upon it, whether for support or for reformation."*

*"Rightfully considered, no principle is more conservative than that which identifies the laborer with the capitalist."*

VOLUME FORTY-FIFTH

OR,

VOLUME TWENTY-FIFTH OF THE THIRD SERIES.

FROM JULY, 1890, TO JUNE, 1891, INCLUSIVE.

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# GENERAL INDEX

TO THE  
FORTY-FIFTH VOLUME  
OF THE  
**BANKER'S MAGAZINE AND STATISTICAL REGISTER,**  
FROM  
JULY, 1890, TO JUNE, 1891, BOTH INCLUSIVE.

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THE  
BANKER'S MAGAZINE  
AND  
*Statistical Register.*

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VOLUME XLV.

JULY, 1890.

No., I.

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IS THE COUNTRY PROSPEROUS?

The national census always furnishes a basis for comparing the advances in wealth, population and other matters. As the results from time to time are made known the comparison will be made, followed doubtless with the usual glorifications over the increase during the last decade.

An increase in wealth and population is generally thought to be a sure mark of prosperity; and therefore the States and cities that have gained most in these regards are regarded as the most prosperous. The accuracy of this conclusion may be challenged; and we propose to consider very briefly the reasons for questioning the accuracy of these tests of national prosperity.

Before admitting the accuracy of the wealth test three questions must be answered. First, How is the wealth acquired? second, How is it distributed? and third, How is it consumed? With respect to the first question, so far as the increase has come from the practice of dishonest methods, opinion would be quite unanimous in saying that the country would be in a happier condition without this portion of the increase. This gain has been acquired by a far greater moral loss. It may be, too, that the exercise of honest methods would have resulted eventually in a larger material gain. From any point of view, wealth dishonestly acquired is no mark or sign of national prosperity.

The amount of such wealth of course cannot be estimated, but we all know that it is very great. It is true that many of the great



fortunes of the present day have been honestly acquired. In this wonderful country of ours millions have been made almost by accident or chance—the discovery of valuable mines; the advance in the value of land in city and country; the advance in the value of corporate and other properties from an increase of business; or from other natural or legitimate causes. Yet, after deducting the wealth acquired in honest ways, there is a large residuum in the getting of which promises were broken, character was wrecked, and the well-being of persons was injured in a thousand ways.

Again, wealth acquired by ministering to the depraved habits of men is not a mark of prosperity. The most familiar example is the production of spirituous liquors. All unite in condemning the excessive use of them. Any use of food or drink that destroys health of course is harmful, and must be condemned.

The returns for the last fiscal year in Great Britain were unexpectedly large, but the increase was almost wholly from malt or spirituous liquors. An interesting discussion has followed concerning the desirability of such an increase. It is fully realized that it means a larger expenditure by the poorer classes especially, that no corresponding gain will follow, but only moral and physical deterioration. Thus, while some individuals have added largely to their wealth, others have lessened theirs, beside suffering morally and physically. Surely wealth thus acquired is not a mark of prosperity.

Let us pass to the second question. How is the increase distributed? Nothing is easier, having ascertained the increase in wealth and population, than to divide one product by the other and declare the average increase per capita. This is always done by those who are fond of making statistical averages. But what of it, what does such an average show? Anything? It is misleading in every respect. Yet we suppose that the newspapers for the next twelve-month will frequently contain these delusive deductions. The distribution of wealth among those who will use it most wisely is of the highest possible concern to all as individuals and to the nation, but such a calculation reveals nothing. Suppose a very wealthy man lives in a town having a hundred inhabitants. The per capita deduction may show that the average wealth is very large, and one might conclude that the town was highly prosperous, when, in truth, the one man might have nearly all and the rest be tramps and beggars. The fewer of these delusive averages the better. It is a very agreeable pastime to spin and weave them, but the fabric woven in most cases is worse than useless.

The third question is, How is wealth used? If it is used to render the acquisition of wealth more easy by those already having large amounts, by depressing and crushing those who also are honestly trying to get something, then the increase is no cause

for rejoicing. Unhappily, this is too often the tendency of wealth. Instead of reaching a period of contentment, of becoming willing that others also should enter the arena and try their fortunes, the greed for wealth increases with the quantity acquired, and thus wealth becomes a potent instrument for harm. There are many evidences that wealth is working out this purpose. It is crushing out competition; it is preventing the more general accumulation of wealth and the healthful development of mental and physical energy. Many of the trusts have the double purpose of raising prices and preventing others from producing, by exercising the power possessed by large masses of capital. In the earlier days of protecting American industry one of the strongest arguments for creating the protective barrier was that if not created foreign capital would prevent competition here. It was well known that the foreign producer had an enormous advantage in this regard. Capital existed in large aggregates or could be easily had at low rates. The American people had a healthy fear of its power, and perhaps no argument in favor of protection was more popular. But most of its force is gone, for we now see on every side that wealth acquired here is not less greedy and quick to resort to soulless methods to gain more than foreign capital. Indeed, one of the heaviest clouds overhanging the future of our country is the power and greed of capital. It may become less greedy, perhaps some effective laws can be passed to check or repress its power, or to prevent it from destroying individual and national prosperity; but at present its lawless and soulless exercise of power is manifest in many ways. The objects and methods of the recent trust creations are the most familiar examples of this truth.

For these reasons the increase of wealth is by no means an unquestioned mark or test of national prosperity.

The other test of prosperity is population. There are many cities which are now rejoicing over the increase revealed by the census taker. We cannot share in this rejoicing in all cases. The quality, not the quantity of a people, makes a truly great country. There has been an unquestionable deterioration in quality for the last hundred years of the immigrants to this country. Thousands of the least desirable from all quarters of the world have been coming into the country at a fearful rate. If the intelligence and virtue of the people have been sufficient in the past to work a considerable improvement in many of those who have come from abroad, they are now coming too rapidly, and the deterioration in the general level is painfully manifest everywhere. Consider the voters who are bought at every election! The man who sells his vote regards it solely as a piece of merchandise. This is not his country and he does not care for it. He regards the ballot as

a means of extracting a few dollars from those who care for politics. He rejoices for the ballot simply as a means of making money. He has no patriotic regard for the country. This is only one illustration with which we are all familiar, of a quality possessed by many of the foreigners who have been coming into this country of late years. Of course, among them are many admirable citizens, lawyers, physicians and the like, who are a real glory. But this can be said of only a small number.

Consider the Italians. Those who are desirable have emigrated to the same lines of latitude, and have gone to the Argentine Republic. In that country they have displayed wonderful enterprise, and are pushing to the front with so much power that it is said the official language will soon be changed from Spanish to Italian. This indicates clearly the domination they have acquired over the Spaniards.

Others have come here, and while many are good workmen, many have but little regard for the laws and customs of our country. The records of the courts reveal numerous cases of Italian murders and other high crimes. Any one who thinks for a moment must admit that we have been importing foreigners from many quarters far too rapidly for the welfare of our country. We cannot, therefore, look with much pleasure on the sixty-six millions of people who are supposed to be in our midst. Our country would have been in a far more truly prosperous condition had the numbers been only half so great.

These are a few of the reflections that come to us in studying the work of the census-takers. This picture is not altogether pleasant, but it is well to look at it and thus free our minds from some of the illusions of the day. We are growing too rapidly in wealth and population to grow healthfully. The increase in both directions means decay in true national power and greatness. A long period elapsed in Roman living before the marks of decay were apparent to the unthinking, but the more thoughtful could clearly see them.

Is not this condition of things quite true of ourselves? Are we not so eager in money-making and in thinking of the outside, of our numbers, of our wealth and other exterior marks of greatness, that we do not stop to consider what all this means, and whether there is so much cause for our rejoicing? Let us stop a moment to ponder a little over these things; a little more thinking about them will surely lead us to correct our judgments; and we shall measure with greater accuracy the progress and prosperity of our country.

## A REVIEW OF FINANCE AND BUSINESS.

## GENERAL IMPROVEMENT IN LEGITIMATE TRADE, BUT A DECLINE IN SPECULATION.

The first month of summer has brought some improvement in the general business situation, though not radical, and not in the speculative branches. Indeed, these have suffered a further reaction, as a rule, and as indicated in our last, for the reason that speculators had, during the previous month, discounted the passage of a Free Coinage Silver Bill, and were waiting for its passage to realize the profits that stood to their credit on the silver boom. The past month has seen them tire of waiting for the summer fulfillment of their spring expectations, while others have discarded all belief in silver legislation as a stimulus to business, and have discounted a collapse in the prices of most commodities which had advanced on that belief. Hence speculative values have generally receded, and the volume of business fallen off, although legitimate trade has been slowly and almost imperceptibly improving in face of this liquidation in the speculative markets. Hence, also, the virtual death of the Free Coinage Silver Bill at the end of the month was not much of a surprise in financial centers, and it did not have the effect it would have had a month ago, for the above reason. For that same reason, too, silver legislation is not expected to have much further influence in the month to come upon either business or values. In other words, the silver episode seems to have nearly passed, and left things speculative about where it found them.

## PRESENT PROSPECTS OF SILVER LEGISLATION AND ITS EFFECTS.

At best, 4,000,000 ounces of silver per month seems the maximum of coinage that can be obtained in any bill that may pass the House with the legal-tender and non-bullion redemption feature, while that appears to be the minimum that will be accepted by the silver party. If they and the West and the East can agree on this (which is by no means certain) it is believed the President will not veto the bill. As this would give about all the real benefit to legitimate business that would be likely to follow increased coinage of this metal, without giving the unlimited inflation for which speculation was waiting to stimulate the old gambling spirit on the part of the public, which, happily, is about dead, there can be little further fear, on the part either of the silver or gold parties, as to the ill effects that may follow any silver legislation that is possible at this session of Congress. On the other hand, such an increase in the amount of silver to

be coined monthly would, no doubt, be sufficient to hold a good part of the advance in silver itself, both here and in London, to enable this country to keep the advantage it has recovered in its export trade for those articles in which we compete in the markets of Europe, with all the silver exchange countries of Asia, Africa and South America. This is one of the advantages, if not the greatest, that can be expected from any silver legislation; for, by so much as we enhance the price of silver, of which we are the chief producer of the world, we correspondingly increase its purchasing power in international markets, and in the same proportion decrease the purchasing power of those export staples in such countries as make their exchanges with Western Europe in silver. This advantage is two-fold, as it secures the direct enhancement in the price of silver exported from the United States, and the indirect increase in the purchasing power of our export staples in the markets of Europe, with which our exchanges are made in gold; while all our great export competitors make their exchanges in silver. This would furnish a much-needed stimulus to our agricultural interests, which cannot be found too soon, and which was never so urgently demanded by any great industry. Cotton alone of all our great export staples is upon a paying basis to the producer, and it alone is able to compete in the world's markets successfully, because America can produce a better article than its competitors; yet our cotton would gain the same advantages as our breadstuffs over those of other export countries by the maintenance of a higher price for silver. While speculation has declined on the failing prospects of a great silver inflation of our currency, legitimate business has been gradually improving, in spite of this uncertainty regarding our circulating medium. But why—no one seems to have sought an answer. That any change in the currency would be in the direction of an increase, and therefore toward an easier money market, and more confidence in the future of values, has no doubt tended to remove restrictions upon industry in general, and has lead to a better demand for all kinds of manufactured products. This of itself has caused both increased production and consumption of goods. But the declining

PROSPECTS OF THE TARIFF BILL AND ITS EFFECT ON BUSINESS have also, without doubt been beneficial, inasmuch as the uncertainty of its passage in any form has encouraged those industries likely to be most affected thereby, to extend, rather than contract their operations, as they have done for the past six months in anticipation of some change. It is almost a proverb in business that any certainty, however unfavorable, is preferable to an uncertainty, because the worst is always discounted by men's fears in the

former case, yet they cannot adapt themselves to the change until it occurs. So they do as little as possible, and wait. Nothing could so paralyze business, therefore, as a delayed uncertainty. But the belief has been growing in business circles that no Tariff bill at all will be passed by this Congress, and this, we believe, is an important reason for the improvement noted the past month in the volume of business done, though not in the prices obtained. This belief may be wrong, and do the politicians at Washington an injustice by supposing that they have framed a Tariff bill for political effect. Yet business men of both parties are found who think this, and it would be strange if men do not act upon their belief in this as in all other business matters. At all events, there is no doubt that if Congress would adjourn and go home, for the balance of the year, business of all kinds would still further improve, even if everything was left as it now stands. Business men could then make their calculations for six months ahead, at least, without fear of change in the basis of values either of their raw material used, or of their manufactured goods, which would leave them free to contract ahead for both, which they have not been able to do for the past six months or more, during which a hand-to-mouth policy has been pursued, that has caused the dullness complained of. There exists one strange and exceptional illustration of the effects of this tariff discussion on business, in the bonded warehouses of this city and Brooklyn, which are filled with raw sugar, owned by the Sugar Trust, which has accumulated raw material, on the one hand in anticipation of a higher duty on raw sugar, thus raised in accordance with the wishes of the Trust, while on the other, the Trust has produced as little as possible and has run the market up on refined sugar by keeping it bare of stocks. The effect in this case has been to check production as in other industries; but, being a Trust, that virtually monopolizes the market both for raw and refined sugar, it could dictate prices on both, and hence go into a big speculation on the prospects of the Tariff bill, without the risks that individual manufacturers would run, who could neither put down the price of raw material nor advance that of manufactured goods like this Trust, that exists only because the tariff permits it to control the market.

#### THE MONEY AND EXCHANGE MARKETS.

The leaders in the money market have been no less surprised than puzzled the past month by the unexpected exports of gold to the Continent, chiefly to Berlin and Paris when the sterling exchange market showed a loss on the operations. At first these were declared to be special orders until the frequency of the purchases excited unusual attention and it was found that the

Continent had been selling American securities through London, but why, nobody has seemed to know for twenty-four hours at a time. It is true the sterling exchange market has failed to show any large return of securities, as it has equally failed to show the decreased supply of commercial bills due to the decreased exports of June compared with May, which were unusually heavy owing to large shipments of all kinds of grain and flour. The most probable explanation of this abnormal condition of things is that the Rothschilds have made large loans to South American States and are buying the gold where they can get it the cheapest and pay for it the most easily. As silver is now being freely shipped by Europe to the United States it is quite possible that it is being exchanged for our gold, and hence the exchange market has not been influenced by either. Another most natural way in which to pay for our gold would be to sell our securities back to us, and this may account for the selling of them here by the Continent through London. As all these operations have been shrouded in unusual mystery it is perhaps more than plausible that they have all been conducted by this house through its many branches in Europe, the more effectually to conceal them and confuse the public as to their purpose. While this state of things may thus be in part explained, it is also probably true that Europe has been selling some of our railroad securities. The demand for our breadstuffs has fallen off in consequence of European crop prospects and the rise of prices in this country. There were people here who believed the reports of short crops which have been circulated during the month, and have bought wheat, corn and oats on that belief for much higher prices, while those who employed or bought up these Crop "Killers," have sold the crops against them and have turned about since and broken the whole list heavily. This, and the selling out of the silver boomers in the West, have caused the collapse in the produce markets, as well as in the stock market, until prices are getting back to an export basis again for most of our export staples, which will no doubt increase the supply of commercial bills soon, especially since ocean freights have gone back in cases to almost the nominal ballast basis of 1886-87. The fears of further exports of gold of importance are therefore apparently not well grounded, especially since our crop prospects are known to have materially improved the past month under the favorable influence of ample rains in the grain belts and of hot and forcing weather.

The supply of money has neither been abundant nor small, but rates have been pretty well sustained in face of an increase in the bank reserves by the return of funds from the interior, until the latter part of the month, when a loss of reserve again appeared, though not large. Yet the supply of and rate for money

has not been a disturbing factor in the markets, having been about equal to the demands at steady rates, as a rule, until near the close of the month, when the renewal of gold exports and the calling in of loans against the first of July dividends and interests caused a temporary stringency.

#### THE STOCK MARKET AND THE TRUST STOCKS.

The stock market has, with a few temporary rallies, been gradually settling to a lower level of values, without any sensational breaks in prices or developments in conditions, except in the Trust stocks, which have received another blow from the Court of Appeals in this State, in the case of the Sugar Trust, harder even, though not so unexpectedly, than that delivered by the Illinois courts against the Gas Trust of Chicago, a month ago. Both were in the same direction of the illegality of Trusts, and alike support the decision of Judge Barrett when the case was first tried, over a year ago. Seldom has there been such unanimity among the courts of different States, and the different courts of the same States, on such an important question that has hitherto no precedents in the jurisprudence of the country. Yet in the face of all the decisions of the past year against Trusts, the infatuation of Wall Street to still speculate in these stocks continues, as well as the craze of our industrial interests to form new Trusts. Even these decisions are looked upon as not final, and the infatuated buyers of these stocks hold on to them on the declaration of the Trust managers, that they will find some way to get around them and still retain control of their properties and their unlawful profits, in defiance of the laws of the State, whose protection they claim for their property, and for which, although outlawed, the law abiding citizens of the State are taxed. Hence, while the old adage, that the law provides a remedy for all wrongs, is proven by these decisions, their practical evasion equally proves that the law's delays are allowed to defeat justice. Unless, therefore, there is some more summary way of dealing with these corporate outlaws, the formation of Trusts will no doubt continue as active as before these decisions, and Wall Street will continue to furnish a market for their dishonestly watered and illegally issued stocks. If the exchanges on which they are sold have not sufficient regard for the laws of the State by which they are chartered, to wipe these illegal securities from their list, then the State should forfeit their charters also, for aiding and abetting these conspiracies against the people and the law.

Outside of these stocks there has been about as little general activity as there have been few wide fluctuations. The Atchison stocks were fairly active early in the month, but subsided with



the Villard stocks after the effects of their new consolidation schemes had been discounted. The sale of the Baltimore and Ohio stocks held by the corporate institutions and cities and State of Maryland to a syndicate supposed to be in the interest of the Richmond Terminal system, has been consummated during the month, but has had little effect on the New York market, where the stock is little dealt in. The significance of the deal even is still in doubt, as well as whether it has been in the interest of any corporation outside of the B. & O., and of the Garrett family, whose stock is pooled with the syndicate, and by which it will hold the control.

The Granger stocks have been weak on their perennial rate troubles and small net earnings compared with their large gross earnings, as shown by the last Rock Island statement. The Trunk lines have been having a little "family unpleasantness" over the vexed dressed beef rate question caused by the cutting of the Canadian lines. The small net, compared with the gross earnings of the Vanderbilt system, as shown by their semi-annual statement and dividends, especially of the Lake Shore, has caused a weaker feeling in Trunk line stocks. The Pacific roads have given nothing to the public in the way of statements that would induce any one to buy the stocks of any of these systems for their earning capacity. The southern roads as a rule are doing well, but have not held any prominent place in speculation as they are not so generally pooled as the rest, outside of Richmond Terminal.

#### THE PRODUCE MARKETS AND CROP PROSPECTS.

Crop prospects, almost without exception, have materially improved the past month, as shown above, and also by the fact that the short crop prophets have nearly all ceased to prophesy, after having literally flooded the country for two months with reports of the worst outlook for crops since 1881. Some of the organs of the Farmers' alliance, which has been accused of working the interior crop newspapers and State Agricultural Bureaus, this year, still keep up their croaking. But nobody takes much stock in them, since their late predictions have proven so wide of the mark. But crop papers of reputation for conservatism which got into the trap are now getting out, and raising their estimates of the crops to fair average figures or more. The effect has been seen, as also stated above, in the general and heavy decline in all these markets, which are not believed to have yet reached bottom, unless we should get unfavorable weather for any of them from now to harvest. The liquidation of the western country silver short crop Bulls, who originally went in to bull these markets at the bottom has scarcely yet begun, it is claimed, by the professional traders, who have already liquidated. If this

is correct the tendency can hardly be toward higher values, without new accident to the crops. These Bulls carried their wheat from the bottom to the top, and refused 10c. a bushel profit, until now they have less than half that, while those who came in late on the advance have seen their profits all disappear and they sold out. In this way each break in prices reaches new "stop orders" on "long" wheat, corn, oats, hog products and cotton, and the holdings come out to help the Bears, who are getting on top again, to break prices still further. Either this must go on till the liquidation is complete, or crop prospects must grow worse, or export markets must come in and take the surplus still left over from last crop more freely than for the past month, generally. This surplus in most cases is larger than last year; and, with present crop prospects fulfilled, this coming crop year's supplies are likely to be a good average, while Europe's present promise is for more than an average in both quantity and quality. Higher prices for farm products the coming year, therefore, seem to be more than doubtful on the present improved outlook. By so much, however, as crop prospects have gained the past month, have the prospects of the railroads for the next crop year improved, and the late decline in railroad stocks may prove to be sufficient to liquidate the silver speculation and place them on their legitimate earning basis again. It would not be strange, therefore, to see railroad securities do better after the first of July disbursements have been made unless the money market should work close and gold exports continue to weaken confidence in the future of values and check investment as well as speculation.



*The Italian Agricultural and Monetary Crisis.*—Italy is passing through a severe industrial and monetary crisis, which is popularly attributed to the triple alliance. Taxes have become so enormous that the poorer classes are forced to emigrate, thereby causing a loss of force to the nation, and those who remain see their lands and their little possessions distrained by the authorities for non-payment of Government dues. The result is that agriculture and industry are at a complete standstill. Factories and banks are closing every day, the oldest and most respected of the financial institutions of the country are crumbling. Credit is a thing of the past, and trade is at a standstill. For the coming year \$10,000,000 new taxes will be imposed.

## FINANCIAL FACTS AND OPINIONS.

*Some Causes Affecting the Price of Silver.*—One of the most important questions in the silver controversy is its future price, and what are the causes determining it. It is well understood that the decline in the price of silver for several years past has had a direct tendency to increase the use of it for other than monetary purposes, just as the decline in the price of almost any commodity has a similar tendency to increase the demand therefor. Silver has been put to new uses and has been used more freely in some of the old ways since its decline in value. If this is true, then one of the chief effects of increasing the price of silver by using more of it for money will be to curtail its use in the arts. Thus the quantity for monetary purposes will be increased. Furthermore, every holder of silver will naturally seek to unload at flood tide, and this is especially true of all the Governments that have silver to sell. If an attempt should be made to exclude silver by imposing a tariff of 25 or 30 cents an ounce, for example, and the price here should remain at \$1.29, or near that figure, the price of silver abroad would go still lower. Our Government, therefore, would pay much more for silver to be used for coining purposes than it would if permitted to get it from abroad. It is not believed that the people, however desirous they may be of aiding the silver producers, would be willing to tax themselves to any considerable extent by buying silver at an artificial and higher price, if it could be bought readily at lower figures abroad. Again, an increase in the price of silver will undoubtedly stimulate production. There are many mines to-day which hardly pay, or perhaps are not working, in consequence of the decline in the price of silver, but which would be immediately opened if the advance of a few cents an ounce should occur. All these facts must be considered in attempting to increase to any considerable extent the use of silver for monetary purposes. Furthermore, they point to the conclusion that our Government cannot successfully attempt to corner silver by its sole action, but must co-operate with the other nations of the world to effect this result. It may, indeed, use silver, as we have all along contended, at its bullion value, with perfect safety, but if it attempt to use it in any other manner, it cannot do so with safety, except by international action. Either course would be successful. Unite with several of the nations in Europe for continuing the coinage in silver at a fixed ratio, or use it at its market value. Either policy is intelligible and practicable. It is often said that the quantity of silver now in circulation has not wrought injurious results, and this we believe; but it is certainly a fair

question, whether or not the issue of the same quantity of paper notes by the Government would not have circulated equally well. In other words, the country's business has absorbed without difficulty the quantity of silver or representative thus far issued, and very likely can absorb a much larger amount; but it does not follow that the silver has circulated at its legal value solely because of the faith the people have in the intrinsic value of the metal. We believe, as above stated, that the same quantity of paper money issued by the Government would have circulated equally well at all times.

*The Berdell Forged Check Cases.*—It will be remembered that Berdell was the confidential clerk of a firm of lawyers of New York city, and was the manager of their real estate business. He obtained their signature to a large number of checks by representing that they were for customers of the firm, or for persons borrowing money from their customers on bond and mortgage. The payees of the checks in many cases were fictitious and imaginary. Berdell indorsed the names of the payees on the checks and deposited them in other banks which placed the amounts to his credit and collected them from the Bank of the State of New York, in which the firm kept their deposits. The pass-book of the firm was constantly written up and the checks were charged therein with others, but their fraudulent indorsement was not discovered until several years after. The firm then sued to have the amounts of the checks restored to their credit, and to hold the bank liable as if they had not been paid. The referee to whom the case was submitted has decided that the firm can recover the amount, which is nearly \$200,000. The bank interposed several defenses. The first was that after the balancing of the pass-book, and the return to the firm of the fraudulent checks, they should have discovered the fraud, and their omission to do so was negligence which released the bank from liability. Another defense was that Berdell was the confidential agent of the firm and was placed by them in a position which enabled him to get the money on the checks, and therefore the firm should bear the loss, and not the bank. It is probable that the bank will now call on the other banks from which it received the checks through the Clearing House, to make good the amount of them, and that the case sooner or later will reach the Court of Appeals for ultimate decision. It is one certainly of great importance to bankers. The law, it seems to us, is too severe in holding banks liable for checks after the pass-books of their depositors have been written up and a reasonable length of time has been given to them for examination. The referee, we think, has followed the law on the subject, but we repeat that this is too severe and unreasonable. Surely a depositor ought to have as adequate knowledge of his signature as the

bank with which he is doing business, and after his checks have been returned to him, and he has had a reasonable time to examine them, and he does not repudiate them, surely he ought not to be permitted months or years afterward to make a claim against the bank for errors arising from forgery or in other ways. We think there ought to be a point of time from which he is precluded from making a charge of that kind against his bank, and we think that if a reasonable period were fixed, after receiving his vouchers for examining them, that the rule would be far more reasonable and just than is the rule now prevailing.

*Coinage of Silver Dollars.*—The following table, prepared by the Director of the United States Mints, shows the number of standard silver dollars coined from 1792, when first authorized, to 1873, when the coinage was suspended :

	<i>Silver Dollars.</i>		<i>Silver Dollars.</i>
1793-1795.....	204,791	1850.....	47,500
1796.....	72,920	1851.....	1,300
1797.....	7,776	1852.....	1,100
1798.....	327,536	1853.....	46,110
1799.....	423,515	1854.....	38,140
1800.....	220,920	1855.....	26,000
1801.....	54,454	1856.....	63,500
1802.....	41,650	1857.....	94,000
1803.....	66,064	1859.....	288,500
1804.....	19,570	1860.....	600,530
1805.....	321	1861.....	559,900
1836.....	1,000	1862.....	1,750
1839.....	300	1863.....	31,400
1840.....	61,005	1864.....	23,170
1841.....	173,000	1865.....	32,900
1842.....	184,618	1866.....	58,550
1843.....	165,100	1867.....	57,000
1844.....	20,000	1868.....	54,800
1845.....	24,500	1869.....	231,350
1846.....	169,600	1870.....	588,308
1847.....	140,750	1871.....	657,929
1848.....	15,000	1872.....	1,112,961
1849.....	62,600	1873.....	977,150

This makes a total of a little more than \$8,000,000. From 1805 to 1836, an interval of upward of thirty years, not a dollar was coined. During all that long period the silver dollar was completely demonetized in act and fact. Then in 1836 there was a coinage of 1,000 dollars. Another hiatus of two years ensued, and in 1839 300 dollars more were coined. In 1858 not a dollar was issued from the Mint. During this entire period of upward of eighty years the coinage of silver in only one year exceeded a million dollars. In all that time there was actually and practically but one standard—that of gold. For most of this period—from the foundation of the Government till long after the civil war—the silver dollar was not to be seen; and when in circulation its quantity was so small as to have no influence upon the currency.

*Our Gold Supply.*—Mr. Leach, the Director of the Mint, in his annual report on the production of the precious metals, has given the results of a very valuable inquiry into the amount of gold held by the private banks. Circulars were sent to 7,472, including all the State banks, savings banks, trust, deposit and guarantee companies and private banks and bankers, and reports have been received from 6,693, of which number 1,013 have reported that no gold coin was held. The largest gold coin holdings are in California, which aggregate \$11,474,416.50. The amount of gold coin reported by the banks in the State of New York was \$1,936,822. The largest amount of gold coin held by one bank was \$1,180,386. The Director says that if the gold holdings of the banks which reported indicate proportionately the gold coin held by those which did not report, the amount in possession of all the banks in the United States, excluding the National banks, is \$34,000,000. The amount of gold in the Treasury and in the National banks, of course, is definitely known. Comparing these figures with the official estimates made in the manner which has heretofore prevailed, shows the following results:

METALLIC STOCK JAN. 1, 1890 (OFFICIAL TABLES).

United States gold coin .....	\$622,009,063
Gold bullion in mints and assay offices ....	67,265,944
Total estimated metallic stock.....	\$689,275,007

VISIBLE STOCK.

In United States Treasury and branches:

Gold coin.....	\$246,401,951
Gold bullion .....	67,265,944

Total in the Treasury .....	\$313,667,895
In National banks.....	71,910,467
In other banks .....	34,000,000

Total visible stock..... 419,578,362

Difference ..... \$269,696,645

There is an apparent deficit in the visible supply, therefore, of nearly \$270,000,000, and this has an important bearing on the estimates of the volume of currency in circulation. This must be reduced, unless other proof can be given of the existence of the missing gold. The foundation on which these estimates were built was the actual amount of gold in the Treasury and the National banks, June 30th, 1872, with an addition of \$20,000,000, as an estimate of the minimum amount of gold coin in circulation in the States on the Pacific slopes. By the official reports of the Treasurer of the United States and the Comptroller of the Currency, there were held by the Treasury and its branches and by the National banks, on June 30th, 1872, \$98,389,864 in gold coin and \$15,669,981 in gold bullion. No account was taken in the stock of 1873 of the amount of coin held by banks other than National.

The time selected for the commencement of these official tables was favorable, for the reason that the United States was then, and had been for over twelve years, on a paper basis, and the visible stock of coin, aside from the amount in circulation in the States and Territories of the Pacific slope, where paper money had not been accepted, was in the Treasury and in banks. Since that date the official tables presented from year to year have been compiled by adding to the actual stock June 30, 1872, the annual coinage of our mints less the amount of our own coins melted down for re-coinage, and the gain (or loss) by import and export of our gold coin, with an annual allowance of melting of United States coin for use in the arts and industries. The uncertain elements in the gold estimates are the amounts of coin used in the industrial arts and the amount carried out of the country by individuals without being recorded at the Custom House. Director Leech expresses the opinion that the estimate of \$3,500,000 made by the Bureau for consumption in the arts is substantially correct. The uncertainty is with the second item. It has been generally estimated that the amount of gold brought into the country by immigrants equaled the amount carried out by travelers, but there seems some reason to doubt this estimate. The export of gold, which resulted in a large loss even by the Treasury figures, was the subject of an interesting discussion by Director Leech in his last report. More complete figures than he then had show that the total number of passengers who departed for Europe during the fiscal year 1889 was 204,839, of whom 82,019 were cabin passengers and 122,820 were passengers of other grades. Mr. Leech estimated that \$92,000,000 was taken out of the country by these passengers, and he now says that this estimate fell short of the fact. Much of the money was taken in letters of credit, but it would seem that much must also have been taken in gold coin in this and preceding years to account for the scarcity of that metal in actual circulation. If all the gold which is unaccounted for in the table printed above were actually in the hands of the people, gold coin would be almost as common as silver certificates, which everybody knows is far from being the case.

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*Profits on Bank-note Circulation.*—The United States Government gains the profit on all lost bank-notes, and this is by no means an inconsiderable sum. The first National banks established in California had a gold note circulation, but after the premium on gold disappeared they reorganized, returned all their gold notes and received currency notes in exchange. The gold notes were issued at the rate of eighty per cent. on the amount of bonds deposited for that purpose, while the other banks received ninety per cent. Although no gold notes are to be found in

circulation, the Government is carrying an item of \$144,107 to cover the difference between the amount of such notes issued and the amount that has been returned. This represents the profit to the Government on these bank-note issues to the National banks in California in consequence of the loss in their circulation. From these figures one may form some idea of the profits that will accrue to the Government from the loss on National bank-note circulation. It must amount to several millions.

*European Opinion on the Silver Bill.*—A correspondent of the *Boston Commercial Bulletin*, in reviewing foreign opinion on the Senate Silver bill, says: "I have carefully read the articles of the London *Economist*, the *Economiste Francais*, *The Times*, the *Kölnische Zeitung*, the *Frankfurt Zeitung*, the *Vienna Presse* and the *Amsterdam Handelsblad*, but not one of these newspapers, which may be said to represent European financial and economical thought, speaks in favor of the bill as a measure in itself, although some of them hail it with satisfaction because it is likely to be of some advantage to the country for which the individual newspaper speaks. Then it has, of course, a great deal to do with it whether the respective papers have mono or bimetalistic ideas, and one believing in the necessity of the restoration of silver must, of course, be more moderate in its criticism than a newspaper which supports the single standard. I think it can be of no interest to your readers to learn the purely currency view of the question. But the importance of the bill in its bearings upon the European silver market may not be passed over. In this respect the bill is welcomed everywhere, because it affords an opportunity to our over-silvered countries to unload themselves at the expense of the wealthy United States citizens. The Bank of Germany keeps many millions of old silver coins, with the distinct intention of getting rid of them as soon as prices are high enough, and thereby defying the rules of capital idle, capital lost. In Austria-Hungary there is a marked tendency to export silver as soon as this becomes profitable, to establish a gold standard, and to regulate the currency as soon as the vexed silver question enters into a less unfavorable state. Little Belgium now has 500,000,000 francs in 5-franc pieces, circulating in the countries of the Latin Coin Union, and if France would not have prolonged the convention which expired this year, that small country would have lost some \$30,000,000 on the coins it brought into circulation when silver was not depreciated yet, and which it has to exchange at their face value for gold." A newspaper correspondent writing from Germany says: "Germans have long feared the repeal of the Bland bill and the embarrassment that it would cause to the German treasury, which is a large holder of silver. Now their hope is



that Germany may be able to use this chance to unload without too great a loss, so that, with her gold standard firmly established, she may be able to fish to advantage in the troubled waters of the silver countries. Now, less than ever, will Germany or England make any sacrifices for bimetalism. Why should they, when there is hope that another nation will broaden its back to bear all the common burden?"

*Reduction of State and Municipal Indebtedness.*—The National census office has made public the first results of the eleventh census in relation to State and local finance. It consists of a preliminary report by T. Campbell Copeland on the indebtedness of the 2,809 counties in the United States. The reports show that the principal of State debts at the present time is \$228,679,817. Of this amount, \$194,954,306 is bonded debt, and \$33,725,610 floating debt. This shows a net decrease in the total debt during the last ten years of \$54,459,484, the bonded debt having been decreased by \$64,083,249, and the floating debt increased by \$9,623,764. The changes in the same debt by geographical divisions have been as follows:

	<i>Total in 1890.</i>	<i>Decrease since 1880.</i>
Eastern States.....	\$39,974,066	\$11,206,117
Middle States.....	33,498,412	11,387,482
Southern States.....	107,616,077	28,022,964
Western States.....	47,591,261	3,752,920
Totals .....	\$228,679,817	\$54,459,484

The States have reduced their debts to this extent, says the report, mainly by applying to the redemption of their obligations the revenues not needed for current expenses. In a few cases, however, a reduction of the debt has been effected by the enforced redemption of obligations at a discount, but the amount of reduction through this process cannot be ascertained until the statements of outstanding debts in those States have been compared with the cash receipts and expenditures on account of the debt for the same period, and the differences noted. The total bonded debt of the United States is shown to have been \$1,709,993,100 in 1880, and \$719,178,570 in 1890. The bonded debt of the several States in 1880 was \$259,037,466, and \$194,954,206 at the present time, making a total decrease of \$1,054,897,780, State and National. As to the county indebtedness, the report shows the total bonded debt of the 2,809 counties in the United States and Territories to be \$130,734,959, as against \$104,493,752 in 1880. The floating debt of these counties in 1880 was \$16,745,331, while their present floating debt is \$14,958,881, a decrease of \$1,786,450. This shows an increase in the total debt of the counties of the United States during the last ten years of \$24,454,756.

*Gold Production of Russia.*—A comparison has been made between the latest report of the Russian Mining Commission, edited by

M. Koubeline, and that published in 1878 by M. Skalkovsky. The report does not give any figures later than the end of 1887, but the comparison supplies important data for measuring the progress of the Russian metal industry. So far as the precious metals are concerned, the product of gold has fallen during these ten years from 2,572 to 2,128 pouds, while that of silver has increased from 699 to 939 pouds, and that of platinum from 126 to 269 pouds. The figures are different for the precious metals chemically refined, namely, 1,898 pouds of gold and 1,043 pouds of silver in 1887. Those for platinum are unknown, the melting of that metal being mainly carried on abroad. Notwithstanding the affinity that exists between silver and lead, and the increase in the produce of silver, less lead was extracted in 1887 than was the case ten years before—60,428 pouds, instead of 85,281. The amount of gold extracted is less than it used to be. It appears that less and less auriferous soil is discovered in the region of Yakoutsk. On the other hand, the fact that more gold is found in the quartz mines than formerly (164 pouds, instead of 87) is of favorable augury for the future. It is not believed by Russian economists that there will be much progress in the gold industry until the great Siberian railway is finished, as this scheme takes away the laborers from all other work, and makes the price of machinery abnormally high. The only progress of the gold industry at the present moment is found in the province of the Amoor.

*Illegality of Options.*—The Supreme Court of Illinois has rendered an important decision on option dealing in grain. Charles James bought five thousand bushels of wheat from one William Sobey, of Jacksonville, a “bucket-shop” trader, and put up two cents a bushel margin. He closed the deal in a few days at an advance, and neither received nor delivered any grain. The court finds that he did not buy or sell grain for actual use, but simply for speculation, and says that the purchase of grain or other commodities for future delivery is a gambling contract, if the intention at the time of the purchase was to make a future settlement and not for actual delivery. The case was tried on appeal by William Sobey from the decision of a lower court, which had imposed a fine upon him for illegal trading, and the Supreme Court affirmed the penalty. The opinion and decision will meet with general approval, and none but the gamblers themselves would feel aggrieved if the authorities of our Produce Exchanges afforded facilities for similar treatment of the undisguised gambling on their floors, which has so dwarfed legitimate speculation and made the enactment of an Anti-Option bill a possibility.

*English Bank Shares.*—The London *Economist* in a recent issue gives some returns of English banking during the last year. From these

it appears that the number has been reduced by ten, in consequence of amalgamations that have taken place during that period. There has also been a small reduction in the amount of share capital. The following table contains in a brief form a statement of their condition :

<i>Joint-Stock Banks of United King- dom.</i>	<i>May, 1890.</i>		<i>October, 1889.</i>		<i>May, 1889.</i>	
	<i>Capital Paid up.</i>	<i>Market Value.</i>	<i>Capital Paid up.</i>	<i>Market Value.</i>	<i>Capital Paid up.</i>	<i>Market Value.</i>
	£	£	£	£	£	£
England & Wales.	53,750,000	165,157,000	53,878,000	163,064,000	53,866,000	157,694,200
Scotland.....	9,052,000	22,943,000	9,052,000	23,545,500	9,052,000	23,143,300
Ireland.....	6,959,000	17,698,000	6,948,000	17,385,700	6,948,000	16,841,600
Isle of Man.....	80,000	300,000	67,000	223,800	67,000	223,800
Total.....	69,841,000	206,098,000	69,945,000	204,219,000	69,933,000	197,902,900
<i>Avg. Market value of banking capi- tal in</i>	<i>Per Cent.</i>		<i>Per Cent.</i>		<i>Per Cent.</i>	
England.....	*213 premium.		*208 premium.		*198 premium.	
Scotland.....	153 "		160 "		156 "	
Ireland.....	154 "		150 "		142 "	
Total U. Kingdom	*199 "		*196 "		*187 "	

A year ago the shares of English banks commanded an average premium of 198 per cent., while at the present time it is 213 per cent. The Irish banks show a nearly similar increase; but the Scotch banks have lost slightly. In the present statement the total of deposits and current accounts of the English banks amount to £386,700,000.

*South American Banking.*—In a recent number of the MAGAZINE this subject was discussed. The remarks of an eminent South American merchant, Mr. Reinberg, whom a correspondent of the New York *Tribune* met at Guayaquil, are worth adding to what has been said. He declared that in order to have commercial intercourse with this country American banking facilities were imperatively needed. The establishment of a New York banking house with branches in every large South American port would greatly facilitate the extension of trade. It would furnish New York exchange as a substitute for London exchange, and that would be a great gain. It would also provide an effective method of extending longer credits to customers in South America, who

\* In calculating this premium, £1,000,000 has been deducted from the amount of the paid-up capital, that being the capital of Messrs. Glyn, Mills, Currie & Co., the market value of which we cannot estimate.

obtain nine months or a year from English or German traders, and cannot get more than ninety days from American exporters. This is the same point on which merchants have laid stress in their talks with me at Para, Rio, Montevideo, Buenos Ayres and Valparaiso. Now a tax ranging from  $\frac{1}{2}$  to 2 per cent. is paid to the London bankers on everything exported to or imported from the United States. A series of American banking houses in the important capitals and ports would take this profit and give back something in exchange for it. It would be ready to cash drafts against merchandise going in either direction, and would practically extend credit to nine or twelve months. This is one of the most important questions connected with the development of American trade with these countries. So long as English, French and German merchants offer longer credits and easier terms in the settlement of accounts than American manufacturers, native traders will prefer to deal with them. Longer credits for American goods can only be provided through the agency of American banking.

*Banking Profits.*—This is always an interesting subject with bankers. From time to time comparisons appear in our pages between the profits of banks in this country and the banks in other countries. In one of the May numbers of the London *Economist* some statements appeared of this kind which are worthy of notice. The returns of one hundred and ninety-seven banks are given. Of this number one hundred and eleven are English banks, ten Scotch and nine Irish. The remainder are Australasian, Canadian and other continental banks, as appears from the following table:

	<i>Paid-up Capital.</i>
	£
111 English, etc., banks.....	54,000,000
10 Scotch banks.....	9,000,000
9 Irish banks.....	7,000,000
—	—
130	70,000,000
30 Australasian banks.....	17,150,000
23 Canadian banks.....	11,500,000
2 South African banks.....	1,250,000
6 Indian and Eastern banks.....	4,300,000
6 South American banks.....	2,900,000
—	—
197	107,100,000

The average dividend of these banks is given in the following table:

	<i>Per Cent.</i>
111 English, etc., banks return an average dividend of.....	11.2
10 Scotch banks " " ".....	11.6
9 Irish banks " " ".....	10.2
Average for the United Kingdom.....	11.2
30 Australasian banks return an average dividend of.....	11.7
23 Canadian banks " " ".....	8.0
2 South African banks " " ".....	10.0
6 Indian and Eastern banks " " ".....	5.9
6 South American " " ".....	9.0

It appears from this table that the dividends in the Scotch banks are somewhat larger than in the English and Irish banks, and the explanation of this is the large amount of capital included under the head of the Bank of England. In the case of the Irish banks, the Bank of Ireland adds somewhat to the average returns. In the face of the competition which all the old banks admit as having reduced the profitableness of the turnover in their resources, the average return made to the Australasian bank shareholders is the largest on the list. The South American banks have had the benefit of the recent remarkable boom in the River Platte country, a reaction in which, however, has been experienced. The Indian banks have the lowest average, and the fact that their Eastern transactions are carried on in a depreciated currency is doubtless the chief reason for the smallness of their profits. Formerly the Indian banks were far much more profitable than they are now. The returns of Canadian banks are midway between the English and the Indian banks. Of late years they have met with quite heavy losses. On the whole, however, this is a remarkable showing for so many banks to make.

*A Pan-American Silver Coin.*—The Pan-American Conference discussed the desirability of establishing a silver coin which should have the sanction of the United States and various South American Governments; as the business in many of the South American countries is conducted on a silver basis, an international coin must be of this metal rather than of gold. The Chilian peso and the Peruvian sol are equal in intrinsic value, and no distinction is made between them anywhere from Valparaiso to Panama. In Ecuador both coins pass freely in circulation, since that country, while having a different monetary unit, is on the silver basis, its paper money being redeemable in silver. Bolivia and Colombia also have silver coins, though they are debased in value in comparison with the Peruvian and Chilian soles. But some countries have only an inconvertible paper currency. In Brazil there is nominally a gold standard, but neither gold nor silver is ever seen, and the paper money, though redeemable, is protected against depreciation by the favorable condition of the foreign exchange. In the Argentine Confederation, however, the currency is so inflated that the value of the paper dollar is reduced to 46 cents. Hard money is never used in commercial transactions there, although the double standard is technically in force, and both silver and gold are coined at the mints. It is not practicable, therefore, to introduce a common legal-tender silver coin of standard weight in Brazil, Argentina and Chili so long as irredeemable issues of paper money are in circulation. Small coin can only be brought into use in Bolivia,

Peru, Ecuador, Colombia, Venezuela, Central America and Mexico; and even in those countries the monetary units and systems will have to be readjusted before a coin of uniform value can be brought into general circulation by international agreement.

*The Pan-American Bank.*—It is likely that the charter for an institution of this kind will soon be granted by Congress. Mr. Charles R. Flint, of New York, and Mr. T. Jefferson Coolidge, of Boston, are the most prominent in the movement. The capital stock is fixed at ten millions, which may be increased by the vote of the shareholders fifteen millions more, and the par value of the shares is fixed at one hundred dollars. Each director must own 250 shares, and at least fifteen of the twenty-five directors must be citizens of the United States. The principal office of the bank is to be in Washington or New York, and the directors have power "to open such additional branches as may be necessary to carry on its business at such points within the United States, Mexico, South and Central America, and elsewhere, as they shall determine." Reports are required to be made semi-annually to the Secretary of the Treasury of the United States, and if the capital stock is impaired more than twenty per cent., the Secretary may notify the directors, if they do not make the loss good, that no further business can be done. The broadest provisions are the fifth and sixth, which are as follows:

"Fifth. To carry on the business of banking in all its branches by discounting and negotiating promissory notes, bills of exchange, drafts, and other evidence of debt; by borrowing money and giving security for the same; by receiving deposits; by buying and selling exchange, coin and bullion; by issuing letters of credit, and by loaning money and taking security for the same. But the said corporation shall not issue notes to circulate as money.

"Sixth. To act as financial agent of any nation, government, State, municipality, corporation, or person, and to perform any and all acts and duties that it may undertake and assume as such financial agent; to deal in all kinds of securities; to enter into contracts of guaranty and suretyship; to act as trustee in all lawful trusts, and as receiver and administrator, and also as bailee for the safe keeping of property and securities, and otherwise."

*Profits of the Suez Canal.*—M. de Lesseps presided at the Suez Canal meeting at Paris on the 4th of June. The annual report announced that the profits for 1889 amounted to 37,212,925 francs. The net dividend was 85 francs per share. The receipts from the night traffic amounted to 71 per cent. of the total, against 46 per cent. in 1888. The average duration of transit has been diminished by four hours. The report asked a vote of confidence in the Council on the tariff question. Charles de Lesseps announced that the dividend for 1890 would be 91 francs, without rebate. The report was adopted by a vote of 1,244 to 200.

*Refunding.*—The actual cost of Mr. Goschen's refunding operation with the English debt was only \$232,845 for commissions. The debt was £558,000,000, and there were 169,235 inscribed debt-holders, the largest holding £5,760,000 and the smallest 1 penny. When the operations were concluded there remained £8,246,141 in the Bank of England for which no claimants could be found, and may never be.

*British Corporate Enterprises.*—During the current year there has been a large contraction in the creation of new corporate enterprises in England. Up to date, the subscriptions to new companies and new loans amount to £59,045,000; for the same period of 1889 the issues were £86,402,000, and in 1888, £77,993,000. It will thus be seen that the speculative furore at London has passed its culmination, and thus far without any violent reaction.

*The Financial Crisis in the Argentine Republic* continues. The English have a large interest in that country, for British capital has gone into every enterprise on which interest has been guaranteed by the State. A large portion of this is for railways which have been built by English engineers. Many of the speculative measures also have been aided by financial support from Great Britain. The creditors of the nation, therefore, are mainly English investors. From an account by a correspondent of the *London Times*, it appears that a political revolution was narrowly averted early in the spring. When gold rose to 315 a most serious agitation laid hold of the entire population of the capital. The laboring and mercantile classes, whose savings were deposited in the banks, suddenly appreciated the fact that their fortunes were reduced two-thirds by currency inflation. A mass meeting was attended by 15,000 people, and a revolution was imminent when the Ministry resigned. President Celman acted with great sagacity and self-possession. He formed a new Ministry without delay, and placed in the Finance Department a statesman who commanded public confidence. This was Senor Uriburn, whose acceptance of office was quickly followed by a fall of 75 points in the rates of gold. The Finance Minister immediately declared that the Treasury would certainly meet its obligations, and as he had succeeded on a former occasion in averting the bankruptcy of the country, public confidence was restored. The immediate problem for the Finance Minister is to fulfill national engagements amounting to \$23,000,000 in depreciated currency during the present year. If gold rises, as it will if the speculators bring on another panic, this amount will be largely increased; but at the present rates of premium that is the aggregate of this year's financial engagements with the European creditors. As the market is overstocked with importations for at least eight or twelve months ahead, there is no

reasonable hope of accumulating this sum from the customs revenues. The Finance Minister will undoubtedly be compelled to appeal to the great London houses holding Argentine securities, to grant him temporary assistance in tiding over the crisis. As he enjoys the confidence of those houses, he will probably succeed in borrowing the money required in order to avert the repudiation of interest payments this year.

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## THE CLEARING HOUSE SYSTEM.

[CONTINUED.]

### PARIS CLEARING HOUSE.

The Clearing House at Paris, the only one in France, dates from March 7, 1872, and during the first year only seventeen houses took part in its operations. During its second year three of these houses withdrew, but the Bank of France joined it May 19, 1873. Its method of doing the business is defined in the following rules of the Clearing House:

Art. 1. The settlement of the operations of each day is made at a single session, which begins at half-past nine in the morning and must close at half-past two on ordinary days, and at half-past three on settling days, the fifteenth and last days of the month.

Art. 2. The new paper of every kind can be presented up to half-past one on ordinary days, and to half-past two on the days of grand settlement.

The returned paper may be presented at any time during the session; it alone is received from half-past one to half-past two on ordinary days, and from half-past two to half-past three on the days of grand settlement.

At half-past two and at half-past three, according to the days, the doors will be closed, and no messenger can be admitted without an especial permit from the inspector.

Art. 3. All the messengers who are found present in the chamber at the moment when the clock strikes—on ordinary days at half-past one for the new bills or half-past two for the returned bills; on the days of grand settlement at half-past two for the new bills, or half-past three for the returned bills—have the right to distribute the checks and bills of which they are the bearers, even when they had not yet begun this distribution at the moment when the clock struck.

Art. 4. All the checks and bills, new as well as returned, must be placed on the credit sheets before the close of the session.

Art. 5. The messengers, on their arrival at the chamber at the end of each session, must carry the debit sheets filled out to the banks.



Art. 6. It is forbidden to the employes of the different banks to make any new entry on their debit bills within the precincts of the chamber.

Art. 7. When, in consequence of errors or omissions, any check or bill has been distributed without being invested with the stamp of the bank which sends it, or without being discharged, and when, in consequence, it has been impossible to place it to the credit of the one to whom it belongs, the clerk who is the bearer of it must make known in a loud voice, in the chamber, the details of this check or bill.

In the case where this announcement is not sufficient to find the owner of the check or bill, the bearer employed must send it back to the inspector, who makes the necessary researches to discover the owner. But in any case this check or bill cannot be passed to the debit of the chamber until its owner has been found.

Art. 8. The manner of taking part in the workings of the chamber by the branch offices of the financial societies shall be regulated, provisionally, by a decision of the committee.

Art. 9. All the checks and bills, the payment of which is refused by the banks upon which they are issued, must be returned to the chamber and delivered the same day.

Art. 10. All the checks and bills returned must be accompanied by a slip showing the reasons for rejection.

Art. 11. The amount of all the returned bills and checks is marked with a sign agreed upon in the margin upon the debit and credit sheets.

Art. 12. The inspector of the Clearing House has the care of maintaining good order and silence in the chamber. It is enjoined upon him to notify the president of the committee of the names of the clerks who would continually destroy good order, and whose conduct would be of a nature to merit, on the part of the committee, either a reprimand or even expulsion.

Art. 13. At half-past two on ordinary days, and at half-past three on the days of grand settlement, or when the work of the clerks of the various banks is finished, the inspector receives from them the partial balance sheet. The inspector then makes out the general balance sheet, the two sides of which, debit and credit, must balance exactly. In case of error, and consequently of disagreement between the debit and credit, the inspector immediately looks for the cause of it with the assistance of the clerks. Yet the inspector is authorized to defer the search for any disagreement, the importance of which is not more than forty-five thousand (45,000) francs.

The general balance sheet being finished, the inspector signs this sheet as well as the clearing charges upon the Bank of France,

destined to go to the credit of the accounts of those members of the chamber who find themselves creditors at the end of the day.

He assures himself that the amount of the clearing charges issued by the debtors to settle their accounts agrees with the condition of each, and with the total amount of the charges to remit to the creditors.

The inspector closes the session when all the operations are finished, and no clerk can leave the chamber before the inspector has given permission.

At the close of each day the inspector sends to the Bank of France a copy of the general balance sheet certified by his signature.

It there joins the clearing charges issued upon the Bank of France by those members of the chamber who find themselves debtors at the close of the day.

Art. 14. The errors for which the search has been discontinued must be found the same evening, or at the latest before the opening of the session the next day, through the care of the inspector, who can for this purpose require the attendance of the clerks of the different banks.

Art. 15. The inspector must oversee what the messengers of the different banks distribute for their respective establishments immediately after having received the checks and bills which they have brought there.

Art. 16. The printed forms which are used in the operations of the Clearing House are the following :

1. Debit sheets upon which the checks and bills are recorded in the office of each bank to the debit of each of the other banks forming the chamber. The inspector himself makes out a debit sheet upon which he records the amount on all the slips presented by the Bank of France to the debit of each of the houses which make up the chamber.

2. Credit sheets upon which the checks and bills are recorded at the chamber by the representative of each bank to the credit of each of the other banks forming the chamber.

3. Partial balance sheets, upon which the representative of each bank makes out at the end of the day the condition of each establishment in connection with the other banks forming part of the chamber.

4. General balance sheets upon which the inspector of the chamber at the close of the day records the condition of each establishment in connection with the account of the Clearing House.

5. Clearing charges of the individual accounts of the members of the chamber, at the Bank of France, to the credit of the Clearing House.

These charges are signed by the chiefs of the societies and houses who find themselves debtors at the close of the day.

6. Clearing charges of the account of the Clearing House at the Bank of France to the credit of the individual accounts of the members of the chamber.

These charges are signed by the inspector of the chamber.

The following table gives, by calendar years, the exchanges at the Paris Bankers' Clearing House, also the clearings at the central office of the Bank of France:

	<i>Clearing House.</i>		<i>Bank of France.</i>
1872. (10 months)	1,385,000,000 fr.	\$267,300,000	.....
1873.....	1,982,000,000	382,500,000	.....
1874.....	2,026,000,000	391,000,000	\$4,402,000,000
1875.....	2,200,000,000	424,600,000	5,621,000,000
1876.....	2,580,000,000	497,900,000	4,878,000,000
1877.....	2,203,000,000	425,200,000	4,187,000,000
1878.....	2,368,000,000	457,000,000	4,751,000,000
1879.....	2,928,748,615	565,100,000	5,548,000,000
1880.....	3,835,218,962	740,200,000	6,055,000,000
1881.....	4,707,668,177	908,600,000	8,772,000,000
1882.....	4,080,803,993	787,600,000	7,115,604,200
1883.....	4,213,671,449	813,238,000	6,008,243,900
1884.....	4,264,712,991	823,089,000	5,804,355,100
1885.....	3,983,149,285	768,747,900	5,608,393,600
1886.....	4,231,976,155	816,771,400	6,606,633,700
1887.....	4,560,138,666	880,106,700	6,160,125,700
1888.....	5,216,302,792	1,006,746,400	6,959,623,100
Total.....	56,766,391,085 fr.	\$10,955,699,400	\$88,566,979,300
Year ending			
Mar 31, 1890...	5,200,859,965	1,003,765,900	

#### GERMAN CLEARING HOUSES.

The establishment of Clearing Houses in Germany is of comparatively recent date. They have been established through the agency of the Imperial Bank at Berlin, Frankfort, Cologne, Stuttgart, Leipsic, Dresden and some other cities. The earliest in point of date was that of Berlin, opened April 2, 1883. That of Frankfort was opened April 23, and the others of those mentioned above during the summer of the same year. The Berlin, Frankfort and Hamburg Clearing Houses are the most important.

The articles of association of the Berlin Clearing House bear date of Feb. 14, 1883, and are as follows:

1. The Clearing House shall be located in the Imperial Bank Building, and shall be managed and superintended by the board of directors of the Imperial Bank, assisted by the interested banking houses.

2. The clearance shall be limited to checks, drafts, and such notes (acceptances and domiciles) which the parties to this agreement desire to clear.

3. The parties shall settle between themselves, and the final clearance shall be done by crediting and debiting on their respective giro-accounts with the Imperial Bank.

4. The delivery of a paper (No. 2) at the Clearing House is a presentation for payment, and the clearance is a payment according to law.

5. The members may be represented at the daily settlements by an officer designated for that purpose, or by another member, and respectively by his officer.

6. The course of proceeding at the settlements shall be regulated by the regulations which are annexed to this record, and signed by all the members. The board (see Litt. C. No. 3) is authorized to prescribe, for the next nine months, different rules, especially rules relating to the hours, when the deliveries, the returns, and final clearance shall be made. All the members shall at once be notified of each new rule. Before the expiration of the nine months, the regulations and the changes therein which might have been made, shall be submitted to the general meeting for revision and final adoption (C. 1).

7. The expenses for furnishing the Clearing House, and for its administration, shall be borne in equal shares by the members, with the exception of rent of the Clearing House, which the Imperial Bank has offered free. The charges shall be determined by the board of directors of the Imperial Bank, and collected semi-annually.

8. The board of directors of the Imperial Bank shall, after making all the necessary arrangements, fix a day for the opening of the Clearing House, after giving eight days notice of it to the members.

*B.*—In relation to the use of checks the following was agreed :

1. The members shall use on their checks only the following words :

The ..... or Mr. .... (full name of the paying banking house) in Berlin will please pay ..... or bearer M ..... upon this check, and charge the same to <sup>my</sup><sub>our</sub> account.

..... 189 .

On the left upper corner of each check shall be its running number, and on the right upper corner the amount in figures.

2. Checks, on which the addition "or bearer" is crossed out, cannot be paid.

3. It is permitted by the addition "only for account," written or printed across the check, to direct that the check should not be paid in cash, but be used only for account with the drawee, or with another member of the Clearing House. The drawee must follow this direction, which cannot be revoked.

4. Checks must not be accepted.

5. Checks with a time for payment cannot be paid.

6. The members will see that their customers should draw checks

on them for such a credit only which can be disposed by check, and they give up their connection with customers who violate this rule.

7. The members promise to accept checks on the other members of the Clearing House, not only from their customers, but also from other banking houses of this city, for settlement by clearance without charging commission.

8. The members shall call the attention of their customers by circular and other proper means, to the benefit which they and the community will derive from the use of checks, and offer to furnish them free, blank checks and other printed matter (books of control, etc.).

9. The provisions contained in B. 2 and 4 shall be printed on the checks.

#### C.—General Provisions.

1. The union shall be represented—

- (a.) by the meeting of all the members (general meeting),
- (b.) by the board.

2. The Imperial Bank shall be represented by one of its directors, the other members by one of their board, and respectively by one of the proprietors. The director of the Imperial Bank shall preside at the meetings. The presence of at least one-half of the members is required for a quorum. The decisions shall be made by majority vote; if the votes are equally divided the vote of the presiding officer shall decide. To alter the regulations or this agreement, and to admit new members, a vote of three-quarters of those present shall be required. The chairman of the board of directors of the Imperial Bank shall call a general meeting as often as necessary, or when five members request it in writing. A general meeting must be held every year in February, to elect the four mercantile members of the board. (C. No. 3.) Each member shall be voted for separately by a folded ballot, or, by general consent, by acclamation. Until the new members are elected the old ones shall remain in office.

3. The board shall consist of five members, including the presiding director of the Imperial Bank. Whoever can represent one of the interested banking houses at the general meeting (C. No. 2) is eligible.

Of several members of a mercantile concern, or respectively directors, only one can be a member of the board. The board shall assist the board of directors of the Imperial Bank in superintending the observance of the regulations, decide differences arising between representatives of the members, or between them and the superintendent and the other officers of the Clearing House and shall prepare for the general meeting the decisions on any alteration of the regulations, or the admission of new members. The board

shall meet as often as necessary, or when two members request it. The chairman shall call the board together. The board shall decide by a majority vote. If the votes shall be equally divided the vote of the chairman shall decide. Three members shall constitute a quorum.

4. Each member shall have the right to withdraw from the union at the end of any calendar year, but he must notify the chairman of directors of the Imperial Bank a month before so withdrawing. A copy of this record shall be sent to the board of director-generals of the Society of Maritime Commerce, and it shall be left to their pleasure to join this agreement, with all the rights and duties appertaining thereto, if they will, within eight days, signify their intention of so doing in writing to the chairman of directors of the Imperial Bank.

**Regulations for the Clearing House:\***

I. The Imperial Bank and the other members of the Clearing House shall send on every working day, at a certain hour, a duly appointed representative to the Clearing House, even in case they have no paper to deliver there. The powers of attorney of the representatives must be made out conformably to the blank form A, attached hereto. They shall be examined by the superintendent, and in case he shall not find them satisfactory, they shall hereafter be completed by the constituents, and he shall keep them.

II. The paper which shall be cleared must be properly arranged, and marked with the stamp of the respective concern, and the notes and drafts must be duly receipted.

III. The Clearing House shall be opened at 8:45 A. M., and at 9 A. M. all the representatives shall be in their places. On a sign given by the superintendent the delivery commences. Every representative shall hand to the representatives of the concerns who have to make payment the respective paper, with a list B, on which the amounts appear separately, and summed up and filled out, with a receipt blank C, which, after examination of the paper, shall be signed by the receiver and returned to the deliverer.

The totals of the lists shall be entered on the debit and credit columns of the balance sheet, which shall be kept on a blank conformably to the one attached hereto, D, and the entries into the debit column shall be made, if possible, before the paper shall be delivered.

IV. After the delivery is finished the representatives return home with the received paper, to have it there examined. They shall again appear at the Clearing House at 12:30 P. M., when the

\* The blanks referred to in these regulations are omitted, but in their purport they are in the main similar to those of the English Clearing Houses, but going more into detail.

rejected paper shall be returned by them with a slip of paper attached to each, giving the reason why it was returned, together with a special list E, and receipt F, and entries shall be made on the credit and debit columns of the balance sheet. The returns shall be treated as reversed deliveries, but are marked with R on the balance sheet. The papers which are not returned at 12:30 P. M. shall be regarded as accepted.

V. It is also permitted to make new deliveries at 12:30 P. M. They shall be marked in the lists and receipts "Second delivery," and shall moreover be treated conformably to No. III, IV, first part.

VI. After the delivery and return are completed, every representative shall sum up the debit and credit columns of his clearing sheet and find out, by adjusting the same, how much his concern is indebted in all (that is, to all the clearing concerns), or how much they owe it. He shall make out a check for the balance on the giro department of the Imperial Bank, and hand an exact copy of the same, and of the clearance sheet H, on a separate paper, to the superintendent of the Clearing House.

VII. The superintendent shall enter the balances of the clearance sheets on the balance book, on which the totals of the credit and debit must agree, he shall compare them with the checks, verify the latter, return the clearance sheets and deliver a duplicate of the respective sheet of the balance book I to the giro department of the Imperial Bank, which, conformably to it, shall make the necessary entries on the accounts of the Clearing House and its members.

VIIA. At 4 P. M. a last meeting takes place. Paper of the second delivery, which is then not returned, is regarded as accepted (IV). New deliveries which, however, are limited to checks and acceptances of the members, are to be designated as "Final delivery," and are, moreover, to be treated conformably to No. III. Paper of the final delivery which is not returned the same day at 5:30 P. M., either at the Clearing House or directly, shall be regarded as accepted. After the deliveries and returns are completed, the clearance and balancing is done in the same way as at the second meeting (VI, VII).

VIII. The superintendent must have errors in calculation corrected before the entry is made in the balance book (VII.) After the entries are made, and all the representatives have received back their verified clearance sheets, the clearance is finished, and the representatives may leave the Clearing House.

IX. The superintendent shall keep an exchange book, on which he shall enter the number of papers delivered, and the debit amounts, conformably to the clearance sheets.

The balance book, the exchange book, and the check slips, shall be in the custody of the superintendent.

The transactions of the German Clearing Houses for the past six years have been as follows:

	<i>No. of Pieces.</i>	<i>Clearings— Marks.</i>	<i>Balances— Marks.</i>
1884.....	1,979,012	12,130,200,000	3,121,842,800
1885.....	2,085,449	12,554,440,000	3,269,911,700
1886.....	.....	13,556,690,000	.....
1887.....	.....	14,207,190,000	.....
1888.....	.....	15,511,910,000	.....
1889.....	.....	18,049,230,000	.....
		<hr/> 86,009,660,000	

The correspondent of the London *Economist* states that the clearing transactions of the Imperial Bank in 1889 were 75,676 millions of marks, or more than four times those of the German Clearing Houses.

DUDLEY P. BAILEY.

[TO BE CONTINUED.]

## THE MONETARY REFORM IN AUSTRIA-HUNGARY.

REPORT OF MR. RICHARD LIEBEN, MEMBER OF THE  
CHAMBER OF COMMERCE OF VIENNA.\*

Mr. Richard Lieben, member of the Chamber of Commerce of Vienna, made to that body in June, 1889, a very detailed report upon a question which has been for some years, and particularly of late, an object of study to numerous financiers and statesmen of Austria-Hungary; we mean the reform now proposed of the monetary system of that country.

It is well known that, almost alone in Europe, Austria-Hungary possesses a monetary system based upon paper as a legal tender, without any fixed standard, which puts her, from this point of view, in a position of marked inferiority as compared with other civilized countries.

Everybody in Austria, capable of seeing and thinking, is convinced of the necessity of a reform; but in the Austro-Hungarian Empire, where so many different nationalities are thrown together, the antagonism of individual interests assumes a more acute character than everywhere else, in economic matters as well as in political matters; and although a measure is concerned so important, and of so generally recognized utility as monetary reform, opinions remain much divided with regard to the means of execution, to the rules to be applied, and even with regard to the expediency of the measure, which is difficult to understand at first sight.

Without forgetting that politics, mixed with everything, sophisticates this question as well as others, especially among nationalities dominated by a particularist or even separatist spirit, it must

\* Translated from the French by O. A. Bierstadt.



be stated further that even the most common economic ideas, in Austria, have not yet penetrated the masses of the people; in the upper classes, also, it is surprising how few persons are found capable of giving intelligently a disinterested opinion upon questions of this kind.

Mr. Richard Lieben's report is founded on the general principles laid down in the works of the most eminent contemporary economists, but though it contains no new arguments, it has the merit of recapitulating for Austria-Hungary everything reasonable and impartial that can be said upon the question, and of refuting the chief objections that have been raised, in the country itself, against the projected reform.

Certain passages of this report give occasion perhaps for some criticism: thus, contrary to Mr. Lieben's opinion, it seems best for Austria-Hungary to bring back to *two francs* the value of the gold florin to be created as the basis of the new national money. In the present condition of the Austrian market this solution would cause no very great inconvenience, and it has numerous partisans, for the result would be a notable simplification of the economic relations between Austria-Hungary and the Latin and oriental countries.

We will not, however, enter into a discussion that would lead us too far, and we prefer to give Mr. Lieben's report in substance just as it is. There are in France holders of Austrian securities, whom the question interests directly; besides, the part played for some years past in Austria by international politics does not permit us to remain indifferent to the economic facts of which this country may become the scene. C. P.

The question of monetary reform in Austria-Hungary is not one of recent date; it was formally considered in the law of May 12, 1887, which renewed the customs union between the two parts of the monarchy, and which provided for the formation of a commission to study the bases of this reform.

First of all it must be said that the modification of the existing monetary system, although not dependent upon the common budget, can only be made after an understanding between the two fractions of the monarchy (law of December 24, 1867). This is a difficulty; for, if no opposition of principles existed in the two countries, it is none the less true that Hungary, inspired by the spirit of particularism and by purely agricultural considerations, might show little favor, whenever the question of monetary reform should come up definitely. But this must not be deemed an insurmountable obstacle; questions of party, individual interests should give way before the general interest, which, in the present case, is absolutely supreme.

Entering into an examination of the problem, the first question arising is the choice of the standard to serve as the basis of the future money. The single silver standard, it is hardly necessary to say, must be put aside without discussion; the notes of the State and of the Austro-Hungarian Bank are worth to-day more than the weight of silver which they were in the beginning designed to represent; what is sought is an instrument of exchange, which will everywhere preserve its purchasing power, in the country as well as abroad, and which will not be subject to the oscillations of the market. Silver, as the single standard, would not at all answer these requirements, its value being more variable than that of the paper florin itself, and its depreciation, constant during some years, only increasing in proportion to the ever growing output of the mines.

This point settled, the next question is whether Austria should accept the gold standard or the double standard; and here it is necessary to take part in the great dispute between the monometallists and the bimetallicists. We think that the system of the double standard ought to be rejected, for there would be no use in establishing it unless there was some probability of seeing it adopted everywhere in Europe, and unless the time were to come when the two metals, freely coined in all civilized States, could be exchanged for one another according to a fixed and universally recognized ratio. Now, it is neither probable, nor even desirable, that this should come to pass. The report made by Mr. Atkinson and published by the United States Government has proved that neither England nor Germany thinks of giving up the gold standard; far from it.

If the ratio of 1 to 15½, which formerly existed between gold and silver, should be adhered to, Austria's adoption of the double standard would impose upon her no less severe sacrifices than that of the gold standard. If, on the contrary, a ratio more favorable to silver were adopted, the State, paying its debt chiefly in paper and silver, would only make its burdens heavier, the profit would all be for the countries afflicted with great stores of silver which they are trying to get rid of to the best advantage. The financiers of America, France and India are preaching to Austria a return to the silver standard, and so too do the English exporters, who receive the silver of the far East for their merchandise, and who would be glad to sell it for more than they now get. So there only remains to be adopted the single gold standard, towards which all countries are now tending, encouraged by the example of England, become, thanks to her money, the best market of the whole world, the great market for the regulation of the course of exchange.

It has been objected against the gold standard, that the quantity

of metal coined would be, in consequence of its adoption, insufficient to meet the demands of the country; but it may be answered that transactions are nowadays so simplified by methods of keeping accounts and by written papers (current accounts, checks, etc.), that the same quantity of coined metal suffices for much more considerable demands than formerly. Moreover, every day sees an addition to the number of centers for the production of gold, and this is sure to go on increasing.

The quantity of gold Austria would need to reform her money upon the basis of a standard of this metal is not very terrible: about 500 million marks, which might be obtained in several years. Germany required 1,100 million marks, America 1,680 millions, Italy 400 million francs to reform their monetary systems. The acquisition of these quantities of metal occasioned no great difficulty in these countries. Now the production of the mines may be estimated for some years to come at 500 million francs, of which 250 are needed for industrial purposes. Thus two and a half years will suffice to produce the gold that Austria must devote to this operation; it will be finished at the end of this time without any shock to other States.

There have been various objections made in Austria-Hungary to the adoption of a new money; we will consider them one after another:

1. There is no use, some people say, in thinking of any monetary reform, so long as the peace of the world is not assured. As soon as Austria-Hungary should go to war, it would be necessary to make paper a legal tender again, and all the sacrifices submitted to would then become useless.

This objection rests upon an evident error; for it is to be hoped that the operation would be ended before the coming campaign, which would allow, after restoring the credit of the State at home and abroad, the covering of the war expenses by means of a simple loan, without the issue of notes and without making paper a legal tender. Even in case this last measure should become inevitable, it is in the present monetary condition of the country that it would be especially disastrous. An issue of notes, uncovered by any metallic reserve, coming on top of the other notes already existing and likewise uncovered, would surely cause the first to be depreciated, and would speedily transform them into assignats. On the other hand, the value of the new notes will be sustained all the better, the smaller the amount is of the earlier uncovered notes. At whatever time war may come to surprise us, the situation will be so much the better the more advanced the operation of monetary reform is.

It is somewhat astonishing that the military authorities, so prodigal whenever expenditures are in question intended for a prepa-

ration for war, look upon the settlement of the monetary problem as an affair of so slight interest. It is precisely in war times that money of little intrinsic value is most depreciated, which renders even more ruinous the payments to be made for mobilization, arms, provisions, etc. Money is necessary to wage war, but, above all, money *of good quality*.

2. It is claimed that the sacrifices demanded by the operation would be too heavy for the already burdened Austro-Hungarian tax-payers, and that the State cannot launch into so vast an enterprise as long as the budget shows a deficit.

There is no question but sacrifices must be made and the operation will certainly necessitate a loan of 200 to 300 millions of florins, causing an increase of 12 to 15 million florins in the budget of expenditures. This does not seem to us a very tremendous figure in comparison with those entering into the budgets of the present day. The reform of the tax on spirits has furnished the two parts of the monarchy with some surplus revenue, which, one may hope, will not always be monopolized by the needs of national defense, and a part of which would suffice to pay the interest on the loan. This would surely be the best use to be made of it.

The loan, far from weakening the State's credit, would strengthen it, apart from its object; and apart from this rather moral consideration, it may be said that monetary reform would have, from its principle, a favorable influence upon the budget. Indeed, for its present needs the State requires every year a sum of about 50 million florins *in gold*; so that if the price of gold goes up 1 per cent. the State's expenses are increased about 500,000 florins; this is an amount not to be neglected. In any case, monetary reform, based upon the gold standard, would take out of the budget an entirely contingent factor, the unpleasant influence of which is felt especially in hard times.

But, all this is nothing, if the advantage be considered that the finances in general would derive from monetary reform. Austria has become a manufacturing country; Hungary, of old, exclusively engaged in agriculture, is continually increasing the development of her manufactures; from year to year the general commerce is figured by larger totals. Now, in every transaction is mingled the variable element of the price of silver, and the business man has always to fear he must pay too much or not receive enough; consequently he is in a position of marked inferiority as compared with his foreign competitors, who do not know this fear and the expenses it entails. These small differences run up to millions and cause losses that profit nobody. It is the most unjust, the least productive of all taxes, and the nation's commerce cannot breathe nor boldly take part in the universal struggle until it is

suppressed. This forced speculation injures not only the merchant, but also the consumer of imported commodities (that is everybody), who has to pay the difference and even some addition to it. In fine, no class of the population escapes from the losses that follow the instability of money.\*

3. It is claimed that no settlement of the question is possible as long as the commercial balance is against Austria-Hungary; if specie payments should be resumed, gold would not remain in the country and would go over to foreign countries.

This argument has even less value than the preceding ones; many countries have an unfavorable commercial balance and nevertheless keep their gold at home. Besides, since 1878 the exports have been in excess of the imports; in 1887 the difference was 104 million florins. But it may be objected that it is not so with the financial balance; the imports of precious metals much exceed the exports. This is true, but it must be said that this state of things tends to be modified. The country's debt to foreign countries has much diminished, and many Austrian securities formerly held abroad have come back into the country, where, on the other hand, every day sees an increase of the stock of foreign securities—Swiss, German, Egyptian, Italian, etc.—held by private parties who purchase them for the very purpose of guarding against the fluctuations of the national money. There is every reason to affirm that the country's foreign debt is on the road to a decline and not to an increase.

To justify the fear of seeing gold leave the country too easily, allusion is made to the difficulty that Austria formerly had in preventing the exit of silver. Now, it is sure that, when a country has two moneys of unequal value at the same time, the better one goes abroad, while the worse one stays at home. In Austria-Hungary it was the legal tender paper money that drove out the silver, the former being in quite sufficient quantity for the needs of business. Whenever the day comes for Austria to have only paper represented by a metallic reserve, and consequently enjoying a value absolutely equal to that of gold, there will be no reason why the latter should not stay in the country, exception being made for the temporary and limited returns and payments happening in all countries on account of the fall or rise of the rate of discount.

The precious metal, it is well known, does not remain in the

\* It should be added that, though the Austrian and Hungarian budgets have hitherto shown a deficit, the estimated Austrian budget for 1890 gives a surplus revenue of about one million francs, while the estimated Hungarian budget for the same year presents a deficit of only half a million florins. If these estimates are realized there will be no objection to the financial condition of the country.

country where it is produced. It is spread over the whole world and goes just where it is most needed, where it has the greatest purchasing power, where, in a word, the largest quantity of merchandise is received for a piece of gold.

Suppose for a moment that some reason should have caused a great exportation of gold from Austria; this metal would consequently have become more rare, and this means that more merchandise would have to be furnished for a piece of gold. In other words, merchandise, securities, negotiable effects would have become less dear. Under such circumstances is it probable that foreign countries having collections to make in Austria would ask to be paid in gold, the dearest money? Quite on the contrary, gold would flow into the country to buy the merchandise that had become cheaper there, and the equilibrium would soon be re-established. We see every day movements of gold take place from one country to another; but there is no example of all the gold of a country having ever left it unless driven out by a metal or money of less value. It is only the want of confidence in a State's credit that can drive out its gold, and that all the more thoroughly when paper is a legal tender.

Germany, after the adoption of the gold standard, France, after the Commune, were exposed to large exportations of gold, but as soon as the conviction was established that gold existed in the country in a sufficient quantity to meet all demands the want of confidence ceased and the gold came back.

In Italy the case was different. In presence of the exportation of gold that immediately followed the suppression of paper as a legal tender, the Government took fright and tried all sorts of devices and restrictions to prevent this movement; by giving rise to distrust this had just the opposite effect. Perhaps, too, at the time of the resumption of specie payments the supply of gold was not sufficient, and the amount of uncovered notes left in circulation (340 million liras) was much too large. In consequence of these faults Italy has only approximately regulated her monetary system; in such matters half measures are quite deplorable, and the example is a good one to remember.

4. It is claimed that the higher the agio is, the greater the profits that the farmers and manufacturers make, in consequence of the premium on exportation that this agio gives them, and this reasoning is turned into a weapon against every scheme of monetary reform.

This prejudice is especially common in Hungary, and in reality the other objections serve only to mask this one, dictated solely by private interest, but not even founded on fact. It is certain that the interests of export commerce would be seriously injured, if, as people often believe, the object of the

monetary reform was to fix the value of the florin at 2 marks; such a measure would also injure other interests. But it will be quite otherwise, if this reform consists simply (how that ought to be in all justice we shall show further on) in giving the florin its present value, which will become fixed and invariable.

Further (and we merely touch upon this point in passing), it is not true, considering the interests of exporters only, that they see their profits increase when the agio is at a high rate; at the most can it be said, that there is for them a source of gain when the agio *rises*, and *while* it is rising: the price of corn and of the products of the soil goes up, indeed, as soon as the agio rises, while the price of the other elements (wages, for example) follows the progression only slowly; but, once the rate of the agio has become stable, there is nothing further to be gained, whether this rate be low or high, for equilibrium is quickly established. Speculation alone profits by these variations, and the interest of speculators is not to be considered, when a national reform is in question.

The land-owners must, moreover, have learned that there is no counting upon a persistent rise of the agio; and the monetary reform will suppress for them, as well as for others, both a risk of loss and a risk of profit.

5. It is feared that the reform may bring about a rarefaction of the means of exchange and, consequently, a rise of the rate of discount.

The experiments made in 1859 and 1865 sufficiently answer this apprehension.

It would indeed be the height of imprudence to begin by withdrawing the notes from circulation; the order of the financial operations to be accomplished must be maturely considered. First of all the metallic reserve should be procured, and then the withdrawal of the paper should go on gradually, so that the quantity of the means of exchange might remain always the same. If, once the operation was finished, there should be an excess of specie, the surplus would flow off of itself into foreign countries, and it would be folly to raise the rate of discount in order to hamper this movement. Everywhere in Europe this rate is low enough to inspire us with all confidence in this respect.

The only interests threatened by the monetary reform are those of the banks and bankers, to whom the varying value of Austrian money furnishes a vast field of activity. On the other hand, however, the banks will find a compensation in the number of transactions, which will assuredly increase whenever commerce shall be delivered from the most harmful and the least easy to foresee of all risks.

The monetary reform, as we have already said, would injure

many interests if a value should be given to the florin above or below its value. Time would be necessary for the equilibrium to be established, and meanwhile there would be a profit for some and a loss for others.

We hold, therefore, to this conclusion, that the change to the gold standard should, in law and justice, have as its basis the fixation of the value of the future gold florin *exactly* at that it may have upon the date chosen for the operation. To fix this value it will of course be necessary to take a period when for some time the price has not been subject to any too great fluctuations. The price on the appointed day must, in fact, represent an *average price*.

There has been some talk of fixing the value of the florin at 2 marks; we have already shown what trouble such a measure would make in business. Certain holders of paper money annuities or of securities paying interest in paper money claim they would suffer loss, if the value of the florin should not be established at 2 marks. It must be frankly said that this statement is destitute of foundation. The florin has never legally been worth 2 francs 50 centimes, since paper as a legal tender existed prior to the establishment of the present money. The texts of the different laws bearing upon the subject will prove this.

To justify the fixing the value of the florin at 2.50, stress is further laid upon the existence of 10 and 20 franc pieces, enacted March 9, 1870, and bearing the following inscription: 8 florins = 20 francs. The law then promulgated said, "Until the adoption of the gold money provided for by the law of December 24, 1867, the value of these coins will depend upon the state of the market." Now, in accordance with this law of 1867, which established the customs union between the two parts of the monarchy, propositions were to be made, within a reasonable period, for the adoption of the gold standard, taking as a basis, *so far as possible*, the decisions of the monetary conference of Paris. But these stipulations were annulled by the law of May 12, 1887, mentioned at the beginning of this report, wherein there was no longer any question of the Paris conference.

The gold coins in question have remained money of account, and their existence can in no way prejudice the solution to be adopted in the future. They were put in circulation at a time when Germany did not yet have the gold standard, when the price of silver had not yet gone down, when consequently, the ratio of 1 to 15½ still subsisted without any expectation of its disappearance; at this period there could be some thought of basing a monetary reform upon the decisions of the conference of Paris; but now this can no longer be considered. When a new money is created, these gold pieces of 1870 will be purely and simply re-coined on the new basis selected.



If the florin cannot be, without great disturbance, fixed at 2 francs 50, can it be given a value of 2 francs, a little less than its present value? We shall not dwell upon this hypothesis, believing we have demonstrated that it would be as unjust to lower as to raise arbitrarily the value of the florin; the advantages of the solution, which consists in fixing this value at the present value in gold of the florin without any change, are so great that there is no reason for entering into an examination of propositions for creating a new money which would be in a simple ratio to the moneys of neighboring countries.

When Germany adopted the gold standard, she did not make any effort to have a money in a simple ratio to the franc; consequently, with the best will in the world, Austria will never be able to find a money in a simple ratio to the franc as well as to the mark. It would, of course, be well to take the standard of fineness of  $\frac{9}{10}$ , existing in the German and French moneys; but, aside from that, one of the two systems could not be adopted except to the exclusion of the other.

It must not be forgotten, too, that even with a parity of standard there are always between two countries differences of exchange, which vary according to the rate of discount, and which can never be neglected in international transactions. On the other hand, whenever the retail business on the frontier or calculations of no importance are concerned, the simplification of accounts between two neighboring countries is established of itself.

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Mr. Richard Lieben's report then enters into the subject of the steps to be taken in the accomplishment of the monetary reform, into full details of a character too exclusively local for us to reproduce them here. We may say that he recommends proceeding in the following assuredly very rational manner:

First it would be necessary to suppress the official coinage of silver; the small loss resulting to the treasury from this suppression would be amply compensated for by all the advantages consequent upon the monetary reform. Then the law should be promulgated enacting the adoption of the gold standard, and the existing 4 and 8 florin pieces should be re-coined into new pieces of the weight fixed by law (if the value of the florin were fixed at two francs, the 10 florin or 20 franc gold piece would contain 5 grammes 806.044 of fine metal).

Finally, an issue should be made of the loan whose proceeds are to be used in withdrawing from circulation the State's notes, about 312 million florins. The condition of the market will determine whether it is best to accomplish the operation at one single time or to issue several successive loans.

The mortgage notes now in circulation should not be retired

(they represent about 100 million florins), and it would of course be necessary to pay a higher interest on them, thus increasing the annual expenditure by about 1.2 million florins; this figure, added to the amount required on the loan, nearly 14 millions, and to the loss resulting from the suppression of the coinage of silver, would represent the gross annual expenditure caused by the creation of the new money.

Mr. Lieben's report ends by repeating that the monetary reform, effected upon this basis, would endow Austria-Hungary with a safe money, preserving ever at home and abroad its proper value; commerce, agriculture, and manufactures would be freed from fetters that paralyze their efforts in the struggle against foreign competition, and, finally, the credit of the State would rest upon a solid basis, calculated to inspire confidence. The greatness of this end, says Mr. Lieben with reason, is well worth some sacrifices and the united endeavor of the whole nation.

C. P.

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## MISTAKE IN COLLECTIONS.

COURT OF APPEALS OF NEW YORK, SECOND DIVISION.

*National City Bank of Brooklyn v. Westcott.*

1. A check drawn on plaintiff was indorsed, "For collection," and handed defendant to be collected. The same day defendant's agent indorsed it in his own name and presented it to plaintiff, and received the money, which was delivered by defendant to the party from whom it received the check. It was subsequently discovered that the check had been raised before it came to the hands of defendant's correspondent. *Held*, that defendant was not liable to plaintiff as for money paid under mistake; and that the indorsement by the agent, appearing to have been made individual, could not be treated as that of defendant.

2. An allegation that the check, properly indorsed, was presented to plaintiff by D., as agent of defendant, was not a charge that defendant indorsed the check.

On November 19, 1884, the New York & Boston Despatch Express Company handed to the defendant company for collection a check purporting to have been drawn by H. Von Deilen on the plaintiff, of which the following is a copy: "Brooklyn, Nov. 15, 1884. National City Bank of Brooklyn: Pay to Samuel T. Allen or order six hundred and sixty dollars. H. VON DEILEN. \$660." Indorsed: "SAMUEL T. ALLEN. For collection. NEW YORK & BOSTON DESPATCH EXPRESS COMPANY, A. J. DUNLAP, Gen. Agent." On the same day George W. Dixon, who was the agent of the defendant company, indorsed his name upon the check, presented it to the plaintiff, and received the amount of it, and thereupon the money was delivered to the New York & Boston Despatch Express Company, which received it; and on November 27th, at Philadelphia, paid the money to the party from whom it had received the check. In February following, the plaintiff ascertained that the check so presented was not genuine, but that Von Deilen, the drawer, had on November 13th given to a stranger a check drawn upon the plaintiff for six dollars, payable to Mrs. J. W. Smith or order, and that it had been

so feloniously altered as to produce the check first above set forth. As soon as the discovery was made, the plaintiff demanded of the defendant repayment of the amount so paid, which was refused. This action was brought to recover it.

BRADLEY, J.—The case as presented by the evidence was at the trial treated by the counsel for the parties as presenting a question of law only. The request for direction of a verdict for the defendant was refused, and the court directed a verdict for the plaintiff, and exceptions were taken, so that, if in any view which may be taken of it the evidence is sufficient to support the verdict, the recovery must be sustained. (*Dillon v. Cockcroft*, 90 N. Y. 649.) In the presentation of the check to the plaintiff for payment, and in paying it, the parties acted in good faith, and upon the assumption that it was in all respects genuine. The drawer of it was one of the plaintiff's depositors, and had been such for considerable time. The signature to the check was his, signed to one drawn by him, and which had been raised in amount from \$6 to \$660, and the name of another payee inserted in it. This fraudulent alteration was not discovered until nearly three months after the time the payment was made. In the meantime the money had been paid over to the person who had placed it with the New York & Boston Despatch Express Company for collection. The payment was made by the plaintiff upon a mistake of fact as to the character of the check; and money paid under such circumstances may be recovered back from the party to whom payment is made. If the Westcott Express Company had been, or had assumed to be, the apparent owner of the check when it was presented to and paid by the plaintiff, the defendant would have been liable to reimburse the plaintiff. (*Canal Bank v. Bank of Albany*, 1 Hill, 287; *Bank of Commerce v. Union Bank*, 3 N. Y. 230; *Corn Exch. Bank v. Nassau Bank* 91 N. Y. 74.) But in the present case the check was in fact sent to the defendant company for collection, of which the plaintiff was advised by the indorsement upon it to that effect made by the New York & Boston Despatch Express Company. The defendant, therefore, apparently and in fact represented that company, and in the relation of such agency received the money from the plaintiff. (*Montgomery Co. Bank v. Albany City Bank*, 7 N. Y. 459.) And prior to the time of the discovery of the fraudulent character of the check, having handed the money over to the company from which it was so received for collection, the defendant was not liable to the plaintiff as for money paid by mistake. (*National Park Bank v. Seaboard Bank*, 114 N. Y. 28, 20 N. E. Rep. 632.)

It is, however, contended that the defendant was indorser of the check, and became chargeable as such; and, to establish the fact that the defendant did indorse it, reference is made to the pleadings. The complaint alleged that the "check, so altered, changed, and raised, and properly indorsed, was presented on or about the 19th day of November, 1884, by George W. Dixon, as agent of said Westcott Express Company"; and the defendant, by the answer, "admits the allegations that the check referred to in said complaint, . . . properly indorsed, was presented to said plaintiff for payment on or about the 19th day of November, 1884, by George W. Dixon, as agent of the said Westcott Express Company." This admission, in its import, is no broader than those allegations of the complaint, and they do not charge that the company indorsed the check; and they are entitled to such construction only, in favor of the plaintiff, as the language used fairly requires. (*Slocum v. Clark*, 2 Hill, 475; *Clark v. Dillon*, 97 N. Y. 370.) That the check, properly indorsed, was presented to the plaintiff by Dixon, as the agent of the defendant company, does not necessarily furnish the inference of indorsement by the company. But it is urged that, inasmuch as Dixon

was the agent of the company, and presented the check as such for payment, his indorsement must or may be that of his principal. He indorsed his name upon it without anything to indicate that he made it other than individually. It may be that, if he had added the word "agent" to his name, it may have been properly shown to have been done by him as such agent, and the indorsement treated as that of his company, upon evidence being given of his authority to make it. (*Hicks v. Hinde*, 9 Barb. 528; *Babcock v. Beman*, 11 N. Y. 200; *Bank of Genesee v. Patchin Bank*, 19 N. Y. 312.) Nothing appears in any manner upon the paper characterizing the indorsement of Dixon as made in a representative capacity, or his purpose to so make it, and it would be unduly extending the rule to charge another party, in such case, as indorser of commercial paper. (*Mills v. Hunt*, 20 Wend. 431, *Bank v. Leonard*, 40 Barb. 119, 136; *Briggs v. Partridge*, 64 N. Y. 363.) This view has relation only to the situation produced by the act of making such an indorsement, and without any reference to the effect of an adoption of the act by the principal as against the latter. The indorsement by the New York & Boston Despatch Express Company appearing by its terms to have been made for the purpose of the collection of the check, the defendant assumed the relation of agency in receiving it, and obtaining the money, and transmitting it to such indorser. The restrictive indorsement denied to the defendant the apparent title, and rendered the check non-negotiable, of which the plaintiff was advised by the restriction appearing by the terms of the indorsement. The defendant company took no title to it, and could transfer none. The right of the defendant, as the correspondent or agent of the other company, was to present the check to the plaintiff, and receive the money. This was the import of the indorsement of that company. (*Sigourney v. Lloyd*, 8 Barn. & C. 622; *Hook v. Pratt*, 78 N. Y. 371; *White v. National Bank*, 102 U. S. 658.) There was therefore no implied authority in Dixon, as the agent of the defendant company, to represent it in the transaction beyond what was requisite to the performance of the agency assumed by it, or was legitimately within its purpose. This imposed upon the defendant neither the duty to indorse the check, nor to guarantee its genuineness. Nor does it appear that Dixon, as such agent, had any special authority to do either, or any authority in that respect other than such as arose from his relation of agency. A different case would have been presented if the defendant company, through its agent, had received the money in its own right, or apparently so, from the plaintiff. Then, with or without indorsement, the defendant may have been treated as warranting the genuineness of the check, and as liable to the latter for the amount. (*White v. Continental Nat. Bank*, 64 N. Y. 316, 320; *Bank v. Loomis*, 85 N. Y. 207, 211.) The cases cited by the plaintiff's counsel, and upon which he relies to support in this respect the recovery, were those in which the implication was permitted that the party presenting paper and receiving payment was the lawful holder having title. The doctrine of guaranty and liability in such case is firmly settled, but for the reasons before suggested it is not applicable to the present case. No other question seems to require consideration. The judgment should be reversed, and a new trial granted; costs to abide the event.

## BANKER'S LIEN.

CIRCUIT COURT, S. D. NEW YORK.

*Armstrong v. Chemical Nat. Bank.*

Rev. St. U. S. §5,242, which prohibits all transfers by any National banking association made after the commission of an act of insolvency, or in contemplation thereof, with a view to the preference of one creditor to another, is directed to a preference, not to the giving of security when a debt is created; and if the transaction be free from fraud in fact, and is intended merely to adequately protect a loan made at the time, the creditor can retain property transferred to secure such a loan until the debt is paid, though the debtor is insolvent, and the creditor has reason at the time to believe that to be the fact.

A banker's lien for the amount of the balance of its general account does not exist when the securities have been deposited with the bank for a special purpose, or for the payment of a particular loan.

WALLACE, J.—June 14, 1887, the Fidelity National Bank of Cincinnati transmitted to the defendant, a bank doing business in the city of New York, securities consisting of notes, drafts and bills of exchange of the aggregate face value of over \$1,000,000. The Fidelity National Bank failed shortly thereafter, and the complainant was appointed its receiver. In the following November the defendant returned some of the securities to the receiver. The receiver now sues to recover the balance. The defendant asserts that it is entitled to retain \$612,587 which it collected from the securities, and apply the same to discharge that amount of indebtedness owing to it by the Fidelity National Bank at the time of the failure of the latter, and that it has returned or accounted for the balance of the securities to the plaintiff. The following facts appear in the record: The two banking institutions had, for a considerable period of time anterior to the transactions in controversy, acted as correspondent banks for one another at their respective places of business, during which time the Fidelity Bank also kept with the defendant an ordinary deposit account, which was a large and active one. The accounts between the two banks, arising from collections, deposits and payments, were adjusted periodically, and any balance existing at such times was credited or debited, and carried forward in the accounts. In March, 1887, the Fidelity Bank sent to the defendant \$326,695, face value, of notes and bills, as collateral to a temporary loan which it then asked for of \$300,000, and the defendant consented to make the loan, and credited the account of the Fidelity Bank with the amount. The transaction out of which this suit arises, and which originated June 14th, appears by correspondence by telegraph and mail between the two banks. June 14th the Fidelity Bank telegraphed the defendant:

"Parties have been sending false anonymous circulars, and have reported a run on us, also false. We forward to you about one million choice bills to hold against any overdraft, which will not be to exceed thirty days. Will you protect us?"

On the same day it wrote to the defendant:

"We inclose herewith about \$1,000,000 of our choice bills, to hold against any overdraft we may make until the false rumors subside. We trust you will not fail to stand by us, as everything is all right, and we will appreciate the favor in time of necessity."

June 15th the defendant telegraphed the Fidelity Bank:

"On satisfactory bills, when received, might advance \$200,000. Amount you name much too large."

The same day the Fidelity Bank wrote to defendant :

" We have your telegram that you will advance \$200,000 on satisfactory bills. The demand on us to-day is fearful, but we can recover by your help during the week. The million dollars of bills are choice, and beg of you to stand by us to a large amount, if we require it, which we will for a few days. We have been keeping an active account with you, and have no other bank to ask favors of. If you will do as we request, it will be one of the best acts of your history, and be appreciated more than words can express. There is no bank that we know of that can pay all at one time, without help, and we beg of you to see us through, especially as you run no risk, as these bills receivable are all good beyond question. The panic is subsiding, and we think in one week will be a thing of the past."

The same day the Fidelity Bank telegraphed the defendant :

" Charge us and deposit with assistant treasurer, New York, one hundred thousand dollars. Have him wire at once assistant treasurer here to pay us one hundred thousand dollars currency."

June 17th defendant telegraphed to Fidelity Bank :

" We wrote you yesterday that we expected to be liberal, and may increase the amount somewhat. Telegraph us authorizing us to discount any of the notes, and pledging all notes and security in our hands for any indebtedness to us, and confirm by letter."

The same day the Fidelity Bank telegraphed to defendant :

" If you will discount five hundred thousand dollars of the bills, and return balance, it will be sufficient. Wire at once."

The same day the defendant telegraphed to the Fidelity Bank :

" We think it would be enough if we discount \$650,000 of the bills, and then charge up the certificate of deposit for \$300,000, retaining a margin of collaterals, and returning the rest."

The same day the Fidelity Bank telegraphed defendant :

" Please refuse payment on our four drafts, Nos. 16,411 to 16,414, inclusive, for one hundred thousand dollars each."

June 18th the Fidelity Bank telegraphed to defendant :

" Please discount eight hundred thousand dollars of the bills, and then charge up certificate of deposit for three hundred thousand dollars; retain a margin of collaterals, and return us balance. If this is done, we pledge all notes and securities in your hands for any indebtedness to you."

The same day the defendant telegraphed Fidelity Bank :

" Attachments just served, suit Bank of Montreal on your account, and all your property here; two hundred thousand dollars amount of suit."

The same day the defendant telegraphed to the Fidelity Bank :

" Make no remittances to Chemical, and do not draw on it."

The same day the defendant wrote to the Fidelity Bank :

" Your telegram of this date has been received, ' Please discount \$800,000,' etc., and while framing a reply in which we intended to say that we would make it \$700,000 total indebtedness, not \$800,000—which we considered too large—at 11.45 A. M. the warrant of attachment which is enclosed herewith for your perusal and return by return mail was served on us, thus putting a check upon any further loans to you or essential change in the ac. We then telegraphed you of this attachment, and shortly thereafter wired you by Western Union, and then by B. & O., not to send any remittances, and not to draw on us. You will, of course, see the wisdom of this request; for whatever you sent us would be subject to this attachment, if we accept such remittances. Would it not be well also to have any orders which you may have given to your

correspondents to remit to us for your account canceled? We send you statement of act. showing you overdrawn \$113,049.99. Our collections act. appears about \$34,000 in your hands in addition thereto."

June 18th the Fidelity Bank wrote to defendant :

"We to-day drew small checks, amounting to about \$5,800, before we received your message. We trust you have sufficient security to protect the \$200,000 attachments, and pay the checks of to-day, and leave a small surplus addition, which you can no doubt help us on. We think we are over the worst, and if our friends stand by us everything will work in good shape soon. We thank you for your favors, which are greatly appreciated."

June 19th Fidelity Bank telegraphed defendant :

"Will you protect our outstanding drafts on you with proceeds in our letter of the 7th (remittances for collection and credit), which will more than cover? If not, deliver to First National Bank, and we will instruct them to protect. Wire at once."

June 20th defendant wrote to Fidelity Bank :

"Your telegram of the 19th inst. has been received, asking if we would protect your outstanding drafts against yours of 17th. We wired back that we have paid your drafts. We have not refused payment of any of your drafts excepting the four of \$100,000, stopped by you. Herewith statement of your act., showing you overdrawn \$89,020 at close of business to-day; also you owe us, for collections, \$34,340.29."

By a stipulation between the parties it appears that the Fidelity Bank "was insolvent on the 14th day of June, 1887, but that the defendant had no knowledge or reasonable ground of apprehension that such was the fact." The Fidelity Bank closed its doors June 21, 1887, and the complainant was appointed its receiver, June 27, 1887.

Upon these facts the complainant insists that the defendant did not acquire any title to the securities sent to it June 14th, because the transfer was void by section 5,242, Rev. St. U. S., which prohibits all transfers by any National banking association made after the commission of an act of insolvency, or in contemplation thereof, with a view to the preference of one creditor to another. On the other hand, the defendant insists that it acquired a banker's lien upon the securities for the amount of any balance upon its general account with the Fidelity Bank which remains unpaid.

The naked fact that the Fidelity Bank was insolvent at the time it sent the securities to the defendant does not imply that the transfer of the securities was made in contemplation of insolvency, or with a view of a preference to the defendant over its other creditors. Although, in the light of subsequent events, the Fidelity Bank was then insolvent, it may be that its insolvency was not suspected by its officers. So far as appears, no act of insolvency had been committed. A bank is not in contemplation of insolvency until the fact becomes reasonably apparent to its officers that it will presently be unable to meet its obligations, and will be obliged to suspend its ordinary operations. (*Roberts v. Hill*, 24 Fed. Rep. 571.) Until this condition of affairs exists certainly a National banking association does not violate the statute by pledging its securities to a reasonable amount to raise money needed to meet an unexpected run. The best-managed institutions are liable to such contingencies, and the right to use their assets in an honest attempt to bridge over such a crisis is indispensable to their safety. Obviously, the exercise of this right would be impracticable if the pledge becomes void whenever the attempt of the bank to rescue itself from failure proves

unsuccessful. It is apparent that the Fidelity Bank did not intend to pledge the securities as collateral to its antecedent indebtedness when it sent them in June to the defendant, or for any purpose other than to the advances which it then desired. They were sent to protect the defendant against a temporary loan, not of any specific sum, but of such sums as the Fidelity Bank might need to meet the exigencies of the situation; against overdrafts not warranted by the state of its account with the defendant, and which it expected to be compelled to make immediately. The defendant understood this, but was unwilling to accede to a loan of an indefinite amount, and offered at first to advance \$200,000. The Fidelity Bank was not satisfied with this proposition, and begged the defendant to "stand by" to a larger amount, if its necessities so required. The letter of the defendant of June 17th does not imply any understanding on its part that it was to hold the securities to protect the former loan, much less the general account of the Fidelity Bank. That letter mentions the fact of the previous loan of \$300,000 apparently as a suggestion of the extent of the assistance already rendered, and its disposition to treat the Fidelity Bank with liberality. That the defendant did not suppose the securities were in its hand as collateral for anything except the sums needed by the Fidelity Bank for the emergency is apparent from its letter of June 17th, asking the Fidelity Bank to pledge them for all indebtedness. To this the counter-proposition of the Fidelity Bank was that it would accede if the defendant would discount \$500,000 of the securities and return the rest. Up to this time there had been no thought expressed on the part of either bank that the securities were to be a collateral for the general indebtedness of the Fidelity Bank. In the meantime the defendant had advanced \$200,000 by depositing it for the Fidelity Bank with the assistant treasurer at New York City, and the Fidelity Bank had telegraphed for \$100,000 more; and thereupon, answering the last proposition of the Fidelity Bank, the defendant proposed to discount \$650,000 of the securities, and return the rest, doubtless meaning to apply the proceeds to its \$300,000 loan of March, and to its advances made after June 14th, retaining the excess as a margin to make good these amounts in case any of the discounted paper should not be paid. To this proposition the Fidelity Bank replied that if the defendant would discount \$800,000 of its securities it might charge up the \$300,000, return the balance, and retain a margin of collateral—that is, the proceeds of the \$800,000 discounted paper—and in that event all retained in its hands should stand as collateral for its whole indebtedness. At that time its whole indebtedness, as appears from the defendant's letter of June 18th, was \$300,000, \$200,000, \$113,000, and \$34,000, in all, \$647,000, and the Fidelity Bank doubtless supposed that the discount of \$800,000 of securities would cover its whole indebtedness, and enable it to draw further until there should be left only a sufficient margin to provide for the non-payment of any of the discounted paper. Before this proposition on the part of the Fidelity Bank was assented to by the defendant, the attachment was served at the suit of the Bank of Montreal, and the negotiations were closed. When the negotiations were thus terminated the Fidelity Bank had not consented that the securities should stand as collateral for the March loan of \$300,000, or for its general indebtedness to the defendant. At this time the defendant had advanced the Fidelity Bank \$200,000 on the faith of the securities, and had written that it expected to be liberal, and might increase the amount. It is not quite clear whether the defendant had not also permitted the Fidelity Bank to overdraw its account in the further sum of \$113,000 (subsequently reduced to \$89,000). Under the circumstances,



any overdraft made after the securities were sent to the defendant, and after it had advanced the \$200,000, should be regarded as one allowed on the faith of the securities, in the absence of distinct evidence to the contrary. If any part of the \$89,000 was a previous overdraft, to that extent it is not to be included. In this connection it is proper to say that the amount of an overdraft is not necessarily the sum drawn, but is the amount drawn, less the amount to which the drawer at the time is entitled to a credit balance upon his account.

If there was no transfer of the securities to protect the antecedent indebtedness of the Fidelity Bank, then there was not a preference of the defendant over its other creditors, and consequently there is nothing in the transaction which contravenes the provisions of the statute. Although the securities sent were of a value vastly in excess of the sum advanced upon them, they were sent upon the expectation by the Fidelity Bank of obtaining advances to the limit for which they would be acceptable collaterals; and before there was any suggestion of pledging them for pre-existing indebtedness the defendant had acquired a valid lien upon them by the advances already made, and the Fidelity Bank was unable to recall them if it had desired to do so. The statute is directed to a preference, not to the giving of security when a debt is created; and if the transaction be free from fraud in fact, and is intended merely to adequately protect a loan made at the time, the creditor can retain property transferred to secure such loan until the debt is paid, even though the debtor is insolvent, and the creditor has reason at the time to believe that to be the fact. This has often been decided in the analogous cases arising under the bankrupt act (*Tiffany v. Lucas*, 15 Wall. 410; *Cook v. Tullis*, 18 Wall. 332; *Clark v. Iselin*, 21 Wall. 360), and has been expressly held in a case arising under the present statute (*Casey v. Societe de Credit Mobilier*, 2 Woods, 77).

The view thus reached is necessarily fatal to the contention of the defendant that it acquired a lien securing it for the \$300,000 loan, or for the payment of the balance arising upon the general account of the Fidelity Bank. It is familiar law that a banker has a lien upon all funds and securities in his possession, deposited with him in the usual course of business by a customer to facilitate the financial transactions contemplated between them, which extends to the payment of any balance on general account. The lien arises from the implied understanding of the parties that credit is to be given in the course of dealings between them by the banker to the customer upon the faith of the securities. It is equally familiar law that the lien does not exist when the securities have been deposited for a special purpose, or for the payment of a particular loan; and, where they are delivered specifically to protect the banker in a particular transaction or series of transactions, he has no lien upon them for any other purpose, and cannot assert one for any other indebtedness, whether arising upon general account or otherwise. This doctrine has very recently been reiterated and applied by the Supreme Court in *Reynes v. Dumont*, 130 U. S. 354, 9 Sup. Ct. Rep. 486. That was a case in which securities, consisting of \$275,000 of municipal bonds had been left by one banking firm with another for a period of two years and a half, during which large transactions on general account took place between them, various loans were made to the former by the latter upon an express pledge of the bonds, and the former, at the request of the latter, had also obtained various loans of other bankers by pledging so many of the bonds as was necessary in the particular transaction. The court found as a fact that the bonds were left with the banking firm originally as collateral for a particular loan; that there was no express understanding between the two banking firms

that they were to stand as a security for general transactions, and that the loans subsequently made upon them were specific loans accompanied by an express pledge; and held that these circumstances were inconsistent with the existence of a general lien. If the sending of the securities had resulted, either in consequence of a subsequent express contract, or in consequence of any implication from the nature of the transaction, in giving the defendant a lien for the antecedent indebtedness of the Fidelity Bank, it is extremely doubtful whether the transaction could be upheld. The cases of *Bank v. Colby*, 21 Wall. 609, and *Bank v. Butler*, 129 U. S. 223, 9 Sup. Ct. Rep. 281, take a view of the statute which suggests that no preference can be obtained by one creditor of a National bank over another, after the bank has become insolvent, whether obtained with the consent of or by adversary proceedings against the bank, and whether the creditor has or has not any reason to suppose the bank to be insolvent at the time. The complainant is entitled to a decree, and the defendant must account for all the securities which it has not returned to the complainant, their value or proceeds, less the amount of advances and overdrafts made after it received them.

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## FORGED CHECK.

SUPREME JUDICIAL COURT OF MASSACHUSETTS.

*First Nat. Bank of Danvers v. First Nat. Bank of Salem.*

Defendant cashed a forged check, purporting to be drawn on plaintiff by one of its customers, without attempting to identify the person presenting it; and afterwards the check was allowed defendant as a credit on a settlement between the two banks. The nominal drawer was not a customer of defendant, and the check, which was payable to the payee or bearer, was indorsed by the payee. The check remained with plaintiff over a month before it was discovered to be a forgery, but defendant was notified immediately after the discovery, and the delay worked no prejudice to defendant. *Held*, that defendant was liable for the loss.

DEVENS, J.—In the case at bar the plaintiff seeks to recover from the defendant the amount of a forged check in the name of one of the plaintiff's customers, for which it had given the defendant credit as money. In the usual course of business, if a check purporting to be signed by one of its depositors is paid by a bank to one who, finding it in circulation, or receiving from the payee by indorsement, took it in good faith, for value, the money cannot be recovered back on the discovery that the check is a forgery. It is presumed that the bank knows the signature of its own customers, and therefore is not entitled to the benefit of the rule which, in cases of forgery, permits a party to recover back money paid under a mistake of fact as to the character of the instrument by which the fraud has been effected. This presumption is conclusive only when the party receiving the money has in no way contributed to the success of the fraud or the mistake of fact under which the payment has been made. In the absence of actual fault on the part of the drawee, his constructive fault in not knowing the signature of the drawer, and detecting the forgery, will not preclude his recovery from one who took the check, under circumstances of suspicion, without proper precaution, or whose conduct has been such as to mislead the drawee, or induce him to pay the check without the usual security against fraud. (*Bank v. Bangs*, 106 Mass. 445.) Where a loss which must be borne by one of two parties, alike innocent of the forgery, can

be traced to the neglect or fault of either, it is reasonable that it should be borne by him, even if innocent of any intentional fraud, through whose means it has succeeded. (*Gloucester Bank v. Salem Bank*, 17 Mass. 33.) To entitle the holder to retain money obtained by a forgery, he should be able to maintain that the whole responsibility of determining the validity of the signature was placed upon the drawee, and that the vigilance of the drawee was not lessened, and that he was not lulled into a false security by any disregard of duty on his own part, or by the failure of any precautions which, from his implied assertion in presenting the check as a sufficient voucher, the drawee had a right to believe he had taken. (*Ellis v. Insurance Co.*, 4 Ohio St. 628; *Rowant v. Bank*, 63 Tex. 610; *Bank v. Ricker*, 71 Ill. 439.)

In the case at bar, it is found that the defendant was guilty of negligence in cashing the check without more inquiry as to its genuineness, and this finding is fully supported by the facts. The person who presented the check to the defendant bank was not known to either of its officers, and was not one of its customers. No attempt to have him identified was made; and, without identification, the money was paid over upon his indorsement on the check of the name of "JOEL KIMBALL," the check being payable to "Joel Kimball or bearer." The nominal drawer of the check, whose name was forged, was not a customer of the defendant. It is altogether probable that if the defendant, before it cashed the check, had made proper inquiry, the utterer of it would not have remained to encounter any such investigation; and, if he had, it would readily have been ascertained that he was not the reputable person of the name of "Joel Kimball" who resided in Danvers. There was also evidence of the general custom of banks, in paying such checks, to have the person presenting them identified.

When this check was forwarded by defendant for redemption, the plaintiff was without the means it would have had, if it had been presented at its own counter, of ascertaining the character of the person offering it. It had a right to believe that the defendant, in cashing a check purporting to be drawn by one not its own customer or entitled to draw upon it, had by the usual and proper investigation satisfied itself of its authenticity. The indorsement, which was not necessary to the transfer of the check, was a guaranty of the signature of the drawer; and the plaintiff had a right to believe that the indorser was known to the defendant by proper inquiry.

It is found that the plaintiff was negligent in not having more quickly ascertained that the check was a forgery, and in not having given notice to the defendant thereof. It is also found that in fact this negligence has not prejudiced the defendant. This negligence of plaintiff apparently resulted from the circumstance that the account of its depositor was not what is termed an "active" account, by which, we infer, is intended one in which deposits and checks are frequent, and which is regularly settled at the end of each month. Even if the fact that the check, when paid, reduced the amount of deposit below that which the depositors, as it was understood, were to keep, or if any other circumstances should have called the attention of the plaintiff to the forgery, the original fault was still that of the defendant, in paying the check without proper investigation. The plaintiff acted with entire promptitude when the forgery was discovered, and no negligence of it has prejudiced the defendant. When the check was forwarded for redemption, it was entirely natural that the plaintiff should have been misled, and induced to allow the same in settlement without the scrutiny it would have exercised had not the defendant given currency thereto.

The defendant deems that the case of *Bank of St. Albans v. Farmers'*

*etc.*, *Bank*, 10 Vt. 141, resembles the case at bar in every respect, and, if it is to be followed, is decisive. We do not so consider it. While in that case there was a delay on the part of plaintiffs in notifying the defendant that the check received from it was forged, the question whether there had not been negligence on the part of the defendant in originally taking the check without proper inquiry, and thus of contributing to the error into which the plaintiff fell in giving the defendant credit therefor, was not raised nor discussed. The only question of that nature there considered was whether it was the duty of the defendant to have communicated suspicions which occurred to it after the transaction. An interpretation such as defendant gives to this case would make it conflict with the decision in *Bank v. Bangs*, in which it is cited and considered. That decision strongly sustains the result which we have reached in the case at bar. Exceptions overruled.

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## LEGAL MISCELLANY.

**CORPORATIONS—DIRECTOR.**—A director of a railroad company, though owning a majority of the stock, cannot bind the company by a contract for the construction of its road-way. [*Allemong v. Simmons*, Ind.]

**GAMBLING CONTRACTS—NEGOTIABLE INSTRUMENT.**—A promissory note given to cover losses sustained by the maker in dealing in futures is void. [*Snoddy v. American Nat. Bank*, Tenn.]

**NEGOTIABLE INSTRUMENT—PAYMENTS.**—In an action on a note, defendant cannot set up an agreement that certain counter-claims against the payee of the note would be considered as payments, where it appears that he afterwards recovered judgment in an independent action against payee for those claims. [*C. Aultman & Co. v. Gamble*, Ala.]

**NEGOTIABLE INSTRUMENT—FRAUD.**—An answer showing that a note sued on by an indorsee was obtained by fraud is sufficient without alleging notice to plaintiff; the burden, in such case, being on plaintiff, to show that he is a *bona fide* holder. [*First Nat. Bank of Huntington v. Ruhl*, Ind.]

**NEGOTIABLE INSTRUMENT—GIFT INTER VIVOS.**—In an action by an executor on notes, an answer alleging the death of the payee, leaving property less than the amount allowed by law to the widow, and that she had paid expenses of funeral and last sickness; that before his death decedent, owing no debts, gave the notes to his wife; and that defendant, believing her to be the owner, paid the amount due to her, and that she surrendered the notes—is either ambiguous, as based on two distinct theories or must be construed as based on a gift *inter vivos*, and as such is insufficient, alleging no delivery. [*Bingham v. Stage*, Ind.]

**OFFICERS—SURETIES.**—The failure of the auditor and Secretary of State to make proper monthly and biennial settlements with the State treasurer, as required by law, whereby the latter was able to appropriate money of the commonwealth to his own use, and to conceal the fact, does not release sureties on the treasurer's bond, it being conditioned that the treasurer should "faithfully and diligently discharge all the duties appertaining to his office." [*Commonwealth v. Tate*, Ky.]

**OFFICIAL BONDS—PARTIES.**—Under Civil Code Ky. § 26, providing that sureties, severally liable on the same or separate instruments, may all or any of them be included in the same action, the State may bring one action on the official bonds of the State treasurer for several successive terms, against the treasurer and those of his sureties who are the same on all the bonds, and recover the whole amount of the treasurer's defalcations during the several terms; and it is not necessary to include in such action those of the sureties who are not on all the bonds. [*Commonwealth v. Tate*, Ky.]

**PAYMENT BY NOTE—ESTOPPEL.**—A creditor who takes the note of a third person for a pre-existing debt, surrendering the original notes, and sues and recovers judgment on new note, is estopped from taking judgment against the original debtor. [*Dick v. Flanagan*, Ind.]

**CORPORATIONS—STOCKHOLDERS.**—Laws N. Y. 1875, ch. 611, § 37, provides that in limited liability companies all the stockholders shall be individually liable to the creditors of the company to an amount equal to the amount of stock held by them, respectively, for all debts and contracts made by such company, until the whole amount of the capital stock of such company has been paid in, and a certificate thereof has been made and recorded: *Held*, that the liability of a stockholder in a company organized thereunder was not in the nature of a penalty, but of a contract obligation, and an action thereon survives against his personal representatives. [*Cochran v. Weichers*, N. Y.]

**CORPORATIONS—STOCKHOLDERS.**—Where one corporation acquires a majority of the stock of another corporation, and the two have substantially the same field of operation, so that the profits of one may be enhanced by a diminution of those of the other, or where there is a conflict of interest between the two in the matter of expenditures, or in the division of earnings, the corporation owning the majority of stock, its agents and employes, and all other persons acting in its interest, may be enjoined from voting its stock in the election of officers of the rival corporation, or from exercising the power a majority of stock confers in controlling and governing such corporation. *Memphis, etc., R. Co. v. Wood*, Ala.]

**FALSE REPRESENTATIONS—CORPORATIONS.**—In a suit against an officer of a corporation for inducing plaintiffs to subscribe to the stock of and loan money to the corporation, by false representations as to its financial condition, plaintiffs must prove, by direct evidence or inference, that defendant knew that the representations were false, and it is immaterial that the suit is in equity. [*Hubbard v. Weare*, Iowa.]

**NEGOTIABLE INSTRUMENTS—BONA FIDE PURCHASERS.**—Where A. indorses drafts in blank to B. for collection, and B., wrongfully assuming to be the owner, sells and disposes of them to C., who has no knowledge of the want of ownership in B., C. is invested with good title, so as to retain the proceeds as against A. [*Coors v. German Nat. Bank*, Colo.]

**NEGOTIABLE INSTRUMENTS—CONSIDERATION.**—In an action on a negotiable note, which defendant alleged was given on the payee's promise not to prosecute her brother for a crime, and to keep the crime secret, where counsel on both sides treat the court's findings, that neither plaintiff nor his indorser had any notice of the "want of consideration" or "invalidity" of the note as equivalent to a finding that the consideration was illegal, a new trial will not be granted for the failure of the trial judge to find specially as to the consideration. [*Graham v. Larimer*, Cal.]

## BANKING BILLS.

In the Senate Mr. Sherman (by request) introduced the following bill, which was referred to the Committee on Finance.

A bill to reduce the amount of United States bonds to be required of National banks, and to restore to the channels of trade the excessive accumulations of lawful money in the Treasury.

Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled, That the compulsory requirement of deposits of United States bonds with the Treasurer of the United States by National banks is hereby limited in amount to \$1,000 of bonds for each and every National bank: Provided, That the voluntary withdrawal of bonds for the retirement of National bank-notes shall not exceed the sum of \$3,000,000 in any one month without the approval and consent of the Secretary of the Treasury; And further provided, That this act shall not apply to the deposits of bonds which may be required by the Secretary of the Treasury to secure deposits of public moneys in the National banks, nor be construed to authorize the issue of circulating notes upon any other terms and conditions than are now provided by law.

SEC. 2. That on surrender by a National bank of any sum of its circulating notes, by the required deposit of lawful money with the Treasurer of the United States, for their redemption, the entire liability of the said bank for its said surrendered notes shall utterly cease, and they shall be redeemed by the said Treasurer of the United States, and destroyed, as now provided by law; and this act shall be construed to determine the liability of National banks, which have heretofore thus lawfully surrendered any or all of their circulating notes; but no National bank shall be required nor denied the right to appoint an agent, at its own expense, to witness and attest the destruction of its redeemed and canceled notes.

SEC. 3. That in lieu of the fund of lawful money heretofore set apart for the redemption of surrendered notes of National banks, amounting to the entire sum unredeemed of the said surrendered notes, the Treasurer of the United States, under advice and direction of the Secretary of the Treasury, shall establish a reserve fund of lawful money in amount not less than 5 per centum nor more than 20 per centum of the entire sum unredeemed of the said surrendered notes.

SEC. 4. That all acts and parts of acts inconsistent with the provisions of this act are hereby repealed.

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THE EVANS BANK BILL.

Representative H. Clay Evans, of the banking and currency committee, has introduced the following bill for the relief of the National banks. It is understood to meet the views of the Comptroller of the Currency. Following is the text of the measure:

"Be it enacted, etc., That any National banking association, now organized or hereafter organized, having a capital of \$300,000 or less, shall not be required to keep on deposit with the Treasurer of the United States, as security for its circulating notes, U. S. bonds, the par value of which shall exceed one-tenth of its capital stock; and any such association having a capital of more than \$300,000 shall not be required to keep on deposit with the Treasurer of the United States as security

for its circulating notes U. S. bonds, the par value of which shall exceed \$30,000.

"SEC. 2. That the amount of circulating notes to which an association shall be entitled may in any case be equal to but shall not exceed the par value of the bonds so deposited, and in lieu of existing duty each association shall pay to the Treasurer of the United States, in the months of January and July, a duty of one-eighth of one per centum each half year upon the average amount of its notes in circulation. Any association having on deposit bonds to secure circulating notes in excess of the amount as provided in the preceding section is authorized to reduce its circulation by the deposit of lawful money, as required by law.

"SEC. 3. That upon any deposit already or hereafter made of any U. S. bonds bearing interest in the manner required by law, any National banking association making the same shall be entitled to receive from the Comptroller of the Currency circulating notes of different denominations, in blank, registered and countersigned as provided by law, not exceeding in the whole amount the par value of the bonds deposited; provided, that at no time shall the total amount of such notes issued to any such association exceed the amount at such time actually paid in of its capital stock.

"SEC. 4. That all acts and parts of acts inconsistent with the provisions of this act are hereby repealed.

"SEC. 5. That this act shall take effect from and after its passage."

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## BILLS OF EXCHANGE: THE PART THEY HAVE PLAYED IN ENGLISH BANKING, PAST AND PRESENT.

[CONCLUDED.]

We have now to turn to the second part of our subject, namely, the connection between banking and foreign bills. The subject is one which our limited space will scarcely permit us to more than glance at, and to endeavor to glean in as small a space as possible the most lucid facts bearing upon the case.

Before proceeding to analyze the effects of foreign bills upon banking, either in the past or present, let us endeavor to obtain a clear impression as to their qualities and effects generally. A bill drawn abroad upon this country, standing alone, is an order to transfer from this to some other country an amount of bullion equivalent to the amount of the bill; so that the total of all the bills upon this country in existence at any one time (together with certain other rights) represents the claims to bullion which are held against us by the countries from which the bills respectively emanate. On the other hand, the bills drawn in this country upon any foreign country (together with certain other claims, etc., such as interest on capital, etc.) represent the set-off against his claim, or, in other words, our claim to receive bullion from such other countries to an equivalent extent. The balance, therefore, depending upon multifarious causes, the principal of which is the balance of trade, will be either for or against us; we must either pay away so much from our store of bullion or we are entitled to receive so much to increase that store. This is, therefore, the touch-point between the negotiation of foreign bills generally and the banking

interest. The store of bullion available in the case of the balance being against us, is that possessed by the Bank of England, in whose vaults the only reserve of any quantity in this country exists. The single reserve system—a result of our note issue as at present conducted—is with us now an almost unquestioned arrangement; and so it is clear that every withdrawal of gold, diminishing as it does the reserve available *en cas de besoin*, tends, however slightly, to create a feeling of uneasiness; whilst every increase tends to overstock the bank and so provide extra funds for the use of commerce, and consequently to cheapen money. The diminution or otherwise of the stock of bullion in the vaults of the bank may thus be looked upon as the barometer of the balance of trade, as represented by the traffic in bills; not so much affording information by its height or lowness as by its upward or downward movement; the peculiarities of each separate country's balance with us, finding a voice (not always a true one) in the ever-varying rate of exchange with that country. It will be here unnecessary to explain the well-known facts which lead to the rise and fall of the exchanges between this and any other country, or to provide illustrations to show that the rise or fall is due primarily to the difference between exports and imports, together with certain other causes, and actually to the demand and supply of bills upon the country in question for the sake of remittance; all this would fall naturally into a treatise upon the foreign exchanges. Our subject begins with the knowledge of the actual facts, namely, that the exchanges do rise and fall from certain causes; that consequently there is an ever-varying demand for and supply of bullion, which, as I have before mentioned, produces its effect immediately upon the coffers of the Bank of England. Now, to guard against an undue withdrawal of gold, such as would increase to any extent the risk of the exchangeability of the bank note (a risk which was carried to the bitter end in 1799, when the bank suspended cash payments), or to, on the other hand, prevent too great an influx of the precious metal, the bank is furnished with a remedy or safeguard, which, in the ordinary course of events (and there have been times of panic when its efficiency has proved of little or no avail), is sufficient, if suitably and properly adjusted, to counterbalance these withdrawals or otherwise, and to maintain the stock of bullion at a serviceable level. This safeguard is the rate of discount, as fixed by the directors of the Bank of England. An alteration in this rate may be said to have a twofold effect; for instance, should the rate be raised, those persons abroad, who, had the rate remained the same, would have withdrawn the amount of bullion they were entitled to, are just induced by the higher rate to leave it in this country and so earn the higher percentage; this may be called the effect of a small rise in the rate; to cause the second, namely, an actual influx of gold from abroad, sent over for the purpose of obtaining the higher rate prevailing, a much greater rise in the rate would become necessary, the cost of transportation being a very considerable item. We have the authority of Mr. Goschen that there must be a difference of at least two per cent. between the London and the Paris rate to induce persons to send over gold for the sake of the higher interest. Between more distant places it would necessarily be much larger.

Of course, the opposite would be the case were the stock of bullion so increased as to be more than sufficient for ordinary requirements.

The intimate connection between the rate of discount and the issues of the bank was, as late as 1857, very imperfectly understood. Thus we find a Deputy-Governor of the Bank of England (the late Mr. G. W. Norman) stating in answer to a query by a committee of the House of



Commons: "We have found, *contrary to what would have been anticipated*, that the power we possess of raising the rate of discount keeps the demand upon us within manageable dimensions."

In former times, when the cost of communication and the conveyance of specie far exceeded any profit which might otherwise have been made by its transport, the effect now produced by an alteration in the rate of discount was, to a great extent, nullified by friction, and it is only since this friction has been gradually overcome, by telegraphy and steam power, etc., that its action has become practically automatic. As an example that the force has always been present, though generally overpowered by other causes, we find that in 1799, enormous failures taking place in Hamburg, discount there rose to 15 per cent., a rate which immediately had its effect on our reserves, which flowed towards this higher rate.

Debts are, of all kinds of property, the most easily transportable, the cost of postage being the only expense. Thus, if in America the rate of discount is ten per cent., whilst that in England is only five per cent., debts will fetch ninety per cent. if discounted in America, whilst if sent over here for realization every £100 will fetch £95. Thus it is clear that the rate in any one country cannot be below that of any other country to the extent of the cost of transmitting gold between the two, without bringing into action the above effect, which will take the form of a drain of gold, as was so palpably exemplified in 1839, to the discomfort of the bank's directors. The drain I have said is for gold, notes are but the medium employed, and unfortunately the notes made use of are not those already in the hands of the public. It is the "notes in reserve," namely, in the banking department of the Bank of England, upon which the strain falls. This is now acknowledged to be the loose screw in the desired automatic action of the bank's issues. The framers of the Act had desired that a drain such as I have mentioned should, of itself, that is to say automatically, diminish *pro tanto* the bank's liabilities; they thought the drain would act through the notes already outstanding being presented in exchange for gold. They left altogether out of consideration that the bank was a *discount house*; that the banking department held a large quantity of notes "in reserve," which it could make use of in the ordinary way of business, and that in times of pressure the strain will fall on these notes, and through them on the bullion reserve; without any, or a very small, diminution taking place in the already outstanding notes. Thus in 1847, in which year the Bank Charter Act of 1844 had to be, for the first time, suspended, it was found "that £7,000,000 in gold had run off, and that the notes in the hands of the public had rather increased than diminished."

The automatic action now produced by a rise or fall in the bank rate of discount had been much misunderstood. It had been argued that, a certain number of bills only being available at any one time, only that number could be made use of for discounting purposes. The facts were, and are, that dealers in London, when the rate was sufficiently varied, *fabricated* bills (that is to say, drew upon their correspondents), simply for the purpose of getting them discounted; or, in other words, of buying gold in London, say at four per cent., and selling it, say in Paris, at seven per cent., a profitable business, which would continue until the rate of the two countries became more equalized. It is clear, therefore, that one of the first duties of the directors is to keep a watchful eye upon the rates prevailing in neighboring countries, and to equalize their own rate therewith or otherwise, according to requirements.

The most terribly disastrous crises through which this country has passed, producing the effect by a total withdrawal of confidence in

establishments, notably banking ones, of known stability, have been brought about by overtrading—a state of things chiefly sustained by an excessive issue of credit; which, upon the time coming for its extinguishment, finds the usual sources closed against it, and those who do not hold a strongly intrenched position, fall in the fray, generally to rise no more.

All commercial credit rests upon the *expectation* of the maker being in funds at the due date of his bills; and the chances of this being the case depends generally upon the question whether the goods traded in have found reasonable purchasers. Now, one of the characteristics of a speculative period, which commonly precedes a crisis, is the extraordinary confidence that everything will go right, no matter how rash. A good instance of this was seen in the opening up of Buenos Ayres to English traders. Everything and anything, wanted or not wanted, was shipped, and that was practically as far as most of them got; and the exporters had to bear the loss. Again a deficiency of the staple food of a country usually gives rise to large speculations for the rise; which are carried to such an excessive degree that corn (*par exemple*) simply pours in from everywhere; and instead of the high price being maintained, it falls lower than there is any actual necessity, simply from panic; credit is contracted, failures becomes general. Now these large purchases of corn can only be bought on credit, and this credit can only come ultimately from the great credit shops or banks. Every available resource will in such times be brought out by the speculators in order "to raise the wind," from factors' bills down to accommodation paper. In such times, therefore, it behooves the banker to exercise unusual diligence in the choice of his transactions, and to confine his own issues of credit to a point at which he can, in any emergency, extinguish them. For all credit must ultimately be canceled or extinguished; and seeing that every bill must be either renewed—which does not cancel, but only postpones the due date of, the obligation—extinguished by release or paid in cash, the burden of the latter course, though only forming a small portion of the general extinguishment of a country's credit, is nevertheless the greatest in importance, for upon its smooth working the other two courses intimately depend. It has been roughly estimated that the gold in this country amounts to about 120 millions sterling, and that about fifty times as much credit is in operation; and Mr. Inglis Palgrave, in his "Notes on Banking," has estimated the average circulation of inland and foreign bills in the United Kingdom at 350 millions. Thus the foundation of the whole system rests upon a two per cent. gold basis; a consideration which clearly shows how carefully adjusted so huge a system must be, to prevent its overstepping so small a groundwork.

Now, "overtrading and a failure of the cereal crops of this country are each of them sure causes of a drain of bullion." It was these two events which, happening together, brought about the crisis of 1847. This was the first crisis following upon the great Bank Act of 1844; one of the chief objects of which was to provide as adequate a remedy as possible for such a state of affairs, by causing a reduction in the price of home commodities, and so to render it more profitable to export goods than bullion. That it did not effect all that was expected of it, was clear from the fact that, at this, its first serious trial, it had to be suspended. It was intended that for every five sovereigns withdrawn from the bank, a note of an equivalent amount should be canceled—a consummation which, however, never took place, the reason being, as I have before mentioned, that the drain took effect through the reserve in the banking department. The rate of discount at the bank was not

raised in the early part of the year above five per cent., although the market rate varied from nine to twelve per cent.; it was impossible on some days to get bills discounted at all at the Bank, which was, of course, from its lower rate naturally as deep in the mire as possible, and the withdrawal of gold was the natural consequence. Grain had risen enormously, and speculation had set in, accompanied by extensive issues of accommodation paper; failures began in the corn trade. On 7th August the rate varied from  $5\frac{1}{2}$  to 7 per cent., and the reserve had fallen in the middle of October to £8,431,000, notes remaining in circulation to the extent of £19,359,000. From Monday, 18th, to Saturday, 23d, a complete panic ensued, accompanied by a complete cessation of private discounts. On Saturday the Act was suspended, and the panic vanished like a dream; only £400,000 being issued in excess. The bank, however, afforded immediate relief to good firms by loan and discount; and "it did not reject, in London, any one bill offered for discount, except on the ground of insufficient security." Space will not permit us to critically observe the various theories which have guided the directorate of the bank, with regard to the proper manner of dealing with its funds and credit in the time of a commercial crisis. The power of the bank to render unlimited aid to merchants and others has, since the restriction upon its issues by the Act of 1844, been practically withdrawn. It, however, remains true of the amount which is still at its disposal, that there are two distinct ways in which it can meet a withdrawal of confidence and a general contraction of credit. It may contract its own credit; that is to say, it may follow the example of every other banking establishment, or it may, from its peculiar constitution, and with the knowledge that its credit must be ultimately upheld by the Government, expand its issues freely to meet the increased demand, and so counterbalance the action of the other banks.

It is now, I think, generally acknowledged that the true course is an admixture of these two theories. That, as long as the speculative feeling remains unimpaired, it is the duty of every banker to contract his discounts, as by so doing he prevents any increase taking place in the amount speculated in. As soon, however, as the crisis has reached its height, and prices begin to fall away, and the foreign exchanges which, in most cases, will, up to this point, have been against the country, begin to turn in our favor, then the policy of the bank should be to lend its support as far as is practicable to all houses of known stability by freely discounting what it would under the previous circumstances have resolutely refused. By acting in this way the directors enable merchants and others to gradually liquidate their engagements, and so prevent many a substantial and solvent house from closing its doors at a time when such an event would be the precursor, in all probability, of the failure of a number of other houses partially dependent upon the former for their resources, or to whom the house in question was indebted.

I have said this support should be given "as far as practicable." There is, however, a very largely prevailing opinion that "good" bills of exchange should at *all* times be discountable at the Bank of England, a view that was expressed by the *Economist* (September 22, 1866,) some years since, and combated by Mr. T. Hankey, who failed to see why holders of bills of exchange should be more leniently dealt with than any other class of the community, who were equally suffering from a general want of confidence or whatever the cause of the pressure may have been. (*Hankey on Banking*, p. 33.) The fact that the limit of power of the Bank of England to aid and support credit generally during a panic is very soon reached, has been amply shown by the successive repeals of the Bank Act in past years; and it remains an open question

in the writer's mind whether the granting of a power to issue in excess at a certain stipulated rate (say 10 per cent.), as is done in Germany, has not very much to commend it.

Before bringing this paper to a close it may not be uninteresting to just touch upon the main points of the law relating to bills in so far as they directly affect a banker's liability. Now it is a well-known fact that a banker is compelled to pay his customer's checks so long as he holds funds belonging to his customer sufficient to discharge them, and it has grown out of this liability that a banker, unless he gives his customer in some way to understand to the contrary, is also under the onus of paying all bills accepted by his customer payable with the banker in question.

A banker, by paying a check to whomsoever may present the same, incurs no liability should the person so presenting not be the rightful owner or have acquired his title through a fraudulent transfer or indorsement; the banker being expressly saved by sec. 60 of the Bills of Exchange Act.

This section does not, however, extend to bills accepted payable at a banker, the forged or unauthorized indorsement being by sec. 24 wholly inoperative and giving no right to give a discharge to the banker for the amount of the bill, should he be led to pay it upon presentation. There is a dictum of Maule, J., that the payer may be allowed reasonable time to make inquiry (see also *Vagliano v. Bank of England*), which, however, can at present be only considered a doubtful question. The principal case with reference to this liability on the banker's part is that of *Robarts v. Tucker*, decided in the Queen's Bench in 1851 (and ratified in the Exchequer Chamber), in which case the payee's indorsement was forged, and the bill was presented and paid to a subsequent holder. It was decided that the bankers could not debit their customer with the amount.

The case of *Vagliano v. Bank of England* merits our notice principally on account of the large interests involved. As the case will, in all probability, be carried to the Appeal Court, it would be out of place to more than state the bare facts of the case and the finding. The facts are, that bills to the amount of some £71,500 were forged, and the plaintiff's acceptance obtained by fraud. The case turned upon two points: firstly, whether the bills being made payable to a certain "C. Petridi & Co." (who, although such a firm existed, had no interest in the present transactions), were not in reality payable to "fictitious or non-existing persons," and therefore payable to bearer, in which case no liability could attach to the bank; and, secondly, whether the plaintiffs had not, through negligence, estopped themselves from setting up a claim. Both of these points were decided in favor of and judgment entered for the plaintiffs, with leave to appeal. Whether the judgment will stand remains to be seen, and the issue is one in which bankers cannot take too lively an interest, as their liability is enormous, whilst, according to the present state of the law as it is laid down, no amount of care and diligence on their part can guard them against such losses; whilst the acceptor is fenced in, however careless or negligent he may have been.

Again, a bill of exchange is a "banking security," and as such is included in those securities over which, coming to a banker in the ordinary course of business, he possesses a lien or "implied pledge." Thus, a bill given as collateral security for a loan account is subject, besides, to a lien in respect to a general balance owing, or a bill "entered short," although it remains the property of the customer, is nevertheless subject to a banker's lien.

A bank becomes a holder for value with respect to any bills (including checks) which a customer may pay in to his account for the purpose of reducing an overdraft, and can recover payment from the parties concerned.

Presentation of a bill through the clearing house is deemed to be a presentation at the bank.

An agent (and therefore a bank acting in that capacity) is bound to use due diligence in the presentment of a bill for acceptance, even though it be optional, and he is liable to his principal (customer) for any damages resulting from negligence.

A bank is, of course, liable to its customer for damage incurred through its negligence in the due presentment of a bill for payment or in taking proper proceedings in case of dishonor. The same rule also applies should the banker hold the bill as collateral security. A bank is also liable to its customer for the negligence of any sub-agent it may employ. A bank is, like any other individual, bound to give notice to its customer of the dishonor of any bill sent for collection; the simple return, however, of the unpaid bill is deemed sufficient notice of dishonor. A bank is, with regard to the time allowed for giving notice of dishonor, on the same footing as a separate holder, and the customer, upon receipt of such notice, is again entitled to the full period allowed. This period, where the customer and bank are in the same town, extends to not later than the following day; in any other case, notice must be sent by a convenient post on the day following dishonor. Separate branches of one bank are considered, with regard to giving notice of dishonor, as separate parties.

A bill must be presented for payment at a reasonable hour. In the case of a banker, this means banking hours; in the case of a trader, business hours; in the case of a private person, probably up to 9 or 10 P. M.

There is no privity between the holder of a bill accepted at a banker's and the bank in question, even though the customer may have sufficient funds to meet the acceptance. The privity lies between the bank and its customer only.

An acceptance in the form, "Payable at Smith & Co., bankers," is a general acceptance. Should the word "only" be added the acceptance becomes qualified, and due notice must be given to all persons liable on the bill, and their assent thereto obtained. Such an acceptance should not be accepted by a banker acting in the capacity of agent. Any alteration in the place of payment of a bill is a material alteration, and avoids the bill, except against the person making or authorizing the alteration, and subsequent indorsers.

Under this head also come alterations in date, sum payable, time of payment and addition of place of payment without the acceptor's consent.

With regard to the due date of bills, all bills falling due on Sunday or a non-business day (other than a bank holiday) are payable on the day previous, those falling due on a bank holiday, on the day following. Three days' grace are allowed on all bills payable *after* date or sight. Bills drawn in Russia are dated under the old style, the difference in the calendar at present being twelve days, all after date bills upon this country drawn in Russia are payable twelve days later than they, on their face, appear to be.

With regard to the stamp, all bills must be stamped with an impressed stamp previous to their execution, with the exception of those payable on demand, the duty on which, namely, one penny, may be denoted by an adhesive stamp, to be canceled by the person issuing the note. (See, however, sec. 54.)

All foreign bills must be stamped with adhesive stamps by the person into whose hands they first came in this country. See proviso sub. sec. (1) and (2).

No bill may be stamped with an impressed stamp after issue, except in the case of a bill upon an impressed stamp of sufficient amount but improper denomination.

An instrument not lawfully stamped is absolutely void, and no action can be brought on it by any person cognizant of its illegality. For the amount of duty payable see "Schedule" to the Act 33 and 34 *Vict.* (1870) c. (97.) The above, I must again repeat, is not intended to, in any way, contain even an abstract of the Law of Bills, such an undertaking being altogether beyond the scope of the present essay. I have, however, endeavored to point out the principal provisions which *directly* affect banking business generally, and which should be known to every person in any way connected with that business.

In conclusion, I should wish to state that space does not permit me to include a number of interesting facts connected with bills of exchange and indirectly with banking (such, for instance, as the French indemnity after the late war with Germany, 160 millions sterling of which consisted of bills of exchange, whilst London was one of the principal centers of operation), and also much controversial matter, a knowledge of which can alone enable one to form a just conclusion upon the many points at issue connected with the subject in hand. "A little knowledge" is generally considered "a dangerous thing," and the truism applies with undoubted force to all matters connected with the theory of the currency, a fact that has been so fully exemplified by the egregious blunders that some of our cleverest statesmen have made in their attempts to understand and legislate for it.

The writer can only hope that the "little knowledge" embodied in these pages may find an indulgent reader, who will pardon the disjointedness apparent throughout, on account of the immensity of the subject under consideration and the author's inability to more effectively blend its various parts without the sacrifice of additional space.—  
*Journal of the Institute of Bankers, London.*

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FRESNO, CAL.—The San Francisco *Journal of Commerce* contains a description of the banks in Fresno. One of these is the First National, which received its charter and commenced business in 1885. Its capital is \$100,000, its surplus also \$100,000. It transacts a general banking business, deals in foreign and domestic exchange and makes collections at all available points. Its officers are O. J. Woodward, president, and E. F. Oatman, cashier. The bank does good business, and ranks as one of the leading financial bulwarks of the State. The Farmers' Bank was established in January, 1882. It has a paid-up capital of \$200,000. In 1889 it was moved into their new and elegant building, which may be said to be the handsomest among the many fine structures in this beautiful city. The Farmers' Bank transacts a general banking business, deals in domestic and foreign exchange, issues letters of credit, and makes collections. The officers of the bank are Lewis Leach, president; W. W. Phillips, vice-president and manager; John Reichman, cashier; C. B. Pressley, secretary. The bank is popular and prosperous. The Fresno Loan and Savings Bank was established in 1884. It has the largest paid-up capital (\$300,000) of any of the fine banks located in Fresno. It transacts a general banking business, buys and sells exchange on all the principal cities of this country and Europe, pays liberal interest on time deposits, makes collections, etc. The officers and directors of this bank rank among the substantial men of the State, both socially and in the responsibility that gives tone and prestige to financial institutions. J. G. James is president, W. H. McKenzie, cashier, A. D. Barling, assistant cashier.

## INQUIRIES OF CORRESPONDENTS.

ADDRESSED TO THE EDITOR OF THE BANKER'S MAGAZINE.

## HAS THE DRAWER OF A CHECK ALL DAY FOR PAYING IT?

A check is presented for payment during business hours by a messenger and payment is refused for lack of funds. Does not the drawer have till the close of that business day to make the same good?

REPLY.—This question is asked by a banker in New York, and the law in that State may be first noticed. In *Gillett v. Averill*, 5 Denio, 85, 86, Judge Whittlesey said: "It is understood to be the custom of banks holding promissory notes payable at their own counter to wait on the day of the maturity of the note until the close of business hours, and then, if the maker has no funds, to give notice of non-payment without making any other demand of payment. This custom is sanctioned by judicial decisions." (*Bank of the United States v. Carneal*, 2 Pet. 543; *Berkshire Bank v. Jones*, 6 Mass. 524; *Ogden v. Dobbin*, 2 Hall 112. See *Merchants' Bank v. Elderkin*, 25 N. Y. 178.) And the same custom applies to checks.

But the rule, except where modified by a custom which has the force of an exception, is, that payment of a note or check may be demanded by the holder at any reasonable time on the day when payment is due, and if it is not then paid an action may be immediately begun against the maker. The rule is elaborately discussed by Chief Justice Shaw in *Staples v. Franklin Bank* (1 Met. 43), and many of the cases are reviewed. The question in that case arose on a note, but the same rule will apply to checks.

Virgin, J., in *King v. Crowell*, 61 Me. 244, 250, has declared that the demand may be made "at any such hour on the last day of grace; that, having regard to the habits and usages of the community where the maker resides, he may be reasonably expected to be in condition to attend to ordinary business; and if upon such demand payment is not made, the maker is in default, and notice of dishonor may forthwith be given to the indorser. But if no such demand be made, and the maker does nothing amounting to a waiver, he has the whole of the day in which to make payment, and is not in default until the expiration of the business day within which such demand might have been made." (*Greeley v. Thurston*, 4 Greenl. 479; *Crosby v. Grouet*, 36 N. H. 418; *Gordon v. Parmelee*, 15 Gray 413; *Ex parte Moline*, 19 Ves. 216; *Dan. on Neg. Ins.*, §1036).

## PERSONAL DEMAND.

Can a notary legally protest without a personal demand?

REPLY.—Yes. Daniel thus states the rule: "A personal demand is not necessary, and it is sufficient to make the demand at his usual residence or place of business of his wife or other agent; for it is the duty of an acceptor or promisor, if he is not present himself, to leave provision for the payment of his bills or notes." (*Dan. on Neg. Ins.*, §588.) This rule is so well established that a citation of cases is hardly necessary.

## DEMAND AFTER BANKING HOURS.

Is a demand to closed doors after business hours a demand in law?

REPLY.—No. Another quotation from Daniel may be given (§ 603): "Where presentment is at the place of business it must be during the hours when such places are customarily open, or at least while some one is there competent to give an answer. . . . But presentment at any hour cannot be considered unreasonable if any person competent to answer be found there who gives an answer."

## BANKING AND FINANCIAL ITEMS.

BOSTON.—The Bank Officers' Association at its annual meeting at the Clearing House elected these officers for the ensuing year: President, Francis B. Sears; vice-presidents, Chester S. Stoddard, Edward A. Church; treasurer, Henry A. Tenney; secretary, Edwin A. Stone; directors for two years, E. C. Ropes, C. L. Burrill; trustee for one year, J. J. Eddy; trustee for three years, James P. Stearns; auditors, George E. Vialle, F. R. Jewett, J. A. Brown.

NEW YORK CITY.—In the list of bankers who died last month is the name of V. Mumford Moore, president of the National Park Bank. Mr. Moore sailed for Europe at the end of April, and was expected to return in the early part of this month, but was prevented by illness. He succeeded the late George H. Potts as president of the Park Bank in May, 1888. Previously, for a number of years, he was engaged in the silk importing business, as a member of the firm of A. Person, Harriman & Co. He was a native of this city, and was about sixty-three years of age.

ST. LOUIS.—The banking facilities of St. Louis are to be increased by another National bank, which will begin business with a capital of \$500,000, \$400,000 of which is outside capital and \$100,000 subscribed by local capitalists.

BUFFALO, N. Y.—The Buffalo *Commercial* thus remarks: "Some time ago the management of the Marine Bank introduced the plan, novel to Buffalo, of providing a daily luncheon for the employes of the bank, the latter only paying for the actual cost of the same. The lunch is served in the upper room of the bank by the janitor of the building. The People's Bank has carried the idea a little further. It furnishes a simple but substantial lunch every week day free to its employes. Cashier Hammond says the cost is insignificant compared with the advantages secured, in which the bank, its employes and its customers alike share, and he declares that the directors are so well satisfied with the way the plan works that if the shareholders object—which is not likely—to the bank bearing the expense, they would be willing to meet it out of their own pockets. The plan, although new to Buffalo, has been in operation for a long time in Boston, New York, Chicago and other large cities where it has proved of great advantage to all concerned. Mr. Hammond says 'I believe that the plan will come into general use in large establishments. There is nothing lost by a little generosity on the part of employers. If one has a good and faithful employe it will pay to treat him liberally. If an employe is neither good nor faithful then he should not be retained.'"

ST. LOUIS.—One of the most imposing bank buildings recently erected is by the National Bank of Commerce of St. Louis. This bank was originally organized under a special charter in 1859, under which it operated with unvarying success until 1889, in December, when it was reorganized under the National banking system, with a full paid-in capital of \$3,000,000, making it the most heavily capitalized bank in St. Louis or the entire Southwest, while its business far exceeds that of any other in all this section. The present surplus and profits funds amount to \$450,000, while the deposits exceed \$10,000,000.

ST. LOUIS.—The Bank Clerks' Association has elected the following officers for the ensuing year: President, Eugene Karst; vice-president, Walker Hill; secretary, F. A. Falkenheimer; recording secretary and treasurer, Ellis S. Pep-



per. The report of the outgoing officers showed the association to be in a most flourishing condition, having about 250 members and a handsome sum in the treasury. A committee consisting of Messrs. Charles W. Bullen, Walker Hill, C. E. Kircher and James B. True was appointed to wait on the officers of the different banks which are not members, and request them to join the association, as it is doing great good by paying to the heirs of a member at his death the sum of \$1,000 as a benevolent or insurance feature of the association membership. This amount will be increased proportionately with the increase of membership, and thus, aside from its value as a medium of financial communication, intercourse and exchange of ideas, the association secures to its membership a most desirable provision for the families of members in the event of death. The New York Bank Clerks' Association, which is of a nature similar to that of this city, has in its treasury over \$100,000, and is growing financially stronger every year.

**BANKING IN ST. LOUIS.**—The St. Louis *Real Estate and Banking Record* says: Of late bank stocks have been the favorite security. There isn't a bank in the city but what is making money, and the large increase in the banking capital since June 1 of last year, when the Continental Bank increased its capital from \$200,000 to \$3,000,000, demonstrates this fact. Counting the two loan and trust companies, the increase in capital of the Continental, Bank of Commerce, and Laclede, the addition of the new Bank of the Republic, the contemplated increase of \$300,000 in the American Exchange Bank, and the new East St. Louis National Bank, just started, which is St. Louis capital, the banking has, or will have been, increased \$8,160,000 in less than a year. The banks are paying on an average a 7 per cent. dividend, and at the general price that bank stocks are selling the holders receive 5 per cent. net, which is considered a good rate of interest, and which is satisfactory to the average capitalist. The increase in the capital of the Continental created a better demand for bank stocks, and since other institutions of a like nature have done the same the demand for these securities has been greatly increased, and within a year the value of the security has advanced 30 points, and they are now selling on a basis of from  $4\frac{1}{2}$  to 5 per cent.

**ST. LOUIS.**—The Laclede National Bank has also taken possession of its new offices in the Laclede building, which has been completed, and is one of the finest in that city. Of this building the St. Louis *Real Estate and Financial Record* says that "It rises to a height of eight stories, surmounted by two towers or cupolas. The first two stories are of granite and iron, and the other six of beautiful red pressed brick. The interior construction is of wrought iron, filled in with patent hollow fire-proofing, and the exterior walls are lined on the inside with hollow brick as a protection against heat and cold, dampness, etc. The halls are lined with polished Bardillo marble from the floor to the ceiling. The air in the halls is drawn out through ventilating shafts in which the air is rarified so as to assure a regular current and perfect ventilation without dangerous draughts, and avoiding dust or soot from the outside. The halls are tiled with marble throughout, and the ceilings in the halls in the lower stories are polished marble. A number of the officers have handsome open fireplaces, and convenient lavatories, fitted up in marble and porcelain, are provided on every floor. Four late improved high-speed hydraulic elevators, together with roomy stairways, furnish ample facilities for each story, and, in brief, it may be said that a more complete and perfectly constructed office building is not found in the West. The Laclede National is the outgrowth of a private bank established in 1872 by Bartholow, Lewis & Co., which, in 1882, was succeeded by the Laclede Bank, under which name it was conducted until March 18, 1889, when it was reorganized under the National banking system. The capital employed is \$1,000,000, besides a surplus of \$100,000, and the deposits average \$3,500,000.

**BINGHAMTON, N. Y.**—It is reported that a satisfactory adjustment of the affairs of the Oswego National Bank has been effected. The shortage of C. A. Thompson, cashier of the bank, whose dealings with the Public Grain Stock Exchange led to the crash and his own failure, is, as previously stated, about \$100,000. He held \$43,000 of the amount as treasurer of Tioga County, and the balance belonged to the bank. Of the indebtedness, the Trumans, of Owego, relatives of Thompson, will pay \$30,000; John G. Sears, president of the village, and a relative of James Bassett, teller of the bank, who is implicated, will pay

\$25,000. and the balance will be met by bondsmen, directors and stockholders.

**PROVIDENCE.**—The Bank of America, of Providence, R. I., has transferred its assets and business to the Bank of America Loan and Trust Company, also of Providence, and will close its existence. This change has been brought about chiefly owing to a very large increase in the volume of business, which demanded a broader basis upon which to work, and partly owing to a desire that the concern be enabled to receive deposits upon a participation account. The capital of the new corporation is \$250,000, which is \$50,000 more than the Bank of America capital.

**PHILADELPHIA.**—Wharton Barker has organized an American and European banking company with a capital of \$25,000,000, one-half of which is to be issued at once. The company will conduct a general financial business. Among the American directors are Wharton Barker, President Wilbur, of the Lehigh Valley Railroad; Vice-President King, of the Baltimore and Ohio; George de B. Keim, of the Reading Railroad; John H. Converse, of the Baldwin Locomotive Works; William Brockie, Henry C. Gibson, Charlemagne Tower, Jr., James Bement and Simon B. Fleischer. The European directors are prominent financiers. The principal offices of the company will be in London and Philadelphia. Mr. Barker declined to talk about the new company to-day, except to say that the particulars here given are correct. The company has been in process of organization for some time, and it is believed that it will be ready for business some time this summer. In addition to the London office there will be branches in Paris, Berlin, Vienna, and other European cities. One of the men mentioned above as a director to-day admitted his connection with the company, but declined to give any information regarding it, saying that Mr. Barker was its head, and information as to its affairs should properly come from him.

**HALESTOWN, NEB.**—The Halestown State bank, with W. G. Hurlbert as cashier, has opened its doors for business. Halestown is on the new railroad from Yankton to Norfolk.

**CREIGHTON, NEB.**—The Knox County Bank at Creighton has been converted into the First National Bank.

**COLEREDGE, NEB.**—The Coleredge State bank is a new financial institution just incorporated. The stockholders are T. F. Clark, H. H. Clark, C. E. Olney, J. W. Linkhart and T. P. Linkhart.

**DANBURY, NEB.**—Articles of incorporation for the Danbury State Bank, of Danbury, Red Willow county, have been filed with the Secretary of State. The capital stock is placed at \$25,000 and the incorporators are J. S. Ewart, P. E. McDonald, E. L. Dodder and Jackson Stoll.

**GORDEN, NEB.**—Articles incorporating the Maverick Bank have been filed with the Secretary of State. Gordon, Sheridan county, is designated as the principal place of business, and the authorized capital stock is given at \$25,000, divided into shares of \$100. The incorporators are T. B. Irwin, C. M. Garver, and L. L. Work.

**PIERCE, NEB.**—Arrangements have been completed by which the Pierce County Bank and the Farmers and Merchants Bank of Pierce, Neb., are to be consolidated under the name of the First National Bank of Pierce, with a capital of \$50,000. The two banks to be consolidated are among the oldest and best known in that section, having been established on the same day almost of the birth of the town.

**AURORA, NEB.**—The Aurora Bank Company and the Osmond State Bank filed articles of incorporation with the Secretary of State. The capital stock of the former is \$100,000; incorporators, Wm. I. Farley, John D. Ferguson, Jr., James B. Bogers, E. J. Waddle. The capital stock of the latter is \$50,000; incorporators, D. T. Gilman, C. B. Burrows and R. A. Stewart.

**SPAIN.**—It is rumored that the Superintendent of Finance proposes to the Government to abolish the Cuban Treasury and to entrust its financial duties to the Spanish Bank. There is also talk of leasing the custom houses of the island to the Bank of Spain, which, it is said, will establish a branch in Havana.

**JACKSONVILLE, FLA.**—The Merchants' National Bank, of Jacksonville, has been organized with a capital of \$100,000, and has also succeeded to the business of the

banking firm of Ambler, Marvin & Stockton. Mr. Marvin becomes the president of the bank. Thus this well-known banking firm has developed into a National bank, which is the origin of many of the banking institutions in the country.

CARROLLTON, MISS.—The *Conservative* says that the new and only bank in that place was opened for business on the 3d of May. A bank had long been needed there. "The *Conservative* hazards the statement that the directors of the Bank of Carrollton represent as much capital as any bank in Mississippi. The board of directors are: W. Ray, T. H. Bingham, B. F. Roach, D. P. Ricketts, J. D. Tillman, B. H. Matthews, J. S. McDonald, John Powell and R. A. Bacon. The president is Capt. W. Ray, the well-known merchant of this place. The vice-president and cashier is Major R. A. Bacon, who is president of the Planter's Compress and Warehouse Company of Greenwood."

MINNEAPOLIS, MINN.—The Northwestern Guaranty Loan Company has completed a new building which was formally opened on the last day of May with a general reception. The company, which is six years old, has been highly prosperous. The St. Paul and Minneapolis *Pioneer Press* says that this "is beyond doubt the finest office building in the Northwest. Viewed from any point of the compass and from any portion of the city, its symmetrical proportions strike the eye as being both unique and attractive. Situated on the prominent corner of Third street and Second avenue south, adjoining the new post-office building, it looms up far above the contiguous marts of trade, higher even than the renowned West Hotel. It is, in fact, a splendid specimen of the last commercial architecture. The architecture is appropriate, particularly to a building of such huge proportions and diversified character."

HOUSTON, TEXAS.—South Texas National Bank, capital \$500,000, which will open here in a few weeks, through its directors to-day elected the following officers for the year: M. L. Jones, president; Chas. Dillingham, first vice-president, and J. E. McAshan, cashier.

ROME, TENN.—Geo. E. Billingsly, a banker and capitalist of Greenville, Miss., will organize a new bank here, with a capital of \$100,000. It is reported that virtually the stock has been subscribed.

CHATTANOOGA, TENN.—Among the most prosperous banking institutions of Chattanooga is the City Savings Bank. At the semi-annual meeting held April 12, a semi-annual dividend of 5 per cent. was declared, and the institution had never paid less than this. The capital stock is \$200,000 all of which has been subscribed and \$108,350 paid in. The surplus and undivided profits amount to \$19,524.05. The average deposits for seven weeks ending April 4 were \$480,775.—*Journal of Commerce*.

TRINIDAD, COL.—The First National Bank of Trinidad will soon erect a new bank building. It will be built of stone and elegant in its appointments, and when completed will be one of the handsomest bank buildings in Southern Colorado.

AMERICAN BANKERS' ASSOCIATION.—The Executive Council of the American Bankers' Association have decided to hold the convention of 1890 at Saratoga, N. Y., on Sept. 3, 4 and 5.

COMPENSATION OF BANK TRUSTEES IN NEW YORK.—In reply to a communication from the president of the Syracuse Savings Bank, inquiring whether there is any provision in the act incorporating that bank, or in the general act providing for the incorporation of savings banks, which prohibits the bank's trustees from receiving pay as a committee in examining property for the purpose of making loans upon it, Attorney-General Tabor states that Section 3 of the act incorporating the bank prohibits the trustees from receiving any pay for their services. As regards the general act, the Attorney-General says that Section 269 of that act, while allowing compensation to trustees in certain cases, would, by implication, prohibit it in all others and the cases in which compensation is authorized by this section are where the duties of the trustees are of such a nature as to require their regular attendance at the institution. This does not, in his opinion, include incidental or occasional services rendered by a committee of the trustees.

GENERAL GEORGE S. BROWN, the head of the well-known banking house of Alexander Brown & Sons, of Baltimore, whose death was chronicled in the last

number of the *MAGAZINE*, was born in that city on May 7, 1834, and was of Irish descent, his father, George Brown, having come from Ballymona, County Antrim. His first experience in business life was in the office of his father, who conducted business under the firm name of Alexander Brown & Sons, and at an early age young Brown became one of the partners. On the death of his father, in 1859, he was the only survivor of the firm. His grandfather, Alexander Brown, established the parent house of the Browns' banking system, which, with its foreign connections, is now the most extensive in the world, except that of the Rothschilds. The Baltimore house, while not now a branch of Brown Brothers, of New York, is a correspondent of that firm and also of Brown & Shipley and the London and Paris houses. The Browns of Brown Brothers are cousins of George S. Brown, the deceased. General Brown was appointed by Governor Swann as Paymaster-General of the State, which office he held under several succeeding Governors; and he also held a number of other offices of honor and trust. He was president of the Baltimore and Havana Steamship Company, a director of the National Mechanics' Bank, a manager of the House of Refuge, a member of the Board of the Blind Asylum, a director of the Union Railroad Company, a trustee of the Peabody Institute, and a director of the Calvert Sugar Refinery, and was for a number of years vice-president of the Canton Company. The Young Men's Christian Association had no warmer friend. He also served the city in various capacities. In 1857 General Brown married Miss Harriet Eaton, of New York, who survives him, with one son, Alexander Brown. General Brown was a prominent member of the Presbyterian Church. He had for years been prominently identified in the citizens' movements to overthrow the political ring controlling municipal affairs. He was one of the leaders of the reform movement which in 1859 overthrew the reign of "Plug Uglyism" in Baltimore. He also took a leading part in the reform movement in 1875. Last year General Brown became prominently identified with the independent movement which resulted in the fusion ticket. He was chairman of the Nominating Committee of One Hundred which conducted the inaugural movements on behalf of the Independent Democrats. Mr. Brown leaves a fortune estimated at over \$2,000,000.

ABSTRACT OF REPORTS OF THE STATE BANKS IN MICHIGAN AT THE CLOSE OF BUSINESS, MAY 17TH, 1890.

<i>Resources.</i>	
Loans and discounts.....	\$24,510,610 26
Stocks, bonds and mortgages.....	17,409,750 82
Overdrafts .....	133,023 79
Due from banks in reserve cities.....	5,830,076 13
Due from other banks and bankers.....	309,121 19
Banking house furniture and fixtures.....	627,943 36
Other real estate.....	318,310 23
Current expenses and taxes paid.....	208,136 63
Interest paid.....	90,302 65
Exchanges for Clearing House.....	275,478 72
Checks and cash items.....	148,570 11
Premiums paid.....	157 50
Cash.....	1,883,919 04
<b>Total.....</b>	<b>\$51,745,400 43</b>
<i>Liabilities.</i>	
Capital stock paid in.....	\$7,901,380 00
Surplus fund .....	1,384,787 48
Undivided profits.....	1,601,254 78
Dividends unpaid.....	17,645 02
Commercial and savings deposits.....	39,280,151 64
Due to banks and bankers.....	938,336 00
Notes and bills re-discounted.....	587,546 48
Bills payable.....	34,299 03
<b>Total.....</b>	<b>\$51,745,400 43</b>

Comparing this statement with the reports made to the Commissioner of Banking, May 13, 1889, we find that banks have increased seventeen in number, and \$6,054,914 50 in deposits.

As compared with the reports of December 11, 1889, banks have increased eight in number, and an increase in deposits of \$3,228,367 81.

The total assets May 13, 1889..... \$43,088,345 86

The total assets May 17, 1890..... 51,745,400 43

**CANADIAN BANKING.**—Mr. George Hague, general manager of the Merchants' Bank of Canada, in his address at the annual meeting of the bank, held on the 18th of June, remarked that the results of the working of the bank since its capital was readjusted twelve years ago have been placed before you every year. It may be worth while to-day to look back on this period and note what has been accomplished. For the first three years, viz., 1878, 1879, and 1880, a condition of depression prevailed in Canada, and the large sum which was reserved as a contingent fund on the reorganization of the bank, was gradually depleted until it was reduced to a mere nothing. During this time the bank only earned sufficient to pay 6 per cent. dividend. The depression which had prevailed for seven years passed away in the beginning of 1881. From that time the course of the bank has been steadily upward. Dividends have been increased from 6 per cent. to 7 per cent. and have been so maintained. The "Rest" has been increased from \$475,000, which is all we had ten years ago, to \$2,335,000. During the first few years so many of the bank's customers failed that the amount of indebtedness of such insolvent customers to the bank exceeded seven millions of dollars. The net loss sustained is now a matter of history. It was dealt with long ago. But the failure of such a number of persons left the bank with a largely reduced clientele. It was extremely difficult during these years to make even the moderate dividend we then paid. This bank had as able a body of directors as ever sat round a Board table. Some of these have passed away. Others still remain to lend the weight of their great influence and knowledge of business to the management of the bank. Under the administration of the Board during the last ten years, a business has been built up that is largely a new creation. This business has on the whole been very satisfactory. While none can claim to be infallible, the stockholders may rest assured that no mistakes involving serious and heavy losses have been made for many years back. For your information I will give you the position of the bank as it was ten years ago and now :

Its capital was.....	\$5,520,000
It is now.....	5,799,000
But our deposits were then.....	7,296,000
They are now.....	9,309,000
Our loans and discounts were.....	10,822,000
They are now.....	16,348,000
Our circulation was then.....	2,127,000
It is now.....	2,563,000

The main difference, however, is in the "Rest." This stands as a sort of break-water to defend the capital and to preserve your property. It serves also to guarantee your dividends, and to prevent a repetition of the unfortunate events of twelve years ago. The "Rest" now amounts to 40 per cent. of the capital. Canadian banks have generally settled to the conclusion that a "Rest" of 50 per cent. should be accumulated. I need not say this has my hearty concurrence, as I was among the first in Canada to emphasize it. And experience confirms its wisdom. Some may think that such a reserve fund would be too large. But in looking over the masses of loans and discounts of the bank, and considering the risks involved in them, I have often thought the bank can never have too large a Rest. For, after all, the true method of considering a Rest is to look at its proportion to the risks carried on our books in the shape of loans and discounts. Viewed in this light, a Rest of 50 per cent. on the capital would be by no means a large one.

**THE PENNSYLVANIA COMPANY FOR INSURANCE ON**

**LIVES & GRANTING ANNUITIES,**

431 Chestnut St., Philadelphia, June 20, '90.

E. Rawlings, Esq., V.-Pres. of the Guarantee Company of North America :

DEAR SIR—I have to acknowledge the receipt of draft on New York for five thousand dollars handed to me this morning by your Secretary, Mr. Sabine, being for the payment of the claim on your company for the embezzlement of money of this institution by John C. Graham, and it gives me pleasure to express my gratification at the promptitude with which your company has settled this claim and dealt with the offender. Yours very truly,

[Signed]

LINDLEY SMYTH, President.

**BUILDING AND LOAN ASSOCIATIONS.**—There are at present not less than 125 associations of this character in St. Louis, seventeen of which were organized in

1889. They have a combined capital of \$83,510,000, and receive in dues the sum of \$250,000 per month, or \$3,050,000 per annum. The loans at present, secured by real estate, foot up to \$10,000,000. The total membership of these 125 associations is 25,000. Others are preparing to organize, there being room in this city for four or five hundred, who would all find a large and lucrative business, as is evidenced by the fact that Chicago has 402 and Cincinnati 335. These associations are strong and powerful factors in city building, besides which, like savings banks, they inculcate ideas of thrift and economy among their members, who sooner or later become property owners, and as a consequence more valuable as citizens of the community.—*St. Louis Real Estate and Financial Record*.

MACON, GA.—The *Macon Evening News*, in describing the banking institutions in that place, says: "In 1880, ten years ago, the total deposits of the banks of Macon were \$599,483.20. In 1890 the deposits are \$2,574,599.67. The deposits in 1890 have increased \$1,975,116.47 over those of 1880. All the banks are prospering and growing. Here is an illustration: The deposits account now of the Exchange Bank alone is nearly three times as much as the deposits of all the banks, including the Exchange Bank, were ten years ago. As said before, the total deposits of the banks in 1880 were \$599,483.20. The deposits of the Exchange Bank now, in 1890, are \$1,532,540.67. In 1880 the First National was the only bank in Macon that had a surplus, namely, \$20,000. In 1890 the surplus of the banks is \$233,643. In 1880 the capital of all the banks was \$620,600. The capital in 1890 is \$1,058,300, or an increase of \$437,700. In 1880 the capital exceeded the deposits by \$21,116.80. In 1890 the deposits exceeded the capital by \$1,516,299.67. This shows a wonderful increase in general commercial business."

Sterling exchange has ranged during June at from 4.84¾ @ 4.88 for bankers' sight, and 4.83¾ @ 4.85 for 60 days. Paris—Francs, 5.17½ @ 5.15½ for sight, and 5.19¾ @ 5.18½ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.84 @ 4.84½; bankers' sterling, sight, 4.87½ @ 4.88; cable transfers, 4.88 @ 4.88¾. Paris—Bankers', 60 days, 5.18¼ @ 5.18½; sight, 5.16¼ @ 5.15½. Antwerp—Commercial, 60 days, 5.21¼ @ 5.20¾. Reichmarks (4)—bankers', 60 days, 95 @ 95½; sight, 95¼ @ 95½. Guilders—bankers', 60 days, 40 3-16 @ 40¼; sight, 40¾ @ 40 7-16.

The reports of the New York Clearing-house returns compare as follows:

1890.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.	Surplus.
June 7...	\$396,984,900	\$75,525,100	\$30,891,400	\$406,024,500	\$3,725,100	\$4,910,375
" 14...	395,114,800	76,237,900	31,951,700	404,806,800	3,745,100	6,987,900
" 21...	395,518,500	75,398,800	31,705,400	403,837,100	3,771,200	6,144,925
" 28...	397,071,600	75,411,000	32,614,500	405,527,400	3,733,000	6,643,550

The Boston bank statement is as follows:

1890.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.
May 31.....	\$158,489,600	\$10,172,200	\$4,250,700	\$136,977,700	\$3,008,800
June 7.....	158,423,700	10,438,500	4,051,400	135,919,700	3,097,600
" 14.....	156,301,100	10,404,000	4,181,100	134,078,100	3,124,700
" 21.....	155,672,800	10,257,800	4,199,700	134,542,300	3,111,700
" 28.....	155,939,200	9,996,500	4,315,600	132,934,600	3,135,700

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1890.	Loans.	Reserves.	Deposits.	Circulation.
June 7.....	\$96,807,000	\$27,807,000	\$97,880,000	\$2,129,000
" 14.....	97,499,000	26,759,000	98,325,000	2,135,000
" 21.....	97,811,000	26,586,000	97,826,000	2,140,000
" 28.....	98,572,000	25,314,000	97,066,000	2,135,000

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	June 2.	June 9.	June 16.	June 23.	June 30.
Discounts.....	5½ @ 6½	5½ @ 6½	5½ @ 6½	6 @ 7	6 @ 7
Call Loans.....	12 @ 5	6 @ 4	4½ @ 4	6 @ 4	8 @ 3½
Treasury balances, coin...	\$163,349,173	\$162,833,316	\$163,168,643	\$163,354,117	\$162,440,768
Do. do currency..	5,369,454	6,026,061	6,299,228	6,593,364	6,800,488

## CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from June No., page 809.)

	Bank and Place.	Elected.	In place of.
N. Y. CITY.	Third National Bank.....	R. M. Galloway, <i>P.</i> .....	Wm. A. Booth.
"	United States Nat'l Bank...	Henry C. Hopkins, <i>A. C.</i> .....	.....
"	Western National Bank....	Val. P. Snyder, <i>V. P.</i> ....	.....
ARIZ....	Santa Cruz Valley Bank, } Tucson. }	Baron M. Jacobs, <i>P.</i> ..... Sam'l Hughes, <i>V. P.</i> ....	Sam'l Hughes. Felix S. Haas.
ARK ...	First National B'k, Little Rock.	H. G. Allis, <i>P.</i> .....	L. H. Roots.
CAL....	Cal. Safe Dep. & Tr. Co. San Fran.	S. P. Young, <i>T. &amp; M'gr.</i>	J. M. Shotwell.
"	Peoples Home Sav. B., San Fran.	B. O. Carr, <i>Sec.</i> .....	.....
COL....	First Nat. Bank, Ouray.....	A. G. Siddons, <i>Ass't Cas.</i>	.....
DAK. S.	First Nat. Bank, Pierre.....	Frank Sutton, <i>Ass't Cas.</i>	.....
"	S. First Nat. Bank, Redfield.....	H. A. Taylor, <i>Cas.</i> .....	Wm. I. McMaster.
"	S. Watertown National Bank, } Watertown. }	A. C. Mellette, <i>P.</i> ..... J. W. Martin, <i>Cas.</i> .....	W. E. Scarritt. E. W. Thomas.
FLA....	First National Bank, } Palatka. }	H. G. Payne, <i>V. P.</i> ..... F. P. Mersebau, <i>Cas.</i> ....	R. J. Adams. H. G. Payne.
GA.....	Dawson Nat. Bank, Dawson...	W. C. Dillon, <i>V. P.</i> ....	.....
ILL....	National City Bank, } Ottawa. }	Thos. D. Catlin, <i>P.</i> ..... A. F. Schoch, <i>V. P.</i> ....	E. C. Allen. Thos. D. Catlin.
"	Ill. Nat'l Bank, Springfield...	M. Hay, <i>V. P.</i> .....	ohn Williams.
IND ...	State Exchange Bank, } Argos. }	Wm. Railsback, <i>P.</i> ..... T. O. Taber, <i>Cas.</i> .....	..... .....
IOWA...	State Bank, } Bancroft. }	S. T. Meservey, <i>P.</i> ..... G. H. Daniels, <i>V. P.</i> ....	..... .....
"	First National Bank, } Fort Dodge. }	Chas. R. Morehouse, <i>C.</i> ..... J. W. Campbell, <i>Cas.</i> ....	C. G. Blemden. J. W. Campbell.
"	State Bank of Renwick, } Renwick. }	C. D. Strow, <i>Ass't Cas.</i> } Leslie A. McMurray, <i>P.</i> } Geo. S. Smith, <i>V. P.</i> .... } Robt. R. Smith, <i>Cas.</i> .... }	..... ..... ..... .....
"	"	H. S. Higbee, <i>Ass't Cas.</i>	.....
KAN....	Baldwin City Bank, Baldwin...	Jas. Murray, <i>P.</i> .....	A. H. Humphrey.*
"	First Nat. Bank, Fort Scott....	E. R. Chenault, <i>V. P.</i> ....	Jno. Glunz.
"	First Nat. Bank, Norton.....	Wm. Simpson, <i>V. P.</i> ....	J. J. Grier.
"	Exchange Nat. Bank, Osborne.	J. R. Loomis, <i>P.</i> .....	W. W. Watson.
"	First National Bank, } Stafford. }	R. M. Wallace, <i>V. P.</i> .... A. E. Ashens, <i>Ass't Cas.</i>	E. L. Hills. J. F. McKinney.
"	First Nat'l Bank, Washington..	W. F. Hackney, <i>V. P.</i> ...	J. F. Horning.
KY....	Mercer Nat. B., Harrodsburg..	Jno. L. Cassell, <i>V. P.</i> ....	.....
"	German Savings Bank, } Louisville. }	J. S. Barret, <i>P.</i> ..... C. Tafil, <i>V. P.</i> .....	Jno. H. Detchen. .....
"	"	Geo. Gutig, <i>Cas.</i> .....	J. S. Barret.
LA.....	First Nat. Bank, Lake Charles.	Chas. A. Furney, <i>A. Cas.</i>	.....
"	State Nat. Bank, New Orleans.	Chas. L. C. DePuy, <i>Cas.</i>	T. R. Roach.
ME....	Farmers Nat. Bank, Houlton..	Geo. A. Gorham, <i>Cas.</i> ...	A. B. Page.
MASS...	Grafton Nat. Bank, Grafton...	Geo. W. Fisher, <i>V. P.</i> ...	.....
"	Westfield Sav. Bank, Westfield.	Lyman R. Bartlett, <i>P.</i> ...	.....
MICH.	Citizens Savings Bank, } Detroit. }	Collins B. Hubbard, <i>P.</i> ... R. H. Fyfe, <i>V. P.</i> .....	Christian Mack. .....
"	Commercial B., Mt. Pleasant..	F. McNamara, <i>Cas.</i> .....	John A. Harris.
MINN...	First Nat. Bank, Albert Lea...	Jas. F. Jones, <i>V. P.</i> .....	W. W. Johnson.
"	Flour City N. B., Minneapolis.	H. C. Akeley, <i>V. P.</i> .....	W. A. Barnes.
MISS ...	First Nat. Bank, West Point.	J. W. Heard, <i>Ass't Cas.</i>	.....
MO....	Bank of Hannibal, } Hannibal. }	D. M. Dulany, Sr., <i>P.</i> .... S. M. Carter, <i>V. P.</i> .....	S. M. Carter. D. M. Dulany, Sr.
"	Chrisman-Sawyer B'k'g Co., } Independence. }	A. F. Sawyer, <i>V. P.</i> ..... I. N. Rogers, <i>Cas.</i> .....	S. L. Sawyer. A. F. Sawyer.
"	Dollar Sav. Bank, Kansas City.	F. W. Scott, <i>Cas.</i> .....	.....
"	Continental Nat. B., St. Louis.	H. A. Crawford, <i>V. P.</i> ...	J. M. Thompson.

\* Deceased.

	<i>Bank and Place</i>	<i>Elected.</i>	<i>In place of.</i>
MONT ..	Stockmen's N. B'k, Fort Benton.	Louis W. Peck, <i>V. P.</i> ....	.....
" ..	National Park Bank, Livingston.	E. H. Talcott, <i>Cas.</i> .....	C. H. Stebbins.
NEB....	Dawson Co. National Bank, Lexington.	D. A. McCaw, <i>A. Cas.</i> ...	.....
" ..	Ord National Bank, Ord.....	E. M. Leflang, <i>P.</i> .....	Geo. W. Blakeslee.
" ..	Ord National Bank, Ord.....	A. E. Grantham, <i>Cas.</i> ....	W. Blakeslee.
N. H....	Franklin Sav. Bank, Franklin..	John F. Barron, Jr., <i>Cas.</i> ...	Ed. K. Harris.
N. J....	Camden Nat. Bank, Camden..	I. N. Blodgett, <i>P.</i> .....	Geo. W. Nesmith.*
" ..	Hudson Co. N. B., Jersey City.	Henry B. Wilson, <i>V. P.</i> ...	.....
" ..	First Nat. Bank, Somerville....	A. Zabriskie, <i>V. P.</i> .....	Thos. Earle.
" ..	Somerville Dime S.B., Somerville	Wm. H. Taylor, <i>Cas.</i> ....	John W. Taylor.*
N. Y....	Kings Co. Bank, Brooklyn.	Jno. R. Garretson, <i>S. &amp; T.</i>	Jno. W. Taylor.*
" ..	Fishkill Sav. Institute, Fishkill.	O. M. Denton, <i>P.</i> .....	W. B. Leonard.
" ..	Nat. Bank of Newburgh, Newburgh.	H. B. Anten, <i>Cas.</i> .....	O. M. Denton.
" ..	Bronson Nat. B., Painted Post.	Frank R. Benjamin, <i>P.</i> ...	James E. Dean.
" ..	Powers Bank, Rochester.	James E. Dean, <i>Treas.</i> ...	James Dearing.
" ..	Rochester Sav. B., Rochester..	Jno. J. S. McCroskery, <i>P.</i>	Geo. W. Kerr.*
" ..	First National Bank, Rome.	Chas. J. Lawson, <i>V. P.</i> ...	.....
" ..	Rondout Savings Bank, Rondout.	C. D. C. Kerr, <i>Cas.</i> .....	J. J. S. McCroskery.
" ..	Lumber Exch. B., Tonawanda.	C. B. Schuyler, <i>Ass't Cas.</i>	.....
" ..	Morehead Banking Co., Durham.	Daniel W. Powers, <i>P.</i> ...	.....
" ..	Market Nat. Bank, Cincinnati..	Ed. H. Vredenburg, <i>V. P.</i>	.....
" ..	Central Nat. Bank, Cleveland..	Wm. C. Powers, <i>Cas.</i> ....	.....
" ..	Deposit Banking Co., Delaware.	Thos. H. Husband, <i>Sec.</i> ...	Chas. F. Pond.
" ..	Delaware Co. N. B., Delaware.	J. G. Bissell, <i>P.</i> .....	.....
" ..	First Nat. Bank, Gallipolis....	W. R. Huntington, <i>V. P.</i>	J. G. Bissell.
" ..	First Nat. Bank, Niles.....	Jas. G. Lindsley, <i>P.</i> .....	.....
" ..	First Nat. Bank, Niles.....	A. S. Staples, <i>V. P.</i> ....	.....
" ..	First Nat. Bank, Niles.....	Jas. S. Thompson, <i>P.</i> ....	Edward Evans.
" ..	First Nat. Bank, Niles.....	W. H. Willard, <i>P.</i> .....	G. S. Watts.
" ..	First Nat. Bank, Niles.....	J. T. Pinnex, <i>V. P.</i> .....	.....
" ..	First Nat. Bank, Niles.....	Michael Clements, <i>V. P.</i> ...	.....
" ..	First Nat. Bank, Niles.....	Thos. Wilson, <i>V. P.</i> .....	.....
" ..	First Nat. Bank, Niles.....	Sam. P. Shur, <i>P.</i> .....	.....
" ..	First Nat. Bank, Niles.....	H. A. Welch, <i>V. P.</i> .....	.....
" ..	First Nat. Bank, Niles.....	N. P. Ferguson, <i>Cas.</i> ....	H. A. Welch.
" ..	First Nat. Bank, Niles.....	R. R. Welch, <i>Ass't Cas.</i>	.....
" ..	First Nat. Bank, Niles.....	E. I. Pollock, <i>Ass't Cas.</i>	.....
" ..	First Nat. Bank, Niles.....	H. R. Bradbury, <i>Cas.</i> ....	.....
" ..	First Nat. Bank, Niles.....	John H. Park, <i>V. P.</i> .....	.....
" ..	First Nat. Bank, Niles.....	Henry Hahn, <i>P.</i> .....	Jno. Sommerville.
" ..	First Nat. Bank, Niles.....	A. H. Danner, <i>Cas.</i> ....	F. G. Brosey.
" ..	First Nat. Bank, Niles.....	Chas. N. Cressman, <i>P.</i> ...	Henry C. Moore.
" ..	First Nat. Bank, Niles.....	Louis K. Hyde, <i>V. P.</i> ....	.....
" ..	First Nat. Bank, Niles.....	Benj. Reynolds, <i>P.</i> .....	.....
" ..	First Nat. Bank, Niles.....	C. W. Laycock, <i>Cas.</i> ....	Benj. Reynolds.
" ..	First Nat. Bank, Niles.....	F. C. Butler, <i>Cas.</i> .....	Theo. J. Simons.
" ..	First Nat. Bank, Niles.....	C. F. Calhoun, <i>A. Cas.</i> ...	.....
" ..	First Nat. Bank, Niles.....	John M. Pugh, <i>Cas.</i> .....	Fred. S. Lord.
" ..	First Nat. Bank, Niles.....	U. S. Stewart, <i>Ass't Cas.</i>	Wm. L. Moss.
" ..	First Nat. Bank, Niles.....	F. Lammers, <i>V. P.</i> .....	.....
" ..	First Nat. Bank, Niles.....	S. G. Selkirk, <i>Ass't Cas.</i>	.....
" ..	First Nat. Bank, Niles.....	L. Simpson, <i>Cas.</i> .....	H. M. Victor.
" ..	First Nat. Bank, Niles.....	W. A. Bassel, <i>Cas.</i> .....	H. M. McKnight.
" ..	First Nat. Bank, Niles.....	L. A. Snow, <i>Ass't Cas.</i> ...	.....
" ..	First Nat. Bank, Niles.....	H. S. Jewett, <i>P.</i> .....	H. P. McClary.
" ..	First Nat. Bank, Niles.....	H. P. McClary, <i>V. P.</i> ....	.....
" ..	First Nat. Bank, Niles.....	Thos. W. White, <i>Ass't C.</i>	.....
" ..	First Nat. Bank, Niles.....	C. S. Scott, <i>Ass't Cas.</i> ...	.....
" ..	First Nat. Bank, Niles.....	M. A. Patrick, <i>Cas.</i> .....	F. D. Jamesson.
" ..	First Nat. Bank, Niles.....	A. N. Bort, <i>P.</i> .....	.....
" ..	First Nat. Bank, Niles.....	L. H. Parker, <i>Cas.</i> .....	F. H. Starkweather
" ..	First Nat. Bank, Niles.....	Silas Bullard, <i>Act'g Cas.</i>	Robt. Graham.
" ..	First Nat. Bank, Niles.....	Geo. H. Utz, <i>A. Cas.</i> ....	.....

\* Deceased.



## NEW BANKS, BANKERS, AND SAVINGS BANKS.

(Monthly List, continued from June No., page 969.)

<i>State. Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N.Y. Correspondent.</i>
N. Y. CITY.....	Washington Nat'l Bank. \$300,000	Evan G. Sherman, <i>P.</i> John T. Granger, <i>Cas.</i> G. M. Dodge, <i>V. P.</i>
ARK.... Clarksville.....	Bank of Clarksville..... \$25,000	John C. Hill, <i>P.</i> Corlis L. Pyle, <i>Cas.</i> A. P. May, <i>V. P.</i>
• .. Fordyce.....	Bank of Fordyce..... \$21,000	National Bank of Republic. J. E. Hampton, <i>P.</i> Clarence E. Frost, <i>Cas.</i> W. J. Proctor, <i>V. P.</i>
COL... Denver.....	American Guaranty, Loan and Investment Co.... \$100,000	Kountze Bros. Carlisle N. Greig, <i>P.</i> Timothy S. Schlessinger, <i>S. &amp; T.</i> M. Van Brunt, <i>V. P.</i>
• .. Denver.....	Nat. Bank of Commerce. \$500,000	Chase National Bank. Job A. Cooper, <i>P.</i> Chas. L. McIntosh, <i>Cas.</i> Wm. R. Mygatt, <i>V. P.</i> W. B. Morrison, <i>Ass't Cas.</i>
• .. Denver.....	Marshall Bros. & Co..... \$25,000	Gilman, Son & Co. Willis M. Marshall, <i>Cas.</i>
• .. Kico.....	First National Bank..... \$50,000	Hanover National Bank. J. E. McClure, <i>P.</i> D. E. Morey, <i>Cas.</i> L. L. Bailey, <i>V. P.</i> Geo. E. Nolte, <i>Ass't Cas.</i>
DAK. S. Hill City.....	Bank of Hill City..... \$5,000	Kountze Bros. Thos. N. Garlock, <i>P.</i> Chas. G. Lincoln, <i>Cas.</i>
FLA.... Jacksonville...	Merchants Nat'l Bank.... \$100,000	Imp. and Traders National Bank. John L. Marvin, <i>P.</i> H. T. Baya, <i>Cas.</i> James P. Talioferro, <i>V. P.</i> Thos. W. Conrad, <i>Ass't Cas.</i>
ILL.... Blue Island....	Calumet State Bank..... \$25,000	Chase National Bank. Wm. Augustus Ray, <i>P.</i> Wm. H. Werner, <i>Cas.</i>
• .. Kankakee.....	City National Bank..... \$100,000	Chase National Bank. Solon Knight, <i>P.</i> H. M. Stone, <i>Cas.</i> R. G. Risser, <i>V. P.</i> Benj. J. Gifford, <i>V. P.</i>
IND .... Thorntown ....	State Bank..... \$25,000	United States Nat. Bank. Zimri Diggins, <i>P.</i> Richard E. Niven, <i>Cas.</i>
IND. T.. El Reno.....	Commercial Bank..... \$50,000	United States Nat. Bank. J. M. Ragsdale, <i>P.</i> J. F. McGrath, <i>Cas.</i> C. R. McLain, <i>V. P.</i> A. E. Sunderman, <i>Ass't Cas.</i>
• .. Guthrie.....	Guthrie National Bank... \$50,000	..... Joseph W. McNeal, <i>P.</i> Andrew J. Herron, <i>Cas.</i>
LA. .... Mansfield.....	Traders Bank..... \$30,000	Hanover National Bank. John E. Hewitt, <i>P.</i> N. W. Williams, <i>Cas.</i>
• .. Opelousas.....	First National Bank..... \$50,000	W. L. Moody & Co. Alphonse Levy, <i>P.</i> J. T. Skipper, <i>Cas.</i> S. J. Wilson, <i>V. P.</i>
MICH... Port Huron....	St. Clair Co. Sav'g Bank. \$50,000	Chase National Bank. J. B. Hull, <i>P.</i> Geo. W. Moore, <i>Cas.</i> Chas. Wellman, <i>V. P.</i> Fred. T. Moore, <i>Ass't Cas.</i>
• .. Unionville.....	Exchange Bank..... \$50,000	Ninth National Bank. Frank O. Watrous, <i>P.</i> Asa H. Hankerson, <i>Cas.</i>
MINN... Adrian .....	Adrian Exchange Bank.. \$50,000	Nat. Bank of Republic. Frank J. Porter, <i>P.</i> Ottis S. Melick, <i>Cas.</i> James Cowin, <i>V. P.</i>
• .. Montgomery...	Bank of Montgomery... \$10,000	Nat. Bank of Republic. John Sheehy, <i>P.</i> Chas. L. Marx, <i>Cas.</i>
• .. Sherburne.....	Bank of Sherburne..... \$10,000	..... (Broun & Sinclair) A. G. Sinclair, <i>Cas.</i>
MISS... Port Gibson...	Port Gibson Bank..... \$50,000	Hanover National Bank. John H. Gordon, <i>P.</i> Jas. W. Person, <i>Cas.</i> Philip M. Harding, <i>V. P.</i>

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
MISS.	Vaiden.....	Vaiden Bank.....	.....
	\$25,000	R. R. Hawkins, <i>P.</i>	Walter C. Smith, <i>Cas.</i>
		R. S. Weir, <i>V. P.</i>	
MO.	Gilliam .....	Gilliam Exchange Bank.....	.....
	\$20,000	Wm. T. Gilliam, <i>P.</i>	John R. Kirk, <i>Cas.</i>
		M. C. Cheatham, <i>V. P.</i>	
	.. King City.....	First National Bank.....	.....
	\$50,000	J. H. Ward, <i>P.</i>	Geo. Ward, <i>Cas.</i>
	.. Marshfield.....	First National Bank.....	National Bank of Republic.
	\$50,000	Edwin W. Salmon, <i>P.</i>	Wayman P. Williams, <i>Cas.</i>
MONT.	Townsend.....	Bank of Townsend.....	National Bank of Republic.
	\$25,000	T. H. Kleinschmidt, <i>P.</i>	H. S. Hyatt, <i>Cas.</i>
		J. R. Weston, <i>V. P.</i>	
NEB.	Crawford.....	Crawford Banking Co....	Chase National Bank.
	\$25,000	Geo. P. Waller, <i>P.</i>	Wm. E. Alexander, <i>Cas.</i>
		L. A. Brower, <i>V. P.</i>	Frank S. Dailey, <i>Ass't Cas.</i>
	.. Grand Island..	Security National Bank..	Hanover National Bank.
	\$200,000	Hiram J. Palmer, <i>P.</i>	Jesse M. Marsh, <i>Cas.</i>
		E. C. Hockenberger, <i>V. P.</i>	Alex. S. Vest, <i>Ass't Cas.</i>
	.. Hay Springs...	Northwestern State Bank.	Hanover National Bank.
	\$20,000	Jos. W. Thomas, <i>P.</i>	Wm. B. McQueen, <i>Cas.</i>
		G. W. Wattles, <i>V. P.</i>	
	.. Holdrege.....	United States Nat. Bank.	National Park Bank.
	\$75,000	E. D. Einsel, <i>P.</i>	Edwin A. Washburn, <i>Cas.</i>
		J. H. Einsel, <i>V. P.</i>	J. R. Shreck, <i>Ass't Cas.</i>
	.. O'Neill.....	State Bank.....	Hanover National Bank.
	\$30,000	W. D. Mathews, <i>P.</i>	Samuel C. Sample, <i>Cas.</i>
		Donald McLean, <i>V. P.</i>	
	.. Verdon.....	Farmers State Bank.....	Kountze Bros.
	\$10,500	Geo. Lum, <i>P.</i>	John T. Jones, <i>Cas.</i>
		J. C. Reimers, <i>V. P.</i>	
N. MEX.	Roswell.....	Bank of Roswell.....	Western National Bank.
	\$50,000	S. M. Folsom, <i>P.</i>	E. A. Cahoon, <i>Cas.</i>
		Nathan Jaffa, <i>V. P.</i>	
N. Y.	Tonawanda....	Geo. F. Rand.....	Hanover National Bank.
OHIO.	Canal Dover...	First National Bank.....	Chase National Bank.
	\$50,000	Samuel W. Croxton, <i>P.</i>	Frank M. Peet, <i>Cas.</i>
	.. Ironton.....	Citizens National Bank..	Southern National Bank.
	\$100,000	Wm. M. Kerr, <i>P.</i>	Chas. Lintner, <i>Cas.</i>
		Jas. D. Foster, <i>V. P.</i>	
	.. Jackson.....	Commercial Bank.....	Chase National Bank.
	\$50,000	Ira Sternberger, <i>P.</i>	Eben Jones, <i>Cas.</i>
		John A. Lloyd, <i>V. P.</i>	
PA.	Pen Argyl.....	First National Bank.....	.....
	\$50,000	Edwin Werkheiser, <i>P.</i>	A. C. Young, <i>Cas.</i>
	.. Pittsburgh.....	Liberty National Bank...	.....
	\$200,000	John H. McKelvy, <i>P.</i>	D. C. Kuhn, <i>Cas.</i>
		Jas. H. Park, <i>V. P.</i>	
R. I.	Providence....	B. of Amer. L. & Tr. Co.	United States National Bank.
	\$250,000	Wm. S. Howard, <i>P.</i>	A. C. Tourtellot, <i>Sec &amp; Treas.</i>
TEXAS.	Brownwood....	City National Bank.....	Chemical National Bank.
	\$75,000	Sam'l R. Coggin, <i>P.</i>	Smith J. Walling, Jr., <i>Cas.</i>
		Henry Ford, <i>V. P.</i>	Ed. T. Smith, <i>Ass't Cas.</i>
	.. Hallettsville....	First National Bank.....	National Bank of Republic.
	\$50,000	Wm. Appelt, <i>P.</i>	C. J. v Rosenberg, <i>Cas.</i>
		Wm. v Rosenberg, <i>V. P.</i>	
	.. Hallettsville....	Lavaca County N. Bank.	.....
	\$60,000	Carey Shaw, <i>P.</i>	Friench Simpson, <i>Cas.</i>
		T. Y. Hill, <i>V. P.</i>	H. M. Tippet, <i>Ass't Cas.</i>
	.. Haskell.....	First National Bank.....	Fourth National Bank.
	\$50,000	A. H. Tandy, <i>P.</i>	Howell E. Smith, <i>Cas.</i>
		R. C. Lomax, <i>V. P.</i>	
	.. Rusk.....	First National Bank.....	.....
	\$50,000	E. L. Gregg, <i>P.</i>	A. A. Simmons, <i>Cas.</i>
UTAH.	Ogden .....	Utah L. & T. Co.'s B....	American Exchange Nat. Bank.
	\$200,000	Chas. C. Richards, <i>P.</i>	Jesse M. Langsdorf, <i>Cas.</i>
		Lewis M. Shurtliff, <i>V. P.</i>	
	.. Salt Lake City.	Utah National Bank.....	Hanover National Bank.
	\$200,000	Joseph M. Stoutt, <i>P.</i>	Addison B. Jones, <i>Cas.</i>
		C. W. Lyman, <i>V. P.</i>	

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
Va....	Big Stone Gap. \$12,500	Appalachian Bank..... W. A. McDowell, <i>P.</i> C. H. Berryman, <i>Cas.</i>	
" ..	Roanoke..... \$12,500	Fidelity Loan & Tr. Co. Joseph T. Engleby, <i>P.</i> J. V. Jamison, <i>Cas.</i> C. A. Moornan, <i>V. P.</i>	
WASH..	Seattle..... \$100,000	Commercial Nat. Bank.. H. W. Wheeler, <i>P.</i> Wm. Barry, <i>Cas.</i> John T. Ostrander, <i>V. P.</i>	Hanover National Bank.
" ..	Sea Haven. ....	Bank of Sea Haven.....	Chase National Bank.
" ..	Sehome..... \$100,000	Columbia Nat. Bank.... H. E. Waity, <i>P.</i> John M. Howard, <i>Cas.</i>	
" ..	South Bend....	Bank of South Bend..... F. M. Wade, <i>P.</i> Arthur L. Denio, <i>Cas.</i> L. N. Eklund, <i>V. P.</i>	Chase National Bank.
" ..	Tacoma..... \$50,000	Puget Sound Sav. Bank.. Jesse B. Sutton, <i>P.</i> Daniel S. Garlick, <i>Cas.</i> John W. Sprague, <i>V. P.</i> Geo. Tibbits, <i>Ass't Cas.</i>	Continental National Bank.
Wis....	Phillips.. .... \$30,000	State Bank..... Arthur McKenzie, <i>P.</i> Louis Rossman, <i>Cas.</i> A. L. Lunt, <i>V. P.</i>	Kountze Bros.
" ..	West Superior. \$100,000	Keystone Nat. Bank..... Myron Reed, <i>P.</i> James H. Rogers, <i>Cas.</i> Chas. C. Tennis, <i>V. P.</i>	Hanover National Bank.

## OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(Monthly List, continued from June No., page 973.)

<i>No.</i>	<i>Name and Place.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
4331	First National Bank..... Canal Dover, Ohio.	Sam'l W. Croxton,	Frank M. Peet,	\$50,000
4332	Merchants National Bank..... Jacksonville, Fla.	John L. Marvin,	H. T. Baya,	100,000
4333	First National Bank..... Haskell, Texas.	A. H. Tandy,	Howell E. Smith,	50,000
4334	First National Bank..... Rico, Col.	J. E. McClure,	D. E. Morey,	50,000
4335	Washington National Bank.... New York City, N. Y.	Evan G. Sherman,	John T. Granger,	300,000
4336	Citizens National Bank..... Ironton, Ohio.	Wm. M. Kerr,	Chas. Lintner,	100,000
4337	Southern National Bank..... New Orleans, La.	N. B. Sligh,	Thos. R. Roach,	500,000
4338	Lavaca County National Bank. Hallettsville, Texas.	Carey Shaw,	Friench Simpson,	60,000
4339	Liberty National Bank..... Pittsburgh, Pa.	John H. McKelvy,	D. C. Kuhn,	200,000
4340	First National Bank..... Opelousas, La.	Alphonse Levy,	J. T. Skipper,	50,000
4341	Utah National Bank..... Salt Lake City, Utah.	Jas. M. Stouutt,	Addison B. Jones,	200,000
4342	City National Bank..... Kankakee, Ill.	Solon Knight,	H. M. Stone,	100,000
4343	First National Bank..... Sundance, Wyo.	A. E. Hoyt,	T. M. Pettigrew,	50,000
4344	City National Bank..... Brownwood, Texas.	Samuel R. Coggin,	Smith J. Walling, Jr.,	75,000

No.	Name and Place.	President.	Cashier.	Capital
4345	United States National Bank... Holdrege, Neb.	E. D. Einsel,	A. E. Washburn,	\$75,000
4346	First National Bank..... Rusk, Texas.	E. L. Gregg,	A. A. Simmons,	50,000
4347	First National Bank..... North Baltimore, Ohio.	S. E. Niece,	L. Wooster,	60,000
4348	Guthrie National Bank..... Guthrie, Ind. Ter.	Joseph W. McNeal,	Andrew J. Herron,	50,000
4349	Farmers & Merchants Nat. B'k. Waco, Texas.	R. O. Rounsevall,	John P. Massey,	100,000
4350	South Texas National Bank.... Houston, Texas.	M. T. Jones,	J. E. McAshan,	500,000
4351	Columbia National Bank..... Sehome, Wash.	H. E. Waity,	John M. Howard,	100,000
4352	First Nat. Bank..... Pen Argyl, Pa.	Edwin Werkheiser,	A. C. Young,	50,000

### APPLICATIONS FOR NATIONAL BANKS:

The following *applications* for authority to organize *National Banks* have been filed with the Comptroller of the Currency during June, 1890.

- COL.... Denver..... Union National Bank, by R. W. Woodbury and associates.
- IND.... Edinburgh..... First National Bank, by A. C. Thompson & Co., and associates.
- IOWA... Marshalltown... City National Bank, by D. T. Dermead and associates.
- "    Sioux City..... National Bank of Sioux City, by Ferd. K. Rule of Kansas City, Mo., and associates.
- KAN... Galena..... First National Bank, by L. J. Haines and associates.
- KY.... Newport..... Citizens' National Bank, by E. A. H. Boyland and associates.
- MASS.. Chester..... Chester National Bank, by H. E. Wilson and associates.
- MO.... Carthage..... Central National Bank, by J. E. Lang, of Kansas City, Mo., and associates.
- "    Sedalia..... Sedalia National Bank, by F. W. Shultz and associates.
- MONT... Great Falls.... Great Falls National Bank, by Frank Baird of Helena, Mont., and associates.
- N. J.... Englewood.... Englewood National Bank, by Charles F. James, 33 East 42d Street, New York City, and associates.
- "    Englewood..... National Bank of Englewood, by J. E. Miller and associates.
- N. C.... Gastonia..... First National Bank, by L. L. Jenkins and associates.
- "    Hickory..... Citizens' National Bank, by D. C. Waddell, of Asheville, N. C., and associates.
- OHIO... Ashtabula.... Harbor National Bank, by Edward H. Fitch, of Jefferson, Ohio, and associates.
- "    Middleport..... Middleport National Bank, by E. C. Fox and associates.
- OKL.... Guthrie..... American National Bank, by W. A. Thomas and associates.
- "    "    ..... Commercial National Bank, by J. M. Ragsdale and associates.
- "    "    ..... National Bank of Guthrie, by W. A. Rule, of Kansas City, Mo., and associates.
- PA.... Darby..... First National Bank, by W. L. Verlinden and associates.
- "    Delta..... Miles National Bank of Delta, by J. H. Miles and associates.
- "    Orwigsburg.... First National Bank, by P. J. Ferguson, of Shenandoah, Pa., and associates.

- TENN... Chattanooga... Continental National Bank, by J. D. Lindsay and associates.  
 TEXAS... Corpus Christi First National Bank, by L. W. Craig, of Salida, Col., and associates.  
 • .. Grand View.... First National Bank, by J. R. Hoxie, of Fort Worth, Texas, and associates.  
 • .. Haskell..... Haskell National Bank, by S. H. Johnson and associates.  
 • .. Marble Falls... First National Bank, by John Hangan and associates.  
 • .. Mason ..... Citizens' National Bank, by F. W. Henderson and associates.  
 • .. Yoakum..... First National Bank, by W. O. Richardson and associates.  
 VA. .... Waynesboro... First National Bank, by Wirt X. Fuller, 60 Devonshire Street, Boston, Mass., and associates.  
 WASH. Anacortes..... First National Bank, by Fred Ward, of Seattle, Wash., and associates.  
 • .. South Bend.... First National Bank, by F. M. Wade, of Tacoma, Wash., and associates.

## CHANGES, DISSOLUTIONS, ETC.

(Continued from June No., page 975.)

- COL.... Denver. .... McIntosh & Mygatt is now the National Bank of Commerce.  
 DAK. N. Grand Forks... Citizens National Bank has changed its title to the First National Bank.  
 FLA.... Jacksonville. .. Ambler, Marvin & Stockton now the Merchants National Bank.  
 ILL.... Chicago..... Park National Bank reported suspended.  
 • .. East St. Louis. East St. Louis Bank now the First National Bank.  
 • .. Kankakee..... Citizens Bank has been succeeded by the City National Bank, same correspondents.  
 IND .... Argos..... Exchange Bank (Railsback & Taber) now State Exchange Bank, incorporated.  
 • .. Thorntown.... Bank of Thorntown is now the State Bank, incorporated.  
 IOWA... Bancroft... .. Bank of Bancroft has been succeeded by the State Bank of Bancroft.  
 • .. Renwick.... .. Bank of Renwick, now State Bank of Renwick, incorporated, same correspondents.  
 • .. Webster City.. Hamilton County National Bank has gone into voluntary liquidation.  
 KAN ... Atchison... .. The Dime Savings Bank has gone out of business.  
 MD.... Baltimore. .... Joseph S. Smith now Smith & Pride.  
 MICH... Marshfield..... Bank of Marshfield has been succeeded by the First National Bank.  
 • .. Shepherd.. .... J. H. Ward & Co., now Hannett, Ward & Co., same correspondents.  
 MO.... King City.... King City Bank is now the First National Bank.  
 NEB.... Holdrege..... Commercial State Bank is now the United States National Bank.  
 • .. Marsland. .... Dawes County Bank has been succeeded by the Crawford Banking Co., incorporated, and now located at Crawford, Neb.  
 • .. Tekamah..... Burt Co. Bank (J. P. Latta) is now the First National Bank.  
 N. Y.... Rochester..... Powers Banking House (D. W. Powers) is now Powers Bank, incorporated, same correspondents.  
 OHIO... Delaware..... The Deposit Banking Co. has been incorporated.

- ORE.... Corvallis..... Benton Co. Bank has been succeeded by the First National Bank, same correspondents.
- PA..... Scranton..... Miners & Mechanics Loan & Banking Association now the West Side Bank, same officers and correspondents.
- .. Tarentum. .... Tarentum Bank reported failed.
- R. I.... Providence..... Union Bank has gone into voluntary liquidation.
- TEXAS.. Brownwood.... Coggin, Ford & Martin now City National Bank.
- WASH.. Seattle..... Bank of North Seattle is now the Commercial National Bank.
- Wis.... Hartford ..... Bank of Hartford (Cook & Leake) reported suspended.
- .. Phillips.. ..... City Bank (Louis Rossman & Co.) has been succeeded by the State Bank.
- ONT.... Paisley..... Porteous & Saunders now R. Porteous.

## *DEATHS.*

CARR.—On May 7, aged seventy-six years, SAMUEL CARR, President of National Exchange Bank, Newport, R. I.

DETCHEN.—On June 13, aged seventy-nine years, JOHN H. DETCHEN, President of German Savings Bank, Louisville, Ky.

GILLETTE.—On June 5, aged sixty years, S. C. GILLETTE, President of Colchester Savings Bank, Colchester, Conn.

MOORE.—On June 17, V. MUMFORD MOORE, President of National Park Bank, New York City, N. Y.

NESMITH.—On May 2, aged ninety years, GEO. W. NESMITH, President of Franklin Savings Bank, Franklin Falls, N. H.

STEELE.—On May 24, aged sixty-three years, HARVEY B. STEELE, President of Mechanics' Savings Bank, Winsted, Conn.

TAYLOR.—On June 7, aged sixty-nine years, JOHN W. TAYLOR, Cashier of First National Bank and Secretary and Treasurer of Somerville Dime Savings Bank, Somerville, N. J.

TAYLOR.—On April 30, aged seventy-nine years, WILLIAM R. TAYLOR, President of Bristol Institution for Savings, Bristol, R. I.

THOMPSON.—On June 1, aged eighty-one years, JOHN THOMPSON, President of Fallkill National Bank, Poughkeepsie, N. Y.



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THE BANKERS' CONVENTION.

The next convention of the Bankers' Association will be held at Saratoga, a place where a larger number have assembled perhaps than at any other, though it must be admitted that the convention at Kansas City last year, in this respect, was a great success.

For several years the bankers of California have urged the Association to meet at San Francisco. This invitation has been regarded with much favor by many of the Association, nevertheless some very obvious difficulties have barred the way to its acceptance. Perhaps the greatest of these is the time in the year for holding the convention. Usually it has been held in August or September, and this is the time when the bankers, in the East especially, are most needed at home. At Kansas City last year their absence was very marked, as only a half dozen representatives were there from New York City and New England. It was not the distance so much as the time chosen for the meeting, which prevented them from going. Had this been fixed in the early summer doubtless a very considerable number of bankers from New York, Philadelphia and other places would gladly have attended, not only for the purpose of deriving some benefit from the occasion, but also for the purpose of visiting other places in the West, and thus combining business with the objects of the Association. We think that if the Association accepted this invitation for May or June next year, a very considerable number would be willing to go



there at that time. In the first place, a trip to the Pacific is one which almost every intelligent American is desirous of making, and expects to make sooner or later. Now, if he can combine with this trip some specific object for going beside that of mere sight-seeing, the pleasure will be much greater.

We have thus considered the matter early, for the reason that the best time to consider it is at the next meeting of the convention. The members ought not to wait until the spring before determining what they will do. First of all, it is evident that the meeting should be in the spring, and in order to get the largest possible attendance, and to fix on the best time for going, the matter should be thoroughly considered at the forthcoming meeting at Saratoga. The members then could learn one another's wishes, and during the year arrange their business with a view to making this delightful excursion. Meantime they could confer with those who are not at the convention, and enlist persons for the enterprise who have no present thought of going. The secretary also might be requested to correspond with the members of the Association, and ascertain how many are willing to go. The railroad companies, as we understand, are willing to make very favorable terms, and we have no doubt that a large number would be pleased to avail themselves of this splendid opportunity of visiting the bankers on the Pacific coast, and also of seeing that wonderful country. There is no doubt whatever respecting their reception, and altogether the convention would probably be the most noteworthy and interesting in the long series of conventions. Certainly, the invitation by the San Francisco bankers ought to be fully considered, and we believe that, if this was done, and the proper time fixed for going, a large number would pledge themselves to attend; a larger number, perhaps, than have ever attended any convention of the Association. At all events, let the matter be fully considered and the wishes of the members learned.

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## CURRENCY AND POPULATION.

The speech of Senator Jones on the silver question was a noteworthy production, for he is one of the few senators who think and study. We regret that there is not a larger number of senators of whom the same thing can be said.

Some statements, however, appear in his speech, which, we think, may be fairly questioned. His principal contention is that larger amount of money is needed, therefore the quantity of silver devoted to a monetary use ought to be increased. He contends that the quantity should increase at least in the ratio of popula-

tion, and that this of late years has not been the case. He contends that the depression in business is due to a shrinkage in the volume of money relatively to population and business. One of the proofs adduced by him is the decrease in the rates of interest on first-class securities. The fact, of course, is unquestioned, but we are by no means sure that the decrease is due to a scarcity of money. If his contention be true, that the decrease in the rate of interest on first-class securities is proof that gold is becoming scarce, is not the reverse of this equally true, that the increase in the interest rate on other than first-class securities is a proof that gold is declining in value? It seems to us that one argument is just as sound, or unsound, whichever way one chooses to put it, as the other. Senator Jones would doubtless say that the increase in the rates of interest on other than first-class securities is occasioned by the larger risk taken by the lenders of money. If, however, this be true, is not the argument equally strong that the reason why the takers of first-class securities are willing to lend at a lower rate, is because the risk is so slight? In other language, the rates of interest are low on first-class securities because the demand for them is very great, while the rate is high on other securities because the demand for them is less. This, we believe, is the true explanation of the rates of interest on securities. If so, Senator Jones must look to other sources rather than to the interest rates of securities for proof of his assertion.

Another fact may be given, which, in our judgment, is conclusive on this matter. For nearly a year the rates on money throughout the country have been very high, and the general explanation is that the quantity is insufficient for the demand. In other words, there has been an increased demand, either for speculative or legitimate purposes, and it is this new and increased demand which has driven up the rate. Senator Jones, we think, would admit this just as quickly as anyone else. Certainly the fact is too notorious to be denied. Now this applies just as truly to securities as to short-time obligations, the ordinary commercial paper of the market. The rates are high on such paper simply because the demand for money is very great, and the rates on first-class securities are very low simply because the demand for such securities is very great. In other words, the position is exactly reversed.

With respect to the currency and population theory, we think that Senator Jones' argument does contain some force. If population and business increase, then more money is needed, or the circulation of that already existing must be facilitated. By either method can the injury which otherwise would arise be obviated. If more money is added, or if the existing quantity can be more

quickly distributed or circulated, no injury will result. Otherwise, there must be some injury or evil asserting or showing itself in the fall of prices. So, too, if there be an increase in commodities, there is likely to be a fall of prices. One way, however, of obviating this is to increase the quantity of currency. Now, of late years, there has been an enormous increase in the leading commodities, particularly in agricultural products, and it is doubtless true that a very considerable increase to the circulation would have the effect of stimulating prices, and thus relieving the farmer, to some extent, of the depression from which he is at present suffering. Doubtless the influence of this class has made itself felt in Congress, and is one of the reasons why the silver measure has found more support than at any previous session of Congress.

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### THE NEW YORK CLEARING HOUSE.

Of late a serious controversy has arisen concerning the relation of the Clearing House to banks that clear through others that are members of that organization. A committee have just rendered a report on the subject, which is published in the present number. The majority are in favor of denying this privilege to non-Clearing House banks, while a minority, composed of the president of the Clearing House, and Mr. Williams, the president of the Chemical National Bank, believe in continuing the present system.

The solution of this question may be rendered easier by regarding the Clearing House as possessing a double function, to clear checks, and also to act as a conserving force or power in regulating the conduct of the banks. Regarding the Clearing House simply as an institution for clearing checks, it seems to us that the question is not one of very much importance except to the particular banks that act as agents for clearing other banks that are not members of the organization. If a bank agrees to clear for another and becomes responsible to the Clearing House for its checks, and gives adequate security, the Clearing House has no further concern with the matter. The members simply wish to be assured that the checks of such a bank will be duly paid, and nothing more. But when a Clearing House assumes the other function of assisting the weaker banks in times of panic, and which in the end resolves itself into a contribution by the stronger banks of their means or credit, then, it seems to us evident that the same restrictions or regulations should apply to all. For example, suppose a State bank wishes to become a member of a Clearing House. The National banks in New York city are required

to keep 25 per cent. reserve, and this sum is regarded as a proper safety line. Now, if a State bank is permitted to become a member why should not the same regulation apply to it? Surely, if it is permitted to become a member, and yet be free from such a regulation, it is evident that, if not observing it or keeping that reserve, it is in a weaker position than others, and in the event of a stringency of the money market, or of a panic, it would be the first liable to attack. Is it not clear, therefore, that so far as a Clearing House intends to serve this second function, all the members should be placed on the same basis, whether they are State banks or National banks, or trust companies, or whatever sort of institution they may be? And why should not the same regulation apply to banks that are not members, and which clear through others? We are unable to perceive any reason why the same rules or regulations should not apply to all in those cases where, as we have before remarked, a Clearing House is intended to serve this additional function. Surely, the Clearing House has authority to impose such restrictions on the banks that clear through others; and if it is desirable for this double function to be performed, its success, of course, is dependent on the co-operation of the banks. This is only another way of saying that the more generally conservative methods of banking are observed, the better prepared will they be to withstand all demands. But if, on the other hand, the Clearing House is intended to serve the single purpose of clearing checks, and each bank is to continue solely on its own basis, without regard to the others, then this question of clearing for other banks is of no general importance, but simply concerns the parties to the arrangement.

Whether a Clearing House should serve this double function is a fair question for discussion. Much, however, can be said in favor of it. Certainly the idea has been growing of late years that the banks in all the larger places should act together, should sustain one another in times of panic or monetary stringency, and if such co-operation is to prevail, why should they not insist, as a measure of mutual safety and protection, that all should govern themselves by the same regulations? If 15 per cent. reserve is enough for a State bank, is it not enough for a National bank? And if 25 per cent. is the proper amount, why should not the State banks and trust companies be required to keep as much? And if the non-Clearing House banks desire to avail themselves of one of its functions, why should they not be required, as a condition to the granting of it, that they observe the same practices as the members? Surely, if the idea of mutual assistance is worth preserving, it should be made to grow among all the banks; and those that are not members of the Clearing House ought not to be excluded.

## A REVIEW OF FINANCE AND BUSINESS.

## GENERAL TRADE IMPROVING.

The first month of the last half of the year has been marked by no exceptionally good or bad changes or new features in the business situation in this country; or, so far as affected directly by that in others. While there has been no marked improvement generally, there has been no falling off in general trade, as the volume, compared with that of a year ago, shows a slight increase, with few exceptions, throughout the country, in the clearances of the various trade centers. This increase is due, not to any general speculative activity in any branch of business, as both the stock and produce markets have been unusually dull until the last days of the month, even for this season of the year. Hence the gain must have been in legitimate business entirely; which indicates not only a sound condition of things, but foreshadows a good fall trade. The financial crisis in some of the South American States has had little direct effect upon business here, as, unfortunately, our trade relations with those sister republics is too small to be an important influence with us. Yet, the mysterious gold exports from here, for the past two months, to Europe have been an important indirect element in our financial situation, and in the money and stock markets of this country, as well as in those of Europe, with which our relations are so close as to be affected in sympathy.

## EFFECTS HERE OF THE SOUTH AMERICAN CRISIS.

The gravity of the crisis, however, had been mitigated by being anticipated in the financial centers of Europe. Hence, when the collapse in the Argentine bubble came, the banks and bankers of London and the Continent were prepared for it, and able to meet the consequent drain upon their resources, without causing any monetary stringency in European markets. By this means, and by importing gold from North America to meet the extra demands from South America, a panic in the securities of the latter, on the Bourses of Europe, where they are chiefly held, was averted, and the crisis at home allayed, until the last of the month, when the revolution in Buenos Ayres caused a sharp drop in Argentine bonds. The only other effect upon the United States from this source, was the selling of North American securities to London by the Continent, and by London in turn to New York, with which to pay for our gold, and to strengthen the holders of South American securities in those markets, in case of further trouble or depreciation. This has deprived our market for securities of its usual foreign support, not only, but has compelled

it to take a considerable part of the usual holdings abroad. Under some circumstances, these two conditions would have produced serious consequences here, but, thanks to the soundness of legitimate trade and industry, and to the conservative spirit in speculation in general, we were as well prepared to meet this indirect drain upon us as Europe was the direct one upon her financial institutions. Whatever may be the after effects of this inevitable collapse in South American speculations, the chief force of the blow has doubtless already been spent, both directly upon Europe and in its reaction upon us, unless further political complications shall ensue.

#### THE STRENGTH OF THE STOCK AND MONEY MARKETS

has therefore been demonstrated by the slight effect upon prices of either, from this unexpected source of depression and depreciation. The pools that have controlled many, if not most of the leading speculative favorites both here and on the European markets, have shown their ability to protect their own holdings by taking those of others, in the absence of the public as a buyer of railroad securities, while the banks have also been able to continue their help to these pools, instead of withdrawing it, as often, in such cases, because of the passage of the Silver Bill early in the month, and the resumption of bond purchases by the Government late in the month, upon a scale and at prices that banished all apprehension of stringency in money here, notwithstanding exports of gold and return of our securities, even in face of the approaching demand for currency, already beginning, to move the new crops. Another important factor in the position of financial affairs, is the confidence on the part of the pools which hold the bulk of the stocks not in investors' hands (the latter of whom are no more sellers than the general public are buyers of railroad securities) in the future value of both bonds and stocks, as well as on the part of the banks who hold them as collaterals for loans to these pools. The basis of this confidence, upon which our financial institutions now so generally rest, is found in the continued good earnings of the railroads, as shown elsewhere, in the sound condition of general trade and industry, and in the prospects of average good crops for another year, although not up to those of the past two. From these premises it would seem to be safe to conclude that the financial situation is as healthy as that in legitimate trade, and that the only important branches of business that are really suffering, are those dependent upon speculation. This chief exception to fairly prosperous conditions, is the least important of all interests, and one that entails the least possible danger upon all others, from the fact that it is the best of evidence, in itself, that others are sound.

There have been no important railroad developments the past month, and no new deals or consolidations consummated, even if under way. Indeed, the only rumors of them have been contradicted by those interested with the New England road, which has been "swallowed up" by its rival, the New Haven, again, according to newspaper rumors, which are pronounced as simply stock-jobbing canards. Those in position to know say that both the freight and passenger traffic of the New England and its leased lines is the largest ever known, and that its interests would not be advanced by a consolidation.

#### THE CRAZE FOR TRUST AND SYNDICATE STOCKS

is the strange exception to the general lethargy of the public toward speculation, either in securities of corporations or the staples of commerce. "Industrial" shares, as these trust stocks are called, with which Wall Street has temptingly baited its hook to catch the gudgeons who will bite at its old baits no more, are still the speculative craze, in which the professionals have joined, because it is the only one that pays. These stocks may "slump" out of sight between dark and daylight any time, upon the decision of the courts of some State that they are illegal, and yet people will buy them because they are just as liable to "jump" out of sight some fine morning, upon the manipulation of the cliques in these stocks and in the managements of these properties, whose inside information and whose immense profits, which they still control, as well as the management, enables them to practically defy the decisions of the courts. This is still true of the Chicago Gas Trust, the Cotton Oil Trust and the Sugar Trust. In the face of these decisions of the courts of the different States, the formation of new trusts still goes on as bravely as for a year past. In addition to these trust stocks proper, this craze extends to American syndicate stocks, for which the Englishman has conceived a still greater mania by which he is "gobbling up" the leading manufactories in almost every profitable branch of industry in the United States; and, after watering the stocks double to three times their value, in the most approved American style of which John Bull has so bitterly complained, one-half is placed here among the vendors and American investors and the other half on the London market, where this latest speculative fad is equally popular just now. That there will be a change in this fashion and a collapse in these shares, after the public has had time to take them off the hands of the vendors of these properties and the promoters of these schemes for relieving investors of their money, is as inevitable as that one extreme must follow the other. In these two classes of stocks, both of which aim at the same end, a virtual monopoly of their products, lies

the greatest danger, though it may or may not be realized this year or next, that now appears on the financial horizon of this country or of England, both of which must go through the same experience with these "securities" that Paris had with the copper syndicate stock.

#### GOLD EXPORTS AND BOND PURCHASES.

The renewal of purchases of bonds by the Treasury in large amounts and at advanced prices, is the most important new element in the money market here, and is likely to offset any further exports of gold, which are liable to continue as long as the South American crisis, which caused them, shall continue, although the chief danger from this source was believed to have already passed before the Argentine revolution had taken place. The Secretary of the Treasury accepted during the first week, the following offers to sell bonds to the Government, under the department's circular of July 19: Four per cents—\$50,000 at 122.263, \$11,000 at 122½, \$28,000 at 122¼, \$15,000 at 123½, \$5,000,000 at 124, \$250,000 at 124, \$500 at 123¼, \$500 at 121.763, \$500 at 124; total, \$5,355,500; 4½ per cents—\$9,000, \$50,000, \$21,000, \$60,000, at 103½; \$8,000 at 103.666, \$143,000 at 103¼, \$150,000, \$17,000, \$12,500, \$10,000 at 103¼, \$2,050 at 103¼; total, \$482,550; grand total, \$5,838,050. As the last previous price at which the Treasury accepted any of the 4s was a little over 121, it is apparent that there had been an important change in the Treasury policy in the purchase of bonds. The above \$5,000,000 lot are said to have been offered by one New York bank, and the proceeds loaned on stocks.

#### THE PRODUCE "WEATHER" MARKETS.

Speculation has been revived as much as is possible for a corpse to be resurrected, by the "weather" markets of July, both here and in Europe, by which the prices of and the demand for our chief staples of export have been to an unusual extent controlled. Weather, and bad crop weather chiefly, have been unusually important elements in the crop situation here ever since the seed was sown last spring; which, though not general, have been so continuous, in different localities, as to enable the crop experts, in the employ of the big Chicago speculators, to so thoroughly confound the truth with falsehood, about the condition of the crops, that no one could feel at all certain as to their condition, unless he made a tour of the great grain belt in person. On these uncertainties the professional speculators have traded, and with these reports have manipulated the markets with but indifferent success, since the first Bull movement in wheat, last spring. During this crop year, however, Europe had unusually favorable crop weather until July, and her fine prospects offset, in great



measure, our supposed shortage, and neutralized the Bull movement here. But July has witnessed almost constant rains, either in the United Kingdom of Great Britain or on the Continent, or both, and since then we have had another Bull movement, led by European markets, until the whole breadstuffs list has been advanced sharply, together with continued reports of bad weather West, though not so bad nor so continuous as in June. With these markets, and especially that for corn, hog products have advanced in sympathy, on the talk of a short corn, and, therefore, short hog crop, another year. But this crop of hogs continued to come to market largely in excess of last year, both in numbers and weight, and stocks accumulated so fast that the upward movement was much less than in grain. The passage of the Silver Bill has not affected these markets as much as its anticipation did three months ago, although the advance then predicated upon its passage had since been largely lost. Whether its passage helped foreign markets as much as wet weather, or not, is an open question, though some English authorities charge all the advance in prices of agricultural products there to the silver legislation of this country.

Since the above was written one of the wildest booms has developed in corn that has been seen for years. Talk of a short crop was still the ostensible reason, but the leading Bulls themselves admit they do not believe in it, but do believe in higher corn, and would bull it anyway, whether crop reports were good or bad, as "the speculative craze is on," and they are going with it. The revolution in Buenos Ayres helped this feeling along by putting up the Liverpool market on apprehensions of an interruption of supplies from that source. But there is something deeper and broader underneath this Bull speculation in corn, which is extending to the whole produce market, and which, it is believed, is the result of silver legislation.

#### THE IRON TRADE AND PIG IRON MARKET.

Some branches of the iron trade have been very active the past month, with larger orders in the market than could be placed, because mills would not contract far ahead, in view of the limited supply of pig iron. The pipe mills especially have been driven beyond their capacity, owing to the unprecedented demand for piping natural gas from the coal fields of Pennsylvania and of the western States to adjacent cities, and oil from the new fields in Ohio and Pennsylvania. To such an extent has this demand reached that the four or five standard mills have refused to take contracts for three hundred miles of natural gas pipe from the coal fields of Indiana to Chicago, except in part, none of them putting in bids on more than thirty miles each, or, for less than

half the amount for which proposals were asked. This is the largest order ever placed on the market at one time, and is from a company of Chicago capitalists, including such men as P. D. Armour, for the purpose of supplying that city with natural instead of artificial gas light. But, whether in connection with the lately outlawed Chicago Gas Trust, or in opposition to it is not known. The largest previous order ever placed at one time was by the Standard Oil Company, some years ago, for one hundred and ninety-five miles.

The statistical position of the market for pig iron is very strong, and the refusal of manufacturers of pipe to contract ahead is due to their expectations of an advance in pig iron. The American Iron and Steel Association reports that the quantity of all kinds of pig iron held for sale by the manufacturers or their agents on June 30 amounted to 380,744 net tons, or 339,950 gross tons, which is an increase since January 1 of 92,271 gross tons. Compared with the unsold stocks held a year ago, however, the quantity reported on June 30 has decreased 162,984 gross tons. In addition to the quantity of pig iron held by the makers or their agents on June 30, the American Pig Iron Storage Warrant Company reports 63,500 gross tons stored in its warrant yards on that date, which, added to the 339,950 gross tons in first hands, makes a total of 403,458 tons of unsold pig iron, which is less than a three weeks' supply at the present rate of consumption in this country. Classified according to the fuel used in the manufacture of pig iron, the quantity held in first hands on June 30 was divided as follows: Anthracite and coke pig iron, 74,250 gross tons; coke and bituminous coal pig iron, 175,531 tons; charcoal pig iron, 90,169 tons.

#### THE SUGAR MARKET AND THE TRUST.

The Williamsburg refineries in the Sugar Trust have been producing from 15,000 to 20,000 barrels of refined sugar daily until the latter part of the month, when they produced, sold, and delivered only about 18,000 barrels in the first four days after the curtailment in their output, against average daily sales of that amount at this season of the year, when berries and fruits are so generally used for food, and at the opening of the berry and fruit-canning season. The cause of this decreased consumption or rather demand for and production of refined sugar, is not due, it is said in the trade, to the compulsory reorganization or liquidation of the Sugar Trust, consequent upon the decision of the Court of Appeals of this State against its legality, as some had supposed. The real reason is said to be that the grocery trade has let its stocks run practically out, on the belief that sugar is going to be lower, and hence have pursued a hand-to-mouth policy of buying, and let the stock of refined pile up on

the hands of the refiners, until they have been obliged practically to shut down, as stated above, or limit their production to current sales, leaving stocks accumulated in store, as they have been doing with raw sugar, as was shown in our last.

The decision of the Court of Appeals sustaining Judge Barrett's judgment that the Sugar Trust was and is illegal, and its organization and acts void, has at last borne fruit in the proposed reorganization thereof under the laws of this State, and not of some other State, as first threatened, in order to evade the result of the decision. An action has been begun in the Kings County Court by the trustees of the Sugar Trust for the winding up of the trust and the sale of its assets to a new corporation to be organized under the laws of New York, and it is understood that the trustees will be allowed to wind up the concern by the appointment of a friendly Receiver, as they are now talking of the course suggested by the Appellate Court to get out of their dilemma. This ought to be warning sufficient to other trusts already formed, and especially to those which are still organizing, in face of this decision against the second most powerful trust in the country.

#### MORE GRANGER FINANCIAL LEGISLATION IN CONGRESS.

As an indication of the strength of the Farmers' Alliance as a political organization, is the fact that the committee in charge of the Lard Adulteration Bill in Congress reported it favorably under this influence, against the protests of the great packers of Chicago and the West. In the same interest a bill has been presented in the United States Senate to amend the laws relating to National banks so as to afford relief to farmers. It provides that when in any State or in any two or more counties the farmers or any other owners of products which are not perishable, shall establish a warehouse and deposit in it farm products, the cash value of which shall not be less than \$100,000, the owners of the product may, under certain conditions, apply for and receive a National bank charter. These banks shall have the right to discount notes of owners of farm products in warehouse, and hold the same as collateral security. A bill was also introduced in the Senate authorizing the Secretary of Agriculture to establish uniform grades of all kinds of grain transported from one State to another, or to any foreign country, which shall be known as American grades.

Whether these three bills, supported by the Farmers' Alliance, shall become laws or not, it shows that they are determined to get some relief from Congress for the existing depression in farm products, by direct legislation in some shape, regardless of old party lines, in addition to that already experienced from the silver legislation, for which, the support of the Alliance is largely to be credited. How this silver legislation is believed to affect prices of agricul-

tural products in Europe may be seen from the address of the British Minister of Agriculture, made recently at an agricultural fair in England. In the course of his remarks he said that the recent rise in the prices of agricultural products was due to the advance in the price of silver, which in turn was occasioned by the recent passage of the Silver Bill by the American Congress. This was predicted in this article when the Silver Bill first assumed the shape in which it passed. Speculation then advanced all farm products here and abroad, which are produced by countries whose exchanges are made with Europe in silver. Since then there was a reaction on the possible defeat of the bill. But now it has become a law, and these staples are again advancing, partly on poorer crop prospects, yet largely on the above belief in Europe where the last and first boom alike were started.

#### PACIFIC ROADS AND THE TELEGRAPH MONOPOLY.

The loss of the Western Union Telegraph Co. in property and business by its recent fire, had little effect on its stock. But the suit of the Government against it and the Pacific Government subsidy railroads, whose telegraph lines the Western Union has absorbed, promises to be a serious matter, in view of the following dispatch:

"ST. PAUL, July 24.—The suit brought by the United States Government against the Northern Pacific Railway and the Western Union Telegraph Company is much more far-reaching than appeared at first. The object of the proceeding is to forfeit wholly the rights claimed by the Western Union Telegraph Company under franchises alleged to have been derived from the Northern Pacific Railroad Company. The telegraph franchises in question extend over 2,189 miles of railway. The proceeding also denies the right of the Western Union Telegraph Company to succeed to the rights and franchises of the Northwestern Telegraph Company of Kenosha, Wis., the United States Telegraph Company, the Atlantic and Pacific Telegraph Company, the Independent Telegraph Company, the Pacific Telegraph Company, the Overland Telegraph Company, and a number of others, the names of which are not specified. The complaint alleges that the Northern Pacific had no right to enter into the contracts with telegraph companies, that it was a breach of public trust, and a violation of the Northern Pacific charter. The contracts are all declared unlawful, because the Northern Pacific Railroad Company is not by and through its own corporate officers and employes maintaining and operating for railroad, commercial, and other purposes, telegraph lines, but, on the contrary, is in all ways disregarding the provisions of the act of August 7, 1888, requiring it to operate its own lines."

If this is true of the Northern, why not of all the Pacific roads, and in fact of all roads that have ever received aid in land grants, as well as in bonds, from the Government? It is certainly significant that this suit is brought now, when members of the cabinet favor a postal telegraph by the Government. This may prove the entering wedge against this monopoly, and of a Government telegraph.

## RAILROAD EARNINGS FOR FIRST HALF OF THE YEAR.

The statement, compiled by the *Chronicle*, of the gross and net earnings for May and the five months to May 31, reflects a highly profitable business, the gain in gross for May having been 14.03 per cent., and in net 15 8-10 per cent.

<i>May, 124 Roads:</i>	<i>1890.</i>	<i>1889.</i>	<i>Increase.</i>
Gross.....	\$54,139,680	\$47,478,854	\$6,660,826
Operating expenses.....	30,886,940	32,581,353	4,305,587
Net.....	\$17,252,740	\$14,897,501	\$2,355,239
<i>January 1 to May 31, 124 Roads:</i>			
Gross.....	\$261,053,329	\$234,408,000	\$26,645,329
Operating expenses.....	183,270,587	105,161,049	18,109,180
Net.....	\$77,783,100	\$69,246,951	\$8,536,149

For the five months to May 31 the gain in gross was \$26,645,329, or 11 3-10 per cent., with a gain of \$8,536,149, or 12 3-10 per cent., in net. For the five months the seven Southwestern roads lead, with a gain in net of 40.44 per cent.; the twelve Northwestern roads second, with a net increase of 18 7-10 per cent.; the ten Eastern and Middle roads third, with a net gain of 17 8-10 per cent.; the thirty-five Southern roads fourth, with a net gain of 14.07 per cent.; the eleven trunk lines fifth, with a net gain of 11.37 per cent.; and the seven coal roads sixth, with a gain in net of 9.03 per cent. Estimating the business of June as equal to that for May, which would appear to be fair, in view of the early opening of navigation by lake and canal this year, and the result for the first half of 1890 is more favorable than many had expected to see, after such an open winter as to permit of an earlier movement of crops than usual. But they were large enough to maintain the volume of traffic well through the last half of the crop year, despite the earlier water competition than usual.

## EXPORTS AND IMPORTS OF SILVER.

The expectation of the passage of the Silver Bill caused an advance of about 12 per cent. in the price of silver, and as the advance began in this country, it caused a disturbance of the usual export movement of silver, though it is an open question whether that disturbance has not now been overcome. In the year to June 30, 1889, the exports of silver were \$36,689,248, and the imports \$18,678,215, thus leaving net exports of \$18,011,023. In the year to June 30, 1890, the net exports over imports were \$12,868,054. The falling off of \$6,000,000 in the last year was due to the disturbance caused by the Silver Bill. For the twenty-two months previous to May the average net exports of silver over imports were about \$1,500,000 per month. But in May the imports suddenly increased to \$3,579,536, against \$1,573,492 in April. This left the net imports of silver in May \$2,181,890, this being the

first month in many years in which the imports had exceeded the exports. But in June the movement of silver both ways fell off. The total imports were only \$1,850,224, and the total exports only \$974,759, thus leaving net imports of only \$874,475. Since June the import movement seems to have fallen off more and more, and at the same time the exports have increased. The constant market for silver in India and China, which has always sustained the price, appears to be reasserting itself. Bullion dealers now find a small profit in exporting silver to London. The returns of the New York Custom House for the three weeks to July 19, show total exports of \$824,600 of silver, and only \$76,355 of imports. The movement of silver at San Francisco is a constant large excess of exports, the demand being from China. Even in June, when the excess of silver imports at the port of New York was very large, the exports at San Francisco exceeded the imports by \$317,949; so that now that the movement at the port of New York has turned to one of excess of export, it appears probable that the normal export movement of silver to India and China has been re-established on the higher range of prices.



*The Claflin Corporation.*—One of the results of the conversion of H. B. Claflin & Co. into a corporation is that it may be followed by conversions of a similar character at an early day. Mr. Claflin, in a recent interview with a newspaper reporter, says that he has received letters from about fifty houses in various parts of the country who are considering the expediency of converting their partnerships into similar corporations. He does not state whether these are the larger and more successful ones, or whether they are among the weaker, who are resorting to this method in order to unload on innocent and unsuspecting stockholders at a good price. Very likely the good and bad are both considering the expediency of making such conversions; and the success of this enterprise, the avidity with which this capital was taken, \$22,000,000 of subscriptions for the \$6,000,000 of stock, shows conclusively the desire of persons to invest in enterprises which have a successful record. Very likely we shall hear of other conversions, and if they are honestly made, and with a justifiable amount of capital, they doubtless will be a good thing for all concerned. One of the great advantages possessed by turning a partnership into a corporation of this kind, is that the clerks and all the principal salesmen are permitted to share in it, and thereby become co-partners in the success and profits of the enterprise. Joint stock enterprises may be said to be based on this idea, and the more fully it is developed the better for the country.

## FINANCIAL FACTS AND OPINIONS.

*The Silver Bill Compromise.*—The Conference Committee bill, which will be found on another page of the present number, provides for the purchase of more silver, and also for its circulation, or its representative. In other words, by this measure more silver will be purchased, truly a good thing for the producer; and the currency, to some extent, will be inflated, which, it is believed, will be a good thing for business generally. So far as the mine owners are concerned, there can be no doubt whatever concerning the desirability of this measure. Their prospects are considerably improved by it. Of course, the mine owners have been strenuous for free coinage, but this certainly was not a safe measure for our Government to adopt. We believe that our Government, in union with several foreign Governments, is quite capable of sustaining the value of silver at the old ratio, but it could not do so alone; and the endeavor to coin silver freely at the old ratio would sooner or later land us on a purely silver basis and drive the gold from the country. Nothing should be left undone to prevent such a catastrophe. If we understand the bill, the present gold standard will be preserved, while a larger use will be made of silver. We have no doubt that our country can easily enough absorb fifty, or sixty, or one hundred millions of silver a year. Our country is so large, the business is so enormous, the money circulates so slowly compared with the circulation of money in densely populated countries, that the additional silver will hardly be perceived. Indeed, we think that those who are counting on more prosperous business, apart from the mine owners, in consequence of this inflation, are reckoning without much cause. Because, first of all, the retirement of the National bank notes is going on constantly, and therefore the full effect of this measure is much lessened by such withdrawals. It is true that the pouring into the channels of circulation of the redemption fund will swell the volume of the currency very considerably, but even the increase from both sources is like the increase to the Mississippi by the lower rivers, which hardly seem to swell the volume of waters or to increase the rapidity of their flow. At all events, some months and even years must elapse before the effect of this increase will be felt. Furthermore, we may add, that any supposed advantage has been already discounted in the stock, and other markets, and no other additional effects are likely to accrue from this legislation. It is, however, something of a relief to have the question settled for a time at least. No party or class in a mat-

ter of this kind ever gets everything. Perhaps the compromise is as fair as could be expected; and let us believe that the measure will work good instead of harm to all interests.

*Debt Reduction.*—A statement has been issued by the Secretary of the Treasury, showing that the reduction of the National indebtedness during the past year was \$88,938,035. The total debt at the beginning of the new fiscal year is \$988,175,172, and of this amount \$789,936,622 is interest-bearing debt. In round numbers the interest-bearing debt to-day is made up of \$602,000,000 of 4 per cent. bonds, \$109,000,000 4½ per cents, \$64,500,000 Pacific Railroad 6 per cents, and \$14,000,000 Navy Pension Fund 3 per cents. During the last fiscal year the Government has purchased and redeemed, in round numbers, \$74,000,000 4 per cent. bonds, and about \$31,000,000 4½ per cents, at a total cost of \$125,418,387. The premium paid on the 4s purchased amounted to \$18,876,923, and on the 4½ per cents \$1,427,301, or a total of \$20,304,224. This is a healthy decrease, but we fear that a poor showing will be made during the coming year. The amount voted for pensions has swelled the outlay to over \$160,000,000 a year, which is about half of the National revenue. The expenditure in that direction, with the diminution of the revenues on sugar and some other products, will, perhaps, prevent the payment of any more debt for several years. Indeed, it is said that if all the appropriation bills now pending should pass, there would be an actual deficit next year. This would be a sorry state of things for the country. The present Congress, it must be said, has been the most reckless in the expenditure of money of any in the history of the nation, and one of these days those who are guilty of thus squandering the revenues will learn that the people are thinking about these matters. Even Senator Edmunds, who is one of the most thorough devotees to his party, has finally called a halt on the River and Harbor bill, the amount of which has been swelled to \$32,000,000. Indeed, expenditures by Congress become bolder as the expenditures increase.

*The Montevideo Panic.*—The financial panic in Montevideo is the outcome of the condition of Argentine exchanges. But the adoption of the cedula, or land mortgage system, is the deeper cause. Notwithstanding the protests of a powerful minority, that system was adopted by the National legislature last January. The attempt to legalize the issue of cedula notes to the extent of \$100,000,000 has induced a run on the banks, the suspension of specie payments by the National Bank, and the promulgation of a forced currency for six months. The fact that the Government guarantees in gold the payment of the cedulas, the issues of the bank and



the National debt has not restored public confidence. What it is necessary to do in order to inspire faith in a currency which has been on a par with gold but is now heavily depreciated is to convince Uruguayans of the Government's ability to meet all engagements in gold at the end of six months. This cannot be done by the issue of an arbitrary decree legalizing fiat currency. Uruguay, until this panic occurred, was the only country in South America on the gold basis. By the unification of the public debt effected in London during 1883, an equilibrium was established between National income and expenditures, and with a substantial improvement in administration under President Tajes specie payments were resumed. The country has made great strides in material progress during the decade, and the pacific election of a President last March without military intervention or executive dictation seemed to justify popular hopes of the opening of a new era of political regeneration. The cedula fever has brought on serious financial disorders. These issues of land mortgages, to which the credit of Government is pledged, were desired by property-owners because the effect of the system had been to raise the valuations of land in the Argentine Republic, and to promote real estate speculations. The immediate effect of the new law has been the abandonment of specie resumption with consequent financial disorders. Inflation of the currency by the issue of mortgage bonds, which are at once depreciated and sold for less than their face value, could not have been expected to have had any other result. Uruguay loses at once its pre-eminence as the only Spanish-American nation whose paper money is redeemable in gold, and is adrift once more on the troubled waters of inflation.

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*Spanish Finances.*—Spain is also in a very distressed state, which originates in want of pluck and large debts to foreign countries. There is at present a struggle between the Minister of Finance and the public about an increase in the note circulation of the Bank of Spain from \$150,000,000 to \$200,000,000, of course without proportionately increasing the gold reserve. The Minister likes to get some cash by issuing fresh Treasury bills, which, as a rule, are converted into funded debt. So the liabilities of the country increase and are a serious drawback to prosperity and development of internal resources.

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*British Investments in America.*—Some time ago, when considering this subject, we remarked that one of the consequences doubtless would be that the persons selling at an early date would engage in similar enterprises, either in the same place or else-

where. It could hardly be expected that manufacturers, who had been accustomed to gains based on profits, would be satisfied with salaries, however large they might be, for any considerable space of time. The *New York Commercial Bulletin*, in proof of what we have said, in a recent number contains the following:

"Experience is probably proving two things to the British investor: that in the majority of cases fancy prices were paid to the American sellers, and that, instead of obtaining control of certain interests, they have really given an impetus to competition. One of the 'deals' which attracted much attention was that by which the Pillsbury flour mill system was transferred to a British syndicate. This was considered here a peculiarly advantageous transaction for the late owners. The present ones are likely to be less satisfied with their purchase when they learn that Mr. Pillsbury is reported to be about to build at Kansas City a set of mills similar to those sold in Minneapolis, and in preparation therefor has already constructed an elevator with a capacity of 1,500,000 bushels. It would thus appear that the money paid by the syndicate is being used to build competing mills, and it is highly probable that this is a fair specimen of what is being regularly done in less conspicuous instances."

We expect to hear of similar action by others in various parts of our country. Then the old concerns will be confronted with new ones, containing the most modern machinery and other economizing expedients for producing at the least possible cost. When these factories are erected a new state of things will be observed. Of course the new factories will be in a condition to compete successfully with the older and more heavily capitalized ones, and an industrial war of the first magnitude will be begun. It can hardly be doubted which class of concerns will succeed in the end. If the British investor should thus come to grief within a few years, he doubtless will be somewhat slower in putting his money into similar enterprises. A few lessons of wisdom of this sort will probably cure him from investing here for some time to come. However, he has just as good a right to buy flour and iron mills in this country as we have to erect them. But we all know that he has been buying at very high prices, and thus encouraging the erection of other concerns, which, possessing better machinery and a smaller amount of capital, must prove formidable competitors.



## THE TRIPLE ALLIANCE AND THE LATIN UNION.

BY E. FOURNIER DE FLAIX.\*

The Latin Union was one of the best-inspired diplomatic and economic acts of the Second Empire. It marked the height of the imperial government's foreign influence. It belongs to the epoch, which was not without splendor and without some favorable results, of commercial treaties. It coincided with a more or less sincere attempt at a new policy, less oppressive at home, and characterized abroad by extension of the influence of France by means of freedom of trade, and by the propagation of the sometimes chimerical ideas of the great French economists of the eighteenth century. Yet it was concluded in 1865, at the decisive moment when Prussia had crushed Denmark without protestation from any other government, and, in connivance with Italy and with the complicity of Napoleon III, was preparing for the events that, to her advantage and to the peril of France, were to destroy the conditions of the European balance of power. The monetary agreement uniting France, Italy, Belgium, Switzerland and Greece, bears the date of December 23, 1865. The battle of Sadowa was fought July 6, 1866.

In establishing the Latin Union the imperial government followed a double purpose. On one hand, the idea was to increase the circle of political influence of France, since, then as now, she was the chief instrument, the pivot of the combination. On the other hand, it was proposed to make ready, and, in a certain measure, to realize a great monetary evolution. In the monetary history of Europe, and even of humanity, the period of 1848-1865 holds an unexampled place. At no epoch of history and in no other such short space of time, has there ever been produced so considerable a quantity of the precious metals, and in particular so large a quantity of gold. The increase of the stock of gold was so unexpected, so extraordinary, that some economists, in presence of the premium that silver then enjoyed under the influence of the sudden abundance of gold, contemplated during a few years the utility, the necessity even of demonetizing gold and retaining only silver. Michel Chevalier published some very interesting essays about this demonetization. Other economists, shrewder but still ahead of the times, thought on the contrary that it was becoming a good opportunity to accomplish a great monetary reform, to inaugurate, as in England, the single gold standard. M.

\* Translated from the French by O. A. Bierstadt.

de Parieu took the lead in this movement. The Latin Union, by accustoming the people belonging to it to the same money, was a great step towards this reform. From 1865 to 1870 there were, indeed, two conferences held, one in 1867 and the other in 1869, to deliberate upon the conditions of this reform, in which a very large number of States were associated. These conferences, whose proceedings were published, were followed in 1870 by one of the most remarkable of great inquiries into the various parts of the contemporary monetary problem.

The war of 1870 put a stop to this current. For the time being France was no longer in a condition to head a monetary reform; she had something else to do. But the Latin Union was maintained. Soon an important monetary fact became evident, foreseen by a few French publicists, quite unexpected to many others, a notable and persistent depreciation of silver. This depreciation had a double cause: on one hand, the extraordinary increase in the production of silver, either in consequence of the discovery of new mines or from the more successful working of the different deposits; on the other hand, the sales of silver by Germany, which believed it had become wealthy enough to substitute the single gold standard for the double standard of gold and silver. The American and German silver quickly poured into the French mints in such quantities that, January 31, 1874, it was necessary to limit, and in 1878 to suspend the coinage of five-franc pieces for the different States of the Latin Union. The amount of the copper coinage was also limited for each one of them.

These arrangements, made November 15, 1878, might have led to the adoption of the single gold standard; but it had to be recognized that France was then as to-day the only one of the parties in a condition to possess a single gold monetary circulation. The Latin Union accordingly was continued until December 31, 1886.

Late in 1885 Italy, Belgium and Switzerland showed some desire of not renewing the agreement. The effects of the agricultural crisis, that had prevailed since 1878, and those of the financial panic of 1882, had lessened the economic influence and power of France. The political relations between France on one hand and Belgium and Italy on the other had cooled. These two States, entering more or less into a sort of alliance with Germany, and yielding to her suggestions, pretended to fear the monetary alliance with France. They declared that it had become dangerous to be a party in this alliance, either because of its enormous stock of silver, or because of its great paper circulation.

The Latin Union encountered other adversaries. It had certainly had the valuable, and for France very essential advantage, of defending western Europe against the invasion of American

silver. The Americans, having become indefatigable producers of silver, had been obliged to busy themselves about selling it. But whom were they to sell it to? From 1871 Germany was everywhere offering its old thalers; England had the system of the single gold standard; Russia and Austria knew only paper money. The Latin Union was left, and in the Latin Union France above all; for it is not enough to buy silver, it must be paid for, and silver is only exchanged for gold. The quantity of gold at the disposal of Belgium, Switzerland, and Italy even, was then, and is still, of no importance. The Americans brought about, in 1878 and 1881, two international conferences, meeting at Paris, with a view to modifying the restrictive provisions of the Latin Union, especially the monetary legislation of France, the only depositary of a stock of gold corresponding to their stock of silver, the only party able to buy and to pay for their silver with its gold. France then escaped a very great danger, for some of its statesmen, notably M. Cernuschi and M. Magnin, had been converted by the skillfully propagated sophisms of the American agents, by a multitude of pamphlets, books, and publications of every kind. On the contrary, the Italian, Belgian and Swiss delegates, ever afraid of silver, which was, however, the chief monetary instrument of the States they represented, struggled sagaciously and energetically against the American demands. The two conferences failed.

This failure was the starting point of a regular campaign against the Latin Union. The Americans and the friends of silver in Europe had no difficulty in proving that France paid all the expenses of this Union. This is the way. In consequence of her great wealth and the habits of her people, France has long been the largest reservoir of the precious metals. Belgium and Italy had been authorized by the Latin Union in 1878 to coin a quantity of five-franc pieces over and above their needs. They purchased the silver at the rate of four francs for the metal on account of its depreciation, and coined it at the rate of five francs. M. Cernuschi showed that all these coins poured into France as the water from the hills necessarily runs down into the low-lying swamps. It was ascertained in 1886 that France held Belgian or Italian coins amounting to 650 millions. To-day this figure has run up to 800 millions, half in Belgian and half in Italian coins. On the other hand, there are no or only a very few French coins in Belgium and Italy. This amounts to saying that Belgium and Italy have borrowed 800 million francs from France without paying any interest on it.

The general heedlessness is such in France, the interest of the State or the entire nation (as Richelieu calls it) holds so small a place in the combinations of private interests, that, if

Belgium and Italy had not acted with little rhyme or reason, France, under the influence of the ideas that dictated the foundation of the Latin Union, would have consented to its renewal. Italy and Belgium, the only powers to draw any profit from it, in an effort to please Germany, called for its dissolution.\*

"All right," replied France at length, brought to a stand by the Italian and Belgian diplomacy; "let us dissolve the Latin Union then; but begin by paying me the 650 million francs that you owe me, for there are in France Italian or Belgian coins amounting to 650 millions." At the sight of this memorandum the attitude of Italy and Belgium was changed. They both understood that they had got to the end of the rope of the French good nature. Italy asked to make terms and for time. Richer and surer of her credit, Belgium reared up and took the bit between her teeth. Her principal delegate, the Honorable M. Pirmez, a very talented publicist, began loudly to proclaim that nothing at all ought to be paid. Money, he affirmed, was a kind of public property, wandering around for the benefit of anybody it chanced to belong to. So much the worse for the person that came into contact with it. The State making its money valid is not responsible for its value. This brilliantly sustained argument was not much to the taste of the Swiss, who were entitled to 60 million francs in the liquidation of the Latin Union. The Italians, feeling a premonition of danger, repudiated it. They signed a contract with France. It was agreed that the maximum amount of coinage, regarded as circulating in France for the account of Italy, should be fixed at 200 millions. Italy contracted to redeem 100 millions in gold, at stated periods, one-fifth every year, with 1 per cent. interest. France made it her business to send back into the country the other 100 millions. With regard to the surplus (its extreme importance was unknown at the time of the arrangement), it remained charged to Italy under the same conditions. Switzerland obtained complete redemption. Renouncing later the convenient but dangerous theory of M. Pirmez, Belgium agreed to the same conditions as Italy. The result is that Italy will be obliged to redeem 300 millions of France, and Belgium the same amount, and that France must get back 200 millions into Italy and 200 millions into Belgium. In a word, despite its apparent advantages, the Latin Union exposes France to a loss equal to the depreciation of silver on 400 million francs.

Finally the Latin Union was continued until December 31, 1890, and it was stipulated that its dissolution, accepted in theory, should, however, only be really accomplished when notice had been given a year before the appointed time. Wanting this notice,

\* These ideas enjoy a certain favor in Italy, as is shown by an article in the *Giornale degli Economisti*, of Bologna (January, 1890), an excellent paper.

it is to be tacitly continued from year to year. Consequently, if the Latin Union were to be dissolved on December 31, 1890, notice of the fact should have been given December 31, 1889. As this notice was not given, the Latin Union is legally continued until December 31, 1891.

Since 1886, Italy, Belgium, and Switzerland have at last recognized that the advantages they get from the Latin Union are much more real than the imaginary perils to which they are exposed by France's stock of silver. They have renounced all thought of giving notice. Their newspapers rival one another in printing paragraphs from time to time to spread among the European public false reports about the intentions of the French Government. It is desired to some extent to force its hand; for the monetary policy of Italy, Switzerland, and Belgium has changed. In proportion as the progress of France becomes more marked, they accommodate themselves more and more to her monetary influence. Just as they feared the maintenance of the Latin Union in 1886, they to-day desire and solicit it.

The floor evidently belongs to France. Monetarily speaking, Italy, Belgium, Switzerland, together or separately, count for little or nothing. France, on the contrary, notwithstanding the trials of 1870, remains by far the first monetary power of the globe.

What is the interest of France?

From a political point of view, which takes the lead in all treaties, has the Latin Union had the results which France ought to expect? Without hesitating a single moment on account of the Latin Union, has not Italy entered into the Triple Alliance, prepared, concluded, extended directly against France, in order to impose upon France forever the humiliating and unacceptable conditions of the treaty of Frankfort? On the other hand, has not Belgium morally violated her neutrality and gravely insulted the honor of the French nation by sending special representatives to Metz to salute the German emperor? As a political document, the Latin Union has therefore been considered by Italy and by Belgium as a useless form, without value or power. It is nothing.

From an economic point of view. Italy and Belgium have, indeed, procured for themselves, by means of the Latin Union, 800 million francs, on which they do not have to pay any interest, and the coinage of which has brought them in a fifth or at least a sixth of clear profit. In this respect Italy and Belgium have played the part of integral portions of the French territory without fulfilling any of its obligations. For the other parts of this territory the Latin Union has been a bad bargain.

From a monetary point of view, on which not a few errors have been put in circulation, let us press the question closer, if possible. Is it not true that the 800 million francs in Belgian and

Italian coins clog the already excessive and burdensome French circulation? Is it not true that they immoderately increase the stock of silver held by France, too considerable in itself? Is it not true that in case of a monetary crisis they would still further aggravate a very bad situation? The monetary interest of France in this regard is quite plain. It is enough to visit the vaults of the Bank of France to see that the Belgian and Italian coins have expelled the French coins from the circulation; this is one more example of the working of Gresham's law.\* The French five-franc pieces, bearing the stamp of France, are considered preferable to the Belgian and Italian coins; consequently they are left to rest in peace. It has been answered, indeed, or rather an attempt has been made to answer, that driving out the Belgian, Italian, Swiss, and Greek coins from the French circulation, would only shake the general confidence in the French five-franc piece, and would precipitate the already great depreciation of silver; it would occasion a collapse of prices and of wages, and would expose France to a terrible crisis, a monetary cataclysm. This sort of rhetoric has not had any effect upon us. Is there any fear of France being in want of five-franc pieces? Does not the Bank of France hold nearly 1,300 million francs, which it does not know how to use? 800 millions in French coins will take the place of the 800 millions in Italian or Belgian coins. The latter, in their turn, will be exchanged either for gold or for merchandise: silks, wines, sulphur, wool. Consequently, there can only be advantages in forcing the Italians and Belgians to take back the silver coins, with which they have flooded us. Prices and wages, so far as these movements can reach them, must go up; a new impulse will inevitably be given to production.

Suppose—and this supposition has nothing improbable about it—suppose that England should renounce the monetary indifference that costs so dearly to India, and should endeavor, what is neither above its power nor beyond its duty, to negotiate in Europe and with the United States a monetary arrangement, must France appear at the Congress, whose meeting may be foreseen, dragging in her train her pretended monetary partners, Germany's secret or open allies, more or less subject to their caprices, or free from all responsibility for useless and ungrateful neighbors, looking out for her own interests alone, speaking with the weight and authority that belong to the greatest monetary stock of the globe?

The interest of France is therefore to give notice, without any further delay, of the dissolution of the Latin Union. We do not mean to reproach the French Government with slowness, with

\* The same fact of good money being driven out by bad money has recently been observed in Oran; Spanish pieces have driven out the French one hundred sou coins.



having let the first period of December 31, 1889, go by. But the coming renunciation of commercial treaties, the nation's earnest wish to be freed from every diplomatic agreement bearing upon its economic interests, leave no doubt as to the fate in store for the Latin Union. The Latin Union was broken on the day the Italian Government entered the Triple Alliance against France, on the day the King of the Belgians accepted the protection of the German emperor. It is impossible to be at once the monetary partner of a great nation like France and its political adversary. Loans are not to be raised in France for paying armies arrayed against her.

The violence of public opinion, that has arisen in France against the policy of treaties of commerce, proceeds in great part from the freedom with which the nations bordering upon France have of late years regulated their attitude. They have pretended at the same time to cultivate an alliance with Germany against France, and to continue to profit by their economic relations with France. Perhaps they have not yet a very clear idea of the contradiction between their desires.

Suppose, for instance, that after the Crimean War France had tried to form a girdle of iron all around Russia; that she had compelled Prussia, Austria, Sardinia, and the Scandinavian States to side with her, and to sign treaties aiming to subject Russia perpetually to the arrangements made by the treaty of Paris. How would Russia have considered this pacific coalition? What sort of friendship would she have kept up with her neighbors, brothers and cousins of one family, who had entered it for the sake of the general happiness and universal peace? And if these humanitarian confederates, ever striving for peace, had multiplied and stationed battalions and batteries upon her frontiers, if they had everywhere built strategic roads leading to them, if they had accumulated there fortifications and supplies, if they had signed military treaties, if their generals had exchanged opinions and plans, would Russia, with the olive branch of peace in her button-hole, have been so ready to accommodate her neighbors by entering into commercial treaties or monetary agreements with them?

Is there not for nations as well as for individuals a certain justice, as Cicero wrote some twenty centuries ago in Italy itself in an admirable passage of his *Republic*? Has international justice two kinds of weights and two kinds of measures? Does it change in different countries and different times? In human consciences, notwithstanding their mobility and imperfections, is there not a sort of permanent criterion, by which the actions of nations may be judged as well as those of individuals? Does not the old rule: "Do unto others as you would that they should do unto you," apply to international as well as to private law?

We are not unmindful of the superior rights of civilization, nor

of those of general peace, nor of the advantages of every kind that Europe might find in a universal reconciliation of races, peoples, and governments; perhaps, too, this may not be so difficult to realize as is thought. But it cannot come from the sacrifices of a single nation, above all of that nation which, in Europe at least, has been most sorely tried during the course of this century, in spite of its extraordinary efforts to keep its rank in the world.

France is therefore forced to give up all the generous Utopias, to which she alone has attached so much value, to look after her own exclusive interests, and to watch closely the enterprises and doings of her various neighbors. Although Italy owes her national independence to France, has she not been a party to agreements aiming directly to form around France, for the purpose of maintaining perpetually the stipulations of the treaty of Frankfort, that girdle of iron which we have just supposed France might have traced around Russia? Has not Belgium refused to take part in the Paris Exposition, and has not her ruler been willing to ride in the German emperor's staff? And yet has not the Latin Union, at the expense of France, procured for Italy and Belgium the advantages to each one of them of a loan of 400 millions, on which they pay no interest?

This contradiction between the political and economic attitude of the States around us has given a mortal blow to the ideas favoring international relations between countries. Who can for a single instant suppose that the Marquis of Salisbury's declarations, in the name of the Tory ministry, advocating the observance by France of the treaty of Frankfort, have not deeply wounded the feelings of the French nation, and made still more difficult the relations between France and England?

Consequently, it becomes necessary, with regard to the Latin Union, to cast aside the generous but Utopian ideas that dictated its formation. It no longer represents anything real. France no longer has any advantage from it. Let Italy join her fortunes with those of Germany, let Belgium compromise her neutrality; the political accounts will be settled later, when the proper time comes; but the joint monetary responsibility is nothing more now than a mere name; the only thing left to be done is to carry out the arrangements of 1886, to give notice and to liquidate the Union.

Belgium, rich and provident, will probably always be able to keep her engagements. But will it be likewise with Italy? Owing to her political mistakes, is she not just now going through a serious financial crisis that may again oblige her to have recourse to a forced currency? With a forced currency, all the silver coins left in Italy will inevitably be driven out by paper, and will pour into France. Can France run the risk of this event?

The Latin Union must therefore be given up as well as the treaties of commerce. France does not need to set her numerous armies in motion in order to make her power felt around her. She has only to fall back upon herself. Having immense capital, and the best sort of customers at her disposal, she need only receive in her markets the people who do not conspire against her. She has a right to require of all those doing business with her the utmost probity, the most complete economic and political reciprocity.

Monetary agreements are only economic treaties, and, perhaps, the most important of all. As the Latin Union has not succeeded in bringing about political reciprocity, it is rejected by France just as the treaties of commerce are. They are both incompatible with the Triple Alliance.

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## THE CLEARING HOUSE SYSTEM.

[CONCLUDED.]

### AUSTRIAN CLEARING HOUSES.

The Vienna Bankers' Clearing House was established February 25, 1872, by an agreement entered into by the Chartered Austrian National Bank, the Nether-Austrian Bank of Discount, the Imperial Royal Chartered Institution of Credit for Commerce and Trade, and the Anglo-Austrian Bank, and several others. The agreement continues only for a year at a time, and the question of its continuance with other important matters is decided at a general meeting held each year. Any clearing institution has the right to withdraw from the association at the end of each calendar year, provided it has given four weeks' notice of its intention.

Matters not determined at the general meeting are settled by a board of five directors, under whose direction the business is conducted. These directors appoint a controller or auditor and his assistant, who have personal control of the clearing. Each clearing institution must furnish the board with the names of the clearers who are to transact its business, and must provide the clearers with a card of identification.

No person is admitted to the hall of the union except the persons acting at the clearings and the members of the board of directors. The expenses for heating, light, furnishing and printing are borne equally. Annual and weekly business statements are published.

The general meeting established a code of by-laws for the government of the clearing, which are as follows:

1. The members of the Vienna Clearing Union (clearing institutions) shall bring on every business day the paper which they

may have and which may be due on that day, and which is more fully described in Par. 2, into the hall set apart for that purpose for mutual exchange, not for direct collection, and shall settle on the same day the balance, resulting therefrom and found to be correct, by debiting and crediting it on their accounts at the giro department of the Chartered Austrian National Bank.

2. For mutual exchange are designated the following :

- a. Acceptances of a clearing institution.
- b. Acceptances of other concerns which are made payable by or at a clearing institution.
- c. Checks on a clearing institution.
- d. Mature, interest bearing certificates of deposit of a clearing institution.
- e. Mature partial hypothecated assignments.

The interest on mature certificates of deposit of a clearing institution, or on mature hypothecated assignments is to be marked for each separate paper on the respective lists.

3. The clearing institutions shall communicate to each other the names of the concerns which make their acceptances payable by or at each institution. (This rule has since been abrogated.)

4. Each clearing institution is provided with a current number which shall appear on all books and printed matter of the institution to be used in the clearing union.

5. Each clearing institution shall every day send to the clearance one, or, if necessary, two officers (clearers).

6. It shall be the duty of the auditor and his assistant to superintend the clearance and to ascertain and verify the total result of the daily clearance.

7. The clearers shall appear every morning in season, in order to commence the clearance at 9 o'clock promptly. Each clearer shall, of course, also appear in case his institution has no notes to deliver to another clearing institution.

8. Every clearer shall bring in the notes, etc., receipted, which are to be settled. They must be separate for each paying institution, and accompanied by a consignment and receipt. In the consignments, the notes, etc., shall appear arranged by drawees, with their number and total. The receipts must agree with the lists as to number of pieces and amount.

9. Every clearer shall first hand to the assistant auditor a notice in which appear all the notes, etc., of his institution, which are presented on that day for clearance, separately arranged for each paying institution and summed up.

10. After the clearers have occupied the places assigned to them, the auditor rings the bell, and the mutual delivery of the notes, etc., together with the consignments and receipts, commences in the order prescribed by the auditor.

11. The receiving clearer compares the amounts of the notes delivered to him separately with the figures on the consignments, and examines the total appearing on the same and on the receipt. After finding it correct or making the necessary corrections (on the consignment, the receipt, and on the notice in the hands of the assistant), he marks the receipt with the stamp of his institution, adding his own name to it, and hands it to the deliverer of the notes, etc. Before this is done the collecting clearer is not permitted to leave the place of the paying institution.

12. In the day-book of each clearer is entered on the first line, right after the name of each institution, on the credit side, the total amount of the notes, etc., delivered by the clearer to this institution, and on the debit side the total amount of all the notes, etc., received by the clearer from this institution.

13. After the auditor of the Clearing Union has finished the first balance, he rings the bell to close, and only then and not before are the clearers permitted to leave in order to deliver to their institutions the notes, etc., which they received for clearance, to be examined.

14. The exchange of the returned paper and the final clearance commences every day at 12 M. (changed to 12:30 P. M. Jan. 30, 1876), and on the 15th and the last day of each month at 1 P. M., and the clearers shall for that purpose appear in season in the hall of the Clearing Union.

15. Every clearer shall bring with him, for that purpose, the consignments of the notes which were delivered to him for clearance, also the returned paper, the latter with consignment and receipt (as in Par. 8). On each returned paper must be affixed a slip, on which the reason is stated why it was returned.

16. The clearer shall also hand the assistant a notice on which the returned paper shall appear (as in Par. 9).

17. After the clearers have taken their places, they commence the mutual delivery of the returned paper (as in Par. 10).

18. After that, the returned paper is compared with the consignment and receipt, then follow the corrections, if any are necessary, then the stamping and the delivery of the receipt (as in Par. 12). (By a provision adopted March 2, 1873, the indorser of notes not paid may offer in payment checks on a clearing institution, but such notes shall not be delivered to the indorser before such checks are paid.)

19. Every clearer then enters in his day-book, next to the name of the clearing institution, on the second line and on the credit side, the sum total of all paper returned by him to such institution, and on the debit side the sum total of all paper which that institution has returned to him. Then every clearer closes the entries in his book for that day, carries over the balance, and hands the balance sheet to the auditor.

20. After the auditor finds the balance sheets of the clearers correct, or corrects them, each clearer makes out the check on the giro department of the National Bank for clearance of the balance due from his institution, signs it, and hands it to the auditor, who approves it by his signature, and forwards it to the giro department of the National Bank.

21. After the auditor declares the day's business closed by ringing the bell, and not before, are the clearers permitted to leave the hall.

22. The auditor and his assistant shall see that the clearers shall promptly keep the business hours, and that order shall be strictly observed, and the clearance not be disturbed. In case a clearer repeatedly comes too late, or another trouble occurs, the auditor shall report it to the board.

The clearings at Vienna, since the establishment of the Union have been as follows:

<i>Year.</i>	<i>Deliveries.</i>	<i>Year.</i>	<i>Deliveries.</i>
1872 .....	261,586,483 florins.	1883.....	306,578,931 florins.
1873.....	366,128,181 "	1884.....	315,936,372 "
1874.....	278,758,630 "	1885.....	257,311,397 "
1875.....	254,045,673 "	1886.....	269,819,870 "
1876.....	271,093,131 "	1887.....	275,736,331 "
1877.....	324,358,861 "	1888.....	264,666,824 "
1878.....	313,690,193 "	1889.....	262,884,450 "
1879.....	287,433,129 "		
1880.....	279,541,338 "	Total, 18 years.	5,139,809,826 "
1881.....	287,851,363 "		\$2,467,100,000
1882.....	262,388,669 "		

The matter cleared consists mostly of notes. The use of checks is not general, as people prefer bank bills. The Government stamp on checks is two kreuzers, or about one cent. The number of members belonging to the Bankers' Clearing Association is ten.

In addition to the Bankers' Clearing House, there is a Stock Exchange Clearing House, which does a much larger amount of business than the former. Its transactions since 1872 have been as follows:

<i>Year.</i>	<i>Clearings.</i>	<i>Year.</i>	<i>Clearings.</i>
1872. from July 1.	2,206,598,352 florins.	1882.....	5,571,638,178 florins.
1873.....	2,364,318,630 "	1883.....	4,681,401,392 "
1874.....	1,264,909,523 "	1884.....	5,103,388,051 "
1875.....	1,419,742,953 "	1885.....	4,330,910,891 "
1876.....	1,490,702,855 "	1886.....	4,684,573,387 "
1877.....	2,372,207,888 "	1887.....	4,640,231,187 "
1878.....	2,759,452,877 "	1888.....	4,929,670,035 "
1879.....	4,247,977,521 "	1889.....	5,776,754,218 "
1880.....	5,576,036,411 "		
1881.....	7,668,904,168 "		71,179,418,517 "

#### CLEARING HOUSES IN ITALY.

The law of April 7, 1881, in regard to the abolition of the compulsory method of payments, authorized at the same time the establishment of Clearing Houses in the cities which would be indicated

by royal decree. And the royal decree of May 19, 1881, nominated the cities of Rome, Naples, Milan, Turin, Venice, Florence, Genoa, Palermo, Bologna, Messina, Catania, Bari, and Cagliari.

The right of founding these Clearing Houses was conferred upon the Chambers of Commerce, and the National Bank (*i. e.*, the Bank of Italy) was also interested in the question. However, up to the present time, only the following cities have Clearing Houses, viz., Rome, Milan, Genoa (1882), Bologna, Catania (1883), and Florence (1885). Leghorn has had one a long time.

The rules under which the mercantile houses are admitted to the privileges of the Clearing Houses vary from city to city. In the large cities they are, in general, more strict than in the smaller ones. In Catania, merchants are admitted to membership simply by soliciting admission. In Rome, on the contrary, it is required of the members that their active capital must be at least one million lire. The Treasury Department of the State also takes an interest in the Clearing Houses.

The general internal management of the Clearing Houses is similar to that of such institutions in other countries.

The development of the Clearing Houses in Italy is shown by the following figures, derived from documents kindly furnished by Mr. Augustus O. Brown, U. S. Consul-General at Rome:

	<i>Leghorn.</i>	<i>Genoa.</i>	<i>Milan.</i>	<i>Rome.</i>
1886 (lire).....	995,916,740	907,605,519	4,987,715,631	914,574,069
1887 " .....	1,013,137,634	1,410,420,706	7,206,501,022	1,579,146,804
1888 " .....	1,028,412,130	1,529,220,427	8,026,326,470	1,428,998,748
1889 " .....	920,426,450	2,780,945,850	9,105,306,570	989,020,664

  

	<i>Bologna.</i>	<i>Catania.</i>	<i>Florence.</i>	<i>Totals.</i>
1886 (lire).....	28,432,919	77,166,467	721,418,387	8,632,829,734
1887 " .....	34,194,788	119,516,847	2,056,608,408	13,419,526,209
1888 " .....	56,082,582	57,248,919	2,649,241,536	14,775,530,812
1889 " .....	45,468,911	4,019,203	3,077,582,719	16,913,770,368

The money employed in paying balances at all these Clearing Houses was as follows:

1886.....	1,334,713,649 lire.	1888.....	1,852,996,343 lire.
1887.....	1,732,997,407 "	1889.....	1,964,148,523 "

The following comparative table of the world's clearings in 1890 will serve to show the relative progress of the nations in availing themselves of the advantages of the Clearing House:

	<i>Exchanges.</i>
United States.....	\$56,279,759,824
Great Britain (reported).....	37,939,536,611
German Clearing Houses.....	4,296,000,000
Italian " " .....	3,264,000,000
Australian " " .....	1,403,600,000
Paris " " .....	1,006,746,400
Dominion of Canada (about).....	515,000,000
Vienna Bankers' Clearing House .....	126,700,000

\$104,831,342,835

DUDLEY P. BAILEY.

## PRESENTMENT OF CHECKS.

SUPREME COURT OF INDIANA.

*Culver v. Marks.*

Presentation of a check to the bank and notice of non-payment is not necessary, when the drawer has no funds on deposit for its payment at the time when it should be presented, or, having funds, withdraws them, or where, by agreement of the parties, the check is not to be presented.

Checks dated at "La Fayette, Indiana," and drawn on the "First National Bank," support an allegation that they were drawn upon the "First National Bank of La Fayette, Indiana."

Interest is properly allowed on checks from the date of presentment, or the day when they would have been presented had there been funds for their payment.

Evidence that the bank would have paid checks drawn upon it by the maker, if presented, is not admissible, where there is evidence that he had no funds in deposit in the bank at the time for presentment for payment.

Original entries, made by the proper officers in the books of a bank, showing the account of a depositor, are competent evidence, though some of the persons making the entries are dead, some out of the State, and the others have no recollection of the facts.

It is not error to permit a statement of a depositor's account made from the bank's books by an expert accountant to be read in evidence, where the books are also in evidence, and the accountant is examined as a witness.

OLDS, J.—This is an action by Jacob F. Marks against Malinda Culver, administratrix of the estate of Moses C. Culver, deceased, to recover a claim against the estate of the decedent. It is contended by the appellee that the appeal was not taken and perfected within the time allowed by statute. The appellant asked and obtained leave of this court to appeal, which disposed of this question, and it is unnecessary to consider it further.

Appellant's decedent died in December, 1884, and the claim was filed in February, 1885. The basis of the claim is three checks, copies of which are filed with the complaint, and marked "A," "B," and "C", and are in the following words and figures: (A) "La Fayette, Ind., Nov. 1st, 1869. The First National Bank: Pay to J. F. Marks one thousand dollars. \$1,000. [Signed] M. C. CULVER." (B) "La Fayette, Ind., Nov. 8th, 1870. First National Bank: Pay to J. F. Marks or bearer five hundred dollars. \$500. [Signed] M. C. CULVER." (C) "La Fayette, Ind., Dec. 29th, 1870. First National Bank: Pay to J. F. Marks or bearer one thousand dollars. \$1,000.00. [Signed] M. C. CULVER." Also three promissory notes—one dated December 17, 1870, for \$1,051.34, executed by the decedent to appellee; one dated September 1, 1870, for \$550, executed by decedent to appellee; and one dated July 29, 1872, for \$2,000, executed by the decedent to one Smith Lee, and assigned by him to appellee.

There are some 19 paragraphs of complaint, most of them declaring upon the checks, and varying in their allegations. There was no further pleading filed. There was a trial by the court under the statute, and a finding for the appellee on the checks and notes, aggregating \$7,694.31. The court's finding is as follows: "The court being in all things fully advised, finds that there is due the plaintiff, of and from the administratrix, to be paid out of the estate of the decedent, Moses C. Culver, on account of the note for \$2,000, and dated July 29, 1872, the sum of eight hundred and twenty-three dollars and twelve cents (\$823.12); on



the due-bill dated December 17, 1870, the sum of seven hundred and ninety-six dollars and fifty-nine cents (\$796.59); on the two one thousand dollar checks, one dated November 1, 1869, and one dated December 29, 1870, the sum of three thousand nine hundred and thirty-six dollars and twenty-six cents (\$3,936.26); on the five hundred and fifty dollar note, dated September 1, 1870, the sum of one thousand three hundred and eighty-three dollars and thirty-four cents (\$1,383.34), including one hundred and twenty-five dollars and seventy-five cents as and for attorney's fees; and on the check for five hundred dollars, and dated November 8, 1870, the sum of seven hundred and fifty-five dollars, being the principal and interest thereon from the 1st day of January, 1878; and making in the aggregate, the sum of seven thousand six hundred and ninety-four dollars and thirty-one cents (\$7,694.31)." The appellant demurred to each paragraph of the complaint, which was overruled, and exceptions. The appellant also filed a motion for a new trial, which was overruled, and exceptions; also moved the court in arrest of judgment, which was overruled and exceptions reserved; and these various rulings of the court are assigned as error. No question is presented as to the sufficiency of the paragraphs on the notes, or the right of the appellee to recover the amount due upon them.

The paragraphs of the complaint are numerous, and we do not deem it necessary to set them out, as we can state the questions presented in much less space. They all declare upon the checks, and aver facts to excuse the necessity for presentment to the bank for payment, and notice to the drawer of non-payment, differing in the averments in this particular: Some aver that Culver, the drawer, did not have money or funds sufficient in amount in said bank on the day of the date and delivery of said check, nor did he have enough on the day after the date of drawing and delivering said check in said bank, to pay said check. The ninth paragraph, declaring on the check dated November 1, 1869, alleges that Culver, the drawer, did not have money or means enough in said bank on the day of the date of said check, nor did he have sufficient funds or money in said bank until the 11th day of November, 1869, to pay said check. Others aver that all the money or means said Moses C. Culver had in said bank on the day of the date of said check, or had at any time thereafter in said bank, were, by said check, paid to said Moses C. Culver, or to other persons on the order, check, or request of the said Culver, and not to the plaintiff on account of said check. Others aver that at the time of the execution and delivery of said check the said Moses C. Culver requested the plaintiff not to present said check to said bank for payment, and that he, the said Moses C. Culver, should be permitted to pay, and that he, the said Culver, would pay, said check without presentment thereof for payment to said bank; and the plaintiff then and there promised not to present for payment said check at said bank, and to permit the said Culver to pay the same without presentment for payment at said bank; that in pursuance of said request of said Culver, and the promise of the plaintiff, the plaintiff did not present said check, nor was the same presented to said bank for payment. The fourteenth paragraph on the check, dated December 29, 1870, alleges that Culver did not have money or means sufficient in amount in said bank on the day of the date of said check, nor did he have enough means or money in said bank for more than 30 days thereafter, to pay said check.

The foregoing are the averments in the respective paragraphs relating to the checks. The several paragraphs are, respectively, based on the checks as the foundation of the action, and the checks constitute a cause of action. (*Henshaw v. Root*, 60 Ind. 220; *Fletcher v. Pierson*, 69

Ind. 281.) The general rule is that a check must be presented to the bank for payment, and that notice of non-payment must be given to the drawer, but there are exceptions to this rule. In Bolles, Banks, p. 325. § 333, it is said: "Another excuse is the lack of funds with the drawee. The drawing of a check under such circumstances, unexplained, is a fraud which deprives the maker of every right to require presentation and demand of payment." In *Franklin v. Vanderpool*, 1 Hall 78, it is held that, if a maker of a bank check has no funds in the bank upon which it is drawn at the date of the check, it is not necessary for the holder to present such check at bank for payment, in order to enable him to sustain an action upon it against the maker. Where the maker of a check withdraws his funds from the bank, so that the check cannot be paid, no demand and notice are necessary. (Bolles, Banks, *supra*; *Sutcliffe v. McDowell*, 2 Nott & McC. 251.) In 2 Morse Banks (3d Ed.) § 425, it is said: "Presentment, however, may be altogether dispensed with, provided that if made it could not at the time be legally and properly met by the bank with a payment"; and numerous authorities are cited in support of this statement. This is in accordance with a well-settled legal principle that the law requires no unnecessary thing to be done. Checks are presumed to be drawn against a fund deposited in the bank, out of which they are to be paid; and if there is no such fund so deposited out of which they can be paid, the presumption is that a demand will be of no avail, and useless; and it must be further presumed that the drawer knows the state of his account with the bank, and whether or not he has sufficient funds on deposit to pay the check, and, if he has not, no demand is necessary; and, if no demand be necessary, then certainly no notice is necessary—being no demand, there could be no notice of demand. It is further stated in Morse, Banks, *supra*, that "regular presentation may be waived by conduct or representations. Any agreement, express or implied, will excuse want of the usual formalities." It is further said that "a check given as evidence of a loan to the drawer need not be presented to the drawee."

This doctrine is held in the case of *Currier v. Davis*, 111 Mass. 480. It is the well-settled rule that, in the absence of any agreement or special circumstances, a check shall be presented at least within banking hours on the day following the date of its delivery, if the bank on which it is drawn is in the same place where the payee lives or does business, and that the first presentment fixes the rights of the parties. If, upon such presentation, the bank offers and is willing to pay, and the payee refuses to accept it, and afterwards, and before it is again presented, the bank fails, as between the payee and the drawer the payee suffers the loss. (See 2 Morse, Banks, §§ 421, 426.) And it must necessarily follow, from the well-settled law regarding checks, that if the drawer has no funds in the bank at the time the payee is by law required to present the check for payment, no necessity for demand and notice exists, and that the liability of the parties is fixed at this time. That is to say, if demand and notice be necessary, demand must be made on the day following the delivery of the check, if the bank is in the same place where the payee lives, and does business, and notice must be given, and the liability is thereby then and there fixed, and the payee may immediately bring suit. So, on the other hand, it must logically flow and necessarily follow from this rule that if the drawer has no money or funds on deposit in the bank at the time the payee is required to present the check, then the liability of the drawer is fixed without presentation and notice, and the payee may at once bring suit on the check; and whatever takes place afterwards in the state of his account

at the bank can make no difference, and will not change the rights of the parties. The authorities cited, we think, are decisive of all the questions presented by the rulings on the demurrers to the several paragraphs of complaint; and that the general rule is that the payee must present the check for payment, and give notice to the drawer of its non-payment, but that no presentation or notice is necessary when the drawer has no funds on deposit for the payment of the check at the time when the check should be presented; or if he have funds on deposit at the time, and withdraw the same, leaving none on deposit for the payment of the check, or if by consent of the drawee or agent between him and the payee the check is not to be presented at the bank for payment, then there is no necessity for presentation and notice. There was no error in overruling the demurrers to the complaint.

It is contended that the right of recovery was barred by limitation. What we have said in passing upon the complaint disposes of this question. The check being in writing, and constituting the foundation of the action, it is not barred by the statute of limitations. A question is made as to the check. It is contended that as the complaint alleges that the checks were drawn on the "First National Bank of La Fayette, Indiana," and that there was no proof of such fact except that the checks were read in evidence and that the checks are drawn on the "First National Bank," that the proof made by the introduction of the checks does not correspond with the averments of the complaint. The checks were copied and made a part of the respective paragraphs of the complaint which declared upon them, and showed affirmatively in each paragraph of the complaint the name of the bank upon which they were drawn. They were each dated at "La Fayette, Indiana," and drawn on the "First National Bank," and the name of no other place or bank appeared upon the check; and the evidence showed that there was a First National Bank at La Fayette, and the fair presumption, in the absence of anything appearing to the contrary, is that it related to, and that they were drawn upon, that bank. (*Walker v. Woollen*, 54 Ind. 164; *Roach v. Hill*, *Id.* 245; *Dutch v. Boyd*, 81 Ind. 146.)

It is not contended that there is no evidence to support the allegations of the paragraphs of the complaint which allege that it was agreed that appellee should not present the checks at the bank for payment, but that Culver should pay them without presentation. This can make no difference. There were several other paragraphs of the complaint, respectively declaring on each of the checks, and, if the evidence supported one paragraph declaring on each check, the finding would be sustained. It was not necessary, because appellee declared on each cause of action in several various forms of averments, that he should prove the allegations of each paragraph of his complaint.

It is contended that the assessment of the amount of recovery is too large; that the court allowed interest upon the checks. In this there is no error. Under the law, as we have stated, the cause of action accrued upon the checks at the time they should have been presented, if there had been money in the bank for their payment; and, as the payee resided at the same place where the bank was doing business, this would be the next day after the delivery of the check, and appellee is entitled to interest from that date.

We now come to questions presented by the motion for new trial on the admission and rejection of evidence. The appellant offered to prove by Mr. M. L. Pierce, president of the bank, that if, at the date of several checks, or at any time during the years 1869 and 1870, checks for like amounts had been presented to the First National Bank drawn by Moses C. Culver by the holder of such checks, they would have been

paid. The offer was properly made. The witness was sworn, and asked the proper question, and the evidence was excluded. In this ruling of the court there was no error. The evidence offered is to the effect that the bank could have paid the checks without regard to whether Mr. Culver had funds in the bank or not. It is a well-settled rule that the liabilities of the parties are fixed by the fact of the drawer having or not having funds in the bank out of which the check could be lawfully paid, and the fact that he had no funds in the bank against which the check is drawn and out of which he had a legal right to have it paid, or, in other words, if the bank was not at the time indebted to the drawer for money deposited, whereby he had the right to expect the bank to pay the check and charge it to him as against such deposit account, then the payee was relieved from making a demand; and this cannot be changed by a willingness on the part of the bank to pay the check of the drawer, notwithstanding he may have no funds on deposit. The payee took the check with the legal obligation resting upon him to present the check at the bank for payment, and if he failed to do so, and the drawer had funds in the bank to pay it, and loss ensued by reason of such failure, the payee suffers the loss; but, if the drawer had no funds in the bank for the payment of the check, the payee is excused from presenting the check for payment. If the drawer has no funds in the bank at the time for presentment for payment, there is no legal obligation resting upon the payee to present it for payment. The bank had no legal right to permit the drawer to overdraw and pay his check out of the funds of other depositors, or the money of the stockholders.

The next question for consideration is the exception of the appellant to the ruling of the court to the admission in evidence of the entries in the books of the First National Bank, made in the usual course of business, showing the state of the account of said Moses C. Culver at and subsequent to the execution of the checks sued upon. As preliminary to the introduction of the entries in these books in evidence, it was shown by the clerks and officers of the bank, produced in court as witnesses, and as to the entries made by such witnesses, that they were at the time the entries were made the proper and authorized bookkeepers to make such entries; that the entries were made by them in the due course of business, in the discharge of their duties, and were correct when made; that the entries made by them were original, and entered by them in books kept for that purpose; and that they had no recollection of the facts represented by the entries. As to the entries made by parties who were not witnesses, it was shown that the enterer was at the time the entry was made the proper bookkeeper and agent of the bank to make the entries in the due course of business; that the entries were original entries, in original books, made by such bookkeepers, in due course of business, and were in the known handwriting of such bookkeepers; and that the enterer was dead or a non-resident of the State of Indiana. After the making of such preliminary proof, the entries were admitted in evidence, over the objection of the appellant. It was proper to prove in this case the state of Moses C. Culver's account with the bank upon which he drew the checks, at the time he drew them, and subsequent thereto, under the issues in the case. And it is pertinent to the question to consider how such facts could be proven, if the evidence introduced was not admissible or competent for that purpose. The bank with which he did business, and upon which he drew the check, kept books and made an entry of all their business—of the money deposited by Culver, and checks drawn by him and paid by the bank. The books were kept by disinterested

parties. Some of the persons who at the time of the transaction kept the books took the deposit and placed it to Culver's credit, paid the checks drawn by him, and entered them on the books, or charged them to his account, were dead. Others were beyond the jurisdiction of the court, and others had no personal recollection of the transaction, except to know that the books were kept in due course of the banking business, and were correct, and showed a correct statement of the account. Unless the evidence admitted was competent, the appellee is deprived of making proof of the facts.

*Price v. Torrington*, 1 Smith, Lead. Cas. (9th Ed.) 566, was an action for beer sold and delivered. It was held that a book containing an account of the beer delivered by the plaintiff's drayman, and which it was the duty of the drayman to sign daily, was competent to prove the delivery, on proof that the drayman was dead, and of his handwriting. In a note to this case it is said: "A party's own books of account and original entries are now, in most, if not all, of the United States received as evidence of a sale and delivery of goods to, or of work done for, the adverse party." On the same subject it is further said: "The reason for its introduction has never been placed by any court on higher ground than that of necessity; for, in view of the number and frequency of transactions of which entries are daily required to be made, the difficulty and inconvenience of making formal common-law proof of each item would be very great. To insist upon it, therefore, would either render a credit system impossible, or leave the creditor remediless." In 1 Greenl. Ev. (14th Ed.) § 115, it is said: "It is upon the same ground that certain entries made by third persons are treated as original evidence. Entries by third persons are divisible into two classes: *First*, those which are made in the discharge of official duty and in the course of professional employment; and, *secondly*, mere private entries. Of these latter we shall hereafter speak. In regard to the former class, the entry, to be admissible, must be one which it was the person's duty to make, or which belonged to the transaction as part thereof, or which was its usual and proper concomitant." In 1 Whart. Ev. (3d Ed.) § 238, it is said: "An accountant or other business agent may be regarded as a member of a well-adjusted business machine, noting in the proper time and in the proper way what it is his duty to note. If he has no personal motive to swerve him, the inference is that what he does in this way he does accurately; and his evidence, if there be nothing to impeach it, rises in authority precisely to the extent to which he is to be regarded as a mechanical and self-forgetting register of the events which his accounts are offered to prove. Hence it is that the memoranda or book entries of an officer, agent, or business man, when in the course of his duties, become evidence after his decease, or after he has passed out of the range of process, or become incompetent to testify of the truth of such entries; subject, however, to be excluded, if it appear that in making the entries he was not registering, but manufacturing current facts." The rule, as stated by Greenleaf and Wharton, is well supported by authorities. (*Sickles v. Mather*, 20 Wend. 70.) In *The Faxon v. Hollis*, 13 Mass. 427, the book of a blacksmith, kept in ledger form, the items being first noted down on a slate and then entered in the book, was held to be competent evidence. (*Reynolds v. Manning*, 15 Md. 510; *Kelsea v. Fletcher*, 48 N. H. 282; *Coolidge v. Brigham*, 5 Metc. 68; *New Haven Co. v. Goodwin*, 42 Conn. 230.) In *Alter v. Berghaus*, 8 Watts 77, it is held that the absence of a witness from the State, so far as it affects the admissibility of secondary evidence, has the same effect as his death. This was in relation to the admission in evidence of original entries in books made by such absent person. We think the evidence

is clearly admissible, but we might add that, as regards the books kept by bookkeepers and officers of National banks, by section 5,209, Rev. St. U. S., it is made a penal offense to make a false entry in any such books; so that these entries were not only made as original entries in the due course of business, but the persons making them were liable to criminal prosecution, and, upon conviction, to suffer imprisonment, if they made a false entry.

A bookkeeper for the bank made out a statement of all the items of Culver's account appearing in the books of the bank, and appeared and was sworn as a witness, and stated that he had prepared such statement, and had it with him, and with the books before him was interrogated as to what items appeared in the account. The court permitted such statement so made out and testified to by the witness in evidence, and allowed the same to be read to the jury, over the objection and exceptions of the appellant, and this ruling of the court is complained of as error. This was a long statement of accounts, and the witness who made out the statement was subject to cross-examination. The appellant had an opportunity to test its correctness, and cross-examine the witness who made out the statement. The appellant had as full and complete an opportunity to discover any error in the statement made by the witness as if he had appeared as a witness and testified from the books without making any written statements. When the entries in books are numerous and complicated, it is competent to permit an expert bookkeeper, who has examined the books, to give a summary oral statement of their contents and computations made. (See *The Work of the Advocate*, by Elliott, page 217, and authorities there cited. See, also, *Von Sachs v. Kretz*, 72 N. Y. 548; *McCormick v. Railroad Co.*, 49 N. Y. 315; *Howard v. McDonough*, 77 N. Y. 593.) We see no reason why, when such expert witness who has examined the books and made an abstract of them, testifies as a witness, and opportunity is given for cross-examination in regard to such statement, as in this case, the statement may not be admitted in evidence and read to the jury. We think the abstract of the books was properly admitted, but the original entries made in the books were also in evidence in this case, and no complaint is made that the statement did not correspond with the books, and, whether properly admitted or not, no harm could have resulted to the appellant by reason of the admission of such statement, and therefore no reason exists for the reversal of the case. (*Bank v. Adams*, 91 Ind. 288; *Hays v. Morgan*, 87 Ind. 231-236.) There is a further question as to the ruling of the court in refusing to allow the appellant to ask one Spencer a cross-examining question. We have considered this, and there was no error. There is no error in the record for which the judgment should be reversed.

Judgment affirmed with costs.

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## CONSTRUCTION OF NATIONAL BANKING ACT—IN-SOLVENCY.

U. S. DISTRICT COURT, N. D. OF ILLINOIS.

*Bennett v. The Third National Bank.*

A set-off in favor of the maker of a note or bill of exchange may be made against any person who shall have assigned such instrument after it becomes due.

The National Banking Act makes void all transfers in favor of or against National Banks after the commission of an act of insolvency.

BLODGETT, J.—This is a suit brought upon a certificate of deposit issued by the defendant bank on December 14, 1872, for the sum of

\$315. The certificate of deposit certifies that "Emily J. Dunn has deposited in the bank the sum of \$315, payable on return of this certificate duly indorsed." A plea was interposed stating that in November, 1877, the defendant bank committed an act of insolvency, and its affairs were put into the hands of a receiver, appointed by the Comptroller of the Currency, for the purpose of winding up its affairs in conformity with the National Banking law, and that at the time the bank so became insolvent, and was placed in the hands of a receiver, the certificate of deposit in question remaining in the hands of Emily J. Dunn, she was indebted to the Third National Bank for an over-drawn account to an amount very largely exceeding the amount of the certificate of deposit in question. A demurrer is interposed to this plea, and the only question is whether this is a good defense to the suit.

Two points are made upon the demurrer: first, that the set-off pleaded in this case did not arise out of the same subject-matter in the transaction as the certificate of deposit, and that it is, therefore, subject to the rule that equities, as they are called in the law of negotiable paper, must arise out of the same transaction, and that a set-off is not an equity. That position would undoubtedly be good in many States of this Union, but the 12th section of the act of the State of Illinois in regard to negotiable instruments specially makes a set-off in favor of the maker of the note, or bill of exchange, available if the paper is assigned after it becomes due. It is substantially a copy of the statute of New York on the same subject, and lets in a set-off as well as any equity growing out of the transaction out of which the note originated.

Secondly, it is claimed that this instrument did not become due until a demand was made, and no demand was made until after the receiver was appointed. My view upon this question is substantially this: The Supreme Court of the United States has held that the National Banking Act prescribes a system of bankruptcy, or insolvency, for the settlement of the affairs of National banks; that they have a system of bankruptcy peculiar to themselves, and are not amenable to the general provisions of the bankrupt law; also the National Banking Act makes void all transfers and changes of the indebtedness in favor of or against the National bank after the commission of an act of insolvency, which in any way disturbs the relations between the bank and its creditors. It seems to me there can be no escape from the conclusion that the paper of the defendant bank assigned after the bank committed an act of insolvency, and was placed in the hands of a receiver under the National Banking Act, was dishonored paper within the meaning of commercial law; that it is over-due paper, and although the paper in question was only payable on presentation, and there is no averment of presentation until after the bank was placed in the hands of a receiver, yet, the moment a receiver was appointed, its commercial paper, in the hands of whoever held it, became, from that time on, dishonored paper, and subject to all equities between the bank and the original party to whom it was payable.

For these reasons, the demurrer to the plea is overruled. Suit subsequently dismissed.

E. A. Sherburne, for plaintiff. Lyman & Jackson, for defendant.

## LOSS OF DEPOSIT BOOK.

SUPREME COURT OF NEW JERSEY.

*Wagner v. Howard Sav. Inst.*

Where one by-law of a savings bank declared "that no person shall have the right to demand any part of the principal or interest without producing the original deposit book, that such payments may be entered therein," and another of such by-laws declared "that, should any depositor lose his book, he is required to give immediate notice thereof to the institution, and, in cases of doubt as to the identity of the depositors or claimants, the board may require such testimony and security as they may deem necessary." *Held*, that these by-laws, properly construed, did not signify that if the deposit book were lost its non-production was a bar to the right of the depositor to demand and sue for his deposit. *Quere*. Whether such a company could enter into any contract which would preclude the depositor, in case of the loss of his book, from suing for the moneys due him.

At the trial of the issues in the above-stated cause before the court without a jury, the following proofs were made :

"(1) That on the 14th day of September, A. D. 1886, the plaintiff deposited with the defendant, a savings institution in the city of Newark, the sum of \$50, and an account with her in that name, and numbered 49,225, was then opened. The defendants gave her a deposit book with the same number thereon, and a copy of the said book, containing extracts from the by-laws and constitution of said defendant corporation printed in the said books, is hereto annexed, and to be considered as part hereof. Among these by-laws are the following: 'Art. 9. All drafts must be made personally, or by order in writing of the depositor, if the institution have the signature of the party in their signature book, or by letters of attorney duly authenticated; but no person shall have the right to demand any part of the principal or interest without producing the original book, that such payments may be entered therein. Art. 10. All deposits shall be entered in the books of the institution, and a duplicate or pass-book shall be given to each depositor, in which the deposit shall be entered, and which shall be the voucher for the depositor; and possession of such duplicate or pass-book may be treated by the institution as authority to pay the amount due thereby to the person producing the same, and all payments so made shall be deemed good and valid payments to the depositors, respectively.' The Howard Savings Institution was incorporated by an act approved March 16, 1857 (P. L. 219), *pro ut* the same. By section 3 of this act it was provided that the board of managers should have power to make, ordain and establish such by-laws and regulations as they should judge proper for the transacting, managing and directing of the affairs of the institution not repugnant to the constitution and by-laws of this State, or of the United States. By section 4 it was provided 'that the said institution may receive as deposits all sums of money which may be offered for the purpose of being invested, in such amounts, and at such times, and on such terms as the by-laws shall prescribe, which shall be invested accordingly, and shall be repaid to the depositor at such times, and with such interest, and under such regulations as the board of managers shall from time to time prescribe.' Section 12 requires that 'every person depositing money shall be furnished with a duplicate of his or her account, in which every deposit or payment shall be regularly



entered as soon as made.' The board of managers duly adopted by-laws (*pro ut* the same), among which were the by-laws above set out; the portion of the by-laws relating to the deposits being printed in each deposit book. (2) The account, as it stood on the trial, showed that there had been, from the date of the first deposit up to the time of trial, deposits and interests placed to her credit amounting to \$1,508.02, and the debits against said account amounting to \$650, leaving a balance standing to her credit in said bank of \$858.02. (3) It was proved that the said book of deposit, numbered 49,225, had been stolen from the plaintiff on the 4th day of July, A. D. 1887; that she had never assigned said book to any person or persons whatsoever; that she had on the 5th day of July, A. D. 1887, notified the said bank that her said book had been stolen, and that she also caused a notice to be inserted in the Newark *Daily Advertiser*, a newspaper published in the city of Newark, of which the following is a true copy: 'Lost or Stolen. Deposit book No. 49,225, of the Howard Savings Institution. Finder will be rewarded by leaving the same at the office of Philip Lowy, 764 Broad street.' (4) That the plaintiff has from time to time made demand on said defendants for the balance of money which might at such times be due her; but that said defendants have always resisted the payment of the whole or any part of said money unless said plaintiff produce the original book of deposit, or give to said defendants a bond of indemnity. (5) That no demand under said book has ever been made by any other person to said defendants than the plaintiff, or some other person in her behalf. (6) One Mary Brady was arrested for the larceny of the book, and was indicted by the grand jury of Essex county at the September term, 1887, but the indictment has never been tried; the prosecutor stating on the trial of this cause that the failure to try the indictment was due to the sickness of a material witness.

"Upon the above facts I certify to the Supreme Court, for its advisory opinion, the question whether the plaintiff is entitled to recover the amount remaining due on the account in a court of law, and without giving a bond of indemnity; and also the question whether, if she be so entitled to recover, the defendant is entitled to indemnity for costs. The charter of the defendant, and the by-laws printed in the deposits book, are to be considered as part of the certificate to be referred to on the argument, if necessary; and the statement made by the circuit judge on directing the certificate shall be annexed in the printed case.

DAVID A. DEPUE, J."

On the hearing of the case Justice Depue made the following statement: "I am entirely satisfied that this is the woman who deposited the money; that this money is hers; and that the book was lost. There is no theory on which there could be hesitation on that subject. Her preparation for her journey to Germany is convincing proof. The case is so clear that there is no question about it; nor is there any doubt with regard to the good faith of the bank. It is an important case. One of my difficulties in the case was with regard to the indemnity to the bank with respect to costs. In looking at this matter on both sides, it occurred to me that a remedy might be had in a court of equity, and that that remedy would be subject to indemnity to the institution for costs. I will certify the facts that are found, and I want included in the case the demand, the advertisement, and the fact that the officers of the bank refused to pay simply on the ground of the non-production of the book, and the refusal to give indemnity; and that no one else has ever presented the book. I am satisfied that the book was stolen. I would like you to prepare this state of the case as soon as convenient, and, in drawing the certificates, follow the facts stated.

Because of the importance of this case, and its doubt and difficulty, I certify it to the Supreme Court. Another reason for sending it to the Supreme Court would be with regard to having the practice in cases of this kind settled. This suit might have been brought the day after that demand; and in the meantime some assignee for value, to whom the vouchers gave the apparent right, might present it without actual right."

BEASLEY, C. J. (*after stating the facts as above*).—If there is any defense in this case it must proceed from a harsh and rigorous application of legal rules. The suit is against the defendant, a savings bank, by a depositor, for the money confided to it. The proofs show that this money is justly due; that there is no dispute whatever upon this subject; and that the defendant can make payment of this debt without any possible danger or embarrassment to itself. The apparent reason assigned for the defense interposed is that it is important for the company to have its rights and obligations inherent in its contracts of deposit judicially expounded—a motive for its opposition unexceptionable enough, except in view of the fact that the desired elucidation is to be obtained at the loss and expense of one of its depositors.

The inquiry is presented in this wise, as will fully appear in the statement prefacing this opinion: The defendant, upon the plaintiff's making a certain deposit, gave her a book in which such deposit was entered, and in which book were printed certain by-laws of the company, among which were the following, viz.: "Art. 9. All drafts must be made personally, or by order in writing of the depositor, if the institution have the signature of the party in their signature book, or by letters of attorney duly authenticated; but no person shall have the right to demand any part of the principal or interest without producing the original deposit book, that such payments may be entered therein. Art. 10. All deposits shall be entered in the books of the institution, and a duplicate or pass-book shall be given to each depositor, in which the deposit shall be entered, and which shall be the voucher for the depositor; and possession of such duplicate or pass-book may be treated by the institution as authority to pay the amount due thereby to the person producing the same, and all payments so made shall be deemed good and valid payments to the depositors, respectively." The contention of the defendant is that the plaintiff contracted with it, in making her deposit, on the basis of these rules. The plaintiff lost her deposit book, and it is now insisted before this court that she has by such accident become disabled from suing the company in a court of law for her moneys admittedly in its hands. This is the defendant's construction of its agreement with its depositors, and such construction is sought to be justified by a reference to that clause of its tenth by-law, already cited, which declares that "no person shall have the right to demand any part of the principal or interest without producing the original book, that such payments may be entered therein."

If I concurred in this interpretation I should scruple much with regard to the legality of such stipulations. A by-law declaring that those depositors in one of these banks who, by inevitable accident, shall have lost their deposit books, shall thereby forfeit to the company their respective claims, would seem to be so inconsistent with the general purpose for which these institutions have been called into existence that it would be, to say the least in its disfavor, of exceedingly doubtful validity. It is true that these banks are private corporations; but, nevertheless, when we regard the nature of their business, they may be said to be possessed of a certain public aspect. They are designed mainly for the benefit of a numerous class composed of the thrifty

poor, and persons of moderate means. The claim of a right to forfeit, at the will of these bodies, the scanty savings of this obviously defenseless class, when visited by a particular misfortune, might be useful, if such bodies simply were banks of accretion for the benefit of their stockholders, but if they are to be considered, as they must be, custodians of the moneys confided to them by a large body of the people, such a claim seems strangely out of place, as clearly it is not necessary to the safe and proper conduct of their business. It is the assertion of a right in these companies, by virtue of the misfortunes of its depositors, to take to its own use moneys that do not honestly belong to it. Nor is the harshness and injustice of such an assertion in any degree mitigated by the suggestion contained in the brief of the counsel of the defendant, that the court of chancery is open to the despoiled stockholder; for, in view of the fact that such proceedings would be at the expense of the party seeking such relief, and as in most cases those costs would exceed the amount in dispute, the suggestion of that remedy for the wrong sounds little better than sheer irony. This intimation of such a remedial recourse appears to have its origin in the conviction that the act of the company in thus retaining the money is a palpable wrong, as the only ground on which a court of equity could interpose its assistance, would manifestly be because the conduct of the company in this particular was unconscionable, and was not to be reconciled with fair dealing. If the question, therefore, had been presented in this naked form, I should very much doubt, as has already been said, whether a by-law having the force asserted should be sustained. Nor would the contract of the depositor stipulating to leave his money upon the terms resident in the by-laws of the company necessarily subject his rights to the supposed clause of forfeiture, as it might well be held that his agreement was referable to such by-laws alone as the corporation had the legal right to enact. Nothing less than the clearest expression of intention would, in all probability, induce the court to the conclusion that it was the purpose of the contracting parties that the creditor was in a certain contingency to be placed under the arbitrary power of the debtor. But it is not necessary to decide this question in the present case. These parties have not entered into such supposed engagement. The by-law referred to has not the force ascribed to it. Even standing alone, and intrinsically interpreted, its terms do not seem susceptible of being read in the sense asserted. Its purpose is to regulate its dealing with its depositors when they are in possession of their books, requiring them to be produced so that the "payments may be entered therein." The language appears to imply that the books are in the possession and under the control of the depositors. There is no intimation of a forfeiture of the claim unless they are forthcoming. It is a provision adjusting the ordinary routine. It seems to have no reference to extraordinary emergencies. I do not think that the clause imports that the intention was to make provision in case of an accidental loss or destruction of the book of the depositor.

But, whatever doubt might remain looking at this by-law in a state of isolation, such doubt is dispelled by a reference to another of these by-laws (article 15), which is in these words, viz.: "Should any depositor lose his book he is required to give immediate notice thereof to the institution, and in cases of doubt as to the identity of the depositors to claimants the board may require such testimony and security as they may deem necessary." It seems manifest that this latter provision will not reasonably harmonize with the former provision, construing it according to the contention of the defense in this case. Why should the depositor give notice of the loss of his books, when by such loss

his claim upon the company has been extinguished? It seems quite unreasonable to suppose that the company by these two several by-laws has meant to say to its depositor: "If you cannot produce your book you cannot legally make demand on us for your money, but nevertheless you are required to give immediate notice of the loss of the book to the institution." It is very plain, as I think, that such was not the intention; and, to produce coincidence between these two by-laws, it is necessary to conclude that the former of them has no application to the state of affairs arising from a loss of the deposit book by accident. In such event all that the depositor can be required to do is to give notice that his book has passed from his control by casualty, producing testimony and giving security if his identity be in doubt. In the present case notice of the loss of the deposit book was properly given, and there was no doubt raised as to the identity of the depositor. She had, therefore, a right to her money or deposit, and is entitled to judgment.

On the footing of this exposition of these by-laws it is deemed that no danger or embarrassment can beset this company in the prosecution of its business. When a deposit book is alleged to have been lost by the depositor, the corporate officers can safely pay such depositor on that basis; and, in case it afterwards appears that the claim of the depositor was fraudulent, and, instead of having lost his book, he had assigned it, still such payment will stand, in the absence of proof that notice prior to such payment had been given to the company by the assignee of his right to the money. This is the settled rule with respect to all non-negotiable choses in action which have been transferred to third parties, and there is nothing in these by-laws, or in the nature of these contracts growing out of these deposits, that will modify or in anywise affect the principle.

It is proper to say, further, that there was no proof before the trial judge that the plaintiff agreed to be bound by these by-laws in question. It was not shown that she signed any agreement to that effect, and the mere fact that a book was given to her containing these printed by-laws would not have the force arising from an assent to them on her part. Her attention, as far as appears, was not called to this printed matter, and the defense was of a nature calling for strict proof in its support. Let the Circuit Court be advised that the plaintiff should have judgment.

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## WHEN A BANK IS AFFECTED BY THE PRESIDENT'S KNOWLEDGE.

SUPREME JUDICIAL COURT OF MASSACHUSETTS.

*Corcoran v. Snow Cattle Co.*

Where the president of a bank, acting for a cattle company in which he is interested, presents two notes of the cattle company to the directors of his bank for discount, without stating any of the facts, the bank is not affected by his knowledge of any fact affecting the validity of the notes.

Where there is nothing to show that a corporation does not possess the usual power of a trading corporation to make notes, or that the treasurer had not the usual authority of treasurer of such corporations, it will be presumed that a note executed in the name of the corporation by the treasurer was duly authorized.

HOLMES, J.—These actions are brought upon two promissory notes signed, "SNOW CATTLE CO., A. N. Lowe, Treas.," payable to the order

of I. A. Lowe & Co., a firm consisting of I. A. Lowe and his brother A. N. Lowe, and discounted by the Lancaster National Bank, of which the plaintiff is receiver. According to the testimony, which, however, the judge may have disbelieved, the notes in suit were renewals of similar notes, signed by A. N. Lowe, for the accommodation of another cattle company, called the "Lowe Cattle Company," in which the Lowes and McNeil, the president of the Lancaster bank, were interested, in pursuance of a scheme of the three to get them discounted at that bank. McNeil took the original notes, and got them discounted as proposed.

The judge has found that McNeil, who is now a fugitive from justice, was acting in his own interests, and in that of the Lowe Cattle Company, and did not act for the bank, and that the directors of the bank knew and approved of the discount, either at the time or after McNeil actually had procured the discount, but without knowledge or notice of any fact affecting the validity of the notes. He refused to rule that the bank was affected with McNeil's knowledge with reference to the notes which he procured to be discounted by it, and found for the plaintiff. The first question arises on the defendant's exception to this refusal. We are of opinion that it was correct. If McNeil went to the directors, and procured from them a discount of the notes in his hands, he representing for the moment the adverse party, then his knowledge was not the knowledge of the bank, and the case is governed by *Innerarity v. Bank*, 139 Mass. 332, 1 N. E. Rep. 282. This is one possible aspect of the facts, which is not excluded by the specific findings of the judge.

It is true that there is another aspect, which does not seem less probable; and that is that McNeil, in the first instance, exchanged the bank's money for the notes himself. In that view, as it was through McNeil's hand that the bank became possessed of the notes, it would be much more difficult to maintain that the bank was not chargeable with his knowledge, or that an innocent ratification could change the character of the original transaction. (*Cotton Mills v. Orchard Mills*, 147 Mass. 268 17 N. E. Rep. 496.) But, if the bank would be chargeable upon that state of facts, the ruling asked was not conditioned upon the judge's finding them to have existed, and therefore it was rightly refused. As he found for the plaintiff, and as the only question is on the refusal to rule without qualification, we must presume that he did not find facts which would have made the ruling requested proper.

An exception was also taken to the refusal of the judge to rule that the plaintiff was not entitled to recover, on the ground that A. N. Lowe, as treasurer of the Snow Cattle Company, had no authority to give the notes in suit. As we already have stated our opinion that it cannot be assumed, as matter of law, that the bank knew whatever McNeil knew, the question is whether the notes were void in the hands of a *bona fide* purchaser for value.

We cannot say that they would be. The evidence discloses no reason to doubt that the corporation had the usual power of a trading corporation to make notes, or that the treasurer had the usual authority of treasurers of such corporations. The bank, if it acted in that belief, had a right to assume that Lowe had such authority. (*Bank v. Silk Co.*, 3 Metc. 282, 289; *Fay v. Noble*, 12 Cush. 1.) The by-laws provide that the treasurer shall sign all notes, contracts, etc., thus expressing in part what would be implied without them. The judge found that Lowe signed the original notes and their renewals, as treasurer of the company, with the knowledge and assent of the trustees and officers. If this be material, we cannot say that the finding was not warranted by the evidence.

Exceptions overruled.

## LEGAL MISCELLANY.

NEGOTIABLE INSTRUMENT—BONA FIDE PURCHASERS—Where defendant, in an action on a note by one claiming to be a *bona fide* purchaser thereof, testifies that the note was procured from him by fraud, plaintiff's good faith is a question for the jury, and the burden is upon him to show that he had no notice of the alleged fraud. [*Vosburgh v. Diefendorf*, N. Y.]

NEGOTIABLE INSTRUMENTS—CONSIDERATION.—A note given in consideration of past illicit cohabitation is valid, but if given in consideration of both past and future cohabitation it is void. [*Massey v. Wallace*, S. Car.]

PARTNERSHIP—NOTE.—An action cannot be maintained against a partnership upon a note made by it to one of its members, and by him indorsed to plaintiff merely to enable him to sue upon it, the firm having become insolvent, and nothing being due the original payee upon an accounting. [*Cutting v. Daigneau*, Mass.]

SALE—WORTHLESS STOCK.—In the absence of fraud, the buyer is liable for the price agreed to be paid for worthless stock of a corporation, where he receives that for which he contracted, though it was known by the seller to be worthless. [*Hunting v. Downer*, Mass.]

CORPORATIONS—CONTRACTS.—Where the president and secretary of a corporation execute a contract in behalf of the company, which is regular on its face, and not shown to be outside of the regular business of the corporation, it is *prima facie* evidence that it was executed with authority; and those who deny the authority take upon themselves the burden of establishing their claim.—[*Sherman Center Town Co. v. Swiggart*, Kan.]

CORPORATIONS—ULTRA VIRES.—A corporation which has enjoyed the benefits of a contract cannot plead that it was *ultra vires*, where no fraud is intended or has been committed.—[*Sherman Center Town Co. v. Morris*, Kan.]

NATIONAL BANKS—USURY.—An action may be brought in any county or district court in the county in which a National banking association is located, having jurisdiction of the amount involved, for a penalty under section 5,198 of the Revised Statutes of the United States.—[*Schuyler Nat. Bank v. Bollong*, Neb.]

NEGOTIABLE INSTRUMENT—SURETY.—The holder of a promissory note may, at his option, bring and maintain an action against one who signed the same as surety only, and cannot be compelled to bring in the principal debtor as a party defendant in order to have it determined who is primarily liable on the note, as to give the surety the benefit of the provisions of section 470 of the Code.—[*Kirkpatrick v. Gray*, Kan.]

PAYMENT—PROMISSORY NOTE.—The giving of a promissory note for an antecedent debt is *prima facie* not a payment or extinguishment of the debt, and will not be so regarded unless that is the express agreement of the parties.—[*Bradley v. Harwi*, Kan.]

PAYMENT—AGENT.—An agent who loans money and collects and remits interest to a non-resident holder of note and mortgage, and is expressly authorized to remit principal and interest after loan is due, is authorized to receive payment on said note and mortgage, although they are not at the time in his possession.—[*Shane v. Palmer*, Kan.]

**PRINCIPAL AND SURETY—CONTRIBUTION.**—The right of contribution affects only the relation of the co-debtors or sureties between themselves, and is entirely distinct from and independent of the contract with the creditor. The contract is made for the benefit of the creditor, and simply expresses the relation between the co-debtors and the creditors.—[*Durbin v. Kurney*, Oreg.]

**PRINCIPAL AND SURETY—LIMITATIONS.**—The surety paying the debt of the principal becomes the equitable assignee not only of the collateral securities but of the principal undertaking.—[*Guild v. McDaniels*, Kan.]

**NEGOTIABLE INSTRUMENTS—BONA FIDE PURCHASERS.**—In an action brought on a promissory note by an indorser against the makers, where facts were alleged in the answer showing fraud on the part of the payee in the inception of the note, and the plaintiff replied, denying such allegation, the trial court held the burden of proof to be upon the defendant, and upon the offer of proof by the defendant the plaintiff objected to any testimony on the part of the defendant because the answer admits the execution and purchase of the note, and because the facts pleaded do not constitute defense, or show that plaintiff acted in bad faith in its purchase, which objection was sustained. *Held*, error.—[*Haggland v. Stuart*, Neb.]

**CORPORATIONS—OFFICERS.**—The president of a corporation, who had entire control of its business, and the disposition of its funds, accepted, in the name of the corporation, a draft drawn on himself personally; making it payable at the bank wherein the corporate funds were deposited: *Held*, that his acceptance was a direction to the bank to pay the draft out of the corporate funds, and that, though the draft was in fact given on account of the president's individual transaction, the corporation, after acquiescing for nine months in its payment, was estopped from recovering the amount as against the bank.—[*McLaron v. First Nat. Bank*, Wis.]

**BANKS—COLLECTION.**—A check drawn on plaintiff was indorsed, "For collection," and handed defendant to be collected. The same day, defendant's agent indorsed it in his own name, and presented it to plaintiff, and received the money, which was delivered by defendant to the party from whom it received the check. It was subsequently discovered that the check had been raised before it came to the hands of defendant's correspondent: *Held*, that defendant was not liable to plaintiff as for money paid under mistake. [National City Bank v. Westcott, N. Y.]

**CORPORATIONS—OFFICERS.**—The officer of a private corporation is not responsible for the corporate funds and papers intrusted to his care, and lost by him without negligence on his part. [Mowbray v. Antrin, Ind.]

**NEGOTIABLE INSTRUMENTS—CONTRIBUTION.**—A party who signs as surety a note renewing one wherein he is a joint maker, is so benefited by the new note as to render his estate liable in equity upon his decease, for the payment of the new note. [Bell v. Boyd, Tex.]

**NEGOTIABLE INSTRUMENTS.**—Where there is no evidence that defendant assumed payment of a due-bill given by a third person, the fact that he did pay part of it does not render him liable for the balance. [Walker v. Noell, Tex.]

**NEGOTIABLE INSTRUMENTS—DRAFTS—ACCEPTANCE.**—A telegraph promising to pay a certain draft constitutes an acceptance of the draft. [In re Armstrong, U. S. C. C. Ohio.]

## BANKING IN INDIA.

NATIVE AND PRIVATE BANKING, COINAGE AND CURRENCY  
OF THE COUNTRY.

In reviewing the early history of banking in India, I have availed myself of much matter which I had collected in the East, and which was intended for a more extended work, to be devoted, not only to banking, but also to the gradual development of the commerce of our Eastern possessions, from the earliest period to the present day. I have also availed myself of materials drawn from the works of writers of repute, public records, and personal communications. Now, as regards banking in India, it may be that the terms "banks" and "bankers" are quite modern, but this does not involve that the exercise of the profession did not exist at a period long antecedent to the banks of modern, or even ancient Europe. As to the term "bank," Professor Leslie states that, "When calculations with counters became more involved, the table upon which they were performed being necessarily of a considerable size, was called the 'bench,' or 'bank,' and hence our term for an office where money transactions are negotiated." It is unquestionably a fact that bankers and banking operations were known to the ancients. The Jews had their money changers, and it will be recollected that early in the Christian era they were turned out of the Temple, and a remark made, not very complimentary to our profession, inasmuch as it was said that the "House of Prayer" had been converted into a "den of thieves." In Athens, too, at an early period, it is stated that "the bankers were a cunning and thriving race of men," so that the modern Greek has inherited the qualities of his forefathers, more especially when in an alien land. It is stated also that in Rome "private bankers conducted business in a manner very similar to that of the bankers of the present day." Two thousand years before the earliest bank of a public character was established, that is the Bank of Venice, in 1171, the laws of *Manu* show that the science of trading and banking was thoroughly understood and practiced. "Even then," as Meadows Taylor states, in his "History of India," "bankers not only understood, but followed the fluctuations of money values. They charged interest, simple and compound, they made insurances by sea and land, they granted *hundis*, or bills of exchange, and provided for protest in case of dishonor. In short, bankers then anticipated the practices of modern times, which are little changed from the ancient rules." The terms denoting native bankers vary with their standing. Those of first-class position are designated "*Sarafs*," or "*Shrofs*," and in some districts "*Seths*." They do an extensive internal exchange business, and have numerous branches and agencies. These branches are generally managed by "*Moonims*" in Bombay, and "*Gomastas*" in Bengal, who sign the firm, and, as a rule, are never kept at any particular branch for any extended period. These frequent changes operate as a check on the operations of the branches, and in the event of any irregularities being discovered, summary dismissal follows. These "*Sarafs*," or "*Shrofs*," make advances of all descriptions, and lend money on every kind of security. Many of them are very wealthy, and if I may cite two instances, Bunselall Abichund and Joharimull Dulsooklroy, whose headquarters are in the Central Provinces, have branches in every important town in Hindustan, and their transactions rival even those, at least as regards internal exchange, of the Presidency banks. Besides



the terms before mentioned, Hindoo bankers in the Southern districts of India also style themselves by the title of "*Bhagmutty*," the name of a favorite mistress of the King of Golconda, who founded the City of Haiderabad in the Deccan. But while the "*Sarafs*," or "*Shrofs*," or the higher grades of native bankers, confine their operations to the principal cities and towns, those of lower grades are found in every "*Gaum*" or village in India. These village money lenders are termed "*Mahajuns*," and almost invariably are "*Marwaris*," the most notorious exacting race in India. In fact, the term has become one of reproach, and if a mean Englishman or Scotchman be known to be of exacting character, the term "*Marwari*" is freely applied to them in the Presidency cities. But to revert to the "*Marwaris*," who are the curse of the "*Koonbi*" or agricultural class, if a land credit bank, such as Sir William Wedderburn, Bart., sketched out some years ago, could be formed, it would be one of the most beneficent acts that could be conferred on the cultivators throughout Hindustan. These "*Marwaris*" are of the most wily and unscrupulous character, and the poor ryot who once comes under their grasp is destined to ultimate ruin. The English, Welsh, or Scotch tallymen, who make their monthly rounds, are nowhere with a "*Marwari*." As month after month comes round, they dun the ryot or cultivator for his installment, and if not promptly met take immediate proceedings, which are well and graphically described in "*Gujrat and the Gujratis*," by Byramji M. Malabari. I have often, when on the mainland on shooting excursions, seen these avaricious wretches plodding along from village to village, to exact their usurious tribute. The original seat of the "*Marwaris*" was Agroha in the Fatehabad *tahsil*, Punjaub, and they are described as *Agarwala Baniyas*. On the sack of that city, which is now almost a mass of ruins, these *Baniyas* were scattered over the whole of Hindustan, and amongst the caste are found some of the wealthiest natives of India. In Goálánda and Sirajgunj they are termed "*Kavas*." Under the head of Ahmednuggar, Dr. Hunter, in the "*Imperial Gazetteer of India*," gives the following graphic description of the "*Marwari Baniyas*." The business of money-lending "is chiefly in the hands of the *Marwari Baniyas*, most of them *Jains* by religion, who are said to have followed the camps of the Mogul armies at the end of the fifteenth century. They did not, however, commence to settle in the district in large numbers until the accession of the British in the first quarter of the present century. Since then they have almost supplanted the indigenous money lenders, the *Deccani Brahmans*. A *Baniya* from Marwar, anxious to start as a money lender, generally brings what capital he may have in 'hundis,' or bills of exchange, or in gold or silver ornaments. On arrival he finds many of his caste fellows and acquaintances ready to give him a helping hand. For a month or two he may travel about making inquiries and learning the course of local trade. He then decides on some village where he thinks he can see his way to do a good business. He rents a small house and opens a shop, offering for sale either piece goods, grain, or groceries. He is never over-reached in a bargain, never sells save at a profit, and is most frugal in his personal expenditure. He very soon commences to lend small sums of money on the security of household articles, or personal ornaments. As his connection gradually enlarges, he advances money on crops and land. His stock of grain increases from year to year. Some of it he sends to Poona or Bombay, storing the rest underground against a failure of crops or a rise in prices. When he has been eight or ten years in the Deccan (as the high lands are called), he returns to Marwar to bring some of his family to his new home. As years go on, his profits increase, and he grows wealthy. He

builds himself a large house, marries his children into the families of other *Marwari* settlers, and, probably, never again leaves the Deccan. The rate of interest charged for an advance on grain is from one-fourth to one-half the value of the grain against which the advance is made. The same rates are charged, whether the grain is advanced for seed, or for the support of the borrower and his family. Among the cultivating classes few are free from debt, and many of the poorer peasants are well known to be in hopelessly involved circumstances."

Throughout Eastern countries, more especially in ancient times, "the insecurity of property led to practices which are little resorted to by the people of modern Europe. These were the concealment of valuable articles by burying them or entrusting them for safety to the keeping of others. The importance assigned by the laws of *Manu* to the subject of deposits, or, according to legal phraseology, 'bailments,' can readily be understood." I now quote from the translation of Sir William Jones of the laws of *Manu*: "A wise man should make a deposit with a person of good family, of good conduct, acquainted with law, a speaker of truth, possessing numerous relations, wealthy and honorable." These precepts are now, even at the present day, of no little importance as regards the selection of a banker to whom you confide your funds.

The laws of *Manu* are considered by learned Orientalists not to be the work of one person, but of several, and, indeed, there is internal evidence that these laws were the work of a "*panchayet*," or committee similar to our parliamentary committees.

Professor Monier Williams, in his "Indian Wisdom," writes:

"A further proof of the primitive state of society at that time may be found in the rules respecting interest and the premium paid for the use of borrowed property. This was almost invariably allowed to be paid in kind, showing that coined money was still uncommon as a general circulating medium."

The Sanskrit term (*Nanaka*) does not occur in the laws of *Manu*, and it was not until the first century of the Christian era that the above term was used. I again quote from "Indian Wisdom":

"In the law book of 'Yajnavalkya,' the first mention is made of *Nanaka* or coined money, both true and counterfeit, whereas, although *Manu* speaks of weights of gold and silver, such as *Svarnas*, *Salas*, *Nishkas*, *Dharanas*, and *Puranas*, it is very doubtful whether any stamped coin was current in his day. The code of 'Yajnavalkya' is generally ascribed by Orientalists to the middle of the first century of the Christian era" as formerly mentioned, "whereas the date of the code of *Manu* was considered by Sir William Jones to have been drawn up about 1280 B.C."

It is somewhat remarkable that, although the code of *Manu* does not contain the term "*Nanaka*" (coined money), Herodotus records that the Lydians coined gold and silver money about six centuries before the Christian era, while the Parian chronicle ascribes the invention of coined money to Pheidon of Argos, who lived about three centuries previously. This would be, assuming Sir William Jones to be correct, about three centuries after the code of *Manu* had been compiled; but if we take the date of the code of *Manu* according to other Orientalists, the coins of Pheidon would be contemporaneous with the era of *Manu*. According to authorities, the earliest gold coins known are supposed to be those of Miletus, in Asia Minor, which are supposed to have been struck about 800 B.C. The gold darics of the Persian monarchs are supposed to have been current about five or six centuries before the Christian era, and it will be recollected by all those who have given the least consideration to early Indian

history, that the Bactrian Kingdom existed at least about six centuries before the Christian era, and although it is now a dependency of the *Khanat* of Bokhara, under the name of Balkh, it was at one time a part of the Persian Empire. In Eastern traditions it is represented as having been at one time the seat of independent and powerful princes, long before it became a Persian satrapy. However legendary some of the earlier notices of stamped coins may be, it is on record that Ventura, a French general in the service of Runjeet Singh, while lying encamped at *Manickyala*, between Jhelum and Attock, unearthed from a great Buddhist tope or mound, amongst other objects of interest, copper coins of a very ancient date. This was followed by further researches in fifteen smaller topes, with the result that other coins were discovered of an equally ancient character. One was that of Julius Cæsar, and another that of his scarcely less celebrated lieutenant, Mark Antony. A few years later, an Englishman, Mr. Charles Mason, unearthed a multitude of copper coins from topes and excavations in Afghanistan.

Other Orientalists of perhaps less eminence than Sir William Jones, whose remarkable researches into early Indian laws are beyond value for the light they throw on all that concerns the Aryan nations, place the date of the code of Manu at from 900 to 500 B. C. Be that as it may, the sections relating to valuables show that banking existed prior to the era of *Manu*, as it would have been utterly unnecessary to frame laws affecting borrowers and lenders, if borrowing and lending had not previously existed. The code further provides that "interest on money received all at once (and not by the months or installments) must not exceed double the sum lent; on grain, fruits, wool, and beasts of burden, it must not exceed five times the value."

It may here be remarked, as showing the conservative tendencies of the Hindoos, that installments of debts are collected by the *Marwaris* at the present day, by monthly installments. In *Marathi*, principal doubled by accumulated interest is called "*Dandupat*." Even now, a village *Mahajun* will take from 50 to 75 per cent. "The rate of interest is not only high, but varies according to the class of the man to whom money is lent." The code of *Manu* provides that: "A money lender may take 2 per cent. as interest, per month, from a *Brahman* (or priestly caste); 3 per cent. per month from the *Kshatriya* (or military caste); 4 per cent. per month from the *Vaisya* (or industrial caste); and 5 per cent. per month from the *Sudra* (or servile caste), in the order of the classes."

Strictly speaking, the business of native banking is now chiefly confined to the issuing and discounting of hundis, or bills of exchange, money lending, and money changing. It may be here necessary to give some description of native *Hundis*. Our bills of exchange are written lengthwise along the usual forms provided. On the other hand, the native *hundi* is written transversely, or across the paper. They are sometimes of moderate length, as regards the paper, and to all but those of long practice in their deciphering they are simply illegible. Difficult as we sometimes find it to decipher English manuscript, more especially signatures, cuneiform characters are a trifle when compared with some of the native manuscripts, more especially from the Central Provinces, Merwar or Rajputana. The *hundi* must bear an impressed stamp, the same as inland bills in the United Kingdom. In the presidency cities, and at the principal towns where the Presidency banks have branches, natives, as a rule, give these banks a preference for business so long as they are fairly treated, but in the outlying districts the native banker still secures a fair share of deposits. In former times when communications were prolonged, the profits of the "*Sarafs*" or "*Shrofs*" were

very large, and many of the well-known native bankers were possessed of large means. But in recent times, more especially since railway communications have so facilitated transport, their gains have been considerably diminished. With the Hindoos, according to the laws of *Manu*, there is no restriction as to the rate of interest on money lent, but formerly British subjects could not exact more than 12 per cent. The rate of interest between native and native is variable, but always enormous. An important factor in the rate charged is the risk involved, and to the needy borrower it is sometimes almost beyond belief. In Bengal, in the remote districts, the "*Potdars*" or money changers frequently obtain from servants, who always anticipate their monthly wages, interest ranging from 100 to 200 per cent. per annum. In Bombay and Madras presidencies, where all the servants also, as a rule, anticipate their income, the same exorbitant interest is exacted by the *Marwaris*. Sir Thomas Munro stated the case very well, as regards the Ryots. "Almost every Ryot," says he, "has an account with a money lender, and a balance against him. This account often runs through two or three generations, and is rarely paid off entirely. It usually originates in a small advance by the money lender, who probably gives 70 to 80 rupees, taking a bond for 100 bearing interest at the rate of  $2\frac{1}{2}$  per cent. per month. The Ryot, in return, makes payment in grain or other produce of the soil, which is always valued against him. After going on in this way for a number of years, the Ryot finds out that, though he is continually paying, he is only getting deeper into debt." These remarks are applicable to all India. Fraser Tytler stated "that in Bengal the *Mahajuns* charged the Ryot 50 per cent. interest on grain supplied for the family consumption, and on that furnished for seed 100 per cent., to be repaid in kind." So much for the presidencies of Bengal and Madras. As to the Bombay presidency, the same story is told by Colonel Sykes, who stated in his evidence, before a committee of the House of Commons, "that the rate of interest paid by the cultivator for the advance of capital was at the least 2 per cent. per month, and sometimes very much higher; and in borrowing seed grain, it is frequently 100 to 150 per cent., to be repaid in kind. These advances are of course subject to risks of a somewhat dangerous character, but formerly, when the Zamindars of Bengal gave land, or their interest thereon as security, the rate was never under 24 to 30 per cent. per annum."

Owing to the distance of Almedabad from Bombay, the system of native banking possesses an entirely distinctive character from that of other places. The native bankers are more conservative and less extravagant than those of Southern Gujerat. They make advances to each other on personal security for short periods at from 2 to 6 per cent. per annum. In all transactions where the security is worth more than the amount advanced, the rate of interest in the city is reported to be as low as 3 to 4 per cent. per annum, without taking into account the circumstances of the borrower. To show the importance which moneyed natives ascribe to British protection, I may mention Ajmere Merwara, an isolated British province in Rájputáná. This province is entirely surrounded by native States, but the "*Seths*," with a due regard to their interests, although lending in every native district, confine themselves advisably to British soil. In Allahabad the native bankers are chiefly Kshatriyas and Baniyas, although there are a few Brahmans and Bengalis. They generally have agencies at Calcutta, Benares, Agra, Mirzapur, Cawnpur and Hathras. In Barot, an ancient town in the Meerut district, there are many *Sarangi* bankers, the nature of whose business differs little from that of the *Marwaris*. In Benares, according to the "Imperial Gazetteer of India," there are many rich "traders and bank-

ers, and the constant influx of opulent pilgrims to this holy city and metropolis of Hinduism, the standard of living ranks decidedly higher than elsewhere in the northwestern provinces. Many of the pilgrims are Rajas or other persons of importance, who bring considerable retinues, and ostentatiously become large benefactors to the various shrines and temples. But besides the wealth which thus flows passively into the bazaars of Benares, a considerable trade is carried on by the merchants and bankers." In Behwapur, banking is carried on chiefly by *Agarwals* and *Marwaris*. In Bidesir, a town in Bikaner, there are many wealthy "*Seths*," chiefly *Oswals*, and besides there are some *Agarwals*. In Cawnpur the bankers are chiefly *Baniyas* and *Rajputs*, who have correspondents at Calcutta, Patna, Benares, Mizapur, Allahabad, Agra and Hathras. At Faridpur there is a flourishing joint stock native banking company, called the "Faridpur" Loan Office, which is believed to be the first of its kind in Bengal. In Farakhábad the Zamindars still retain the exclusive power of making cash advances, and retain a firm hold over the indebted peasantry. In Gujrat there are several native banking houses of very high standing, who finance to a large extent the produce of that very fertile district. In Jhalra Patan, in Jháláwár, the native bankers are the chief media for the transfer of revenue from the cultivators to the Rana, the theory that the state is the lord of the soil, being carried out in Jháláwár. The chief bankers live at Jhalra Patan. Murshidabad "is the chief center of trade in this district, and although the great banking house of Jagat Seth has long fallen into decay, still the Jain merchants of this city rank as the wealthiest class in Bengal. Their dealings in gold and silver bullion are especially large, and some of their number almost monopolize the local traffic on the Brahmaputra, as far as the northeast frontier of Assam." The origin of the decay of the banking firm of Jagat Seth is not far to seek. As a proof of what might be obtained by plunder in Bengal from native bankers, it may be well to record that Mir Hubeeb, the Minister of Murshid Khooly Khan, marched in 1742, on this city, taking with him a detachment of Mahratta horse, and extorted from the house of Jagat Seth the equivalent of over two and one-half millions sterling, and returned with his booty to the Mahratta camp. But in these lawless and disturbed times, money was not only extorted by threats, but lives were sacrificed without compunction. In 1763, the notorious Mir Kassim, on the approach of the British troops, not only caused the massacre of all the British residents, but ordered that all the *Seths* who were friendly to the British should be thrown from the bastions into the river at Patna. It will be recollected that the before mentioned Jagat Seth joined in the conspiracy which Clive had formed against Siraj-ud-daulah, in order to set up Mirjáfar in place of the tyrant. The manner in which Clive deceived Umáchund, a crafty Bengali, who was conducting the negotiations between the British and the Nawab, is perhaps the only stain on Clive's otherwise pure and disinterested character, but the double-dealing Umáchund well deserved the trick played upon him, by which he was deprived of a payment of thirty lakhs of rupees. In Rajputána, Jaipur is the most important center of native banking, and was formerly the most remunerative as regards results. But latterly railways and telegraphs have reduced profits on exchange, while the greater prosperity and stability of the States under the protection of the Empire have rendered them more independent of the native bankers. Sialkot, in the Punjab, owing to its advantageous position, is fast rising in importance, and the native banking is principally in the hands of the *Jain* tribe of *Bhábás*. In the compilation of these details, as regards local native banking, I have to express my obligations to several valued old friends amongst

the native bankers, and to Dr. Hunter's "Imperial Gazetteer of India." It may be mentioned here that all native bankers and merchants close their books of account at the *Dewali*, or native New Year. Strictly interpreted, *Dewali* means, "the feast of lamps," but the festival instead of being celebrated in honor of the Goddess *Kali* or *Bhawani*, seems to be more particularly consecrated to *Lakshmi*, or the Goddess of Prosperity. It is a movable feast, similar to some of the festivals of the English Church. Gambling is vigorously carried on, and is the chief recreation of the feast. On the last day of the moon, known by the name of *Vahipujan*, or the "worship of the shop records," all the bankers and merchants, as previously mentioned, close their books. New journals, ledgers and day books are brought and worshiped through a Brahman priest, new entries are made in the account books, writers are sent to different shops with money to credit in their names, on what is considered a most auspicious occasion. *Saraswati* is invoked to render the incoming year prosperous, and to be with the bankers and merchants throughout it. The Brahman priests are well paid for their labors, and each *Prabhu* or the writer caste, receives a present of money according to his position. Probably this shows an Aryan origin for our Christmas boxes.

I shall now proceed to deal with the coinage of the native States. After the fall of the Mogul Empire, and very probably also previously, every petty prince coined his own money, and fixed the standard of its purity. In "Kelly's Cambist" there is a list of about a hundred different descriptions of silver rupees, while in "Prinsep's Tables," published as an appendix to the "Journal of the Royal Asiatic Society" in 1834, there are enumerated fully three hundred different descriptions of silver rupees. Silver coins are believed to have been introduced by the Mahomedan conquerors, as gold, as far as they had money at all, was the money of the Hindus; and even still, in the southern parts of India, rude coins of this metal, known to Europeans by the name of pagodas and fanams, may be met with. In "Prinsep's Tables" will be found descriptions of about two hundred of gold coins, some of them dating as far back as the tenth century of the Christian era. It will be recollected that in Bactria coins were discovered of a date considerably antecedent to the Christian era, but these coins were of copper. A few of the coins bear the emblems of Alexander the Great's successors and the inscriptions on them are in Greek, but later coins bear double inscriptions, one in Greek and the other in a degenerate form of Sanskrit, or in some other Oriental characters, and the emblems are the elephant or the Brahmani, or humped bull of India. It is worthy to be remarked here that Darius Hystaspes when he invaded India, about 520 B.C., formed a *Satrapy* on the banks of the Indus, and the tribute rendered by this *Satrapy* was in gold, and furnished a large portion of the gold of the royal Persian treasures. Recent results of gold mining in Mysore point to that district as probably one from which this gold was obtained, but it must also be remembered that there are dreamy legends amongst the natives of the Northwest provinces of gold having been produced there. Until 1836 the British Government had no less than five mints, three in the presidency of Bengal, and one in each of the other presidencies, Bombay and Madras. Subsequently the Madras mint was abolished, and now there are only two mints, one in Calcutta and one in Bombay. Quite recently a proposal was made for the abolition of the Calcutta mint, and to carry on the work of coining for the whole Empire at the Bombay mint. The capacity of the Bombay mint to undertake the whole of the coinage offered at both mints was satisfactorily established, but the powerful influence of Calcutta has for the

time prevailed. The two establishments are being carried on at about the same cost, but the financial results are very different. Late returns show that as regards the coinage of silver Bombay showed a profit of about five lakhs, whereas Calcutta showed a loss of about a lakh and a half of rupees. The profits from the copper coinage, however, materially modify this result, as more copper coins are turned out from the Calcutta than from the Bombay mint. The profits from the copper coinage are estimated at about six lakhs of rupees annually, and appropriating one-third of this to Bombay, and two-thirds to Calcutta, the final result would be that Bombay would show a net profit of about seven lakhs, and Calcutta of about two and a quarter lakhs of rupees. It was estimated that if the proposal were carried out it would lead to an annual saving of about four lakhs of rupees annually. The proposal has been shelved for the present, but it must eventually be considered on its merits.—*Paper read by Andrew J. Macdonald before the London Institute of Bankers.*

[TO BE CONTINUED.]

## CLEARING FOR NON CLEARING HOUSE BANKS.

### ACTION OF NEW YORK CITY CLEARING HOUSE.

At a meeting of the Clearing House Association, held on the 19th of June, 1890, it was ordered that the following reports, presented at said meeting, be printed, and copies sent to each bank member of the association, and that the subject be laid before the Clearing House Association on the second Tuesday in October, 1890.

The committee to whom was submitted the resolution of the Clearing House Association of 28th March, viz.:

That everything pertaining to exchanges and clearances and the responsibility therefor of members of the association, be referred to a special committee of five to be appointed by the chairman (the chairman to be an additional member of the committee), who shall exhaustively consider the entire subject and report their recommendations at a meeting of the Clearing House, to be called by this committee, of which at least three days' notice shall be given, have held repeated meetings with an earnest desire to reach a conclusion which they could unanimously agree to report. Not being able to do so, they cordially unite in referring the subject back to the association, with the recommendation that it be freely discussed in committee of the whole body of members.

The undersigned majority of the members of the committee, as fully appreciate as do their associates, the value and necessity of the service performed at the Clearing House in facilitating the prompt collection of the vast numbers of checks, drafts and notes that represent the daily business of the city of New York, averaging nearly \$150,000,000. But they are more deeply impressed with the practical question, whether the redemption of checks and drafts as now performed is legally done, is done without disproportionate risk and responsibility, and with highest regard to the public safety and to the safety of the banks.

Our association now consists of sixty-three regular members, who are bound together by reciprocal obligations which have repeatedly proved vital to themselves and to the public. These members when they interchange checks and drafts upon each other through the daily

clearings, may return on the same day to the bank sending them, any that are not made good by the drawers. This limits the risk to individual transactions of parties dealing with regular members. But besides these sixty-three members, there have been others indirectly admitted from time to time to the privileges of the exchanges, until there are now ninety-three outside parties, consisting of banks, bankers, trust companies and other depositaries of money of the public, who, by keeping accounts with regular members of the Clearing House, enjoy all its benefits without being directly subject to its rules and obligations, and the number of these is constantly increasing. All this might occur as it has done, without special observation, but for the fact that any regular member introducing one or more of such outside parties, is bound by the constitution of the Clearing House to pay all the valid checks and drafts that may come into the exchanges against such party, be the same more or less, and whether they be made good to the responsible member or not.

It is sometimes asked, What is the use of depositing in a bank, when an outside party, whose obligations are guaranteed by a known bank, stands ready if such deposits are withdrawn from the bank, not only to pay interest upon them, but also to offer the additional guarantee of a redeeming bank upon its own obligations?

In case of sudden discredit striking such non-member, its depositors would only have to promptly draw their checks upon it, and by sending them in through the Clearing House they would have to be paid at once by the redeeming bank, and in case of the default of the latter, might involve the safety of this whole association.

It is true that such redeeming bank could withdraw its guarantee upon giving notice, which notice, however, cannot take effect until the exchanges of the following morning shall have been completed.

This is an association of banks representative of the settlement of the principal exchanges of the United States, and its first duty is to keep its members above suspicion, and able to meet all legitimate demands upon them.

The duty of its members is also to protect and foster their own interest as banks, and to be very guarded how they extend to others who are necessarily their rivals, the means of diverting to themselves the legitimate business of the banks.

Under the present system, corporations and other parties, without known reserve, are admitted to all its benefits and privileges without responsibility to the association. Such liberality towards rivals is without a parallel in the history of finance.

The practical question and the question at issue between the two parties of our committee is this: Whether this association, now that the subject has by recent events been pressed into consideration, should continue to give its privileges away to such outside parties entering in still greater numbers, without restrictions, limitations or conditions. It is proper to remark that, as corporations, the powers of banks are confined within the express terms of the statute. These are limited by the National Bank Act, to "discounting and negotiating promissory notes and bills of exchange, receiving and paying deposits, loaning money on personal security, and issuing circulating notes according to law."

And in these simple functions banks are restricted in the amount loaned to any one person or corporation, to "*one-tenth their capital*," and of their deposits they must retain "*one-quarter part on hand in actual money*."

These obligations, resting upon members of this association, seem to forbid their entering into unmeasured engagements for others, by agree-



ing to pay for them through the exchanges, without reserve, any amount, large or small, that may happen to be drawn on any one day, by one or by all their depositors.

The constitution of the Clearing House, containing the engagements of members with each other, upon which we now implicitly rely, has been repeatedly submitted to and been ratified by our respective boards of directors. It is therefore a serious, and may become a momentous question, whether these extraordinary agreements between banks and their dealers could, in case of default, be legally enforced, or whether they could not be interrupted while in actual progress, by any interested and objecting stockholder or depositor of a bank concerned. Upon these questions our legal authorities are at variance. Does it not follow that directors of a bank authorizing, or an officer making an agreement subsequently adjudged illegal, may be held personally liable for the consequences?

There is also a public aspect of this subject which it is not unfair to name. The letter and spirit of the National Bank Act requires, and the experience of our own and of other nations prove, that depositaries of money payable on demand should protect themselves and their dealers by holding an average of about one-quarter of the amount intrusted to their care, in cash reserve. This the Clearing House Association requires of its own members, but in thus aiding other depositaries to perform the indispensable service of interchanging outstanding checks, they so far release such parties from a duty of carrying the reserve which they impose upon themselves, and thus continually reduce the ratio of ready money held for the aggregate deposits of the whole community, and open a wide door to destructive competition. Is not this especially dangerous in the financial metropolis, where deposits naturally accumulate, and where the ready reserve is applicable to the country at large?

How far this rule should be rigidly applied to all varieties of financial trusts and to all custodians of floating capital in their relation to the Clearing House is an open question, but it is one that cannot be treated by this association with indifference.

In the light of the experiences that prompted the above resolution, and in view also of well-founded doubts that have arisen as to the legal right of any National bank to assume unlimited liability for others, the continuance of the redemption agency of banks in the Clearing House for non-members is deemed inexpedient, and its abolition is recommended.

It is a source of regret that all the members of the committee, after exhaustive consideration of the subject, are unable to unite in a common report and recommendation, and in deference to the differing views submitted in the minority report, it is preferred by the undersigned to recommit the subject to the association at large, with the submission of the following resolution:

*Resolved*, That we recommend that on and after the 1st January, 1891, only those who are members of the Clearing House Association shall enjoy the privileges thereof, and that all those clauses of the constitution that recognize the right of a member to redeem for those not members be repealed.

Respectfully submitted by

THOS. L. JAMES, President Lincoln National Bank.  
PERCY R. PYNE, President National City Bank.  
E. D. RANDOLPH, President Continental National Bank.  
GEO. S. COE, *Chairman*.

The undersigned of the committee appointed by the chair, in pursuance of the following resolutions, viz.:

"That everything pertaining to exchanges and clearances and the responsibility thereof of members of the association, be referred to a special committee of five, to be appointed by the chairman (the chairman to be an additional member of the committee), who shall exhaustively consider the entire subject and report their recommendations at a meeting of the Clearing House, to be called by this committee, of which at least three days' notice shall be given,"

passed by this association, April 16th last, beg leave to report that they have considered the subject to the best of their ability, and find that the liability of the banks, members of the Clearing House Association, who redeem the checks on banks and others not members, is clearly defined in the various sections, amendments and resolutions which make up the constitution of the New York Clearing House Association, and that this liability should be maintained.

They believe that the system should be continued, as years of experience have demonstrated that it can be done with the minimum of loss, that it facilitates business, saves labor and expense, and with some additional safeguards it can be done with comparative safety. We therefore suggest the consideration and passage by this association of the following resolution:

*Resolved*, That on and after January 1st, 1891, this association permits its members to make such exchanges only after the consent of the Clearing House committee shall have been obtained, and the banks or parties shall have obligated themselves to pay to the Clearing House Association an annual payment of \$200, and shall also consent to the same examinations as are now required of members, provided, however, that nothing contained in this resolution be construed as making such banks or parties members of this association.

Respectfully submitted,

E. H. PERKINS, JR.  
G. G. WILLIAMS.

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## THE COMPROMISE SILVER BILL.

That the Secretary of the Treasury is hereby directed to purchase from time to time silver bullion to the aggregate amount of 4,500,000 ounces, or so much thereof as may be offered in each month at the market price thereof, not exceeding \$1 for three hundred and seventy-one and twenty-five one-hundredths grains of pure silver, and to issue in payment for such purchases of silver bullion treasury notes of the United States, to be prepared by the Secretary of the Treasury, in such form and of such denominations, not less than \$1 nor more than \$1,000, as he may prescribe, and a sum sufficient to carry into effect the provisions of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated.

SECTION 2. That the treasury notes issued in accordance with the provisions of this act shall be redeemable on demand in coin at the Treasury of the United States or at the office of any Assistant Treasurer of the United States, and when so redeemed may be issued; but no greater or less amount of such notes shall be outstanding at any time than the cost of the silver bullion and the standard silver dollars

coined therefrom then held in the Treasury purchased by such notes; and such treasury notes shall be a legal tender in payment of all debts, public and private, except where otherwise expressly stipulated in the contract, and shall be receivable for customs, taxes and all public dues, and when so received may be reissued; and such notes, when held by any National banking association, may be counted as a part of its lawful reserve. That upon demand of the holder of any of the treasury notes herein provided for the Secretary of the Treasury shall, under such regulations as he may prescribe, redeem such notes in gold or silver coin at his discretion, it being the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio, or such ratio as may be provided by law.

#### QUANTITY PRESCRIBED.

SEC. 3. That the Secretary of the Treasury shall each month coin 2,000,000 ounces of the silver bullion purchased under the provisions of this act into standard silver dollars until the first day of July, 1891, and after that time he shall coin of the silver bullion purchased under the provisions of this act as much as may be necessary to provide for the redemption of the treasury notes herein provided for, and any gain or seignorage arising from such coinage shall be accounted for and paid into the Treasury.

SEC. 4. That the silver bullion purchased under the provisions of this act shall be subject to the requirements of existing law and the regulations of the mint service governing the methods of determining the amount of pure silver contained and the amount of charges or deductions, if any, to be made.

SEC. 5. That so much of the act of February 28, 1878, entitled "An act to authorize the coinage of the standard silver dollar and to restore its legal tender character" as requires the monthly purchase and coinage of the same into silver dollars of not less than \$2,000,000 nor more than \$4,000,000 worth of silver, is hereby repealed.

#### REDEMPTION OF NATIONAL BANK NOTES.

SEC. 6. That upon the passage of this act the balances standing with the Treasurer of the United States to the respective credits of National banks for deposits made to redeem the circulating notes of such banks, and all deposits thereafter received for like purpose, shall be covered into the Treasury as a miscellaneous receipt, and the Treasurer of the United States shall redeem from the general cash in the Treasury the circulating notes of said banks which may come into his possession subject to redemption, and upon the certificate of the Comptroller of the Currency that such notes have been received by him, and that they have been destroyed, and that no new notes will be issued in their place, reimbursement of their amount shall be made to the Treasurer, under such regulations as the Secretary of the Treasury may prescribe, from an appropriation hereby created, to be known as "National bank notes, redemption account"; but the provisions of this act shall not apply to the deposits received under section 3 of the act of June 20, 1874, requiring every National bank to keep in lawful money with the Treasurer of the United States a sum equal to 5 per centum of its circulation, to be held and used for the redemption of its circulating notes, and the balance remaining of the deposits so covered shall, at the close of each month, be reported in the monthly public debt statement as debt of the United States bearing no interest.

SEC. 7. That this act shall take effect thirty days from and after its passage.

## CANADIAN BANKING LEGISLATION.

The following account is taken from the address of Mr. George Hague, the general manager of the Merchants' Bank of Canada, at the annual meeting of that institution :

You are aware that during the recent session of Parliament a measure has been passed for extending the charters of the banks until 1901.

The Banking Act now in force is a complicated measure of about ninety clauses. Your rights and responsibilities as stockholders are regulated by this act.

Banking, I may say, as a simple business, and apart from the issuing of notes, can be carried on by private firms without any Act of Parliament to regulate it.

But circumstances in this country have brought about a general organization of banking on the joint stock principle, that is, by duly constituted corporations.

This necessitates provisions of law with regard to the issuing of notes, the liability of stockholders, and the manner in which stock is to be held, transferred and bequeathed, with regard also to lending, discounting, and taking security, the position and powers of directors, and a multitude of other matters with which you are no doubt familiar.

From time to time disputes have arisen in regard to the operation of various clauses in our banking acts. To guard against these, new provisions have been introduced, until, in course of years, this Banking Act with its eighty-nine clauses has become what it is.

Under this law, which expires next year, the business of the banks has to be conducted day by day all the year round. Bankers, therefore, have ascertained by experience wherein such a measure is defective, and what would be desirable in future legislation.

It will not surprise you, therefore, to learn that many conferences of bankers took place with regard to the renewal of the act.

There was a general agreement that certain improvements were desirable :

1. That bank notes should be made to pass without discount all over the Dominion.
2. That in the event of a bank failing, though its circulation is a preferential lien, its notes should be kept at par until liquidation.
3. That measures be taken to still further strengthen the security of the noteholder under all possible contingencies.
4. That additional precautions for the protection of the public should be taken in granting new charters.
5. It was considered also that the clauses regulating advances on the security of merchandise could be much simplified, and that the returns to be made to the Government might be made clearer and less open to misconception.

The representations of the banks were received with all possible consideration by the Government, and their recommendations were generally adopted.

The Government, however, had views of their own upon several matters which they courteously communicated for consideration. Some of these were considered so objectionable that we felt constrained to oppose them, not only in your interest, but in the public interest.

The proposal to make it compulsory upon stockholders to appoint auditors was judged to be inappropriate to the circumstances of Cana-

dian banks; that an audit, in fact, would be necessarily imperfect and illusory.

The proposal to compel the holding of a fixed reserve of money in proportion to their liabilities was demurred to by a large majority. It was pointed out that to insist upon the banks keeping locked up in their safes at all times any fixed sum of money would interfere with the rights of creditors, to meet whose demands all a banker's cash is held. It was shown that such a measure had never been tried in practice except in the United States, and that there, when banks attempted to keep the law, violent fluctuations in the rate of interest ensued. And, further, that circumstances occurred nearly every year that compelled them to disregard the law altogether.

The proposal of an audit and of a fixed reserve were, therefore, withdrawn.

Another proposal for the transfer to the Government of all moneys of depositors and stockholders unclaimed for a period of years was deemed objectionable. This was finally modified so as only to require the sending of annual statements to the Finance Department of balances unclaimed for five years.

With regard to the further securing of the circulation, the banks had proposed the gradual formation of a guarantee fund; not that this was deemed necessary, but as an evidence of the willingness of the banks to go even beyond what was needful in order to make their notes absolutely secure.

The Government, however, modified this proposal so as to make its provisions dangerous.

The chief part in opposing this dangerous modification was taken by the Bank of Montreal. On its real bearing being pointed out, the Government consented to alter the clauses in such a way that they could be carried out by the banks without danger.

During the progress of the bill through the House a remarkable absence of political feeling was manifest. Members of both parties gave themselves to the work of considering how to make the act as nearly perfect as possible.

We were much indebted for assistance to members on both sides of the House of Commons and of the Senate who are connected with banking institutions.

The measure will come into effect in July next year, and will amend the present act in the following particulars:

It provides a banking currency that will circulate at par in every part of the Dominion, and guaranteed not only by being made a preferential lien on all the resources of the bank, but by a guarantee fund in the hands of the Government.

These notes, in case a bank fails, will be guarded against depreciation by being made to bear interest until liquidation takes place.

No new banking corporation can be chartered unless \$250,000 of capital be actually paid into the Treasury instead of \$100,000 only as at present.

Banks are empowered to lend on the security of merchandise to certain classes of traders, and to take security thereon by a simple assignment on a specified form.

Power is given to stockholders of banks either to increase or decrease the capital, subject to approval by the Treasury Board. And the returns to be made by the banks will be made more clear and simple.

Commencing then on 1st July, 1891, the Dominion will have a banking law, which, on the whole, is likely to benefit every interest of the country.

## SAVINGS BANKS IN FRANKFORT.

The savings bank system of Frankfort-on-the-Main is very comprehensive and in keeping with the prominence of the city in all that relates to banking and finance. Some interesting details regarding it are furnished by Consul General Mason in his report to the State Department. The Frankfort Savings Bank is a private corporation established nearly seventy years ago. It is divided into three departments, the Savings Deposit Bank, the Weekly Savings Institution, and the Penny Savings Institution. The departments are all under one central board of directors.

The Savings Deposit Bank, which has a central office and two branches, receives deposits in any sum from one mark to 2,000 marks. The maximum sum received on deposit from one person is 10,000 marks, and not more than 5,000 marks can be deposited during one year. The present rate of interest is three per cent., but it may be changed by the directors. Interest begins on the first day of the month following the deposit. Depositors may draw sums under 200 marks at will, but for the withdrawal of sums from 200 to 1,000 marks, four weeks notice must be given, and six months notice when a depositor wishes to draw a sum above 1,000 marks. The directors may authorize departures from this rule, and the policy regarding this is liberal.

Neither the depositor's book nor his deposit can be sold, hypothecated or transferred except in case of death when it descends to the heirs. The deposit books are written up at the end of each year. At the close of 1888 there were 56,697 depositors, their credits amounting to 38,215,697 marks. The deposits for the year were 6,319,276 marks and the withdrawals 5,151,602 marks.

The peculiar feature of the Weekly Savings Institution is that it collects by special agents, who visit depositors at their homes, a specified weekly deposit. Its object is to induce people to lay up regularly a small sum. A person desiring to become a depositor applies, paying one mark admission fee, and receives a copy of the statutes. One month later he is admitted to membership and states the amount which he wishes to deposit weekly. This may be from one-half a mark to twenty marks, and once registered the sum can only be changed at the beginning of a new year. The date and amount of the first payment is entered in the depositor's book, but thereafter the entire account is made up only at the end of the year or when he withdraws his deposit, the collectors giving receipts in the interim. The collections for the last two weeks in December are omitted. The collector calls for a deposit but once; if this is not paid or the receipt at the bank redeemed within eight days, the depositor is considered as having withdrawn.

Any change in the rate of interest must be announced six months before taking effect. Since November, 1882, the rate has been three and one-third per cent. The deposits paid in during a year go on interest only on the first of January following, and the yearly interest is credited to the depositor at the end of the year. In computing interest, disbursements to the depositor are not considered unless they exceed the sum of his non-interest bearing deposits for that current year. Where persons discontinue weekly deposits, interest on their accounts ceases at the end of three years. Sums not over 200 marks may be withdrawn at will. From 200 to 500 marks four weeks notice

is required, from 500 to 1,000 marks two months is required, and six months notice for a sum above that limit. No book can be pawned or sold. An official statement showing the bank's condition and the account of each depositor is published at the close of each year. The collection system has been reasonably successful in Frankfort, but it is complicated and difficult to supervise, and better adapted to small cities and villages. December 31, 1888, this department had 10,948 depositors, credited with 4,445,748 marks, an increase of about three per cent. in the number of accounts and eight per cent. in deposits for the year.

To reach the humblest classes the Penny Savings Department was established in 1882, adopted from the English system. Forty agents, generally small tradesmen, in different parts of the city, have for sale stamps of the value of ten pfenings (about 2½ cents). The would-be depositor's name and occupation being recorded by an agent, he receives a book in which he pastes the stamps he may purchase. Each leaf has space for twenty stamps representing two marks in value; when the leaf is filled the agent removes it and sends it to the bank where the deposit is duly entered and a deposit account book delivered through the agent to the depositor. Interest is paid on deposit from the first of the succeeding month. Withdrawals are made under rules similar to those in the other departments. The system has been remarkably successful; it stimulates saving and inculcates thrift. During the past eight years the number of depositors increased from 24,903 to 52,703.

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## ECONOMIC NOTES.

### HONG KONG MINT.

Sir William des Vœux gives in his report the following particulars of the profit made by Hong Kong in the last five years on the issue of subsidiary silver coins:

	<i>Coinage.</i>	<i>Profit.</i>
1884.....	\$212,500 00	\$26,285 37
1885.....	282,200 00	33,464 87
1886.....	476,500 00	41,384 48
1887.....	497,300 00	24,352 73
1888....	910,000 00	72,904 77

The issue of 1889 will, according to present indications, again show a great advance, having already (October 23rd) reached a total of \$948,500, consisting of 11,854,250 separate coins; and though this must not be counted on as a permanent source of revenue, Sir William sees no reason to anticipate any falling off in the demand in the immediate future. He adds in explanation: The desire of the Chinese for these coins, consisting of pieces representing 20 cents, 10 cents, and 5 cents manufactured at her majesty's mint for this colony, appears to be almost insatiable; and if from any cause there is delay in the supply from England, the purchasing price at once rises to a premium, which has been known at the Chinese New Year to be as high as 20 per cent. I understand that this coinage is growing more and more in favor among the vast population of the neighboring empire, probably owing to confidence in its exactly uniform standard of value, and that the coins are not only used as money, but are, to a considerable extent, converted into buttons and other ornaments.

## VACANT ENGLISH FARMS.

"It is very unwelcome intelligence to hear from a correspondent in Kent that 'the number of farms falling vacant' in that county this Michaelmas is 'larger than has ever been known.' Kent, the headquarters of the hop-growers of this country, has often been called 'the Garden of England'; and it would indeed be difficult to find any other county south of the Tweed which is so thoroughly cultivated, or where rents have been so high all round as in this part of England. The terrible competition to which Free Trade has subjected British agriculturists and market gardeners has for some years past rendered their business one of increasing precariousness and anxiety, and it is only by the most strenuous exertions, and by availing themselves of all the resources of modern science and machinery, as applied to the cultivation of the land, that they can hope to hold their own. The capital of farmers is but limited, and if, under the growing competition they have to contend against, they are compelled year after year to lose capital, the time inevitably comes when they must either abandon their farms or get them at lower rents. The farmer, it may be said, may recover lost ground by striking out into fruit growing or some other new line; but this requires not only capital, but time, and the farmer without capital cannot afford to wait. In other counties besides Kent the prospect before the landlord and the laborer, as well as the tenant, is anything but cheerful under present circumstances."—*Fair Trade, London.*

## CHINA'S POPULATION.

A writer in the *North China Herald*, discussing the causes of the increase in the population of China, and the increasing energy of the Chinese race which enables it to absorb other peoples and always to conquer in the struggle for existence, remarks that the native statistics show that it was not until the end of the seventeenth century that the population went beyond 60,000,000. From that period onward it has grown continuously in spite of famines, wars and pestilences, and is overflowing into other countries and causing political disquietude.

The causes of this are a mild and paternal Government, the extension of foreign trade, and the spread of emigration. In this period there were two great reigns, those of Kanghi and Kienlung, which lasted about sixty years each, the greater number of which were years of profound tranquillity and beneficent legislation. The educational system also, which extends to every village, and leads to the vast increase of persons connected with teaching and literature, and to a multiplication of occupations, has stimulated the increase of population, while foreign trade has vastly increased the number of persons engaged in agriculture. The cultivation of silk has grown enormously under the influence of the foreign export, and with it the numbers of persons engaged in tending mulberry trees, feeding silkworms, spinning, weaving, wholesale and retail trade in silk, etc.

Out of the 380,000,000 of which the population is, according to the latest official statistics, composed, about 1 in 10 is engaged in agriculture, 1 in 100 is a bricklayer or mason, 1 in 120 is a tailor, 1 in 140 a blacksmith, and 1 in 9 a washerman, while about 1 in 100 is a carpenter. All these classes are largely benefited by and increase and multiply with foreign trade. Lastly, emigration has caused an increase in the population to a remarkable degree. The places of those who leave are soon filled up, and when the emigrants return with their wealth they react upon the general prosperity, and consequently the population, by putting their capital into local enterprises, and thus adding their quota to the wealth of the nation.



# CAPITAL, REAL ESTATE, VALUE OF SHARES AND DIVIDENDS, OF PHILADELPHIA BANKS.

	Capital.	Surplus.		No. Shares.	Gross Value per Share, 1890.	Real Estate.	Assessed Value per Share, 1890.	Dividends, per Cent.				Book Value Shares, 1890.	Last Sale Stock Reported.	Individual Deposits, Net.	Due Banks.
		Par.	\$					1887.	1888.	1889.	Last Div.				
Philadelphia.....	\$ 1,500,000		900,000	100	15,000	250,000	....	12	12	12	May '90..6	160	June 2, '90..240	4,319,000	1,208,000
North America.....	1,000,000		1,200,000	100	10,000	65,000	....	16	16	16	July '90..8	220	June 19, '90..340	4,055,000	840,000
Farmers and Mechanics'	2,000,000		600,000	100	20,000	314,600	....	8	8	8	May '90..4	130	July 1, '90 158	7,443,000	844,000
Commercial.....	810,000		221,000	50	16,200	120,000	....	6	6	6	May '90..3	63½	July 1, '90.. 61	1,740,000	472,000
Mechanics.....	800,000		265,000	100	8,000	132,738	....	7	7	7	May '90..3½	133	Ap'l 29, '90..129½	1,356,000	206,000
Northern Liberties.....	500,000		600,000	50	10,000	109,000	....	16	16	16	May '90..8	110	July 1, '90..166	2,625,000	110,000
Southwark.....	250,000		135,303	50	5,000	40,000	....	12	12	12	May '90..6	77½	May 8, '90..123	1,303,000	20,000
Kensington.....	250,000		225,000	50	5,000	144,500	....	7½	8	8	May '90..4	95	June 10, '90..114	1,307,000	.....
Penn.....	500,000		250,000	50	10,000	153,699	....	6	6	6	May '90..3	75	May 20, '90.. 90¼	2,548,000	195,000
Western.....	400,000		200,000	50	8,000	191,197	....	10	10	10	May '90..5	75	Ap'l 21, '90..104½	2,348,000	848,000
Manufacturers'	935,000		100,000	100	9,350	125,000	....	3	..	..	May '87..3	110½	July 1, '90.. 98	1,342,000	486,000
Commerce.....	250,000		90,000	50	5,000	46,000	....	6	6	6	May '90..3	68	May 20, '90.. 59	399,000	129,000
Girard.....	1,000,000		1,000,000	40	25,000	None.	....	12	12	12	May '90..6	80	July 8, '90..100½	4,443,000	1,289,000
Tradesmens'.....	400,000		550,000	50	8,000	None.	....	16	14	12	May '90..6	118¾	No sales.	1,543,000	428,000
Consolidation.....	300,000		325,000	30	10,000	74,321	....	12	12	12	May '90..6	62½	May 13, '90.. 77¼	1,056,000	41,000
City.....	400,000		450,000	50	8,000	85,900	....	10	10	10	May '90..5	106¼	Feb. 27, '90..126	1,219,000	8,000
Commonwealth.....	208,000		9,500	50	4,160	7,500	....	4½	2	..	May '88..2	52½	July 1, '90.. 45	330,000	41,000
Corn Exchange.....	500,000		250,000	50	10,000	158,649	....	6½	7	7	May '90..3½	75	June 16, '90.. 76	1,162,000	745,000
Union.....	500,000		280,000	50	10,000	75,000	....	7	7	7	May '90..3½	78	Mch. 8, '88.. 78¼	1,174,000	733,000
First.....	1,000,000		500,000	100	10,000	200,000	....	12	12	12	July '90..6	150	July 8, '90..238	4,051,000	1,978,000
Third.....	300,000		65,000	100	3,000	194,283	....	6	6	6	May '90..3	122¾	June 3, '90..120	1,501,000	440,000
Sixth.....	150,000		150,000	100	1,500	51,181	....	6	6	6	May '90..3	200	June 24, '90..206	959,000	7,000
Seventh.....	250,000		50,000	100	2,500	103,300	....	6	2	4	May '90..2	120	June 10, '90..103½	1,058,000	424,000
Eighth.....	275,000		375,000	100	2,750	50,000	....	12	12	12	July '90..6	236	Mch. 25, '90..301	1,802,000	15,000
Central.....	750,000		1,300,000	100	7,500	15,626	....	12	12	12	May '90..6	273¼	Feb. 18, '90..360	3,587,000	1,656,000
Republic.....	500,000		300,000	100	5,000	111,898	....	7	7	7	May '90..3½	160	May 27, '90..150¼	913,000	763,000
Security.....	250,000		125,000	100	2,500	83,500	....	8	8	8	July '90..4	150	May 6, '89..200	1,259,000	1,000

Centennial.....	300,000	150,000	100	3,000	....	87,000	....	8	8	June '90..4	150	June 6, '89..155	1,508,000	400,000
Merchants'.....	600,000	120,000	100	6,000	....	None.	....	6	6	Nov. '87..3	120	Apr. 22, '90..113½	1,505,000	1,475,000
Keystone.....	500,000	100,000	50	10,000	....	10,000	....	6	6	May '90..3	60	June 23, '90..65	1,252,000	59,000
Independence.....	500,000	100,000	100	5,000	....	126,304	....	..	..	May '90..2½	120	July 8, '90..130	1,402,000	257,000
Ninth.....	300,000	100,000	100	3,000	....	53,318	....	..	..	May '90..3	133½	June 10, '90..140½	1,262,000	8,000
Tenth.....	200,000	30,000	100	2,000	....	None.	....	4½	4½	May '90..2½	115	May 13, '90..128	725,000	68,000
Spring Garden.....	750,000	127,500	100	7,500	....	93,000	....	5	5	May '90..2½	117	July 1, '90..124	2,257,000	1,000
Northwestern.....	200,000	55,000	100	2,000	....	64,836	....	2½	2½	May '90..2½	127½	Mch. 18, '90..152	945,000	9,000
Southwestern.....	200,000	50,000	100	2,000	....	18,000	....	..	..	May '90..3	125	Feb. 4, '90..110¼	513,000	....
Produce.....	300,000	25,000	100	3,000	....	None.	....	..	..	.....	108¼	May 20, '90..95	418,000	7,000
Fourth Street.....	1,500,000	400,000	100	15,000	....	None.	....	..	..	.....	126½	June 25, '90..140	3,850,000	1,302,000
Market Street.....	600,000	75,000	100	6,000	....	111,224	....	..	..	.....	112½	June 10, '90..118	1,630,000	117,000
Chestnut Street.....	500,000	80,000	100	5,000	....	None.	....	..	..	.....	116	May 31, '90..118½	1,596,000	350,000
Quaker City.....	500,000	None.	100	5,000	....	None.	....	..	..	.....	100	July 22, '90..78	413,000	85,000
Second National.....	280,000	110,000	100	2,800	....	57,500	....	6	6	May '90..3	139	Jan. 5, '89..133	903,000	21,000
Manayunk National.....	200,000	100,000	100	2,000	....	53,400	....	10	10	June '90..5	150	Mch. 19, '90..180	765,000	16,000
German town National.....	200,000	250,000	50	4,000	....	81,363	....	12	12	May '90..6	112½	Mch. 18, '90..151	1,433,000	27,000
Northern National.....	185,550	None.	100	2,000	....	1,716	....	..	..	.....	100	June 21, '90..102	237,000	....
Peoples'.....	150,000	200,000	100	1,500	....	None.	....	8	8	May '90..4	233	No sales.	2,060,201	....
West Philadelphia.....	100,000	None.	100	1,000	....	20,405	....	6	6	May '90..3	100	No sales.	568,431	....
Merchants' Exchange.....	100,000	15,762	100	1,000	....	None.	....	Not attain able.	Not attain able.	Not attain'ble.	116	No sales.	72,764	....

# TREASURY DEPARTMENT,

WASHINGTON, D. C., August 1, 1890.

On and after the 13th instant, offers for the sale of silver bullion, in lots of not less than ten thousand (10,000) ounces, and its delivery, free of expense to the Government, at any specified coinage mint of the United States, will be received, either by telegraph or letter, for consideration at 12 o'clock M., on Mondays, Wednesdays and Fridays of each week, except when these days fall on legal holidays.

All bids will be addressed to "The Director of the Mint, Treasury Department, Washington, D. C.," will state the quantity offered in fine ounces, the price per fine ounce, and the mint at which the bullion is to be delivered.

Bidders will be notified by telegraph of the acceptance or rejection of their offers.

The right to reject any or all bids is reserved, and also to accept any portion of an amount offered instead of the whole.

The delivery on a purchase must be completed within ten days after the acceptance of the offer.

Payment will be made by draft on an Assistant Treasurer of the United States, payable in Treasury notes.

When bars bear the stamp of well known refineries, such approximate value will be paid, pending melt and assay, as may be regarded safe and proper.

When the bullion purchased is of a character to require parting or refining, the usual mint charges for these operations will be paid by the seller.

No bars weighing over twelve hundred (1,200) ounces will be received.

No silver coin, except uncurrent and mutilated coins of the United States, will be received on account of purchases.

WILLIAM WINDOM, *Secretary.*

## INQUIRIES OF CORRESPONDENTS.

ADDRESSED TO THE EDITOR OF THE BANKER'S MAGAZINE.

## COLLECTIONS.

When a bill of lading is attached to a time draft, and no instructions are given in the letter to the collecting bank to deliver the same on accepting the draft, is not the bank justified in assuming that the drawer has sold the goods on time, and has satisfied himself as to the responsibility of the drawee?

REPLY.—It has been clearly settled that when a bill of lading, which is to be delivered on order, is attached to and forwarded with a time draft to an agent for collection, without special instructions, the bill of lading may be surrendered to the drawee on his acceptance of the draft. (*National Bank v. Merchants' National Bank*, 91 U. S. 92.) In this case many of the authorities are given, and therefore need not be cited. The supposition is that the drawee should have the bill of lading as security for payment, or as a means of raising funds to pay the draft accompanying it. As Justice Strong has well said in the case above mentioned: "The drawee is not asked to accept on the mere assurance that the drawer will, at a future day, deliver the goods to reimburse the advancer; he is asked to accept in reliance on a security in hand. To refuse to him that security is to deny to him the basis of his requested acceptance; it is remitting him to the personal credit of the drawer alone. An agent for collection, having the draft and attached bill of lading, cannot be permitted, by declining to surrender the bill of lading on the acceptance of the bill, to disappoint the obvious intentions of the parties and deny to the acceptor a substantial right, which by his contract is assured to him." Indeed, the duty of the collecting bank very clearly is to surrender the bill on acceptance of the draft, unless it has received instructions to do otherwise.

## PAYMENT OF CHECK.

Some criticism having been made to the answer contained in the last number to the question, Whether the drawer of a check has all day to make it good? a fuller reply is needful. There can hardly be a question that a bank may keep a check throughout the day of presentation for payment when the funds are insufficient for that purpose, as stated in the last number; and many banks follow this practice; but they are not required to do this; nor are they required to keep notes or bills until the end of the last day of grace. But this practice is usually observed with respect to all these instruments. There is, however, a difference between notes and checks that may be stated. When a check is given, the drawer should have his money in the drawee bank to pay it, while in the case of a note the law is satisfied if the money is at the place of payment on the day when it is due. No one ought to give a check unless he has money in the drawee's possession to pay it, although many checks are given without a sufficient deposit for their liquidation. In such cases, of course the drawer expects to have the money in the drawee's possession before the presentation of the

check, but this practice is very questionable except among those banks in which checks are certified without having a sufficient deposit by special agreement. We do not mean to say that this is justified; on the other hand, it is prohibited by the National Banking Law. There are some cases, though, in which the payment of overdrafts is justified. As the law on that subject has been fully treated in a recent number, nothing further need be said here.

The drawer, therefore, ought to have his money in the drawee's possession when he draws his check; and if he has not when the check is presented for payment, it may be at once protested, although, as we have stated, it is often kept until the close of the day. The reason for so doing is, the drawer may be honestly mistaken about the condition of his account, and by holding the check during the day he may find it out, and make an additional deposit. Some banks even pay such checks, expecting, of course, that the drawer will make the amount good as soon as he is informed of the condition of his account. The occasions when a bank is thus justified in paying a check, though without sufficient funds belonging to the drawer, have been considered in several cases.

Sterling exchange has ranged during July at from 4.87½ @ 4.89 for bankers' sight, and 4.84 @ 4.85¼ for 60 days. Paris—Francs, 5.16¾ @ 5.15¾ for sight, and 5.19¾ @ 5.18¾ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.84¾ @ 4.85; bankers' sterling, sight, 4.88¾ @ 4.89; cable transfers, 4.89½ @ 4.89¾. Paris—Bankers', 60 days, 5.19¾ @ 5.18¾; sight, 5.16¾ @ 5.16¼. Antwerp—Commercial, 60 days, 5.21¾ @ 5.21¼. Reichmarks (4)—bankers', 60 days, 95 @ 95½; sight, 95½ @ 95¾. Guilders—bankers', 60 days, 40 3-16 @ 40¼; sight, 40½ @ 40 7-16.

The reports of the New York Clearing-house returns compare as follows:

1890.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.	Surplus.
July 5...	\$404,624,900	\$76,448,000	\$30,975,300	\$414,305,400	\$3,771,100	\$3,846,950
" 12...	402,982,000	79,255,400	31,011,000	415,933,300	3,781,600	6,383,075
" 19...	402,336,400	76,900,000	32,369,000	414,266,400	3,702,200	5,702,400
" 26...	400,030,300	75,549,900	32,726,100	408,891,500	3,606,200	6,053,125
Aug. 2...	401,560,900	80,367,600	32,570,970	415,915,800	3,628,400	8,959,550

The Boston bank statement is as follows:

1890.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.
July 5.....	\$156,581,500	\$10,108,100	\$3,841,700	\$133,864,600	\$3,215,900
" 12.....	154,985,800	9,847,600	4,658,500	132,872,400	3,232,500
" 19.....	154,750,200	10,159,000	4,804,300	131,552,600	3,221,700
" 26.....	155,846,400	9,748,200	4,863,400	129,567,700	3,223,600

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1890.	Loans.	Reserves.	Deposits.	Circulation.
July 5.....	\$99,211,000	\$24,422,000	\$96,312,000	\$2,133,000
" 12.....	99,107,000	24,657,000	96,874,000	2,135,000
" 19.....	98,886,000	25,487,000	97,368,000	2,134,000
" 26.....	98,723,000	25,597,000	97,047,000	2,130,000

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	July 7.	July 14.	July 21.	July 28.
Discounts.....	6 @ 7	6 @ 7	6 @ 6½	5½ @ 6½
Call Loans.....	5 @ 3	5 @ 3	4 @ 3	4 @ 2
Treasury balances, coin.....	\$162,025.185	\$162,259.585	\$162,381.043	\$162,672.220
Do. do. currency.....	6,942.007	6,844.075	6,698.071	6,809.639

## BANKING AND FINANCIAL ITEMS.

**BANK OF ENGLAND.**—Even the Bank of England can err. It recently had to pay damages of \$600 for dishonoring a customer's checks, when the customer really had money to his credit. The evidence in the case disclosed the fact that the bookkeeping of the bank was full of errors, and hence the apparent inability of the customer to draw a check.

**WHEN SHOULD BANK CLERKS MARRY?**—The directors of the Provincial Bank of Ireland have decreed that none of their clerks is to marry until his salary has reached £150 per year. The consternation among the subordinates of this institution, owing to this dictum, is better imagined than described. The fact that the possible maximum of a clerk's salary is only £120 does not lessen the hopeless outlook for prospective benedicts. The irony of their position is intensified by the fact that these forlorn youths are required to contribute £4 per year towards what is called the "Widow's Fund." They reason with great perspicacity that a man who cannot marry cannot leave a widow. For other men's relicts, they mildly protest, it is not fair to be taxed.

**LITTLE ROCK, ARK.**—Ex-Congressman Logan H. Roots, of Little Rock, Arkansas, on June 19th, resigned his position as president of the First National Bank, which he has held for eighteen years, and it is stated that he intends to make New York City the base of future business operations, although remaining a director of the bank and retaining his home and his extensive interests in Arkansas. In accepting his resignation, the board of directors passed resolutions complimenting him upon his management of the bank's affairs, and his judicious promoting of Arkansas industries.

**NEW YORK CITY.**—The election of Mr. E. Kellogg Wright as president of the National Park Bank, of New York, to succeed the late V. Mumford Moore, was an honor well and deservedly conferred. Mr. Wright entered the bank in 1859 as an assistant to the first teller, and has filled every position with rare faithfulness and industry. He has grown up with the bank, has given his heart, soul, and best years to its service, and the directors of the bank have not only honored Mr. Wright, but themselves in rewarding him with the highest position in their gift—a position which would be envied by any man. The Park Bank was chartered in March, 1856, and reorganized as a National bank in March, 1865. Its career has been one of uninterrupted prosperity, its dividends ranging from 8 to 10% per annum on its capital of \$2,000,000; a semi-annual dividend of 5% having been declared on Friday, June 20th, last. Its statement on that date shows a surplus of \$2,373,456, loans \$18,854,200, and deposits, the enormous aggregate of \$22,383,500; second only to the Chemical, which were \$26,801,900. This item of deposits is the certain and most undisputed test of the appreciation of this bank by the business community, and that the figures should so nearly approach those of the Chemical, a bank over a half a century its senior, is remarkable and significant enough to excite general interest as attention is called to the fact. The board of directors comprise gentlemen all eminent in their various pursuits, and whose names will be recognized as those commanding the entire confidence of the banking and financial world, as follows: Ebenezer K. Wright, Francis H. Leggett, Stuyvesant Fish, Charles Sternbach, Charles Scribner, Edward C. Hoyt, Eugene Kelly, Arthur Leary, Joseph T. Moore, James H. Parker, George S. Hart, Edward E. Poor, W. Rockhill Potts and David L. Wallace.

**POMONA, CAL.**—The First National Bank of Pomona was organized in 1886, receiving its charter on the 8th of June of that year, having succeeded the Pomona Valley Bank. It has a capital stock paid in of \$50,000, and surplus and undivided profits of \$17,482.90. It transacts a general banking business, buys and sells home and foreign exchange, makes collections at all available points in the United States. It owns and occupies the finest structure in Pomona, and the officers and

board of directors are among the most reliable and responsible business men of the county. They are : C. Seavers, president ; Thomas Coates, vice-president ; and Stoddard Jess, cashier.

LOS ANGELES, CAL.—The following account of the banking institutions in that city is taken from the *San Francisco Journal of Commerce*. The Farmers and Merchants' Bank is the largest as well as the oldest bank in Los Angeles, and from appearances seems to distance any other bank in the city, both in capital and in the magnitude of its commercial transactions. It was incorporated in 1871. Its capital (paid up) \$500,000; its surplus and profits, \$830,000; its deposits, \$2,633,872.-55. It transacts a general banking business, deals in foreign and domestic exchange. The State Loan and Trust Co. was organized some eighteen months ago, with a capital of \$1,000,000. It occupies its own building, a stately and expensive structure of six stories high, displaying modern and combined styles of architecture. The State Loan and Trust Co. acts as trustees for corporations and estates, loans money on real estate and collaterals, deals in securities, and transacts a general banking business, paying an interest of 5 per cent. on time deposits. The Main Street Savings Bank and Trust Co. of Los Angeles was incorporated under the State Law of California, October 28, 1889, with an authorized capital of \$200,000, of which \$50,000 is paid in. This bank from its start has proved a success, judging from the fact that its deposits have reached to \$190,000, and are steadily increasing. Its officers, directors and stockholders are among the leading business men and citizens of Los Angeles, representing in the aggregate a large amount of wealth. It is the agent for the Cheque Bank, Limited, of London, through which money can be sent by these checks to all important cities of the world. The officers of the bank are : J. B. Lankershim, president ; Chas. Forman, vice-president ; and Frank W. Devan, cashier. They occupy a fine office in a massive building erected two to three years ago by the president of the company. The bank pays 5 per cent. on time deposits.

FLORIDA.—The *Florida Times-Union*, under the heading "An old landmark gone" says : A notice of the dissolution of the firm of Ambler, Marvin & Stockton has already appeared in these columns, but the passing into local history of a firm name which has been a financial landmark in Florida for many years merits a brief retrospect into its record. Since 1870 "Ambler's Bank" has stood for integrity, strength and fair dealing throughout the entire State, and, in fact, wherever it has been known. During the great panic of 1873 this bank was one of the few in the Atlantic seaboard States that did not suspend cash payment. In 1871 Mr. D. G. Ambler, the founder, associated with himself Mr. J. L. Marvin and Mr. John N. C. Stockton, since which time the firm has been extensively and favorably known as Ambler, Marvin & Stockton. The people of Florida and all who have had dealings with "Ambler's Bank" will learn with regret of the disappearance of its name from financial circles, yet they are assured that taking its place is an institution of great financial strength, combining in its management those who contributed largely to the success as well as to the name and fame of the old bank. This is the Merchants' National Bank which has just been organized under the National Banking Law.

DENVER, COL.—The *Denver Financial News* says : What is now the Union Bank of Denver was organized seventeen years ago under State laws, and its conservative course during this long period has challenged the admiration of all discriminating citizens. It has retained its State charter through all the principal years of the life of the city, notwithstanding the fact that the American people have come to look upon National banks as less liable to disaster. The stockholders of the Union have, however, felt so much pride in their State institution possessing the confidence of the public that they have long delayed a change which their judgment really endorsed. The management of the Union sought at the last session of the General Assembly the enactment of a State law which should throw greater restrictions around State bankers, provide for periodical examinations, etc., but on its failure, concluded that if the State would not aid her own banks by judicious legislation to improve their standing it would have to abandon the State charter and adopt the National. The arrangements for this are now complete, and the Comptroller of the Currency has set apart for it the name of "The Union National Bank

of Denver, Colorado." The capital of the new institution will be \$1,000,000, the management having concluded that the city has outgrown the day of small capitals, and that a first-class bank must have a first-class capital. This will make the capital of the Union National greater than any other bank in Denver with one exception. The active officers of the National Bank will remain as heretofore, as follows: R. W. Woodbury, president; M. Spangler, vice-president; W. H. Trask, cashier; R. C. Lockwood, assistant cashier. The board of directors, however, will be increased to thirteen.

**OLD AND YOUNG BANK OFFICERS.**—The *Chattanooga Journal of Commerce* says that the First National Bank of Dayton, Tenn., has probably the oldest president and the youngest cashier of any bank in the State. Col. Tulloss is about 81 years of age, while W. B. Allen, who has twice been elected, is a minor. The youngest bank president in New York is Mr. Wm. H. Perkins, recently elected president of the Bank of North America in that city. He is thirty-two years of age. The *Chicago Tribune* says that J. M. Bailey, of Sioux Falls, S. Dakota, is the youngest bank president in the United States. Half a dozen years ago he left his home in Illinois and went West and grew up with the country. He grew so fast that he distanced the country and is now ahead of it. Besides his banking interests, he controls any amount of real estate and railroad property. He was the Territorial Treasurer for a term and is the only politician in Sioux Falls who sings in a church choir.

At the last Republican convention he came to Chicago as a Dakota delegate. The first day he sat beside Secretary of War Redfield Proctor, who was a delegate from Vermont. When Mr. Proctor espied the Dakota delegate he asked:

"What are you doing in here?"

"Come in to hear the speeches," answered Mr. Bailey.

"Well, it's so crowded you will have to go out; there is no room for boys," said Mr. Proctor, who was more than surprised when the "boy" showed his credentials. After this little incident the two delegates became the best of friends.

**KANSAS CITY, MO.**—The Husted Investment Company, one of the prominent financial institutions of Kansas City, has moved into the Husted building, which is one of the latest and most noteworthy in that enterprising city. Mr. Husted, who is a native of Ohio, and is reckoned among the sagacious and leading citizens of the place, has achieved a worthy success. His company has a capital of \$500,000, \$350,000 of which is full paid. The company's specialties are guaranteed mortgages, and its debenture bonds, with interest payable twice yearly, at the home of the holder. They are based in every instance on inspected and approved reality, worth two and a half to three times their face, either in or adjacent to the two Kansas Cities, and on account of their reliable character are favorites with owners of money for which a judicious investment is desired, combining safety with satisfactory profit. In New York its trusteeship is vested in the Atlantic Trust Company, representing a capital of \$500,000, and a surplus of \$550,000. In Philadelphia the Land Title and Trust Company, with a capital of \$1,000,000, serves in that capacity, while for the convenience of investors in the central west the Kansas City Safe Deposit and Savings Bank, of Kansas City, Mo., having \$200,000 capital and the highest standing, is trustee. The officers of the company, besides its president, are Thomas H. Rowland, vice-president; F. D. Coburn, second vice-president; C. A. Albright, treasurer; O. R. Burnham, secretary; and E. M. Smith, assistant secretary. Its New York headquarters are at Auburn, with F. E. Maine State manager, and in Philadelphia at 555 North Seventeenth street; also in the Builders' Exchange, with Messrs. B. F. Glenn & Son managers, where inquirers are always welcome and information cheerfully furnished.

**CHICAGO.**—A committee recently appointed at a meeting of depositors in the Park National Bank, now in charge of the local *Federal Bank Examiner*, having conferred with the directors, reports to the depositors that if the assets are as represented the bank will be enabled to pay dollar for dollar. The committee expressed the opinion that it will be for the best interests of the depositors that a receiver be appointed at once.

**BIDDING FOR BONDS.**—Secretary Windom has taken a new departure in the matter of purchasing bonds with the surplus. The offers have been so small lately

at the rates paid—121 for 4 per cents and 103 for  $4\frac{1}{2}$ s—that in view of the increase in the surplus funds and the probable demand for money next month, he thought it best to invite offers at the prices at which holders may be willing to sell, and to accept such of them as he considers reasonable. The text of the Secretary's circular is as follows:

WASHINGTON, D. C., July 19, 1890.

By virtue of the authority contained in section 3,694 of the Revised Statutes, notice is hereby given that on Thursday, July 24, at noon, proposals will be received in the office of the Secretary of the Treasury for the sale to the Government of United States bonds of the acts of July 14, 1870, and January 20, 1871, for the purpose of supplying in part the requirements of the Sinking Fund for the current fiscal year. Proposals should state the specific character of the bonds offered, whether coupon or registered, and must be for the sale of the bonds with accrued interest to and including the day of sale. The right is reserved to reject any or all proposals for the sale of bonds if it is thought to be for the interest of the Government to do so. The circular of April 17, 1888, under which daily purchases of bonds have heretofore been made, is hereby rescinded.

WILLIAM WINDOM, Secretary.

MR. JAMES M. BROWN, senior member of the banking firm of Brown Brothers & Co., 59 Wall street, who died last month, after a very short illness, was born in Baltimore, Md., on December 8, 1820. He received his early education there, and at the age of fourteen years entered the employ of the firm of Alexander Brown & Son. At the end of a few years he came to this city and became a member of a linen firm, where he remained until 1844. It was in this latter year that he became associated with the banking house of which he was the senior member at the time of his death. The deceased was a half brother of Mr. Stewart Brown and a cousin of James Brown, who founded the firm of Brown Brothers & Co., in 1826. He was a man whose sterling integrity and rare business ability caused him to be much sought after as officer and manager of public institutions. At the time of his death he was president of the New York Hospital, the Bloomingdale Asylum, and the American Society for the Prevention of Cruelty to Animals; he succeeded Mr. Henry Bergh, at the time of the latter's death, in the presidency of this last society. Mr. Brown was also a trustee of the New York Life Insurance and Trust Company, and had served two terms as president of the Chamber of Commerce.

## DEATHS.

BROWN.—On July 19, aged seventy years, JAMES M. BROWN, of the firm of Brown Bros. & Co., N. Y. City.

CLARK.—On August 2, aged eighty-four years, JOHN R. CLARK, President of First National Bank, Lincoln, Neb.

CORNELL.—On July 4, aged seventy-one years, JOSEPH M. CORNELL, President of Orleans County Nat. Bank, Albion, N. Y.

DOE.—On July 26, aged seventy-two years, J. BODWELL DOE, Cashier of First Nat. Bank, Janesville, Wis.

INMAN.—On July 5, aged sixty-one years, J. O. INMAN, President of Pascoag Nat. Bank, Pascoag, R. I.

MANCHESTER.—On July 15, aged forty-two years, J. P. MANCHESTER, Cashier of State Bank, Fillmore, N. Y.

VON BONNHORST.—On July 3, aged thirty five years, NICHOLAS GRATTAN VON BONNHORST, Treasurer of Peoples Savings Bank, Pittsburgh, Pa.

WOOD.—On July 8, aged fifty-eight years, WILL H. WOOD, President of Wood & Huston Bank, Marshall, Mo.



## CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from July No., page 73.)

<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
N. Y. CITY.. Emigrant Industrial Sav. B'k.	James Olwell, <i>P.</i> .....	.....
" .. New York Co. Nat. B'k.....	Fred'k G. Lee, <i>V. P.</i> ....	Daniel T. Hoag.
" .. Third National Bank.....	Henry Buckhout, <i>Act'g P.</i>	.....
" .. Western National Bank.....	Valentine P. Snyder, <i>V. P.</i>	.....
ARK.... Exchange National Bank,	Wm. B. Reed, <i>Ass't Cas.</i> ..	V. P. Snyder.
Little Rock.	J. S. Pollock, <i>V. P.</i> .....	A. P. Howell.
CAL.... First National Bank, Modesto..	A. A. Mandlebaum, <i>Cas.</i> ..	J. S. Pollock.
COL.... First National Bank,	O. McHenry, <i>P.</i> .....	Robt. McHenry.*
Canon City.	J. H. Peabody, <i>P.</i> .....	E. C. Gray.
" .. Colorado National Bank,	Lyman Robison, <i>V. P.</i> ....	J. H. Peabody.
Denver.	C. B. Berger, <i>Cas.</i> .....	T. H. Woodelton.
" .. Suffield Savings Bank, Suffield.	Geo. B. Berger, <i>Ass't Cas.</i>	C. B. Berger.
" .. Hurlbut National Bank,	J. C. Heinz, <i>2d Ass't Cas.</i>	Geo. B. Berger.
West Winsted.	Wm. L. Loomis, <i>P.</i> .....	.....
DAK. N. First National Bank, Larimore.	Henry Gay, <i>P.</i> .....	Wm. L. Gilbert.
FLA.... First National Bank,	C. B. Holmes, <i>Cas.</i> .....	Henry Gay.
Pensacola.	R. M. Sprague, <i>Cas.</i> .....	E. C. Bennett.
GA.... Atlanta Banking Co., Atlanta.	Wm. H. Knowles, <i>P.</i> ....	M. H. Sullivan.
" .. First Nat. Bank, Cartersville...	W. K. Hyer, Jr., <i>Cas.</i> ....	W. A. S. Wheeler.
ILL.... Am. Tr. and Sav. B'k, Chicago.	C. C. McGehee, <i>P.</i> .....	John R. Gramling.
" .. First National Bank,	J. A. Stover, <i>V. P.</i> .....	.....
Farmer City.	W. L. Moyer, <i>Cas.</i> .....	.....
" .. National City Bank, Ottawa...	G. W. Chisholm, <i>V. P.</i> ....	.....
" .. Peoples National Bank,	Isaac F. Houseman, <i>Cas.</i> ..	Jas. H. Harrison.
Rock Island.	Philip G. Schock, <i>Ass't Cas.</i>	.....
" .. First National Bank, Urbana...	Joseph Rosenfield, <i>P.</i> ....	John Peetz.
IOWA... Atlantic Nat. Bank, Atlantic...	Fred. Hass, <i>V. P.</i> .....	Joseph Rosenfield.
" .. City National Bank, Clinton...	P. E. Burke, <i>Cas.</i> .....	H. W. Mahan.
" .. First National Bank,	F. M. Nichols, <i>Cas.</i> .....	H. M. Boorman.
Griswold.	Geo. M. Curtis, <i>V. P.</i> ....	.....
" .. First National Bank, Marengo.	R. L. Brown, <i>V. P.</i> .....	.....
" .. First Nat. Bank, What Cheer..	W. L. Mote, <i>Cas.</i> .....	R. L. Brown.
KAN.... National Bank of Commerce,	L. B. Mapel, <i>Ass't Cas.</i> ...	.....
Hutchinson.	Q. P. Reno, <i>Ass't Cas.</i> ...	.....
" .. First National Bank,	Edmund Jackson, <i>P.</i> .....	Theo. Robinson.
Jewell City.	N. G. Hollister, <i>Ass't Cas.</i>	.....
" .. Wyandotte Nat. B'k, Kan. City.	Theo. Bartholow, <i>P.</i> .....	J. D. Robertson.
" .. First National Bank,	Newton Kreamer, <i>Cas.</i> ...	Theo. Bartholow.
Mankato.	Geo. Stumpf, <i>P.</i> .....	Isaac La Grange.
" .. First Nat. Bank, Wellington...	John J. La Mar, <i>P.</i> .....	Geo. S. Bishop.
" .. Wichita Nat. Bank, Wichita...	Virgil W. Keene, <i>V. P.</i> ...	.....
KY.... Henderson Nat. B'k, Henderson	D. C. Smutz, <i>Cas.</i> .....	S. G. Keyes.
MICH... First National Bank, Marshall..	Geo. W. Lieber, <i>Ass't Cas.</i>	J. A. Montgomery.
MINN.. Northwestern National Bank,	R. L. Beattie, <i>Cas.</i> .....	.....
Minneapolis.	H. T. Kramer, <i>Ass't Cas.</i>	.....
" .. Nat. German-Amer. B., S. Paul.	Wm. H. Stites, <i>Ass't Cas.</i>	B. G. Witt.
" .. First National Bank, Tower...	C. E. Gorham, <i>Ass't Cas.</i>	.....
MO.... First National Bank, Sedalia...	Geo. A. Pillsbury, <i>P.</i> ....	S. A. Harris.
NEB.... First Nat. Bank, Beaver City...	J. W. Krapfel, <i>Cas.</i> .....	.....
" .. Holdrege National Bank,	Geo. A. Whitman, <i>Cas.</i> ...	Geo. W. Hertges.
Holdrege.	F. H. Guenther, <i>Ass't Cas.</i>	.....
N. H.... Strafford National Bank,	C. E. V. Smith, <i>Cas.</i> ....	A. B. Edee.
Dover.	Wm. E. Hymer, <i>P.</i> .....	A. Yeazel.
N. J.... Second Nat. Bank, Hoboken...	C. H. Eshbaugh, <i>Cas.</i> ....	Wm. E. Hymer.
" .. First National Bank,	E. R. Brown, <i>V. P.</i> .....	.....
" .. Second Nat. Bank, Hoboken...	C. S. Cartland, <i>Cas.</i> ....	E. R. Brown.
" .. First National Bank,	D. F. Nichols, <i>Ass't Cas.</i>	.....

\* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
N. Y...	Orleans Co. National Bank, Albion.	E. K. Hart, <i>P.</i> .....	J. M. Cornell.*
"	.. State Bank, Fillmore.....	J. W. Cornell, <i>Cas.</i> .....	E. K. Hart.
"	.. First National Bank, New Berlin.	F. H. Smith, <i>Cas.</i> .....	J. P. Marshall.*
"	.. Fallkill National Bank, Poughkeepsie.	Chas. B. Williams, <i>P.</i> ....	S. L. Morgan.
"	.. Delaware Co. Bank, Walton...	O. F. Matterson, <i>V. P.</i> ....	Chas. B. Williams.
"	.. First National Bank, Yonkers..	Edward Elsworth, <i>P.</i> ....	.....
OHIO...	Second Nat. Bank, Cincinnati..	H. E. Losey, <i>V. P.</i> .....	Edw. Elsworth.
PA. ....	Jefferson Co. National Bank, Brookville.	Geo. W. Fitch, <i>P.</i> .....	Geo. O. Mead.
"	.. Elizabethtown Nat. Bank, Elizabethtown.	Wm. H. Doty, <i>P.</i> .....	.....
"	.. Nat. B'k of So. Penn, Hyndman.	H. A. Forman, <i>V. P.</i> .....	Chas. H. Davis.
"	.. North Wales National Bank, North Wales.	J. S. Carroll, <i>Cas.</i> .....	.....
"	.. Farmers & Mechanics Nat. B'k, Phoenixville.	T. B. Henderson, <i>Ass't Cas.</i>	.....
"	.. Mahoning B'k, Punxsutawney..	John F. Ober, <i>Cas.</i> .....	I. S. Longenecker.
"	.. First Nat. Bank, Wilkes Barre.	N. A. Blair, <i>Cas.</i> .....	T. J. Wilson.
R. I....	Pascoag Nat. Bank, Pascoag...	A. K. Shearer, <i>V. P.</i> ....	.....
TEXAS..	Colorado Nat. Bank, Colorado.	Harvey S. Swartley, <i>A. C.</i>	.....
"	.. First National Bank, Rusk.....	D. W. Brower, <i>Cas.</i> .....	G. K. Roberts.
VA.....	Augusta Nat. Bank, Staunton.	T. E. Jones, <i>Cas.</i> .....	Lon Pantall.
WASH..	First Nat. Bank, Port Angeles..	H. H. Ashley, <i>V. P.</i> .....	Reuben Downing.
"	.. Columbia Nat. Bank, Sehome..	Olney T. Inman, <i>P.</i> .....	J. O. Inman.*
Wis ...	Stephenson National Bank, Marinette.	E. H. Cooke, <i>Cas.</i> .....	A. Pruit.
		M. J. Whitman, <i>V. P.</i> ....	.....
		Christian S. Baker, <i>V. P.</i>	.....
		D. W. Morse, <i>V. P.</i> .....	.....
		N. H. Latimer, <i>V. P.</i> .....	.....
		Isaac Stephenson, <i>P.</i> .....	A. C. Brown.
		J. W. P. Lombard, <i>V. P.</i>	Isaac Stephenson.
		Harry J. Brown, <i>Cas.</i> .....	J. W. P. Lombard.
		Fred. L. Brown, <i>Ass't Cas.</i>	.....

\* Deceased.

## NEW BANKS, BANKERS, AND SAVINGS BANKS.

(Monthly List, continued from July No., page 76.)

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N.Y. Correspondent.</i>
N. Y. CITY.....	The State Bank.....	.....	.....
	\$100,000	Oscar L. Richard, <i>P.</i>	Jacob H. Rosenbaum, <i>Cas.</i>
		Emil L. Boas, <i>V. P.</i>	.....
DAK. N. Grand Forks...	Union National Bank...	.....	.....
	\$100,000	Luther B. Richardson, <i>P.</i>	Sidney Clarke, <i>Cas.</i>
		David H. Beecher, <i>V. P.</i>	.....
" S.. Hot Springs....	First National Bank.....	.....	.....
	\$50,000	Alexander S. Stewart, <i>P.</i>	.....
IND.... Bedford.....	Stone City Bank.....	.....	Chase National Bank.
	\$25,000	James M. Andrew, <i>P.</i>	I. N. Glover, <i>Cas.</i>
		Thos. V. Thornton, <i>V. P.</i>	.....
IND. T.. Ardmore.....	First National Bank.....	.....	National Park Bank.
	\$50,000	C. C. Hemming, <i>P.</i>	C. L. Anderson, <i>Cas.</i>
		L. P. Anderson, <i>V. P.</i>	.....
IOWA... Charter Oak. .	First National Bank.....	.....	American Exchange Nat. Bank.
	\$50,000	H. N. Moore, <i>P.</i>	J. G. Shumaker, <i>Cas.</i>
		H. N. Moore, <i>V. P.</i>	.....
" .. Keokuk.....	Central Savings Bank...	.....	.....
	\$50,000	C. H. Mellen, <i>P.</i>	J. C. Weaver, <i>Cas.</i>
		Jas. McNamara, <i>V. P.</i>	.....
		J. F. Keidaisch, Sr., <i>V. P.</i>	.....
" .. Marshalltown..	City National Bank.....	.....	Chemical National Bank.
	\$100,000	Jas. L. Williams, <i>P.</i>	David T. Denmead, <i>Cas.</i>
		Greenleaf F. Capren, <i>V. P.</i>	Geo. K. Kinney, <i>Ass't Cas.</i>
" .. Mason City....	Commercial Savings B'k.	.....	Chase National Bank.
	\$50,000	I. R. Kirk, <i>P.</i>	Frank Roberts, <i>Cas.</i>
		W. C. Ellis, <i>V. P.</i>	.....

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
IOWA...	Oskaloosa.....	Oskaloosa Savings Bank. \$25,000 James G. Hammond, <i>P.</i> A. C. Wilkins, <i>V. P.</i>	Chase National Bank. John W. Hammond, <i>Cas.</i>
KAN....	Galena.....	Citizens Bank..... \$13,000 Edward P. Allen, <i>P.</i> M. Robeson, <i>V. P.</i>	Hanover National Bank. John McCullugh, <i>Cas.</i>
" ..	Kansas City....	Inter-State Nat'l Bank... \$1,000,000 J. J. Squier, <i>P.</i>	American Exchange Nat. Bank. M. W. St. Clair, <i>Cas.</i>
KY.....	Greenville.....	First National Bank..... \$50,000 Thos. H. Martin, <i>P.</i>	United States National Bank. Lewis Reno, <i>Cas.</i>
" ..	Hardinsburg ...	Bank of Hardinsburg.... \$25,000 Benj. F. Beard, <i>P.</i> Will Miller, <i>V. P.</i>	United States National Bank. Morris H. Beard, <i>Cas.</i>
" ..	Henderson.....	Planters State Bank..... \$150,000 Montgomery Merritt, <i>P.</i>	Bank of America. David Banks, Jr., <i>Cas.</i>
MD.....	Laurel.....	Citizens National Bank.. Chas. H. Stanley, <i>P.</i> A. G. Thomas, <i>V. P.</i>	A. T. Brooke, <i>Cas.</i>
MICH... Marquette.....	Marquette Co. Sav. Bank. \$50,000 Chas. H. Call, <i>P.</i> N. M. Kaufman, <i>V. P.</i>	.....	.....
MINN... St. Paul.....	State Savings Bank..... Greenleaf Clark, <i>P.</i> Ferdinand Willins, <i>V. P.</i>	.....	Julius M. Goldsmith, <i>Treas.</i>
MO.....	Eagleville.....	Farmers Bank..... \$5,000 W. B. Bearson, <i>P.</i> H. J. Hearing, <i>V. P.</i>	W. S. McCollum, <i>Cas.</i>
MISS... Grenada .....	Grenada Bank..... John W. Griffin, <i>P.</i>	.....	Jas. T. Thomas, <i>Cas.</i> B. S. Dudley, <i>Ass't Cas.</i>
NEB.... Arlington .....	Arlington State Bank.... T. E. Stevens, <i>P.</i> H. Chapman, <i>V. P.</i>	.....	Chemical National Bank. H. W. Schoettger, <i>Cas.</i>
" ..	McCook.....	Bank of McCook..... \$50,000 Chas. E. Shaw, <i>P.</i> Jay Olney, <i>V. P.</i>	Chase National Bank. Chas. A. Van Pelt, <i>Cas.</i> P. A. Wells, <i>Ass't Cas.</i>
" ..	Omaha.....	Midland State Bank..... \$50,000 F. C. Johnson, <i>P.</i> Allen T. Rector, <i>V. P.</i>	Tradesmens National Bank. W. G. Templeton, <i>Cas.</i>
" ..	Sumner.....	Security Bank..... \$10,000 R. E. Pate, <i>P.</i> L. M. Forrest, <i>V. P.</i>	..... John Forrest, <i>Cas.</i>
" ..	Wayne.....	Wayne National Bank... \$50,000 Wm. E. Brown, <i>P.</i>	..... Baltimore F. Swan, <i>Cas.</i>
" ..	York .....	Farmers & Merchants B.. \$25,000 E. E. Brown, <i>P.</i> C. E. Waite, <i>V. P.</i>	Chemical National Bank. J. P. Hebard, <i>Cas.</i>
N. J.... Englewood. ...	Citizens National Bank.. \$50,000 Donald Mackay, <i>P.</i>	.....	R. H. Rochester, <i>Cas.</i>
N. Y.. Buffalo.....	Citizens Bank..... \$100,000 Joseph Block, <i>P.</i> Geo. F. Zeller, <i>V. P.</i>	.....	Irving E. Waters, <i>Cas.</i>
N. C... Gastonia.....	First National Bank..... \$50,000 J. H. Craig, <i>P.</i>	.....	L. L. Jenkins, <i>Cas.</i>
OHIO... Middleport.....	Middleport Nat. Bank... \$50,000 S. M. Hysell, <i>P.</i> F. C. Russell, <i>V. P.</i>	.....	Hanover National Bank. Ebert C. Fox, <i>Cas.</i>
PA.....	Butler.....	Butler Co. National Bank \$100,000 .....	..... D. Osborne, <i>Cas.</i>
" ..	Delta.....	Miles National Bank.... \$50,000 Stephen B. Miles, <i>P.</i> Robt. S. Parke, <i>V. P.</i>	..... Joseph H. Miles, <i>Cas.</i>
" ..	Punxsutawney..	Citizens Bank..... \$50,000 J. U. Gillespie, <i>P.</i> H. E. Ginter, <i>V. P.</i>	Chase National Bank. Lon Pantall, <i>Cas.</i>
" ..	Tyrone .....	First National Bank.... \$75,000 John S. Morrison, <i>P.</i>	..... D. Shelly Kloss, <i>Cas.</i>
TENN.. Dayton .....	First National Bank.... \$50,000 Jas. A. Tulloss, <i>P.</i> H. C. Race, <i>V. P.</i>	.....	W. B. Allen, <i>Cas.</i>

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
TEXAS..	Hico .....	First National Bank.....	.....
	\$50,000	R. Y. Cox, P. J. S. Moss, Jr., <i>Cas.</i>	
• ..	Llano.....	Iron City National Bank.....	.....
	\$60,000	W. T. Moore, Jr., P. C. C. McCluer, <i>Cas.</i>	
• ..	Mason .....	Citizens National Bank..	.....
	\$50,000	J. A. Hoerster, P. F. W. Henderson, <i>Cas.</i>	
• ..	Midland.....	First National Bank.....	.....
	\$60,000	A. W. Hilliard, P. W. E. Connell, <i>Cas.</i>	
• ..	Quanah. ....	City National Bank.....	.....
	\$50,000	J. W. Golston, P. Wm. F. Brice, <i>Cas.</i>	
		H. M. Victor.	
• ..	Tyler.....	City National Bank.....	.....
	\$100,000	E. C. Williams, P. C. M. Williams, <i>Cas.</i>	
		C. L. Caspany, V. P. W. L. Cain, <i>Ass't Cas.</i>	
• ..	Waxahachie....	Waxahachie Nat. Bank..	.....
	\$100,000	M. B. Templeton, P..... H. W. Trippet, <i>Cas.</i>	
• ..	Yoakum .....	First National Bank.....	.....
		J. M. Bennett, P. W. O. Richardson, <i>Cas.</i>	
UTAH..	Salt Lake City .	American Nat. Bank....	Western National Bank.
	\$250,000	James H. Bacon, P. Frank L. Holland, <i>Cas.</i>	
		Harvey M. Bacon, V. P. W. B. Holland, <i>Ass't Cas.</i>	
WASH..	Seattle.....	King County Bank.....	Western National Bank.
	\$100,000	Fred. S. De Wolfe, P. Wm. O. Came, <i>Cas.</i>	
		Julius A. Stratter, V. P.	
• ..	Seattle .....	Nat. Bank of Commerce.	.....
	\$100,000	Richard Holyoke, P. R. R. Spencer, <i>Cas.</i>	

## OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(Monthly List, continued from July No., page 77.)

<i>No.</i>	<i>Name and Place.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
4353	City National Bank.....	E. C. Williams,		
	Tyler, Texas.		C. M. Williams,	\$100,000
4354	Wayne National Bank.....	Wm. E. Brown,		
	Wayne, Neb.		Baltimore F. Swan,	50,000
4355	First National Bank.....	John S. Morrison,		
	Tyrone, Pa.		D. Shelby Kloss,	75,000
4356	First National Bank.....	Thos. Hudson,		
	Greenville, Ky.		Lewis Reno,	50,000
4357	Security National Bank.....	Hiram J. Palmer,		
	Grand Island, Neb.		Jesse M. Marsh,	200,000
4358	National Bank of Commerce.	J. A. Cooper,		
	Denver, Col.		Chas. L. McIntosh,	500,000
4359	City National Bank.....	J. L. Williams,		
	Marshalltown, Iowa.		D. T. Denmead,	100,000
4360	American National Bank.....	J. R. Owen,		
	Springfield, Mo.		A. B. Crawford,	200,000
4361	City National Bank.....	J. W. Golston,		
	Quanah, Texas.		Wm. F. Brice,	50,000
4362	First National Bank.....	Jas. A. Tulloss,		
	Dayton, Tenn.		W. B. Allen,	50,000
4363	First National Bank.....	J. M. Bennett,		
	Yoakum, Texas.		W. O. Richardson,	50,000
4364	Citizens National Bank.....	Chas. H. Stanley,		
	Laurel, Md.		A. T. Brooke,	50,000
4365	Citizens National Bank.....	Donald Mackay,		
	Englewood, N. J.		R. H. Rochester,	50,000
4366	First National Bank.....	R. Y. Cox,		
	Hico, Texas.		J. S. Moss, Jr.,	50,000
4367	Miles National Bank.....	S. B. Miles,		
	Delta, Pa.		J. H. Miles,	50,000

No.	Name and Place.	President.	Cashier.	Capital.
4368	First National Bank..... Midland, Texas.	A. W. Hilliard,	W. E. Connell,	\$60,000
4369	Rome National Bank..... Rome, Ga.	Geo. E. Billingsley,	M. B. Wellborn,	100,000
4370	First National Bank..... Hot Springs, S. Dak.	Alex. S. Stewart,		50,000
4371	Iron City National Bank..... Llano, Texas.	W. T. Moore, Jr.,	C. C. McCluer,	60,000
4372	Union National Bank..... Grand Forks, N. Dak.	L. B. Richardson,	Sidney Clarke,	100,000
4373	First National Bank..... King City, Mo.	Joseph H. Ward,	Geo. Ward,	50,000
4374	Butler County National Bank. Butler, Pa.		D. Osborne,	100,000
4375	National Bank of Commerce.. Seattle, Wash.	Richard Holyoke,	R. R. Spencer,	100,000
4376	First National Bank..... Charter Oak, Iowa.	H. N. Moore,	J. G. Shumaker,	50,000
4377	First National Bank..... Gastonia, N. C.	J. H. Craig,	L. L. Jenkins,	50,000
4378	Citizens National Bank..... Mason, Texas.	J. A. Hoerster,	F. W. Henderson,	50,000
4379	Waxahachie National Bank.... Waxahachie, Texas.	M. B. Templeton,	H. W. Trippet,	100,000
4380	National Bank of Chester..... Chester, Vt.	Frederic P. Mather,	B. A. Park,	50,000
4381	Inter-State National Bank.... Kansas City, Kan.	J. J. Squier,	M. W. St. Clair,	1,000,000

### APPLICATIONS FOR NATIONAL BANKS.

The following *applications* for authority to organize *National Banks* have been filed with the Comptroller of the Currency during July, 1890.

- ALA.... Demopolis..... First National Bank, by James W. Taylor and associates.  
 CAL.... Riverside..... Riverside National Bank, by O. T. Dyer and associates.  
 COL.... Pueblo..... Pueblo National Bank, by A. E. Graham and associates.  
 ILL.... Chicago..... National Collection Bank, by Morse, Haynes & Wensley, 10 Wall Street, N. Y., and associates.  
 IND. T., Ardmore..... First National Bank, by C. L. Anderson and associates.  
 " .. Muscogee..... First National Bank, by Robt. Owen and associates.  
 " .. So. McAllister. Choctaw National Bank, by Robt. Owen, of Muscogee, and associates.  
 " .. Vanita..... First National Bank of Vanita, by C. C. Hemming, of Gainesville, Texas, and associates.  
 IOWA... Red Oak..... Iowa National Bank of Red Oak, by H. H. Moore and associates.  
 " ... Red Oak..... Montgomery County National Bank, by H. C. Houghton and associates.  
 KAN.... Arkansas City. City National Bank, by F. M. Strong and associates.  
 " .... Manhattan..... The Manhattan National Bank, by E. D. Purcell and associates.  
 LA..... Bastrop..... First National Bank, by James Bussey and associates.  
 MASS.. Boston..... American National Bank, by W. P. Rice, P. O. Box 3445, Boston, and associates.  
 MICH... Muskegon..... Hackley National Bank, by C. H. Hackley, care of Muskegon National Bank, and associates.  
 MO..... Aurora .... First National Bank, by A. H. Rogers, of Springfield, Mo., and associates.

- N. J.... Atlantic City... Union National Bank, by J. G. Hamar and associates.  
 N. Y... Cold Spring.... National Bank of Cold Spring, by Charles F. James, 38 East 42d Street, New York City, and associates.  
     ▪ .. Rouse's Point... Northern National Bank, by W. T. Crook and associates.  
 OHIO... Columbus..... National Bank of Columbus, by William Monypeny, of Columbus, Ohio, and associates.  
 OKL. T. Beaver ..... First National Bank, by H. J. Weltey, of Guthrie, Oklahoma T., and associates.  
     ▪ .. Darlington. ... First National Bank, by W. S. Woods, of Kansas City, Mo., and associates.  
     ▪ .. Norman..... First National Bank, by J. M. Ragsdale, of Guthrie, Oklahoma T., and associates.  
     ▪ .. Stillwater..... First National Bank, by Frank J. Wikoff and associates.  
 PA. .... Sewickley ..... First National Bank, by Charles McKnight and associates.  
     ▪ .. Tarentum ..... National Bank of Tarentum, by O. C. Camp and associates.  
 TEXAS.. Childress ..... First National Bank, by W. F. Terrell and associates.  
     ▪ .. Colorado ..... Citizens National Bank of Colorado, by A. Pruitt, of Colorado, Texas.  
     ▪ .. Dallas..... Ninth National Bank, by T. J. Wood, Jr., and associates.  
     ▪ .. Graham ..... Beckham National Bank, by W. P. Beckham.  
     ▪ .. Itasca..... First National Bank of Itasca, by R. P. Edrington, Itasca, Texas.  
 WASH.. Slaughter..... First National Bank, by Thompson & French and associates.  
 W. VA.. Charleston..... Citizens National Bank, by W. A. MacCorkle and associates.

## CHANGES, DISSOLUTIONS, ETC.

(Continued from July No., page 79.)

- DAK. N. Lisbon..... Bank of Lisbon, now State Bank of Lisbon, incorporated.  
 IND T.. Ardmore ..... Bank of Ardmore has been succeeded by First Nat. Bank.  
 IOWA.. Charter Oak... H. N. Moore & Co., now First National Bank.  
     ▪ .. Marshalltown... City Bank, now City National Bank.  
     ▪ .. Mason City.... Commercial Exchange Bank, now Commercial Savings Bank.  
 KAN.... Burden ..... Burden Bank, now Miles Bank, same correspondents.  
     ▪ .. Jewell City .... Citizens Bank has consolidated with the First National Bank.  
     ▪ .. Kansas City... Stock Yard Bank, now Inter-State National Bank.  
     ▪ .. Leoti..... Leoti State Bank, reported failed.  
     ▪ .. Mankato..... Jewell County National Bank has gone into voluntary liquidation and consolidated with the First National Bank.  
 KY. ... Greenville ..... Bank of Greenville, now First National Bank.  
     ▪ .. Henderson..... Planters National Bank has gone into voluntary liquidation, and succeeded by Planters State Bank, same officers and correspondents.  
 MICH.. Flint..... Citizens National Bank is now the Citizens Commercial and Savings Bank.  
 MINN.. Merriam Park.. Bank of Merriam Park, now State Bank of Merriam Park, incorporated.  
 NEB.... Omaha ..... Nebraska Savings Bank, now Nebraska Savings and Exchange Bank, same officers and correspondents.  
 OHIO... Pemberville.... Pemberville Bank, now Pemberville Banking Co., incorporated, same officers and correspondents.  
 TENN.. Dayton..... Dayton City Bank, now First National Bank.  
 TEXAS.. Midland ..... W. E. Connell & Co., now First National Bank.  
     ▪ .. San Antonio... O'Conner & Sullivan, now D. Sullivan & Co., same correspondents.  
 UTAH.. Salt Lake City. Bank of Salt Lake City, now the American National Bank.  
 WASH. Seattle..... G. E. Miller & Co. has been succeeded by the King County Bank.

## FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, JULY, 1890.

Opening, Highest, Lowest and Closing Prices of Stocks and Bonds in July.															
GOVERNMENTS.				RAILROAD STOCKS.				MISCELLANEOUS.				Clos- ing.			
Interest Periods.	Open- ing.	High- est.	Low- est.	Clos- ing.	Open- ing.	High- est.	Low- est.	Clos- ing.	Open- ing.	High- est.	Low- est.	Clos- ing.	Open- ing.	High- est.	Low- est.
Quarterly Mar.	103	103½	103	103½	C., C. & St. L.....	75½	76	72½	73	Northern Pacific.....	36½	36½	35½	36½	35½
	103	103½	103	103½	Col. Coal & Iron.....	51½	52½	50½	51	Do..... pref.	83½	83½	81½	83½	81½
	121½	123½	121	123½	Col., H. Valley & Tol.....	29	32½	27	30½	Ohio & Mississippi.....	23½	23½	24½	23½	24½
	121½	123½	121	123½	Del. & Hudson.....	169½	169½	166½	166½	Ohio Southern.....	49	49	45	49	45
Quarterly Jan.	103	103½	103	103½	Del., Lack. & W.....	140½	140½	138	138	Oregon Impt.....	104½	104½	102½	104½	102½
	121½	123½	121	123½	Den. & Rio Grande.....	181½	181½	178	178	Oregon R. & N.....	47	47	44½	47	44½
	121½	123½	121	123½	Do..... pref.	57½	57½	52	52	Oregon Short Line.....	47	47	44½	47	44½
	121½	123½	121	123½	East Tenn. V & G.....	78	78	76½	76½	Oregon & Trans-Con.....	47	47	44½	47	44½
Quarterly Feb.	113	113	112½	113	Do..... 1st pref.	24½	24½	22½	22½	Pacific Mail.....	47	47	43½	47	43½
	116	116	115	115½	Do..... ad pref.	125½	125	125	125	Philadelphia & Reading.....	217	222	214½	217	222
	118	118	117½	117½	Evansville & T. H.....	117½	117½	116	116	Pullman Palace Car Co.....	23½	23½	21½	23½	21½
	120	120½	120	120	Illinois Central.....	187½	187½	177½	177½	Rich. & W. P. Term.....	120	120	116	120	116
Quarterly & July.	120	120½	120	120	Lake Erie and Western.....	65½	66½	65½	65½	Rome, W. & Ogd.....	40½	40½	40	40½	40
	123	123½	123	123½	Do..... pref.	110	110½	108½	109½	St. Louis, A. & T. H.....	130	130	130	130	130
	123	123½	123	123½	Lake Shore.....	89½	89½	84½	84½	Do..... pref.	65	65	65	65	65
	123	123½	123	123½	Long Island.....	—	94	92½	85½	St. Louis & San Francisco.....	98	98	70	98	70
RAILROAD STOCKS.	Open- ing.	High- est.	Low- est.	Clos- ing.	Louisville and Nashville.....	—	89½	84½	84½	Do..... 1st pref.	37½	37½	36½	37½	36½
	—	67½	61½	—	Louisville, N. Alb. & Chic.....	—	46½	44½	—	St. Paul & Duluth.....	112	112	109	112	109
	82½	82½	79½	79½	Manhattan Consol.....	—	110	109	—	Do..... pref.	35½	35½	31½	35½	31½
	56½	57½	56½	57	Memphis & Charleston.....	—	98½	97½	97½	St. Paul, M. & M.....	73½	79½	71½	73½	71½
Atlantic & Pacific.	—	126½	124	—	Michigan Central.....	—	93½	93½	93½	Southern Pacific Co.....	65	65	61½	65	61½
	—	34	32½	32½	Mil., L. S. & W.....	—	114½	110	110	Sugar Refineries.....	13	13	12½	13	12½
	23½	24½	23½	23½	Do..... pref.	—	61½	61½	61½	Texas & Pacific.....	27½	27½	25½	27½	25½
	64½	65½	64	—	Minn. & St. Louis.....	16	16	16	20½	Union Pacific.....	29½	29½	28	29½	28
Ches. & Ohio.	—	131½	131½	—	Do..... pref.	—	74½	72½	72½	Wabash, St. Louis & Pacific.....	30½	32½	28½	30½	28½
	—	107½	105½	106½	Mo., Kan. & Texas.....	—	20½	20	20	Do..... pref.	21½	21½	20½	21½	20½
	42½	46½	41½	45½	Missouri Pacific.....	74½	74½	72½	72½	MISCELLANEOUS—	52	52	49	52	49
	75½	75½	71½	72½	Nash., C. & St. L.....	—	26½	25½	25½	Am. Cotton Oil Trust.....	117	117	115	117	115
Chic. B. & Q.	119	119	117½	117½	N. Y. C. & Hudson.....	108½	108½	107½	107½	Tenn. Coal & Iron.....	73½	73½	70	73½	70
	111½	112	110½	111½	N. Y. C. & St. L.....	—	167½	167½	167½	Express—Adams.....	147½	147½	143	147½	143
	111½	112	110½	111½	Do..... pref.	—	26½	25½	25½	United States.....	84½	84½	83½	84½	83½
	145	145	144	145	N. Y. & New Eng.....	49½	49½	47½	47½	Wells-Fargo.....	39½	39½	37½	39½	37½
Chic. R. I. & P.	92½	92½	89½	91½	N. Y., Ont. & W.....	20	20	18½	18½	Do..... pref.	—	—	—	—	—
	—	16½	16½	—	N. Y., Sus. & W.....	—	8	7½	7½	Western Union.....	—	—	—	—	—
	—	45	45	—	Do..... pref.	—	33½	32	32	Wheel. & Lake E.....	—	—	—	—	—
	—	33	32	—	Norfolk & Western.....	—	21½	21	21	—	—	—	—	—	—
Chic. St. P., M. & O.	—	—	—	—	Do..... pref.	—	62½	60	60	—	—	—	—	—	—
	—	—	—	—	Do..... pref.	—	—	—	—	—	—	—	—	—	—

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THE LIABILITY OF A BANK TO A DEPOSITOR FOR  
CHECKS FORGED BY HIS AGENT.

The law determining the liability of a bank to a depositor for the money obtained by a confidential agent by forging the signature of the depositor as maker or indorser, or by raising his check, is not uniform in the several States, and in some of them the rule of liability for the bank is, in our opinion, unreasonably severe. A bank is supposed to be familiar with the signatures of its depositors, and must pay no check unless it is genuine, and if the bank does otherwise, the payment cannot be charged to the depositor's account. The payment thus made, however innocent, is regarded in law as no payment, and, therefore, cannot be entered on the books against the depositor. (*Graves v. American Exchange Bank*, 17 N. Y. 205; *Citizens' National Bank v. Importers and Traders' Bank*, 119 *Id.* 195; *Corn Exchange Bank v. Nassau Bank*, 91 *Id.* 74, 81.) The reason for the rule is that after a check is drawn and has been transferred to another, the maker has no more control over it. Possessing a knowledge of his signature, the depositor expects the bank to guard him against forged checks as maker or indorser. This rule has been long and generally observed, and is well understood.

How long shall this liability continue after a depositor's checks have been returned to him? Shall it continue for years until terminated by the statute of limitations; or shall it cease when he has had a reasonable time to examine them after their



return to him? We contend that when a depositor's book has been written up and returned to him with the accompanying vouchers, and he has had a reasonable time to examine them, and has done so and finds no error, or neglects to make such an examination, that, in either case, the bank should be discharged. This is the law in many States, but not in all. We shall briefly review some of the decisions, beginning with that of the *Leather Manufacturers' Bank v. Morgan* (117 U. S. 96). The depositor's bookkeeper had obtained money by forging the depositor's name, and the suit was brought to recover the amount thus drawn. The checks in question had been entered in the pass-book, which long before had been returned to the depositor. Justice Harlan, who delivered the opinion of the court, said: "The sending of his pass-book to be written up and returned with the vouchers is, in effect, a demand to know what the bank claims to be the state of his account. And the return of the book with the vouchers is the answer to that demand, and, in effect, imports a request by the bank that the depositor will, in proper time, examine the account so rendered, and either sanction or repudiate it. In *Devaynes v. Noble* (1 Mer. 530), it appeared that the course of dealing between banker and customer in London was the object of inquiry in the High Court of Chancery as early as 1815. The report of the master stated, among other things, that for the purpose of having the pass-book 'made up by the bankers from their own books of account the customer returns it to them from time to time as he thinks fit; and the proper entries being made by them up to the day on which it is left for that purpose, they deliver it again to the customer, who thereupon examines it, and if there appears any error or omission, brings or sends it back to be rectified; or, if not, his silence is regarded as an admission that the entries are correct.' This report is quite as applicable to the existing usages of this country as it was to the usages of business in London at the time it was made. The depositor cannot, therefore, without injustice to the bank, omit all examination of his account, when thus rendered at his request. His failure to make it, or to have it made, within a reasonable time after opportunity given for that purpose, is inconsistent with the object for which he obtains and uses a pass-book."

These remarks are as reasonable as they are just, and the principle has been recently applied in *Weinstein v. National Bank* (69 Texas 38). Although the courts in New York have not fully established such a principle, the Court of Appeals, speaking through Justice Andrew, has said that "it does not seem unreasonable, in view of the course of business and the custom of banks to surrender their vouchers on the periodical writing up of the accounts of depositors, to exact from the latter some attention to the account

when it is made up, or to hold that the negligent omission of all examination may, when injury has resulted to the bank, which it would not have suffered if such examination had been made, and the bank had received timely notice of objections, preclude the depositor from afterwards questioning its correctness." (*Frank v. Chemical National Bank*, 84 N. Y. 209, 213.) This case must be regarded as modifying, and very properly, the case of *Weisser v. Denison* (10 N. Y. 68), in which the court maintained that the depositor who sued to recover his balance "was under no contract to examine with diligence his returned checks and bank-book. In contemplation of law the book was balanced and the checks returned for his protection, not for theirs, and when he failed to examine it, the whole consequence was that the burthen of proof was shifted." From this position, we repeat, the court have retreated, and the depositor is clearly bound in that State, as we have already seen, to examine his account when it has been prepared and returned by the bank. This, perhaps, is not the law everywhere, for the rule in *Weisser v. Denison* has been followed in other States. (*First National Bank v. Tappan*, 6 Kansas 456.) It may be added, though, that even in this case the Court of Appeals did not hold that the depositor was free from duty in this regard, but rather that he was not obliged to do so "with diligence," that is, immediately after receiving his book and vouchers. Such language clearly implies that an examination must at some time be made.

It may be remarked that in *Weisser v. Denison*, the court declared that the bank had not, "by the silence of Weisser, been induced to take any action or lost any rights" (10 N. Y., p. 76), and, consequently, the only effect of his conduct was to cast the burden of proof on him and his representatives to show fraud, error, or mistake in the account. Had the bank been the loser by Weisser's delay or neglect to examine the book and vouchers, the inference may fairly be drawn that it would have been construed into something more than a presumption that they were correct. How much more we cannot say. Very likely the same ground would have been taken as in the Frank case.

When a pass-book has been balanced and returned with the vouchers, and the depositor has had a reasonable time to examine them, and the bank hears nothing from him, the law presumes that the account is correct. (*Hardy v. Chesapeake Bank*, 51 Md. 562; *National Bank v. Whitman*, 94 U. S. 343; *Weisser v. Denison*, 10 N. Y. 68; *August v. Fourth National Bank*, 15 N. Y. State Rep. 956.) But it has also been maintained that this presumption can be overcome by positive evidence. The only effect, therefore, of the presumption is that the burden of proof is then on the depositor to show that the pass-book is incorrect; the presump-

tion establishes simply a *prima facie* case against the depositor, and nothing more. But in some States something more than a presumption is created, but how much is not quite clear. The law is clear enough in Federal practice, but the clearest rule at present existing in New York is that already given in *Frank v. Chemical National Bank*.

When the depositor has neglected within a reasonable time to make an examination, he is estopped by the Federal rule from afterward questioning its correctness, and this, as we have seen, is also the rule in some of the States, and perhaps in New York. The rule in *Frank v. Chemical National Bank* seems to be this. And the strongest reasons may be given in its support. The bank suffers from the delay. If an examination were promptly made and errors were discovered and reported, the bank might have an opportunity to recover; but the delay works irreparable injury. In the case of the Bank of the State of New York, now pending, years have passed since the forgeries were perpetrated and the payments were made. In the meantime, the ownership of the bank has undergone many changes; shares have been purchased, the owners never for once dreaming that a latent loss existed, of which no bank officer had the smallest knowledge, and which must be borne by it. Such a loss not only will affect its dividends or surplus, but the value of all bank property. If losses can be thus incurred with no intention, and after trying to do business in a conservative manner, and be visited on stockholders years afterward, they may wisely refrain from holding or managing such property. Surely the law goes too far if it permits this to be done. If sanctioned by the common law, the liability ought to be narrowed within more reasonable limits by the legislature.

We may next inquire, What kind of an examination ought the depositor to make of his pass-book and vouchers, and especially with reference to forged checks? Justice Andrews has said in the *Frank* case: "Where forged checks have been paid and charged in the account and returned to the depositor, he is under no duty to the bank to so conduct the examination that it will necessarily lead to the discovery of the fraud. If he examines the vouchers personally, and is himself deceived by the skillful character of the forgery, his omission to discover it will not shift upon him the loss which, in the first instance, is the loss of the bank."

Again is the severest duty imposed on the bank, and only the smallest on the depositor. A depositor who ought to be more familiar with his signature than any one else, examines his checks, "and is himself deceived by the skillful character of the forgery," yet the bank is liable if it has been deceived. Thus the bank must possess a better knowledge of a depositor's signature than he himself. It is true that the bank commits the first fault. It

should therefore be held liable. But if afterward the depositor commits the same fault, possessing the best possible knowledge of his signature, it seems to us that the bank ought to be excused from the consequences of the error. If the depositor does make the examination within a reasonable time and discovers the forgery, and gives the bank prompt notice of it, then the bank ought to be held liable, but beyond this point a liability ought not to be imposed.

In most of this class of cases the forgery has been committed by a confidential clerk whose duty also was to make an examination of the pass-book and vouchers. Two opinions are held concerning the effect of the knowledge of such clerk. Of course, he knows of the forgeries, for he has committed them. One opinion is that his knowledge is to be imputed to the bank; the other is that it ought not to be. Unquestionably, the latter opinion is the soundest, and is sustained by most authorities. As said by Justice Alvey in the Hardy case, "The fraudulent knowledge of the agent in regard to acts and transactions outside of, and beyond his employment, cannot be imputed to his principal. To do so would work the grossest injustice, and lead to the most anomalous consequences."

If his conduct is not to be imputed to his principal, and he is not to be regarded as passing on the account, how is the depositor affected? This question has been answered by Justice Harlan, in the Morgan case. "When, as in this case, the agent commits the forgeries which misled the bank and injured the depositor, and, therefore, has an interest in concealing the facts, the principal occupies no better position than he would have done had no one been designated by him to make the required examination." And if, in the meantime, the bank has been put in a different position by the delay to make the examination, is not the depositor estopped from making any claim for errors or losses? The duty of the depositor to make the examination within a reasonable time is certain; he fails to do so through no fault of the bank, but wholly his own or his agent's, surely, then, he ought not to recover, and especially if the bank has changed its position, diminished its chances to recover the loss, or, in general, has been put in a worse position through the fault of the depositor or of his agents.

Another point is worthy of consideration. Is not the delegation of the duty to examine a depositor's pass-book and accompanying vouchers to a person standing in the relation of confidential agent, and who has authority to indorse checks, fill them out, enter them, and the like things, negligence, or something worse? And if a depositor selects such a man, ought he not to be bound by the consequences of his conduct? We are all familiar with inefficient governing now-a-days, but what government would think of

selecting a person with whom it is making frequent contracts for an auditor to pass on his own accounts? Yet this is very much the position of the depositors who have sued banks to recover losses occasioned by the conduct of their confidential bookkeepers or other agents. We are all familiar with the principle of employing a thief to catch a thief, but who has ever been so innocent as to suppose that a thief would intentionally catch himself? Now the examination of the books of depositors is to ascertain their accuracy; not simply to detect errors in reckoning and the like, but to detect forgeries and raised checks. All banks and depositors know that these things may happen, especially the latter, and the utmost vigilance must be exercised to detect them. A bank pays a raised check, and the amount is charged to the drawer's account, and shortly afterward his book is sent to him for examination. He has a confidential agent who draws his checks, and has possession of them after they are signed, also of the check-book, and in many ways that need not be mentioned is placed in an easy position to raise checks if he should be so inclined. To this man is confided the duty of examining the book and vouchers, to scrutinize his own work, to detect the errors and frauds practiced by himself. Is not the delegation of this duty of examination to such a person reprehensible in the highest degree? Justice Andrews has remarked, as we have previously quoted, that if the *depositor himself* examines the vouchers personally, and is deceived by the skillful character of the forgery, his failure to discover it does not relieve the bank from liability. But no inference can be drawn from this that he is justified in substituting another to perform this duty. It is one which, in a very peculiar sense, belongs to himself.

Evidently, this is a duty which, if possible, ought to be performed by the depositor himself, for he is more familiar with his own signature than any one else can be, and has the nearest interest to detect not only errors, but frauds. He is, indeed, the only person who may not be interested in preventing their exposure. If a confidential clerk be honest, he will be vigilant in trying to detect errors, whether made by himself or others; but if he is dishonest, and has raised or forged a check, he certainly will not reveal his own wrong.

If the ground be taken that a depositor has no duty to perform in examining his check-book and vouchers, and that any errors committed by the bank may be redressed until the statute of limitations has forever denied him redress, of course a bank would remain liable, whoever made the examination. But if it is the depositor's duty to make one, as the courts have plainly declared, then it should be made by the depositor himself; and the last person who can be considered competent to perform such a work,

it seems to us, is a confidential agent or bookkeeper, who is more likely to commit errors, and who has better chances for defrauding his employer than any one else.

The subject is worthy of the serious attention of bankers, and wherever the common law is defective in prescribing a reasonable and just rule limiting the liability of banks after the books and vouchers of depositors have been returned to them, statutes should be enacted. Such an amendment to the National banking law, if one is needed, ought to excite no opposition, for it would be quite in harmony with the law, as expounded by the highest legal tribunal, and which must be approved by every person who has well considered the subject.

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### THE FUNCTIONS OF CLEARING HOUSES — THE NEW YORK CLEARING HOUSE CONTROVERSY.\*

Whether banking institutions that are not members of a clearing house shall be permitted to clear their exchanges through clearing-house banks, though an old question, has not been definitively answered. Perhaps the same principle cannot be applied in all places. The question is now before the New York Clearing House, and two interesting and valuable reports have been made. Not only the importance of the question itself, but also the place where it is under consideration, render it a timely subject for this occasion.

The solution of the question may be rendered easier by regarding the clearing house as having a double function—to clear the checks of its members, and also to act as a conserving force or power in regulating their conduct. Regarding the clearing house simply as an instrument for check-clearing, it seems to us that the question is not of much importance except to the particular clearing-house banks that act as agents for clearing the checks of outside banking institutions. If a clearing-house bank agrees to clear for an outsider, and becomes responsible to the clearing house for its checks, and gives adequate security therefor, neither the clearing house nor its members have any further concern in the matter. The members simply wish to be assured that the checks of such an outsider will be duly paid, and nothing more.

With respect to the other function, it may be contended that this is not a proper one for a clearing house to exercise, and if it is not, then the question before us is fully answered. Again, it may be contended that, admitting this to be a proper object

\* A Paper read by the Editor at the Bankers' Convention.

for clearing-house banks, they have no duty to perform toward outsiders in times of monetary stringency or panic; while these in turn have no reason to look to the Clearing-House Association for relief, or to expect any aid from that source; and no relation or duty of this nature between the clearing house and outside banks exists. The question of check-clearing, therefore, is to be settled without reference to such considerations.

These contentions may be considered in the order mentioned. First, should a clearing house perform the function of protecting its members in unusual emergencies? It is well known that in Philadelphia, New York, and in other cities, the clearing house has been an efficient agency in protecting banks at times when money was scarce and commanded extraordinary prices. This has been done by depositing securities with it on which clearing house certificates have been issued which have been readily taken among the members in settlement of balances. In short, these have served all the purposes of money, and have relieved the banks receiving them as effectually as would the receipt of a similar amount of money. The worth of this assistance has been so clearly demonstrated that no one will question it.

This is simply looking at the surface of the situation; let us look more deeply and also over a wider field. The business of a bank is peculiar; it derives deposits from all sources, it professes to be able to pay them, unless they are specially deposited, on demand; yet the larger portion is loaned for varying periods, and if the demand should ever become general for them, no bank could fully respond. Many banks think they can best meet such demands by lending largely on call, but they are in truth no better off than other banks which do not, for let the demand for deposits become general, and they would find themselves in exactly the same position as the other banks which have lent their money on time. The borrower of call money does not have it, he has borrowed it for use, and has used it; and he is in no better situation to respond to the call of the lender than other borrowers. The banks which thus imagine they are in a strong position forget one thing, that in every loan there are two parties, and whether the banks can always command their money or not, depends, not only on the maturity of the loan, but on the ability of borrowers to pay. There is money enough to make all payments, but time is an essential element in making them. All the borrowers cannot make them at once; and if they cannot, neither can the banks from which the money has been obtained. Give the borrowers time and they can sell their stocks, of whatever kind they may be, and obtain the money wherewith to satisfy their engagements; and with this they can satisfy the banks, which are then able to return it to those from whom it originally came. There is no shorter

method, and whoever thinks there is lives under a cloud of delusion.

Now, how can a bank best hold its position? Evidently to create such a state of things, if possible, fairly and without harm to any one, that depositors shall not suddenly demand large payments. How can this be done? The answer may be readily found in analyzing the demands made on a bank for money. What are these?

First, to make cash payments; second, to make other payments in the city or vicinity of depositors; third, to make out-of-town, or foreign payments. With respect to the cash which any depositor may need, the amount is small, and the sole demand therefor would never cause any difficulty. It is needed simply to pay small bills, the wages of employees and the like, and the occasions are rare indeed when the sums needed for this purpose cannot readily be paid by a bank to its depositors.

The second demand on a bank is really not for cash, but for the means wherewith to discharge the obligations which the depositor may have to meet. Ordinarily, these obligations are met, not by demanding cash, but by giving his checks, which in due time go through the clearing house and are discharged by other checks held against the bank on which the depositor's checks was given. What the depositor desires, when the money market is disturbed, is assurance that he can meet his obligations by checking against his deposits as at other times. He does not desire that his deposits shall be returned to him so long as he is sure that they can be used as they have been for paying his obligations.

It will be readily seen that the demand for cash can be kept very low by continuing the usual method of doing business by checking against deposits, and then passing them through the clearing house for the adjustment of differences. So long as the banks do this, a monetary panic is quite impossible. It can be caused only by their own action in suspending the usual method of discharging obligations; or by depositors in demanding their deposits for the purpose of creating a panic.

The force of this can, perhaps, be more clearly seen by supposing that a single bank existed in New York City in the place of all the banks, trust companies, and other depositories of money. Let us suppose that a monetary stringency exists. Depositors have large payments to meet at an early day, and they wish to be assured that they can command their deposits just as readily as at other times. If they are told that their checks will be honored as they always have been; that they can borrow, too, if they wish, their anxiety will vanish. Now the bank would not have the slightest hesitation in giving such an answer to every depositor if



it knew that every check given would return through some other depositor for deposit, for all the transactions would consist simply in transferring credits on the books from one person to another. No money would be drawn out; none, therefore, would be needed; and, indeed, we can hardly imagine how a monetary stringency, under such a condition of things, could happen. The bank would be master of the situation, which could not be changed unless depositors demanded their money for the purpose of precipitating a panic.

Instead of a single bank the clearing house exists. This is the nearest approach to it. By means of this the debts between the banks are offset, and the cash required to pay the balances between them create no disturbance in the money market. These settlements are wholly within; they do not affect the rates for money; or the relations of banks with their depositors.

To render the clearing house as effective as possible, every depository of money in its vicinity, which is drawn out by checks, should belong to it. What is the consequence if some of them remain outside? If they cannot utilize this agency for paying their checks they must pay in cash, or through another bank. But if this method be pursued, it is needful to keep some deposits with such a bank, or securities, while, by the clearing house system, not a dollar need be kept by the institution. How much stronger, therefore, is the position of a bank which is a member of a clearing house, or can clear through a bank which is? Abolish the clearing house, and leave every bank to discharge its checks, or trust to the uncertainties of depositors in making deposits, and banking in all the larger cities would be revolutionized.

There is another consequence from remaining outside. While the clearing house members may think first of each other in times of monetary stringency, and extend aid to them in preference to outsiders, yet the condition of the latter cannot be wholly overlooked. The danger is that if they are not supported, and they give way, that the position of the clearing-house banks will be weakened. Thus the unusual demand, which in the beginning was confined to an outside member, may extend itself to a perfectly sound institution and weaken its power.

Of course, a non-clearing-house bank will admit that the clearing house is under no obligation to assist it whatever. But it understands the situation. It knows that if pressed for deposits that clearing-house banks will come to the rescue, for if they do not, they too may be assailed.

As, therefore, the banks are inter-dependent, and as the clearing-house banks are by reason of their association better prepared to protect each other and outsiders than they would be if the association did not exist, may they not very justly deny all privileges

to outside banks unless they will co-operate in protecting each other from the common dangers to which banks, from the nature of their business, are exposed?

We shall now pass to the third demand for deposits, the payment of the foreign demand, and consider how this can be met. If this can be done without the transfer of cash, then the stringent money markets with which we are so familiar every autumn would become a thing of the past. Why cannot an interstate clearing-house, which would have the effect of preventing or minimizing this large transfer of money from one section of the country to the other, be established? Instead of transferring the balances from one place to another, except when they were needed, they might be kept where they were, the debtors paying a remunerative rate of interest on them, just as is done in Boston and other places. Of course, if money was needed in the West or elsewhere it must be sent, but the fact is the amount of deposits in all the banks throughout the country is quite the same at every season of the year. The reports of the Comptroller of the Currency show this.

This fact proves that the actual amount of cash which the people have in their pockets does not vary so very greatly at any period. In other words, there is quite as much money in the command of the banks in the autumn as in the spring or summer; and if this be so, why should not a system be perfected whereby the movement of it between the sections may be lessened? Why should the deposits be transferred from the East to the West in the autumn if they are not needed there for circulation among the people? The returns made to the Comptroller clearly prove that they are simply transferred from bank to bank, and not from the banks to the people. But these sectional transfers take time; they deplete the banks regarded as an aggregate, because they are out of them during the process of transmission; and thus they greatly disturb the money market.

If this were done deposits would remain in a state of equilibrium. The demand for cash would be small, obligations everywhere would be met by the giving of checks on banks which would be duly discharged by counter-checks, leaving balances only to be paid in cash, or kept where they were, and loaned as the occasion required. By such a system the position of the banks would be obviously strengthened, for the amount of cash deposits that must be paid would be reduced to a minimum. Thus it will be seen that the clearing house has a wonderful function to perform in lessening the demand for cash deposits and in preventing their withdrawal.

Another thought is worth mentioning, the more generally united depositories are in clearing-house associations the smaller need be

the reserve for meeting the demands of depositors. We suppose the reason that many banks and other monetary institutions are disinclined to join these associations is that they are unwilling to keep the reserve required by their regulations or by statute. But we can readily see that if all the banks in a city and vicinity were thus united the only demand for cash would be so small that the reserve might be reduced with safety. Extend the system, perfect a clearing house in every city, sweep into it every kind of money depository; in short, approach as nearly as possible to a single institution; for by so doing a larger proportion of deposits can be safely loaned, banking profits can be increased, while strengthening at the same time the position of every bank.

The large reserve that must now be held to comply with the National Bank law is probably one of the reasons why many banks refuse to join the clearing house. Whether they are wise in doing so may be questioned; it is certain that if they united with these institutions everywhere, and all in turn united to support an interstate clearing-house system, the demand for cash deposits would be reduced to a minimum, and a monetary panic the possibility of which can never be avoided so long as the present imperfect arrangements for satisfying the demands of depositors continue, would pass away. Does not the highest wisdom demand the perfecting of such a system?



*Mortgage Statistics.*—The work of collecting the statistics of mortgage indebtedness in Maine is now being successfully carried on by Dr. John T. Cushing, of Turner. Two counties, Aristook and York, have been termed "inquiry counties," and a special clerk is placed in each, whose duty it is to ascertain how many mortgages which appear on the records to be in force have been paid, and to learn the purposes for which the money was used after the mortgage had been given. Dr. Cushing says: "Judging by the returns already sent in, I should say that 70 per cent. of the mortgages hanging over Maine property have been given for the purpose of raising money for the enlarging of business and the improvement of property. I find the largest mortgages in Maine in the shipbuilding and lumbering regions and in the lime districts—Rockland, Bath, Bangor, and Skowhegan, for instance."

## A REVIEW OF FINANCE AND BUSINESS.

## THE GENERAL SITUATION AND PROSPECTS.

With the close of the month of August and of summer, the annual period of suspension of commercial activity has passed, and fall trade, with the business situation and prospects, are again occupying the mind of the mercantile world. As to the situation, so far as affected by the crops, the harvests are now sufficiently assured to enable a safe estimate to be made of their outcome and of the world's supplies of the food necessities of man and beast. Such an estimate places the world's crops of 1890 at a fair average yield of good average quality, as a whole, with neither a tendency to the abnormally low prices of a year ago, which made big crops a curse instead of a blessing to the producer, nor to an unnaturally high level of values, by which consumers will be taxed to a point that will destroy the equilibrium between the two classes, by which either shall bear more than its share of the burden of the food necessities of life. At the same time, the transportation interests are not likely to get more than their share of the general average of prosperity, as they did last year, by reason of more than average crops in this country; nor the agricultural classes to get less than their share of this general fund by reason of an over-production, as was the case a year ago. In other words, there will probably be a sort of evening up between these two great interests, upon which the prosperity of the whole country so largely depends, and a partial restoration of the equilibrium in the whole body commercial to its natural state, after several years of unnatural depression.

## OBSTACLES TO GENERAL PROSPERITY.

There are, however, drawbacks and offsets to a complete return to conditions necessary to a general recovery of prosperity in all branches of business. Inequalities still exist; and, so long as they are not removed, they will be a brake upon the wheels of industrial progress. Legislation affecting commercial values, and the medium of foreign and domestic exchanges, the volume of currency and the supply of our circulating medium, as well as the supply and demand of and for the staples of manufacture, and the volume of our exports and imports, together with home production and consumption, is still hanging in the political balance at Washington, and must continue to check business in all departments of trade affected by proposed legislation, on the tariff or of a commercial or financial nature, until it shall have been disposed of, or Congress shall have adjourned. Even then, this disturbing

influence will not have disappeared, as the epidemic of industrial discontent and labor troubles seems to have broken out more generally and later in the season than usual this year, and to threaten the transportation and building interests more seriously than for several years past. The outcome of these conflicts between capital and labor is immediately detrimental to both, no matter which wins the advantage in the end; and, while they exist, must depress values because they actually depreciate them by impairing the productive power of both during the contest. Hence, until these are settled, and on a more satisfactory (and therefore permanent) basis to both parties in interest, they must continue to exert an unfavorable influence over general business, as well as in the special departments immediately affected. Yet the extent of labor discontent does not compare with that among the agricultural classes of the West, as seen in the rapid growth of the Farmers' Alliance, both in numbers, political power, and united action, as well as in influence on the legislation of Congress, over which it now seems to hold control by exercising a sort of political terrorism over its members, whose return to office depends upon the votes of the farmers. Such an inroad of the rural voter in National legislation has not been seen since before the war, and it amounts to little less than a National revolution, peaceful though it is. The conditions which made this inevitable were pointed out, in the depressed condition of agriculture, in this column over a year ago, and this upheaval was then foreshadowed.

#### THE FARMER BILL IN CONGRESS.

Yet this legislative revolution has but just begun at the National capitol; and is now raging with all the virulence of an ante-election crusade for votes, on the one hand, while the anti-Granger press of the money lenders and speculators of the East has gone mad on the other, in its indiscriminate opposition to, abuse, and reckless denunciation of the farmer and his representatives in Congress, whose duty is to represent their constituents, which they have hitherto but seldom done. Such a policy serves only to hasten and aggravate the evils denounced. As an illustration of such journalism, the following is clipped from an editorial article, against the Anti-Option or Butterworth Bill in the House, published in a leading evening paper of this city, which ought to be better informed or remain silent :

That the Option Bill, if it could be passed and enforced (as it never could be), would greatly injure the farmer has been shown over and over again. It would limit the farmer's market to hand-to-mouth purchases, and since he is generally a non-capitalist, it would put him at the mercy of the miller, who generally is a capitalist.

Such unpardonable ignorance, in the discussion of this radical and serious measure, is likely to have the same effect as the

opposition of the Eastern press, against silver legislation, had in consolidating the rest of the country in favor of it, and in securing the passage of the new law. Any one at all familiar with these markets for farm products, knows that it is not the farmer or producer that sells his crops in the option form. But speculators, western shippers, and elevator men who buy their wheat, and by whom the price is made, while the farmer is compelled to accept whatever is offered him, based upon the option price made in the East or at Chicago by these men, who sell his crops for him a thousand times over in the course of the year, by which means the offerings are increased a thousand fold over the actual supply, and prices consequently depressed, on a Bear market, such as we have had the past five years. Had there been no option trading in that period, and hence no Bear speculation in farm products, prices would never have gone so low by 15 to 20 per cent. as they were; and we would have sold just as much to Europe as we did. The abolition of option trading during that period would have saved the farmers of this country millions on their crops, and the country would have been that much better off, by so much as we have exported. Of course, during a period of Bull speculation, option trading may not hurt the farmer, and sometimes even helps him, provided it occurs before he moves his crops, which speculators will not permit if they can prevent it, and also provided it does not carry the price so far above other countries, as to drive our export trade permanently away, as it did from 1879 to 1889.

That option trading is a Bear influence, as the farmer claims, has been shown by the course of the produce markets during the agitation of the bill to prohibit option dealings on farm products. When the prospects were that the bill would be passed by Congress, because it would help the farmer, and that the President would sign it because it prohibited gambling in the necessities of life, the "shorts" or option sellers "covered" their contracts, and the market advanced and held the gain on the lack of offerings. But when the bill looked like being defeated, the offerings became free again of short or option grain, and prices broke badly.

#### GRANGER LEGISLATION BUT JUST BEGUN.

Similar antagonism between the East and the West was seen in the silver agitation and legislation. The East claimed a monopoly of financial legislation in that discussion, as it does in this option controversy; and, by delaying such legislation for the past ten years, caused an unprecedented decline in another of the great products of the West—silver—and by it, a break of 12 cents per bushel in our own wheat, before that of other grain exporting countries whose exchanges are made with Europe in silver (while ours are made in gold) had declined at all.

Thus we furnished Europe the cudgel of cheap American silver for years, with which to beat the American farmer into the earth. The Western silver producers and the Western farmers have now joined hands to throw off this yoke, imposed upon them so long by the East, which has hitherto controlled the legislation of the country, in matters financial and commercial, until the scepter has now finally passed to the West, as it formerly passed from New England to the Middle States, not soon to return. Hence the Granger legislation of this Congress is probably but an earnest of what is to follow, until the financial and commercial policy of the country is remodeled upon a producer's rather than a money lender's basis; and, it will be fortunate for the East if it is not as sectional as it has been under its rule. This agricultural revolution began with the Granger laws against the railroads, and the East kicked against the pricks until its heels have suffered more than the pricks. But that was only State control of our highways of commerce. Next came the Interstate Commerce law and their supervision by the National Government at the demands of the West. Having secured a check on the great transportation interests of the country and brought them to responsibility to the people and the Government, the West has now taken control of Uncle Samuel's pocketbook and finances; and, with the Option and Meat Inspection and Lard Adulteration and other class legislation before Congress, it proposes to take charge of the commercial affairs of the nation as well. Whether it will avail the East any more now than it has hitherto to kick against the inevitable is doubtful. Indeed, it would perhaps be good policy on its part to take a back seat with becoming grace after its wisdom has been so sadly impeached and its predictions of ruin so often refuted, and let the West show its full hand, as it seems determined to do, in any event. As it is, the most sure way to hasten this Granger or Farmers' Alliance legislation is for the East to oppose this movement, which has by no means spent its force. Rates of money as well as of taxes will next be reduced; and the more the East opposes either, the lower both will go. In plain English, the farmers have got mad; and, without regard to old party lines or prejudices, they are going to break the chain by which they have been bound until their farms are mortgaged or gone, and they have become tenants of great Eastern Loan Companies which have foreclosed upon their lands. This is the length, breadth and depth of the movement in the West that has carried the present Congress with it, and has so terrified its members by threats of re-election to remain at home, unless they grant the demands of the Farmers' Alliance, that none whose constituents are farmers, either East, West, North or South, dare resist the legislative revulsion that is sweeping over the country and carrying all before it.

## THE LATE MONEY PANIC AND ITS CAUSES.

Next to the above subjects in importance to business interests, has been the unexpected and in good part still unexplained stringency in the money market, which became so acute as to threaten a panic in financial and commercial circles during the month, when the actual rate and charges paid by borrowers ran as high as 187 per cent. per annum; or,  $\frac{1}{2}$  of 1 per cent. per day, and 6 per cent. per annum. It came like thunder out of a clear sky, and caught business men generally so unprepared that, had it lasted a few days longer, they would have been compelled to ask extensions, as neither collections could be made nor loans obtained in the regular course of business. Had not the Treasury afforded relief by offering to take the whole unredeemed issue of \$20,000,000,  $4\frac{1}{2}$  per cents before maturity there would have been trouble. As it was, the cloud passed over as quickly as it came, and left scarcely a trace of what might have been a severe financial storm, behind it. Sterling exchange has not rallied since, however, from almost the gold importing point to which the stringency broke it. The chief interest since the scare passed away, has been to explain its causes. Theories advanced were many, but the following, published in a leading financial paper at the time, seems the most plausible. We quote:

"But the United States Treasury is still the great sink-hole of the money market, as is shown by the report from Washington that yesterday the Treasury gained \$1,057,000 on balance. In the seven months to July 31 the receipts of the Treasury for customs, internal revenue, and miscellaneous revenue were \$66,607,000 greater than the disbursements for the ordinary expenses of the Government, the interest on the debt, the pensions and the premiums over par paid on bonds purchased by the Treasury. The policy of the Treasury has apparently been to pay out this \$66,607,000 for bonds purchased, but the purpose has not been accomplished. In July of this year the receipts for customs were \$4,000,000 more than in July, 1889, and the internal revenue and miscellaneous receipts were \$1,500,000 more than in July, 1889, while the disbursements over the ordinary expenses of the Government were \$5,000,000 less than in July, 1889; and the premiums over par paid on bonds purchased were \$2,000,000 less than in July, 1889. In July, 1890, the total disbursements of the Treasury for the above mentioned items were \$38,137,000, and the total revenue was \$37,199,000, so that the disbursements exceeded the revenue by \$938,000. But in July, 1889, the disbursements for the above-mentioned items were \$41,999,000, while the revenue was only \$31,880,000, so that, as compared with July, 1889, there was a diminished supply of, say, \$9,200,000 of money to the general money market from the Treasury."



Another cause not yet assigned, is that the merchants of the West are now compelled to carry the farmers, since they became so impoverished, and advance on their crops before they are raised, to a larger extent than ever before, as was formerly done to the planters of the South on their cotton crop. Hence the Western merchant cannot make his collections during the spring and summer, and therefore is unable to remit East for the goods he has bought here, where he is carried on long credit by the parties who sell him goods. This money that goes West, is now kept there longer than formerly, while the Bull speculation in grain for three months past has tied up a great deal of additional money, as neither the speculators nor the farmers have sold anything they were not compelled to in that period, in anticipation of much higher prices on the Silver Boom, in which the whole West still believes. With over half the \$20,000,000 4½ per cents already redeemed, and the purchase of 4,500,000 ounces of silver per month by the Treasury, there is now little apprehension of any further serious stringency in the money market, even with the increasing requirements for moving the crops this fall, when the farmers get ready, or are compelled to sell them, as they have not yet done generally.

#### RAILROAD STOCKS AND THE STRIKES.

The stock market has not shown much activity or break, compared with the tight money market, and Bear attacks, on the railroad strikes and crop damage, as the pools or holders of stocks seem to have been strong enough to protect themselves, through both, and there was a recovery of a part of the loss after the squeeze in money let up. Yet the general list is still considerably under the prices of a month ago; for, in addition to the money trouble, the strikes on the New York Central and some of the other Vanderbilt systems, and the fear of a general tie up on all those roads, have made holders of stocks sellers instead of buyers, foreign as well as native. The traffic of the roads affected, is still disorganized, and delays are so great and general that no one ships by these routes if avoidable, and the same is true of the connections of these roads, although the inexperienced officers left in charge of the strike, in the absence of the chief administrative head of the Central, claim to have overcome the trouble caused thereby. It will cost the road, however, the best part of a month's freight, and half a month's passenger earnings, before it will get in shape again. The prospects now are that the worst of these troubles are over, and that they will not extend, owing to the jealousies and dissensions of the different organizations of railway employees.

#### THE PRODUCE BOOM WEAKENING.

The boom in farm produce, caused by the advance in silver

and the reduced crop estimates, continued, with occasional reactions, to advance prices still higher with every new move upward, until the money trouble caused a set back from which none of the speculative staples have since fully recovered, and the boom has been gradually weakening under continued liquidation, culminating in a sharp break near the close of the month. While better crop weather and good rains on this side the Atlantic have offset bad weather in part on the other side, which, however, has fair crops, and has not followed our advance here by 5 to 10c. on wheat, 2 to 5c. on corn, 5 to 10c. on oats, and 50 to 75c. on flour. Hence our exports have fallen off heavily, and only old business and consignments have been going forward, in spite of a break, to the basis of ballast or free freight to the other side. It is now a question of which will surrender, the farmer, under pressure of financial necessities, and our markets break to an export basis, or Europe come up to our level, on reduced stocks of foreign grain, or, whether she will use up her own crops first and tire our farmers out. It now looks like dull dragging markets and a long wait before much export activity can be looked for, even with free freight, which is not as plenty as it was, near the end of the month. Cotton broke on the tight money market and caused a liquidation of the long interest in August, and the coming of the two crops together on good prospects of the next. Speculation in petroleum has revived a little since the listing of Ohio oil, but it is still a dead-and-alive market; silver, trust stocks and produce now being the favorites to Bull, and railroad stocks to Bear, on the bad crop reports, which have no doubt been exaggerated by the Bulls in grain.

The jobbing trade, especially in dry goods, has opened earlier and with a larger business, during the past month, than usual, in anticipation of a good fall trade and balance of small stocks in retailers' hands all through the country, and of all kinds of goods, both cotton and woolen, and there are no accumulations complained of, outside of those manufactured at Fall River, where the mills all shut down early in the month, and of the shoddy goods manufacturers, who complain of a poor market at unprofitable prices.

#### THE IRON AND COAL TRADES.

The iron trade has not shown much change for the better or worse during the month, except for steel rails, which have been dull and easier. The coal trade has dragged along in much the same way, as all summer, with little or no improvement. The state of that trade may be seen in the following statement of the two Reading companies: "The statement of the Reading Railroad and the Reading Coal and Iron Company for July and for the eight months ending July 31 is not a very encouraging

exhibit for the holders of either the Reading stock or the income bonds. For the month of July the railroad earned a surplus of \$161,167 over the fixed charges, exclusive of any interest on the incomes. But the Coal and Iron Company shows a deficit of \$160,934 under its fixed charges for July, so that the two companies only show a surplus of \$224 over fixed charges for July. For the eight months to July 31 the Reading Railroad shows a surplus of \$675,524 over its fixed charges, exclusive of any interest on the income bonds. But for the same eight months the Reading Coal and Iron Company shows a deficit of \$1,208,192 below its fixed charges, so that the net deficit of both companies for the eight months is \$532,735 below their fixed charges, exclusive of any interest on the incomes. The interest on the incomes for the eight months would be \$784,664 on the firsts, \$538,664 on the seconds, and \$638,664 on the thirds or \$1,961,992 in all. So, that if the interest on the incomes is counted, the deficit of both companies for the eight months is \$2,494,727. The absurd position of the stock, relatively to the third preference incomes, may be seen by the fact that while the stock was selling at 43, the third preference incomes were selling at 42."

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*Heligoland's Finances.*—Says the *London Financial News*: "From a financial point of view this little island is a model in its way. Its revenue exceeds its expenditure, its assets are considerable, it is without liabilities, and while there is no public debt, there is a small reserve; and all this without there being any trade worth mentioning, and, beyond the fisheries, no industries. The annual report of Governor Barkly for 1888 is a simple tale of prosperity. The revenue for the year was £9,577 2s. 5d., while the expenditure was £8,080 os. 4d. The assets of the colony at the end of the year were £4,295, and there was but one liability—the magnificent sum of £10, due on the account of an individual who evidently needed the money so little that he did not present his 'little bill' until it was too late to be included in the payments of the year. The population is 2,500."

## FINANCIAL FACTS AND OPINIONS.

*The Price of Silver.*—The rapid advance in the price of silver is not unexpected by those who have believed all along that a larger use of it for monetary purposes would enhance its value. This advance, they maintain, is the natural outcome of the policy adopted by the Government. They have contended that a larger increase, either for monetary or other uses, would have this effect. It is simply the application of a law or principle which operates in this manner in all other commodities, and why should it not have the same effect with respect to silver? There is, indeed, no reason why an exception should occur in its application to this metal. It is contended that this advance is to some degree speculative, and doubtless this will not be denied. That there is much speculation in silver at the present time is unquestioned; the quantities bought and sold daily are proof of this. But, after all, speculation is founded on a reason; no advance or decline is wholly causeless. While speculators often exaggerate the effects of causes, yet there must be a basis of some kind to elevate or depress prices. This is true in regard to the speculation now going on in silver. Very likely the entire advance cannot be maintained; very likely the speculators are exaggerating the effect of the policy adopted by the Government. Nevertheless, the cause certainly is a legitimate one for an advance, and a considerable portion of it at least will be held. So large an advance, based on the action of our Government, is proof that if two or three of the foreign Governments should unite with our own in using more silver, nothing would be easier than to maintain it at its former gold valuation. Whether the recent rise will have this effect or not is one of the weighty questions of the day. Possibly France and some other nations, which have been afraid to do anything in this direction, may be stimulated by this large increase to return to their former policy in coining and using silver. If this were done, we have no doubt that the price of silver could be easily maintained at the old rate. But the future is full of possibilities. What will the foreign nations do in keeping and using or selling their silver? To what degree will silver production be stimulated by the advance? These questions all are asking, and the future value of silver can by no means be determined until they are answered.

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*Bank Legislation.*—As we predicted at the beginning of the present session, Congress has not done anything yet for the National banks. In the first place, their interests have been directly antagonized

by the silver advocates, who saw that an increase of the currency for banking purposes was directly opposed to the future of silver. All increase must come either from silver or from notes. Senator Sherman has been trying of late to have enacted two bills permitting banks to issue certificates to the par value of their bonds, and to reduce the amount needful to be held as a basis of banking. Notwithstanding their justice and the necessity for them, there is little hope of their passage. One of the objections in the way is that the Farmers' Alliance, which is becoming formidable as a political body, is utterly opposed to the National banking system, and it may be that, living in the shadow of this new organization, Congress may be disinclined to do even this much for the National banks. There is not much, if any, politics in serving the banks; there is far more in serving the Farmers' Alliance, silver producers, manufacturers, and the trust organizations.

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*Crossed Checks.*—Although in England crossed checks serve a very useful purpose, their merits have not impressed the American public sufficiently to adopt them. In Canada, however, an Act was passed at the last session, which came into force on the 1st day of September, which provides for the use of this class of checks. Section 76, which defines what a crossed check is, reads as follows: "Where a check bears across its face an addition of (a) The word 'Bank' between two parallel transverse lines, either with or without the words 'not negotiable'; or (b) Two parallel transverse lines simply, either with or without the words 'not negotiable'; or two parallel lines simply, either with or without the words 'not negotiable'; that addition constitutes a crossing, and the check is crossed generally. Where a check bears across its face an addition of the name of the bank, either with or without the words 'not negotiable,' that addition constitutes a crossing, and the check is crossed specially and to that bank." The ensuing section provides that a check may be crossed generally or specially by the drawer "2. Where a check is uncrossed, the holder may cross it generally or specially. 3. Where a check is crossed generally, the holder may cross it specially. 4. Where a check is crossed generally or specially, the holder may add the words 'not negotiable.' 5. Where a check is crossed specially, the bank to which it is crossed may again cross it specially to another bank for collection. 6. Where an uncrossed check, or a check crossed generally, is sent to a bank for collection, it may cross it specially to itself. 7. A crossed check may be reopened or uncrossed by the drawer writing between the transverse lines and initialing the same with the words 'pay cash.'" From this description of them it will be seen that the object of crossing checks is to secure the payee. The crossing of a check

to a particular bank secures its payment to the bank indicated, and its payment by the bank on which it is drawn to another person than the bank's agent, renders the paying bank liable to the true owner for any loss he may sustain owing to the check having been so paid. The effect, therefore, of crossing the check is to afford security against its payment to those into whose hands it might wrongly come, and is a guarantee against the cashing of lost checks. It is a security, not only to the owner, but also to the payee bank, and it is believed that when the principles of the Act are well understood, the crossing of checks will become frequent.

*The Silver Producers and the Farmers' Alliance.*—The Farmers' Alliance is the latest political organization to enter the field. One of its objects is to increase the paper circulation of the country. Thus, its platform contains the following declaration :

We demand the abolition of National banks and the substitution of legal tender Treasury notes, in lieu of National bank notes, issued in sufficient volume to do the business of the country on a cash system ; regulating the amount needed on a per capita basis, as the business interests of the country expands ; and that all money issued by the Government shall be legal tender in payment of all debts, both public and private.

How will the silver producers regard this organization ? Is not the silver increase of the currency quite enough to supply the legitimate wants of the country ? The forty or fifty millions to be thus added we think is safe enough, but not a dollar should be added in the way of a pure paper circulation. The silver party in Congress has seen this clearly enough ; this is one of the reasons they have opposed relief to National banks in permitting them to issue notes to the par value of their bonds. They have seen clearly that the increase of circulation in this direction was opposed to an increase in the circulation of silver. The same reasons apply, and with still greater force, to the increase of a pure paper money. We do not suppose that the craze for fiat money will ever come to an end ; but such movements should be stamped out as quickly as possible, and we hope that the producers of silver will clearly see that their interest lies in doing this thing. Of course, the object of the farmers is to get relief ; but no permanent remedy can come from a monetary increase. It possesses no such magic. The farmers might, indeed, experience a temporary relief from flooding the country with paper money, but after that would come the deluge, in which they too would be as completely drenched as any other class. Has not the country had one green-back flood within the lives of the present generation ; and did not the farmers suffer enough from it ; and is there any reason for supposing that they would fare better by a second flood ?

*Trade Dollar Bullion.*—Secretary Windom has transmitted to the House of Representatives a report by the Director of the Mint in reply to some recent resolutions as to the disposition of the trade dollar bullion. Director Leech says the total number of trade dollars redeemed under the Act of March 3, 1887, was 7,689,036. Of this number, 603,000 were redeemed by the Assistant Treasurer at San Francisco and transferred to the mint in that city, and have all been converted into subsidiary silver coin. There were redeemed at the Sub-Treasuries east of the Rocky Mountains, 7,086,036, of which 3,495,533 were redeemed at the Sub-Treasury at New York and transferred to the United States Assay Office in that city, and melted into large bars, where they are still on storage. The balance, 3,590,503, redeemed at the other Sub-Treasuries, were transferred to the mint at Philadelphia, and a part of them have been used in the coinage of dimes. Owing to the fact that the coinage of the bullion purchased under the Act of 1878 was mandatory, and has, together with the heavy and continuous demand for minor coins for the last four years, taxed to the utmost the capacity of the Mint of the United States at Philadelphia, it has not been practicable to recoin the entire amount of trade dollars redeemed at Eastern Treasury offices. In addition to the minor coins required to be manufactured by the Mint at Philadelphia, in order to relieve the Sub-Treasuries, and, at the same time, supply a demand for fractional silver coins, large amounts of worn and uncurrent silver coins have been transferred to that Mint, and have been converted into dimes.

*National and State Debts.*—The Census Superintendent has made a very prompt report of the debt of the United States and of the several States in 1880 and 1890—a statement that affords good evidence of the general prosperity of the country. The total bonded and floating debt of the United States and the several States in 1880, less cash and funds on hand, was \$2,127,017,999. It was reduced in ten years, \$1,071,305,190, or more than one-half, and now stands at \$1,055,712,808. By far the larger part of the debt is that of the United States. The net debt of the several States is now \$132,336,689, being \$72,163,985 less than in 1880. The great bulk of the State debts is owing by the Southern States. The Eastern and Middle States together only owe about \$12,500,000, and this is more than offset by the excess of assets over debt in those groups of States. Vermont, Rhode Island, Massachusetts, New York, and New Jersey have no net debt, but, on the contrary, assets beyond the debts; Pennsylvania owes only \$1,783,020. Altogether there are twenty States in the Union with assets beyond their debts. The showing is favorable in every part of the country except in the States that formed the Southern

Confederacy. Nearly all of these have heavy State debts, which, it is true, have been reduced \$28,000,000 in ten years, but only by the enforced refunding of the old debt into new at a discount varying from 25 to 80 per cent. Four States that had a net debt in 1880 show assets beyond their debts in 1890, and seven an increase of net indebtedness. Of the latter, four are Southern, two Western, and one (Delaware) of the Middle States group.

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*English Industrial Investments in the United States.*—From time to time we have commented on this subject, but the recent events in St. Louis, in discharging the former owners and managers of the breweries, who were operating them for the new owners, leads us to return to the subject. We have remarked that by capitalizing the newly purchased properties at an enormous figure, competition is invited, because other concerns can be built with every modern improvement, and at a much lower cost. With such advantages they would enter the race for business with a fine prospect of success. Another reason for supposing that this will be done, is that the owners of the old concerns will not long be satisfied with salaries. Persons who have been accustomed to large profits are not likely to serve as managers for a long time, even though very liberal salaries be paid, but the action of the St. Louis breweries in dismissing their managers seems suicidal, for it will lead them, probably, to begin the construction of other breweries sooner than they would otherwise have done. What, therefore, is happening in St. Louis is likely to happen in other sections of the country. Already, it is said, those who sold their milling plants in Minneapolis have determined to build new mills at Kansas City. Thus the older and more heavily capitalized concerns will be duplicated with concerns possessing smaller capital, the best machinery, and conducted by persons having the largest experience. We think, therefore, that in the near future there will be a competition for business such as the country has never known. The outcome of such a war will be watched with interest, if not pleasure, especially by the foreign stockholders, who evidently have not the faintest idea of the conditions on which the future success of their investments depend.

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*The Last Phase of the Sugar Trust.*—The New York Court of Appeals having declared that the Sugar Trust is illegal, it is reported that the next phase is to surrender all the certificates or evidences of the trust property, and to merge it in a single joint stock corporation, which shall have a charter and issue certificates to the owners of the property like any other joint stock corporation. We do not know of any law against the amount of capital which a joint stock corporation may have. If this is



done, the company would be legal with respect to its objects and methods, and, consequently, would escape further criticism. The price of sugar, too, could be maintained just as easily, if not more so than before, and the object of those who have been fighting the trust would be defeated. For what is the object of destroying the Sugar Trust? It is to prevent, if possible, any considerable increase in the price of sugar. If they were combined to diminish the price of it, the public would not care two straws about the combination. The one thing that interests the public is cheap sugar; the method or company is of no account. Now, the object of the trust was to do the other thing, and having been defeated in their first method of accomplishing this end, they are about to try another. Having destroyed the trust, if the public cannot now get the cheap sugar they want, is there any method of accomplishing this end? Once the way of doing this was to restrict the price by law. This was practiced in the colonial and revolutionary days. For a hundred years or more the public have discarded the policy of regulating prices by law, and probably it will never be revived. But the field is open for other companies to make sugar at a lower rate. Again, if the price of sugar is to be maintained at the present rate, and all the other trusts are to maintain the rates on the things they produce, it is evident that the price of labor and everything else must be advanced in proportion. If this is done, then the advantage the trusts expected to reap in the beginning will be neutralized. If the prices of trust commodities cannot be diminished, either through competition, or force of law, or public opinion, then the prices of other things must be raised in a corresponding manner; for no considerable class of the public can have the price of their commodities raised while the prices of all others remain the same. This is the ultimate solution, unless a more speedy one can be found.

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*New York Savings Banks.*—All the savings banks in the State have now submitted their semi-annual reports for the six months ending June 30th to the Superintendent of the Banking Department. Their total resources are \$657,185,479, against \$632,151,140 for the corresponding period in 1889. The amount due depositors is \$565,821,579, an increase of \$29,403,605 over a year ago. The State banks' other liabilities are \$195,515, a decrease of \$21,628 over the same period in 1889. The deposits during the first six months of this year aggregated \$105,469,194. For the corresponding time last year there were \$98,682,530. The amount withdrawn was \$99,339,651 against \$94,923,478 a year ago. The number of open accounts this year is 1,450,437; last year, 1,389,907. The aggregate surplus of all the State banks on June 30th last was \$91,168,384, against \$95,515,921 a year ago. The amount of

interest credited and paid this year was \$10,276,152; last year for the same period it was \$8,974,689. The current expenses of the State banks for the six months ending June 30th were \$886,100, against \$830,918 for the corresponding time last year.

*California's Gold Yield.*—Estimates of the early production of gold in California have always been merely approximate, and in many cases entirely unreliable. Many difficulties surround any attempt to make even an approximate estimate, but the *San Francisco Post* says the following table, compiled by Mr. L. A. Garnett, is generally accepted as containing the most reliable data on the subject, the bulk of the product produced in the first years of mining passing through the hands of the firm with which he was then connected.

Year.	Value.	Year.	Value.
1848.....	\$ 245,301	1866.....	\$17,123,867
1849.....	10,151,360	1867.....	18,265,452
1850.....	41,273,106	1868.....	17,555,867
1851.....	75,938,232	1869.....	18,229,044
1852.....	81,294,700	1870.....	17,458,133
1853.....	67,613,487	1871.....	17,477,885
1854.....	69,433,931	1872.....	15,482,194
1855.....	55,485,395	1873.....	15,019,210
1856.....	57,509,411	1874.....	17,264,836
1857.....	43,628,172	1875.....	16,876,009
1858.....	46,591,140	1876.....	15,610,723
1859.....	45,846,599	1877.....	16,501,268
1860.....	44,095,163	1878.....	18,839,141
1861.....	41,884,995	1879.....	19,626,654
1862.....	38,854,668	1880.....	20,030,761
1863.....	23,501,736	1881.....	19,223,155
1864.....	24,071,423	1882.....	17,146,416
1865.....	17,930,825	1883.....	17,256,873

The *Post* then says: "This shows a product down to 1883 of \$1,100,337,165, and to this may be added another \$100,000,000, an average of a little over \$14,000,000 a year for the ensuing seven years, bringing the total product to date up to \$1,205,337,665. Mr. Garnett is convinced that these figures show an excess of at least \$50,000,000, of which \$25,000,000 should have been rightfully credited to British Columbia and the remainder to shipments received from Oregon, Idaho and Montana. The maximum receipts were in 1852, when the annual output exceeded \$81,000,000. The decline in later years was noticeably heavy at times. That of 1857 was largely due to the excitement and general exodus which followed the reports of gold discoveries on the Frazer River and in British Columbia; and the rapid decline which took place in 1865 was caused not only by two unprecedentedly dry years in succession, but also by a loss of mining population, attracted to Nevada by the discovery of silver. It is said that about this time from 15,000 to 20,000 people left the State to follow the fortunes of the new mines. An increase in the yield took place subsequently, owing to the gold discoveries in Bodie,

but the product fell off on the suspension of hydraulic mining by the courts. Mining has dwindled into comparative insignificance during the past ten years, and the annual output of gold will not exceed \$15,000,000. The business is, however, beginning to show signs of revival, and prospecting has been recently carried on with greater energy than ever, and with highly satisfactory results. Speaking of the future in store for mining in California, Mr. William Irelan, Jr., the State Mineralogist, in his annual report for the year just ended, says: 'As regards the extent of our mining field, it is simply illimitable. A hundred millions of additional capital might as well be invested there as not, nor would 100,000 men crowd it any more than 60,000. Of the mineral deposits that actually exist in California not a tithe probably has yet been discovered, nor has a much larger proportion of those already discovered been developed to a productive condition. We have made a good beginning—hardly more.'"

*The Growth of Clearing House Exchanges.*—The development of exchanges in many of the cities is wonderful. Below we publish a comparative table including twenty-two of them:

	1889-90.	1880.	Per Cent. Increase.
New York.....	\$37,238,493,376	\$38,614,448,223	3.6
Boston.....	5,010,272,576	3,326,343,166	50.6
Philadelphia.....	3,718,713,741	2,354,846,429	57.9
Chicago.....	3,716,111,602	1,725,684,895	115.3
St. Louis.....	1,063,810,497	711,459,489	49.5
San Francisco.....	829,731,209	486,725,594	70.5
Pittsburgh.....	727,207,083	297,864,747	144.2
Baltimore.....	717,943,864	682,904,049	5.1
Cincinnati.....	605,820,800	729,850,500	17.1
New Orleans.....	515,152,033	468,927,894	9.8
Kansas City.....	471,845,790	101,330,000	365.7
Louisville.....	389,721,877	299,114,426	30.3
Milwaukee.....	279,459,241	316,309,008	11.7
Providence.....	266,414,300	199,629,300	33.5
Cleveland.....	228,033,642	84,613,179	169.5
Columbus.....	144,477,400	44,068,189	227.4
Memphis.....	128,541,215	47,860,751	168.8
Indianapolis.....	104,934,151	87,398,262	20.0
New Haven.....	66,597,054	50,361,513	32.6
Springfield.....	64,935,929	31,847,911	104.1
Worcester.....	57,928,490	33,648,550	73.6
Syracuse.....	38,652,979	17,296,588	123.1
Lowell.....	36,558,423	19,981,951	82.5
Total.....	\$56,421,357,682	\$50,732,514,974	11.0

From this table one can readily see in what cities the largest changes have occurred. The percentage runs from 365 for Kansas City to 3 per cent. for New York. Among those in which the percentage is the largest are Columbus, Cleveland, Memphis, Chicago, and Syracuse; but in Boston, Philadelphia, St. Louis, San Francisco, Worcester, and Lowell, the gain is very great.

*Paper Money in the Argentine Republic.*—The Buenos Ayres *Standard* has lately described the process of manufacturing cedu-

las, or mortgage bonds on property, among the Argentines. "Our readers," to quote our colleague, *La Prensa*, "will not have forgotten yet the famous Magdalena business, in which 3,800,000 cedulas were given on a property valued at \$300,000, nor a notorious marsh or 'banado' in Nueve de Julio converted by an imaginative process into a smiling and prosperous 'centro agricola' concession. All these are too fresh in the public recollection to be yet forgotten, but they fade into insignificance alongside a case just now brought to light, and of which the details are the following: Towards the end of the year 1888 Messrs. Laborde and Artigues became the fortunate purchasers of the estancia La Corbina, in Ajo, for which they paid \$160,000. Immediately a 'centro agricola' concession was applied for, and 140,000 cedulas granted. Some months passed and, lo! the property again comes to the front, and is this time disposed of to a syndicate for the sum of \$600,000, or, say, quadrupled in value in the space of a year. But the matter did not rest even here; the syndicate next succeeded in persuading the Mortgage Bank board that what was worth in 1888 a bare \$140,000 was now worth no less than \$1,715,000. He that runs can read." The wonder is not that this utterly delusive system of issuing money should have collapsed, but that it should have lived so long. The end is always the same everywhere. But there is a class in almost every country, who expect to be benefited while the craze lasts and prices are advancing, and who, therefore, are ready for unlimited issues.

*Foreign Capital in Mexico.*—The *Mexican Financier* gives a list of new companies organized in Mexico during the first half of 1890, but at the same time says the difficulty of presenting an accurate list of actual investments of foreign capital is very great, for large sums are placed in the purchase of properties of which no record is ever made in the press, either in Mexico or elsewhere. Every year the amount of capital so placed in Mexico is greater, and, as it is manifestly impossible to chronicle that which is sedulously kept from the public, the *Financier* has to be content with presenting lists of those companies publicly organized abroad for operation in that country. Two railway companies have during the past six months increased their capitalization, namely: Mexican Central Railway Company, new consolidated 1st mortgage 4 per cent. bonds, \$3,393,000; Mexican Central Railway Company, first consolidated income bonds, \$800,000; Mexican National Railroad Company, first mortgage 6 per cent. bonds, \$400,000. During the half year two native banks have gone into operation, viz.: Banco Yucateco, Merida, capital \$500,000, and Banco Mercantil de Yucatan, \$500,000. The total capital invested in Mexican enterprises during the six months by British companies, syndicates, etc.,

amounts to \$13,155,000; the three largest concerns being the Mexican Subsidized Colonization and Land Company, London; the Mexican Association, London, and the Mexican Investment Corporation, London, each with \$2,500,000 capital. It will prove a surprise to many to find that the investments by American capitalists are nearly four times as great as those of the British, reaching a total of \$49,080,000 for the first half of 1890. Out of this total, however, two enterprises alone account for \$31,650,000; these are the La Estrella and La Minerva Mining Company, \$10,000,000, and the syndicate for building Sinaloa, Sonora and Chihuahua Railway, Lima, Ohio, and New York, \$21,650,000. Although under American direction and auspices, it is understood that in the case of the latter company part of the capital will be raised in England. In connection with the totals given above for both American and British investments, it is to be noted that they cover several companies incorporated for operation both in Mexico and elsewhere; but as the *Financier* is unable to fix on the amount of their capital for purely Mexican operations, the total capitalization of such companies has been included.

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*Gold and Silver Production of Russia in 1889.*—In 1889 Russia produced 33,448 kilogrammes (2,207,568 ounces) of gold crushed from 20,300,050 tons of rock. The greater part (20,529 kilogrammes) was produced in Siberia. The production of silver during the same year is stated to be 13,272 kilogrammes, while the production of copper amounted to 4,571 tons.

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*Demonetization of Silver in Roumania.*—The Director of the Mint has received from the Minister of the United States at Bucharest an account of the recent demonetization of full legal tender silver coins by the Roumanian Government in pursuance of a law passed by the Chamber of Deputies in March last, substituting the single gold standard for the double standard in that country. In pursuance of this law the Minister of Finance is required to substitute within a year an equal number of gold francs for the silver francs now in the National bank and upon which legal tender paper was issued. Under this authority the Minister of Finance contracted with a syndicate for the exchange of 10,000,000 francs of silver at the rate of 100 francs of silver for 75 francs of gold, the syndicate to have the privilege of taking on the same terms, within a given period, the remaining 30,000,000 francs of silver. The total amount to be exchanged for gold is 47,000,000 francs of silver, of which 30,000,000 are now in the bank. At the agreed rate of exchange, the silver on hand will return in gold to the bank about 35,250,000 francs, or a loss of 11,750,000 francs in making the change to the gold standard.

In addition to the silver in the bank, there is now in circulation about 32,000,000 francs in silver, which are to remain as a subsidiary silver currency.

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## REFORMS IN BANKING LEGISLATION.

BY E. FOURNIER DE FLAIX.\*

The development of banks in their various forms must be placed in the front rank of the most remarkable progress of our century. From the end of the fifteenth century the number of public banks certainly tended to increase. The old Bank of Venice, the Bank of St. George at Genoa, the Bank of Lyons, which prolonged its existence until 1793, were later joined by the Bank of St. Ambrose at Milan, and the Banks of Nuremberg, Amsterdam, Rotterdam, Stockholm, England, and Scotland in the seventeenth century. In the eighteenth century the activity became more marked: in France the Royal Bank, the Discount Bank, the Bank of Current Accounts, the Commercial Bank, the Factory, the Bank of Copenhagen, the Bank of Prussia, the Bank of Vienna, the St. Charles Bank of Madrid, the Banks of St. Petersburg and Moscow, the Naples Banco, the San Spirito Santo Banco of Rome, the Banks of Scotland and Ireland, the private bankers of England, the first land banks of Poland, the first American banks, especially the Bank of the United States, give evidence of a great step in advance.

But if the difference is already noticeable between the eighteenth and the seventeenth century, it is much more than that between the nineteenth and the eighteenth century. To show its extent better, the nineteenth century must be divided into two periods, the first ending in 1848, and the second still going on.

To begin with, let us consider the first period from 1800 to 1848.

In France we have the foundation and very slow expansion of the Bank of France. The bank note was only accepted with caution. The Bank's circulation did not exceed 288 million francs; the metallic reserve 107 millions; the deposits of private parties 60 millions. These figures are moderate in comparison with those of 1889: circulation, 2,851 million francs; metallic reserve, 2,248 millions; deposits, including the Treasury's, 783 millions. It is true, that in addition to the Bank, there were nine provincial banks in operation with a circulation of 90 millions, but, outside of the banks of circulation, there were only three other banks in existence, and they were all liquidated in 1848.

\* Translated from the French, by O. A. Bierstadt.

In Spain, the St. Charles Bank was replaced by the St. Ferdinand Bank; in Italy, each State kept up a modest bank; in Prussia, Frederick II.'s old bank still survived, as well as the Hamburg Bank and some local banks in Germany; the National Bank of Austria had, indeed, raised the credit of Austria (founded in 1816), but it was still almost alone; there was nothing of interest in Russia, unless it was the progress of the land banks in Poland. The nations the best off with regard to banks were the Scandinavian States, and, on the continent of Europe, Belgium, Holland, and Switzerland.

In the United States, the suppression of the Bank of the United States (1837) was followed by a terrible crisis. On several occasions all the banks suspended payment. There was no important bank in South America, except, perhaps, the Provincial Bank of Buenos Ayres.

England alone was in possession of a system of banks comparable to that it now has; she alone was endowed with anything like banking legislation, although it was still imperfect. The law of 1844, the "Restriction Act," may be criticized from many points of view; it has been three times necessary to suspend its execution; but it is a general law, duly considering the new importance of banks, and, notwithstanding its centralizing tendencies, respecting the principle of liberty for the banks of circulation. It was made after various special investigations into banks; it has given rise to several others; it was followed, as I shall soon show, by other laws, one of which assumes a new character, giving it great significance.

The second period, however, is much more important than the first. It coincides with two facts of great moment—railroads, and the mines of California, Nevada, and Australia.

In his book, "The Progress of the World," Mr. Mulhall has drawn up a table of what he calls the *banking power*. He takes for the principal element of this power the deposits and current accounts:

<i>Banks.</i>	<i>1850.</i>	<i>1885.</i>
England.....	£260,000,000	£840,000,000
Other countries of Europe.....	330,000,000	1,052,000,000
United States.....	212,000,000	530,000,000
European colonies.....	20,000,000	175,000,000
	£822,000,000	£2,597,000,000

This little table, whatever its inaccuracies may be, suffices to give some idea of the development of banks from 1850 to 1885. The banks in 1885 had at their disposal deposits amounting to \$13,000,000,000 in place of the \$4,000,000,000 of 1850. Their deposits certainly did not go over \$600,000,000 in 1800. From 1800 to 1885 the progression was, therefore, from \$600,000,000 to \$13,000,000,000.

I have every reason to believe that this latter figure is now rather below than above the reality.

There can be no doubt of the fact that banks constitute a new force. To be sure of this, let us take a rapid view of two other elements of the banking power. The first of these elements is of a general character, the second of a special character; but they both exert an influence of the greatest importance.

It is not possible to have comparative statements concerning the specie reserve of banks in 1800. In 1850, the specie reserve of most of the banks of Europe and the United States did not exceed \$220,000,000, two-thirds of it being in silver. In 1885, this specie reserve was estimated at \$1,612,400,000, at least half of which was in gold. The circulating power of gold being much more than that of silver, the strength of the specie reserve has not merely become six times as great, it has certainly become twenty times as great. The second element furnishes us the proof of this. This element is the circulation of paper. Although distributed in most of the States by privileged banks, which gives it a special character, this paper currency reacts upon the whole system of banks. In 1800, the amount of this circulation may have varied between \$260,000,000 and \$300,000,000. In 1850, it varied between \$1,000,000,000 and \$1,200,000,000 (about \$1,080,000,000); in 1885, it exceeded \$3,000,000,000, without taking Australia and China into account.

These figures are all the more extraordinary, since beside the paper circulation a place must be made for the clearing houses, and for postal and telegraphic orders, which singularly reduce the necessity for bank notes and money. It is well known that every year the clearings of the fifty-two American clearing houses represent from \$45,000,000,000 to \$50,000,000,000, and those of the English clearing houses nearly £7,000,000,000, without taking into account the French, German, Austrian, Italian, and Australian clearing houses.

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These statements and figures have something striking about them; but, perhaps, the impression they make upon the mind is not strong enough. It is, indeed, quite difficult to imagine anything like a circulation of \$3,000,000,000 of bank notes, a specie reserve of \$1,600,000,000, half of which is in gold, and clearings amounting to \$40,000,000,000 or \$60,000,000,000.

I have given above the figures relating to the development of the Bank of France from 1800 to 1850, and from 1850 to 1885. I have shown that, in 1847, nine provincial banks were in operation besides the Bank of France, adding that outside of these ten banks there existed only three others, which were forced to go into liquidation in or before 1848. From 1847, the nine provincial banks were suppressed by one of the provisional Government's



most deplorable acts of violence and improvidence. But everything has quite changed in France with regard to banks since that period, or in forty years. At the beginning of 1889, Paris counted thirty-four banks besides the Bank of France. Their deposits at the end of 1886 amounted to 1,600 million francs. In the departments there were about twenty joint-stock banks with deposits of over 100 million francs. Marseilles has a bank with over 25 million francs, and Lyons has another with deposits of more than 40 millions. At the end of January, 1889, the *Crédit Lyonnais* had deposits of over 600 million francs, the *Société Générale* over 490 millions, the *Comptoir d'Escompte* over 200 millions, the *Crédit Foncier* and the *Crédit Industriel* over 100 millions. After that came eight colonial banks.

It has been the same in most countries. Everywhere, in Germany, Austria-Hungary, Russia, Italy, Spain, Belgium, Holland, the Scandinavian States, Turkey, a large number of banks have been founded, several of them, as the banks of the German Empire, the Bank of Russia, the Austro-Hungarian Bank, the Bank of Spain, the National Bank of Italy, the Ottoman Bank, being of the first order of importance. In addition to these principal banks, there are other groups of banks as in France.

Although England preceded in the eighteenth century all the other countries of Europe in the development of her banks, she has not stopped increasing and strengthening them. Outside of the Bank of England, she has four series or systems of banks: 1st, the private bankers, with or without the right of issuing bank notes; 2nd, the joint-stock banks, among which the National Provincial with \$160,000,000 of deposits, the London and County with \$140,000,000 of deposits, the London and Westminster with \$100,000,000, are in the front rank; 3rd, the foreign banks; 4th, the colonial banks.

Moreover, the United States, South America, and Australia are covered with banks. There is nothing more curious than to keep track of the progress of banks in the Argentine Republic, Brazil, Chili, Paraguay, Colombia, Mexico, and Central America. In all these countries banks have been founded that have become of considerable importance, as the Bank of Mexico, the Bank of Brazil, the National Bank of the Argentine Republic, and the Provincial Bank of Buenos Ayres.

We are in presence of a great, powerful, persistent, but new movement; what, indeed, are thirty-five years, whole centuries even, in the economic development of nations?

[TO BE CONTINUED.]

## EUROPEAN MORTGAGES.

The American Consul-General at Vienna has made a very interesting report on this subject to our Government. In view of the work of ascertaining the mortgage indebtedness in this country, which is in progress, some account of the European mortgage indebtedness may be of interest. We may say, however, that the knowledge that we are to gain is hardly worth the cost of getting it. The same may be said of much of the other information collected and published by the Government. There is a class of persons who are eager to obtain information on all sorts of subjects without considering either the cost or the uses to which the information can be applied. In a general way it is a good thing to keep before the eyes of the people the subject of indebtedness of all kinds, and thus incline them to go more slowly in burdening the generations to come.

To return to the subject of European indebtedness, the Consul-General reports that the recorded indebtedness of real estate in Austria-Hungary is constantly increasing, especially on agricultural lands. This is attributed in great measure to the competition of American grain in the European markets, which also causes the notoriously low wages of farm laborers in the empire. The prevailing rates on mortgages is 5 per cent. per annum, but of late 4 to 4½ per cent. has been accepted. The agricultural lands are very heavily incumbered, while improved city real estate, except that held by very wealthy owners, is incumbered up to one-half its assessed value.

The mortgage indebtedness recorded in France on December 31, 1876, amounted to 14,000,000,000 francs, while approximate estimates of the value of real estate in 1878 place it at 130,000,000,000 francs. The consuls at Lyons and St. Etienne agree in the statement that property in France is on the decline, but differ as to whether recorded indebtedness is increasing. Lenders, however, appear to prefer other investments to loans on real estate. The rate of interest varies from 4½ to 5½ per cent. The Credit Foncier, which is the only institution in France authorized to loan on real estate for long terms with repayments by annual installments of both principal and interest, is rapidly absorbing the entire body of contract liens on land in France.

In Germany, in consequence of the change instituted in the latter part of the eighteenth century from the payments of interest, taxes, and tithes in a proportion of the crops (the sum of the actual payments varying naturally with the size of the

harvest) to a fixed money compensation, the agricultural soil has been burdened with an immense debt, the amount of which has not been estimated statistically. The mortgages held by the banks and insurance companies aggregate 6,000,000,000 marks, while estimates of total agricultural mortgages range all the way from 10,000,000,000 to 20,000,000,000 marks. The rate of interest varies from  $3\frac{1}{2}$  to 5 per cent.

In Cologne the mortgage debt has increased very much of late years, but, owing to the growth of the city, ground values have increased still more. It is estimated that from 60 to 75 per cent. of the total assessed valuation is covered by mortgage. In the manufacturing locality of Crefeld property has increased in value and building enterprises have been numerous, but the recorded indebtedness has but slightly increased. Owing to the prosperity in the districts of Düsseldorf and Essen the recorded indebtedness, which four years ago was estimated at 40 per cent. of the entire property valuation, has decreased to 25 or 33 per cent.

The general statistics compiled by the Italian Government give the total approximate valuation of taxable and assessed property in Italy as 29,553,000,000 lire (about \$6,000,000,000), while the sum of the registered mortgages on January 1, 1885, was 6,589,400,000 lire. The interest rates vary from  $4\frac{1}{2}$  to  $6\frac{1}{2}$  per cent.

In the Netherlands the purchase value of real estate amounts to about 5,500,000,000 florins, of which over 25 per cent. represents the value of the property which is mortgaged. Recorded indebtedness has greatly increased during the past eight or ten years, quite irrespective of the proportion of estimated values. The amounts represented by mortgages in possession of the mortgage banks rose from 37,541,261 florins on December 31, 1880, to 89,666,891 florins on December 31, 1887. The rate of interest on mortgage loans ranges from  $3\frac{1}{4}$  to  $4\frac{1}{2}$  per cent.

As to England, there is no way of ascertaining the probable ratio which mortgages and judgments bear to the total assessed value of property. With the exception of mortgages affecting land in Middlesex, and personal chattels, mortgages are not required to be recorded. Rates of interest range from 4 to 5 per cent., with large loans, say above £20,000, at 3 to  $3\frac{1}{2}$  per cent.

Incumbrances affecting landed property in Ireland are more than half the total value of the property. Since 1879 there has been a steady and continuous decline in agricultural values and a general contraction of credit. Very few mortgages or sales of estates have been effected, and the recorded indebtedness has remained practically at a standstill. The prevailing rates of interest rule from 4 to 5 per cent.

According to our consul at Leith, Scotland, Scotch land owners have been obliged to borrow more frequently of recent years

while the value of land mortgaged during the period of high values has shrunk generally, in some districts from 30 to 50 per cent. Per contra, our consul at Glasgow concludes that the proportion of recorded indebtedness to estimated values is diminishing, as it has become extremely difficult to obtain money on second mortgages. Interest rates range from  $3\frac{1}{2}$  to 5 per cent.

From the above it appears that interest rates on mortgages in Europe run somewhat lower than here, in proportion to the returns on other unquestioned security. The reports go to show that mortgages do not in general complicate or embarrass the transfer of land titles.

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## EFFECT OF THE INDORSEMENT OF A DEMAND NOTE.

SUPREME COURT OF WISCONSIN.

*Turner v. Iron Chief Mining Co.*

A delay of 10 months after indorsement to present and give notice of non-payment of a note payable on demand, with interest, is so unreasonable that it will discharge the indorser.

The defendant company, for value received, made and executed its promissory note, payable to the defendant, Henry M. Benjamin, in the words and figures following, to-wit :

"\$3,508.92.

MILWAUKEE, January 10, 1887.

"On demand, after date, we promise to pay to the order of H. M. Benjamin thirty-five hundred and eight dollars and 92-100 dollars, at Merchants' Exchange Bank, Milwaukee, Wis., with seven per cent. interest until paid, value received.

"THE IRON CHIEF MINING CO.

"By H. M. BENJAMIN, President.

"H. NUNNEMACHER, Secretary."

At that time Benjamin and Nunnemacher owned a majority of the stock of said company, and both resided in Milwaukee. On February 9, 1887, Nunnemacher, acting for and in behalf of himself and Benjamin, sold and delivered all of their stock in said company, together with the note and other notes, to Moore, Benjamin & Co., and ceased to have any connection with, or interest in, said company, and the members of the said firm of Moore, Benjamin & Co. became the officers thereof. About February 15, 1887, said Henry M. Benjamin indorsed said note by writing his name on the back thereof; and on November 15, 1887, in a suit between the members of the firm of Moore, Benjamin & Co., the plaintiff, W. J. Turner, was appointed a receiver of the rights, credits, and effects of Moore, Benjamin & Co., including said note. December 16, 1887, payment was duly demanded on said note, but the same was not paid, and it was thereupon protested for non-payment, and notice thereof given to said iron company, said Henry M. Benjamin, and said Nunnemacher. Subsequently the plaintiff commenced this action against the defendants upon said note; and Henry M. Benjamin answered the complaint by way of denials, and alleged the agreement under which the transfer and delivery of the stock, notes, etc., was made

to Moore, Benjamin & Co., as aforesaid, and the indorsement was made as aforesaid. The court stated, in effect, as a matter of law, that the presentment of the paper and the demand for payment, and the protest and notice of protest, were too late to hold the said Henry M. Benjamin as indorser.

CASSODAY, J.—From the undisputed evidence it appears that the demand of payment and notice of protest were made and given more than ten months after the transfer and indorsement of the note. The law is well settled that a promissory note payable on demand, whether with or without interest, is due forthwith, and an action thereon against the maker is barred by the statute of limitations, if not brought within the time prescribed by statute after its date. (*Wheeler v. Warner*, 47 N. Y. 519; *Howland v. Edmonds*, 24 N. Y. 307; *Burnham v. Allen*, 1 Gray 496; *Sylvester v. Crafo*, 15 Pick. 92; *Taylor v. Witman*, 3 Grant, Cas. 138; *Larason v. Lambert*, 12 N. J. Law 247; *Curran v. Witter*, 68 Wis. 16, 31 N. W. Rep. 705; *Schriber v. Town of Richmond*, 73 Wis. 12, 40 N. W. Rep. 644; *Mitchell v. Wilkins* (Minn.), 33 N. W. Rep. 910; *Hill v. Henry*, 17 Ohio 9; *Caldwell v. Rodman*, 5 Jones (N. C.) 139; *Wilks v. Robinson*, 3 Rich. Law, 182.) The mere fact that such note is payable at a particular place does not even make it necessary to allege or prove that it was so presented before the commencement of the action. (*Dougherty v. Bank*, 13 Ga. 287.) This being so, it necessarily follows that the note in question became due and payable immediately upon its inception, and that upon its transfer and indorsement Moore, Benjamin & Co. might immediately have maintained an action thereon against the maker corporation, without any demand whatever. Two questions are thus suggested: Was it necessary for that firm to demand payment and give notice of non-payment in order to charge Henry M. Benjamin as indorser thereon? And, if so, was he discharged by the delay in making such demand and giving such notice?

It has been held in New York, and perhaps elsewhere, that an "indorsed promissory note, payable on demand with interest, is a continuing security, on which the indorser will remain liable until an actual demand, and upon which the holder is not chargeable with neglect for omitting to make demand within any particular time." (*Merritt v. Todd*, 23 N. Y. 28, 80 Amer. Dec. 243.) But much of the reasoning in that case seems to have been disapproved by subsequent cases in the same court. (*Herrick v. Woolverton*, 41 N. Y. 581; *Wheeler v. Warner*, *supra*; *Pardee v. Fish*, 60 N. Y. 266; *Crim v. Starkweather*, 88 N. Y. 339; *Parker v. Stroud*, 98 N. Y. 379; *Shutts v. Fingar*, 100 N. Y. 541, 3 N. E. Rep. 588.) The case of *Merritt v. Todd*, *supra*, has been expressly repudiated in Louisiana, where it is held that "a demand note must be protested and notice given within a reasonable time to hold an indorser; and the fact that the indorsement was for accommodation, and that the note bears interest, makes no difference." (*Thielman v. Gueble*, 36 Amer. Rep. 267.) This ruling seems to be in harmony with the current of authority in this country, as appears from the valuable notes by Mr. Freeman in 80 Amer. Dec. 250, 254. Among the cases supporting this view may be cited: *Furman v. Haskin*, 2 Caines 372; *Sice v. Cunningham*, 1 Cow. 397; *Field v. Nickerson*, 13 Mass. 131; *Seaver v. Lincoln*, 21 Pick. 267. The ordinary contract of an indorser of a note is to pay the same, if the maker does not, on presentation at maturity, in case he is duly notified. (*Charles v. Denis*, 42 Wis. 57; *Sumner v. Bowen*, 2 Wis. 524; *Catlin v. Jones*, 1 Pin. 130.) The only difference between such a case and the case at bar is that here the note was due before the indorsement was made. It is substantially the same as a note payable at a fixed time, and then indorsed by the payee after maturity. The

rule seems to be firmly established that, in order to charge such an indorser after maturity with liability, payment must be demanded of the maker within a reasonable time thereafter, and, in case of failure to pay, notice thereof must thereupon be given to the indorser. (*Berry v. Robinson*, 9 Johns. 121; *Poole v. Tolleson*, 10 Amer. Dec. 663; *Ecfert v. Des Coudres*, 12 Amer. Dec. 609; *Nash v. Harrington*, 2 Aikens 9; *Colt v. Barnard*, 18 Pick. 260; *Kirkpatrick v. McCullough*, 39 Amer. Dec. 158; *Gray v. Bell*, 44 Amer. Dec. 277; *Leavitt v. Putnam*, 3 N. Y. 494; *Mudd v. Harper*, 54 Amer. Dec. 644; *Bassenhorst v. Wilby*, 13 N. E. Rep. 75.) This court has frequently sanctioned this doctrine. (*Corwith v. Morrison*, 1 Pin. 489; *Lindsey v. McClelland*, 18 Wis. 481; *Gunn v. Madigan*, 28 Wis. 164.) The cases cited also firmly establish the rule that where, as here, the material facts are admitted or not in dispute, the question as to what constitutes a reasonable time for making such demand and giving such notice is one of law for the court. We are all clearly of the opinion that the delay in making the demand and giving the notice in the case at bar was unreasonable, and hence that the court properly directed a verdict in favor of the defendant Henry M. Benjamin. The judgment of the Circuit Court is affirmed.

## USURY—LIMITATION OF ACTION.

COURT OF ERRORS AND APPEALS OF NEW JERSEY.

### *National Bank of Rahway v. Carpenter.*

The limitation of two years within which suit may be brought against a National bank, under section 5,195 of the United States Revised Statutes, for taking usurious interest, begins to run from the time when such interest is paid.

Where commercial paper is transferred to, and discounted by, a bank at greater rate of interest than 6 per cent., and the net proceeds, after deducting the interest charged, are credited to the transferrer, this is a payment of the interest, within the meaning of the statute.

MCGILL, CH. J.—This action was brought by David P. Carpenter against the National Bank of Rahway, in virtue of the provisions of section 5,198 of the Revised Statutes of the United States, for the purpose of recovering double the amount of certain usurious interest paid by him to the bank. There were three transactions: First: One Hancock made his note, dated May 21, 1882, for \$4,590.75, payable in six months to the order of Carpenter. Carpenter indorsed it; and upon May 29, 1882, the bank discounted it, reserving \$164.64, and passing \$4,426.11 to Carpenter's credit in his account with it. Carpenter's account in the bank was charged with the note on December 4, 1882, and thereby the note was paid. Second: Carpenter made his own note for \$498.02, dated July 10, 1882, payable six months after date, and had it discounted by the bank on July 25, 1882. The discount reserved was \$17.83. The balance was placed to Carpenter's credit in his account with the bank. Third: On April 2, 1883, Carpenter paid the last-mentioned note, together with \$6.79 additional interest, for the time that the note had remained overdue and unpaid. The discount reserved, or interest charged, in each case was in excess of the rate allowed by law, and was therefore admitted to be usurious.

This suit was commenced on the 4th of December, 1884; that is, more than two years after the discounting of both notes, within two years from the payment of the second note, and, upon the assumption that the day of the transaction is not to be computed as part of the two years (*McCulloch v. Hopper*, 47 N. J. Law, 189), barely within two years from the payment of the first note.

Section 5,197 of the United States Revised Statutes forbids a National bank taking, receiving, reserving, or charging interest upon a loan or discount at a greater rate than is allowed by the laws of the State in which the bank is located. This section is followed by the section upon which this suit is founded, which is in the following language: "The taking, receiving, reserving, or charging a rate of interest greater than is allowed by the preceding section, when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon. In case the greater rate of interest has been paid, the person by whom it has been paid, or his legal representatives, may recover back in an action in the nature of an action of debt, twice the amount of the interest thus paid, from the association taking or receiving the same: provided such action is commenced within two years from the time the usurious transaction occurred." The questions presented by the arguments at the hearing of this case were whether the event, to which the words "usurious transaction," as used in the proviso of this statute, refer, is the time when the interest is agreed upon, and reserved or charged, or the time when it is paid, and, if the latter, whether the transfer to the bank of commercial paper of a third person, at the time of its discount, is payment of the interest which was reserved when the discount was made.

Upon the first of these questions we have no difficulty in agreeing with the conclusion reached in the Supreme Court, that the words refer to the time when the interest is paid. This statute, and kindred statutes, couched in similar terms, have received a like construction in other States. (*Brown v. Bank*, 72 Pa. St. 209; *Hintermister v. Bank*, 64 N. Y. 212; *Lynch v. Bank*, 22 W. Va. 554; *Pritchard v. Meekins*, 98 N. C. 244, 3 S. E. Rep. 484; *Bank v. Childs*, 130 Mass. 519, 133 Mass. 248.)

The second question presented does not appear to have been considered by the Supreme Court. It appears that Carpenter indorsed the Hancock note, and transferred it to the bank, and that the bank at the same time credited his account with the amount of the note less the unlawful discount. Carpenter thus parted with his whole title to the paper, and his right to enforce it against Hancock, and the bank acquired that title and right. By the transfer Carpenter paid the amount charged for discount, not in money, but in the negotiable obligation of another. This is the reasoning of the Court of Appeals of New York in *Nash v. Bank*, 68 N. Y. 396, where a question like this was raised under a statute of New York similar in its provisions to the statute before us. It meets with our entire approval. The indorsement of Hancock's note, and its subsequent payment by Carpenter, was in pursuance of his guaranty of the value of that which he had given in payment of the interest. It was not an agreement to pay the interest, but an agreement to insure the payment of that which had had its inception, and was then property which he transferred as payment of the interest. And here lies the distinction between the discount of the paper of the third person and the discount of the paper of the borrower. The borrower's paper has not had its inception, and hence is a mere promise to pay the legal interest, made at the time that that interest is taken. The second transaction of Carpenter is of this latter character.

Our conclusion is that the illegal interest had upon the discount of the first note was paid at the time of the discount of that note, and that the illegal interest reserved upon the discount of the second note was paid when that note was paid. This conclusion leads to the reversal of the judgment below. Reversed unanimously.

## COLLECTIONS. •

## COURT OF APPEALS OF NEW YORK.

*National Butchers & Drovers' Bank v. Hubbell.*

Where checks are sent to bankers for collection, indorsed "For collection," the mere entry of the amount of the checks, before they are collected, on the books of the bankers, to the credit of the person sending them, does not pass the title to the checks or their proceeds to the bankers.

A firm of bankers received from plaintiff notes and checks indorsed for collection, but, before collecting them, failed, and made an assignment to defendant for the benefit of its creditors. These notes and checks were afterwards collected by defendant as assignee. *Held* that, as the notes and checks never became the property of defendant's assignor, they did not pass to defendant under the assignment, and defendant became personally liable to plaintiff for the amount so collected, though he had expended it in payment of his assignor's debts, in good faith, and without notice of any claim on the part of plaintiff.

Nor is the assignee relieved from this liability by the fact that he paid the money out under an order of the County Court, as plaintiff cannot be concluded upon a question as to the title to its property by an *ex parte* decision of the County Judge.

The plaintiff is a banking corporation, doing business in the city of New York. For many years prior to December 9, 1884, the defendants were copartners and doing business under the firm name of Wilkinson & Co., at Syracuse, N. Y. For a number of years prior to December 9, 1884, the plaintiff had been accustomed to forward to the firm of Wilkinson & Co., for collection, checks, drafts, and notes belonging to it, and made payable at different places, at the city of Syracuse and vicinity, the firm being the correspondents of the plaintiff in that portion of the State. The course of business pursued by the plaintiff and the firm of Wilkinson & Co. was as follows: The plaintiff, upon receiving checks, drafts, and notes payable at Syracuse, or its vicinity, made upon such paper an indorsement in the following form: "Pay Wilkinson & Co., or order, for coll. for account of National Butchers & Drovers' Bank of the City of New York. W. H. CHASE, Cash." The plaintiff thereupon inclosed said checks, drafts, and notes in a letter addressed to the firm of Wilkinson & Co., which was in the following form: "National Butchers & Drovers' Bank, N. Y., 188 Messrs. Wilkinson & Co.—Dear Sirs: Your favor of the ——— inst. is received, with inclosures, as stated. I inclose for collection and credit bills as stated below. Respectfully yours, WILLIAM H. CHASE, Cashier." Thereupon follows an itemized statement of checks, drafts, etc., naming the bank where payable, the city where such bank is located, and the amount of the checks, drafts, etc. All above the itemized statement in the letter was in print, except the address, "Messrs. Wilkinson & Co." Thereupon the plaintiff, upon its books, charged to Wilkinson & Co. the various drafts, checks, etc., thus forwarded to them, and upon the credit side of their account credited them for whatever moneys were remitted to and received by the plaintiff from Wilkinson & Co. The charges against Wilkinson & Co. were made upon the ledger of the plaintiff day by day, as the checks, drafts, etc., were sent, and on the days they were sent. Upon receipt by Wilkinson & Co. of the checks, drafts, etc., such of them as were payable on demand were, immediately upon their receipt, credited to the account of the plaintiff kept upon the books of Wilkinson & Co. for their face value. Such paper as was not payable upon demand, but had some time to run, was not entered upon the account



of the plaintiff until it was actually paid. Such of the checks, bills, and notes as were payable at banks of the city of Syracuse were thereupon collected by Wilkinson & Co. through the clearing house. If any of the paper, however, was protested, it was charged back upon the books of Wilkinson & Co. to the plaintiff, and returned to it, and the expenses of protest charged to plaintiff. Such of the paper received by Wilkinson & Co. from the plaintiff as was payable at banks out of the city of Syracuse was forwarded by Wilkinson & Co. to their own correspondents at the cities and villages where such payments were to be made, and Wilkinson & Co. received from them the proceeds of such paper when collected. On Thursday of each week Wilkinson & Co. remitted to the plaintiff, by a draft on New York, the amount standing to the credit of the plaintiff upon their books up to that time, less about 3-16 of 1 per cent. for their services. These remittances were generally made in the morning, regardless of whether Wilkinson & Co. had at the time actually received the proceeds of all the checks, drafts, etc., which then stood upon its book credited to the plaintiff. This manner of doing business had been carried on for a number of years prior to the failure of Wilkinson & Co., and was understood by the plaintiff, and was the existing arrangement. In pursuance of this arrangement, the plaintiff, on and for a number of days prior to December 8, 1884, forwarded to Wilkinson & Co. various drafts, checks, and notes, indorsed by the plaintiff in the manner above described, inclosed in letters in the form specified, amounting in all to \$14,260.36, all of which, except time collections amounting to \$438.67, were credited to the plaintiff upon their books. From this total Wilkinson & Co., prior to December 9, 1884, had sent various sums for collection to other agents, leaving a balance of \$13,822.43 to be accounted for. Of this sum there had been paid to, and received by Wilkinson & Co. on and prior to December 9, 1884, the sum of \$9,195.50, which sum was received by Wilkinson & Co. in divers sums from December 4 to December 9, 1884, both dates inclusive, and no part of that sum has been paid to the plaintiff, but all of it was paid out by Wilkinson & Co. in due course of business before December 9, 1884. On the 9th of December, 1884, Wilkinson & Co. executed and delivered to the defendant, Charles E. Hubbell, a general assignment for the benefit of their creditors of their property, both real and personal, and Hubbell duly accepted the trust created, and duly qualified as such assignee, and took possession thereunder on the morning of December 10, 1884, said assignment being duly recorded on the 10th day of December, 1884. Between the execution and delivery of the assignment and the 20th of February, 1885, Hubbell, as such assignee, received of the checks, drafts, etc., sent by plaintiff to Wilkinson & Co. the sum of \$4,626.83, being the balance of said sum of \$13,822.43. The defendant remitted to the plaintiff \$438.67 of above amount, being proceeds of time paper sent for collection, as to which a different practice had prevailed, but defendant, Hubbell, as such assignee, refused to pay the balance of said \$4,626.83, being the sum of \$4,188.16, to the plaintiff.

Prior to a notice of the plaintiff's claim served on defendant, Hubbell, December 26, 1884, he had, as assignee of Wilkinson & Co., received from the entire estate the sum of \$10,903.36, which sum included all but \$295.48 of the above-named amount, \$4,198.16; and the assignee, prior to receiving the notice, had paid out, in the management of the estate, and in a dividend to the preferred creditors in the assignment, the sum of \$10,548.57, leaving a balance of \$354.79, the dividend being the sum of \$10,001.71, and being made in pursuance of an order of the County Court of Onondaga county. The dividend paid by the assignee to the preferred creditors of Wilkinson & Co. was made by him in accordance

with the provisions of the assignment to him, and under an order of the County Judge of Onondaga county, dated December 23, 1884, which directed and authorized him to make a dividend of 10 per cent. upon the first preferred claims mentioned in the assignment. All of the payments were made by the defendant, Charles E. Hubbell, as assignee of Wilkinson & Co., in good faith, and without any notice or knowledge of any claims made by the plaintiff on any of the money received by him, and without knowledge of any claim made by the plaintiff that the title to any portion of the moneys, which were the proceeds of checks, drafts, etc., sent by the plaintiff to Wilkinson & Co., was claimed to be vested in it. After the assignee had paid out the money, and on the 26th day of December, 1884, the plaintiff for the first time made any claim, or served any notice upon the assignee of any claim, to any of the moneys, drafts, checks, or securities received by Wilkinson & Co., from the plaintiff, or the proceeds of any of such drafts, checks, or securities received by him. The plaintiff had no notice of the application for the order granted by the County Court or Judge of Onondaga county, and was not apprised of the same until after Hubbell had paid the dividends to the preferred creditors of Wilkinson & Co., named in the assignment. After the trial of this action, the defendant Alfred Wilkinson died, leaving the defendant J. Forman Wilkinson sole surviving partner of the firm of Wilkinson & Co. Before the commencement of this action due and proper demand of payment on behalf of the plaintiff was made of the firm of Wilkinson & Co., and of said Charles E. Hubbell, as such assignee, and payment by them severally refused. The assignment was subsequently set aside as a fraud upon Wilkinson's creditors.

PECKHAM, J. (*after stating the facts as above*).—The defendant, Hubbell, as one defense to the claim of the plaintiff, insists that Wilkinson & Co., upon the receipt by them of the various checks and drafts or other pieces of paper payable on demand, and upon the crediting of the amounts thereof to the plaintiff upon their books, without waiting for the payment of the same, became the owners thereof, and that these facts amounted to a transfer of the title to the paper or its proceeds to Wilkinson & Co. In that we think he is mistaken. The indorsement upon each piece of paper was for collection simply, and by virtue of that indorsement no title passed to the firm; but, on the contrary, it became simply the agent of the plaintiff to present the paper, demand payment thereof, and remit to it. Under such circumstances, the title to the paper remained in the party sending it. (*Bank v. Bank*, 7 N. Y. 459; *Dickerson v. Wason*, 47 N. Y. 439; *White v. Bank*, 102 U. S. 658.) The letter accompanying the inclosures of paper amounted simply to a direction to credit after the collection was made, and up to the time that the funds were actually received by the firm it certainly would make no alteration in the law relative to indorsement for collection only. Nor does the finding of the learned Justice at special term, as to the custom pursued between the parties, alter the law in regard to the title to the paper before the funds arising from the payment thereof were actually received by the firm. The finding shows that the credit was a provisional one only. It was a mere matter of bookkeeping. It would seem to have been more in the form of a memorandum of the different pieces of paper received; because if any were not paid, such as went to protest were at once charged back upon the books of the firm against the plaintiff, and returned to it, with the expenses of protest charged to it. The firm never became absolutely responsible to the plaintiff for the amount of these collections until the collections were actually made, and the proceeds received by them. The property in these different pieces of paper, therefore, never vested in the firm, and

the firm never purchased them, or advanced any money upon them. Hence, the firm never owned them. (*Scott v. Bank*, 23 N. Y. 289; *Dickerson v. Wason*, *supra*.) These pieces of paper were undoubtedly subject to the direction of the plaintiff at any time prior to their payment, and it would have been the duty of the firm to have obeyed such direction. The plaintiff could have withdrawn the paper, or made such other disposition of it as seemed to it proper. It might have been liable to pay the firm for the services performed by them; but that had no effect or bearing upon the title to the paper.

The cases relied on by the counsel for the defendant for the purpose of showing title in the firm were decided upon an essentially different state of facts. In *Clark v. Bank*, 2 N. Y. 380, the indorsement was in blank, which the court said *prima facie* imported a transfer of the title to the note, and that it was not sent for collection merely. Upon looking at the other facts in the case, the court held there was nothing to show that the paper was sent for collection only, but, on the contrary, it appeared plainly that it was intended to pass the title. Gardiner, J., in that case said: "The whole fund was, by the course of dealing, and in this instance by the directions of the plaintiffs, treated as cash. It was passed to their credit according to their instructions, and the draft in question was for account." Again he said: "The whole arrangement was one of mutual convenience; and to hold that such drafts were transmitted for collection merely, with no right to a credit, or to draw against them until they were actually paid, is to lose sight of the situation of these brokers, their business and their necessities." In *Bank v. Lloyd*, 90 N. Y. 530, the bank received the check from the depositor as a deposit of money, and entered the amount as cash to the credit of the depositor in his bank pass-book, which was returned to him. There it was held that the title to the check passed to the bank. It was not received merely for collection. The court, per Danforth, J., said: "It is not disputed that Murray [the depositor] held the check as owner. . . . It was his property, to do with as he pleased. He had held other checks. Some of these he placed in the Troy bank for collection. Others he deposited, and took credit therefor as cash upon his pass-book. As to the first, he could give and revoke his own directions as often as he chose; but as to the others, when they were by his direction credited to him, the title passed to the bank, and they were not again subject to his control." There, again, the credit was of so much cash. It was nothing less than the purchase of the check. The indorsement was in blank, and the bank took it as owner. In *Briggs v. Bank*, 89 N. Y. 182, the defendant made the First National Bank of Newark its collecting agent. The bank upon which the check was drawn upon its receipt charged the check to the drawer, and credited the defendant with the amount in its account. By the transaction the check was paid to the Newark bank, and it was only necessary for it to remit its collections once a week to the bank in New York, under its agreement. The next day, however, it suspended payment, and, in an action by the person who gave the check to the defendant for collection, it was held that the defendant was liable for the payment thereof, although it had not received the amount from its own agent in Newark. The case is not in the least similar to the one at bar. In *People v. Bank*, 93 N. Y. 582, that bank and the Utica City National Bank each acted as agent for, and kept a running account with, the other; the balance being struck once a week, and the bank found indebted remitting the balance due. The crediting of the paper was entirely different, and there was a mutual account current between the banks. All that case holds, however, is that when the moneys were paid the relation between the banks was

simply that of debtor and creditor. We cannot see, therefore, that, as to the paper not actually collected, and the cash received by Wilkinson & Co. before their failure, it ever became the property of that firm, or that the title to the proceeds thereof ever vested in that firm or its assignee. As to the moneys received by the firm in payment of checks and drafts sent to it for collection by the plaintiff, and by the firm paid out before the assignment, and in the usual course of business, in payment of the debts of the firm, and of course never received by the assignee, we do not see that the plaintiff occupies any different position in that regard towards the firm than any other creditor. As the firm was to remit but once a week, of course it was not expected that the identical moneys received by it in payment of paper sent to it for collection were to be sent to the plaintiff. The firm, by the arrangement, had the right to retain the moneys, and to remit weekly; and of course from one week to another it had the right to use the money, and the plaintiff relied upon the credit of the firm for such time as it had the right to retain the money.

But it is claimed on the part of the defendant assignee that, assuming that no title to the checks passed to Wilkinson & Co., the plaintiff is not entitled to recover so far as regards the proceeds of the paper that were received by the assignee, and expended by him in good faith, and without notice by him of any claim on the part of the plaintiff prior to the making of the demand, or the service of the notice by the plaintiff upon him. We think this claim cannot be maintained. In the first place, the moneys received by the assignee, as proceeds of the paper sent by the plaintiff to the firm for collection, and not collected by the firm before the assignment, never became the property of that firm, and therefore the legal title never passed to the assignee of the firm. It was not transferred by the firm to the assignee, because at the time when the assignment was made the money had not been collected, and had not come into the hands of the assignors. It never came into the hands of the assignee by virtue of the assignment, in any legal sense of the term. The moneys came to him from the various collecting agents to whom the drafts and checks had been sent by the firm. The assignee could get no better title to the moneys than his assignor, and neither had any right to apply such moneys collected after the failure to the payment of firm debts. If it be said that he received and applied them in good faith, it may be answered that good faith did not change the title of the plaintiff to the proceeds of its property.

There are cases in which an assignee or trustee is protected for acts done in good faith under an instrument creating the trust, and before such instrument had been declared invalid. Where an assignee, under an assignment for the benefit of creditors, fraudulent upon its face, pays money to *bona fide* creditors of the assignor in accordance with the directions of the assignment, he will be protected, provided he does it in good faith, and before any other creditor has obtained a lien upon the money. This is because the assignment, as between the parties to it, is valid, and the assignee, in making such payment, is doing no more than the assignor might at that time lawfully have done if no assignment had been made. In such case all that can be said is, if the assignment be declared void, that the assignor paid certain of his creditors indirectly, and through the agency of the assignee, at a time when he had the right to do it directly, but for the assignment. Such was the case of *Ames v. Blunt*, 5 Paige, 13, where the chancellor said that the liability of the assignee depended upon the question whether the rights of the plaintiff had been affected by the distribution of the proceeds of the assigned property to *bona fide* cred-

itors of the assignor ; and it was held that the plaintiff was not thereby injured, because the assignee had done no more than the assignor might have done at any time before the plaintiff obtained a lien upon the money paid by the assignee. To the same effect are the cases of *Collumb v. Read*, 24 N. Y. 505; *Averill v. Loucks*, 6 Barb. 470, 477 ; *Iddings v. Bruen*, 4 Sandf. Ch. 452, 456. The case of *Sullivan v. Miller*, 106 N. Y. 635, 13 N. E. Rep. 772, is also an instance of the same general principle. In that case the property belonged to the assignor, and was assigned to the assignee subject to a mortgage. The action of the assignee, or his successor, the receiver, was upheld by the court. The title to the property was in the assignor. It was not property of a third person which he disposed of.

It is argued, also, that as this property came honestly into the possession of the assignee, the plaintiff would have to prove a demand upon, and a refusal by him to give it up before an action could be maintained ; and it is then claimed that where such an assignee, before notice has been given to him, or any demand made upon him for a surrender of the property, has disposed of the same in good faith, he is relieved from liability. The cases cited by counsel are those where property has come into the hands of the assignor tortiously, and under such circumstances that, as between him and the original owner, the latter could insist upon his title. In such case, where possession of the property is given to the assignee under the assignment, it is held that, he having innocently come into possession of the same, before an action can be maintained against him demand must be made for the surrender of the property. Such is the case of property obtained by the assignor by fraudulent representations, where the vendor has the right to rescind the contract and take back the property. (*Barnard v. Campbell*, 58 N. Y. 73; *Goodwin v. Wertheimer*, 99 N. Y. 149, 1 N. E. Rep. 404.) But in such case the legal title is in the assignor at the time he makes the assignment, and that title passing to the assignee, who is innocent of the fraud, a demand by the vendor must be made before an action for its recovery can be maintained. The case of *Haggerty v. Palmer*, 6 Johns, Ch. 437, is of a similar nature. The legal title to the property was in the assignor, and the assignee took it. If disposed of by him to a *bona fide* purchaser for value, without notice, the vendee might be protected, and the assignee, also, if he sold before he himself had any notice. Here the property was never the property of the assignor. It never came to the assignee by virtue of the assignment, in any legal acceptance of that term. Indeed, he must have known that the property did not belong to the assignor ; at least, an inspection of their books would have shown, as it seems to us, enough to put him upon inquiry as to where the title to these moneys rested. It did not rest with the assignors, and they could transfer none to their assignee. Again, we do not think that the order of the County Court or the County Judge for the payment of the dividend was the least protection to the assignee. That order did not assume to say what moneys should be used in the payment of the dividend. It did not assume to decide whether these moneys were the moneys of the assignor. That question was not before the court. It simply gave directions to the assignee to pay a certain dividend, upon papers which it is to be presumed showed to the court or judge that the assignee claimed to have moneys enough of the assignor in his hands at the time to pay it with. But, even if it had assumed to direct that these particular moneys should be paid, we see no protection thereby given to the assignee. The plaintiffs could not be concluded upon a question as to the title to their property by any *ex parte* decision of the County Judge. The case of *Herring v. Rail-*

*road Co.*, 105 N. Y. 375, 12 N. E. Rep. 763, has nothing to do with the point. The plaintiff here was no lienor of property in the possession of the assignee. It was, as we have seen, the absolute owner of it, and it could not be divested of its title without some notice.

Lastly, the claim is made that the plaintiff has been guilty of laches in asserting its rights, and that therefore the payment made by the assignee in ignorance of the existence of its claim is to be protected. If laches were a defense, we see no facts upon which their existence can be founded. The plaintiff heard of the assignment of *Wilkinson & Co.*, at the earliest, not before December 10, 1884, and on the 26th the demand on its behalf for these moneys was made of the assignee. It seems that, under an *ex parte* order of the County Court or Judge, made on the 23d of December, he had already paid out a large part of this money. It would be a pretty stern application of the doctrine of laches to hold that a plaintiff should be deprived of all title to its property by reason of not making a demand for it, of an assignee of a third person for the benefit of creditors, within less than 16 days after it heard of the assignment, and where it had no reason to suppose that the assignee would take its property to pay the debts of the assignors. The defense of laches is not made out.

Whether the funds, if there are any, in the hands of the assignee, collected by him since the service of the notice and the demand, should be impressed with a trust to reimburse the plaintiff the amount of its property, used to pay the debts of the assignors, we do not now decide. We should want more facts before us. We should, among other things, want to know whether any liens had been acquired by any other creditor upon such moneys, and under what circumstances, so as to be able to decide understandingly as between different claimants to such funds. Perhaps other parties would have to be brought in. Upon the whole, we think the assignee is liable to account to the plaintiff for the moneys received by him subsequent to the 9th day of December, 1884; being the proceeds of the checks or drafts above referred to.

It results from these views that the judgment of the general and special terms should be reversed as to the assignee, and a new trial granted against him with costs to abide the event. All concur, except *RUGER, C. J.*, and *ANDREWS, J.*, not voting.

## COMPENSATION OF OFFICERS.

SUPREME COURT OF PENNSYLVANIA.

*Martindale v. Wilson-Cass Co.*

In an action against a corporation, plaintiff alleged that, in consideration that he had rendered services for the defendant in and about its business, at its special instance and request, defendant agreed to pay him \$1,000. The affidavit of defense stated that plaintiff had been president of the corporation for twenty-four days at a salary of \$1,800 per annum, and that the only services he had rendered the defendant were as president during said time. *Held*, error to render judgment for want of a sufficient affidavit of defense, as a president of a corporation is not entitled to compensation for his services unless an agreement for compensation preceded them.

*McCOLLUM, J.*—The plaintiff claims that in May, 1888, in consideration that he had rendered services for the defendant in and about its business, at its special instance and request, it agreed to pay him \$1,000 on demand. The defendant is a corporation, and the plaintiff was at one time a director and the president of it. The affidavits of defense

allege that the plaintiff was duly elected president of the defendant corporation on the 21st day of April, 1888, and that his salary was then fixed at \$1,800 per annum; that on the 14th of May following he resigned the office of president, and that, during his incumbency of it, he attended but three meetings of the company; that the only services rendered by him to the company for which any compensation was agreed at any time to be paid were as president during the twenty-four days he held that office.

The general rule on the subject of compensation to directors of a corporation is thus stated in 1 Mor. Priv. Corp. (2d Ed.) § 508: "Directors are not entitled to any compensation for their official services as directors unless compensation is provided for by the charter or the by-laws adopted by the majority." The decisions in *Kilpatrick v. Bridge Co.*, 49 Pa. St. 118, and *Association v. Stonemetz*, 29 Pa. St. 534, recognize and enforce this rule. In *Carr v. Coal Co.*, 25 Pa. St. 337, it was held that the secretary of a private corporation, at a fixed salary, could not recover extra pay for services in that capacity, although the services were not anticipated at the time of his appointment, and were not enumerated in the charter or by-laws. The official services of a director or president of a private corporation are rendered about its business and at its request, but he cannot recover pay for such services unless an agreement for compensation preceded them. No presumption of such agreement arises from the services. It must be proven. The plaintiff's statement in this case fails to inform us what the services were for which he claims pay, or to allege that they were rendered on a promise of the corporation to pay for them. He relies on an agreement made after the services were performed; and this alone will not support the action, if the services for which he sues were rendered in his capacity as director or president. It may be that for services as president he can recover on the basis of the salary attached to that office; but a salary of \$1,800 per annum would not yield \$1,000 for twenty-four days of services. The statement of the plaintiff's claim, and the affidavits of defense which answer it, taken together, show that the services for which he seeks to recover in this action were performed in his capacity as director or president of the defendant company. It follows from what has been said that it was error to enter judgment for want of a sufficient affidavit of defense.

Whether a director or president of a private corporation, who is properly employed to perform services which do not pertain to his office, is entitled to such compensation as has been agreed upon or as the services are reasonably worth, is a question on which we express no opinion, as it is not raised by this record. Judgment reversed, and *procedendo* awarded.

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## STOLEN PASS BOOKS.

SUPREME COURT OF WISCONSIN.

*Wegner v. Second Ward Savings Bank.*

A complaint in replevin alleged that plaintiff had deposited in the defendant bank a certain sum of money; that the deposit was evidenced by a pass-book which had been stolen from plaintiff, and which had come into the possession of defendant, which refused to deliver it to plaintiff. Plaintiff prayed judgment for the possession of the book, or the value thereof, which was the amount of the deposit evidenced thereby, and damages. *Held*, that the complaint is not based upon the contract of

defendant to repay the money deposited, but merely demands possession of the book or its value, and hence is not demurrable as improperly joining several causes of action.

Where one of the regulations contained in such pass-book required the depositor to give 30 days' notice of the withdrawal of his deposit, it is a question for the jury whether the bank, in the absence of such notice, was guilty of negligence in paying the amount of plaintiff's deposit to one who had stolen the pass-book, and presented it at the bank, personating plaintiff, and signing his name to the receipt; the bank having received no notice from plaintiff of the theft.

Where plaintiff was shot by the man who stole the pass-book, and remained helpless until the next day, when he endeavored to look after his valuables, but the bank had paid the money the same day, before plaintiff discovered the theft of the book, his failure to notify the bank of such theft was not negligence.

Remarks of plaintiff's counsel, in argument, as to the amount of deposits in defendant bank, and as to the rate of interest received by it, are not prejudicial to defendant.

In such action, on verdict for plaintiff, a judgment for the amount due on the face of the book, as the value thereof, with interest at 7 per cent., is proper, although deposits only draw interest at the rate of 3 per cent., since the action was replevin to recover the pass-book, and the ordinary rules as to damages apply to it.

So much of the complaint as is material is as follows: "That the plaintiff, prior to the 2d day of July, 1888, had deposited moneys with said defendant, and had a savings account with said defendant, who then owed this plaintiff on said account the sum of \$710.50, which amount was evidenced by an account or pass-book of the defendant, which was designated as 'Savings Account or Pass-Book No. 25,898'; that said savings account or pass-book was the property of this plaintiff, and the evidence of the debt aforesaid, and was and is of the value of \$710.50; that on or about the 2d day of July, 1888, at the city of Milwaukee, in said county, one Albert Ebersen, *alias* Albert Erberns, wrongfully took said account or pass-book from the possession of the plaintiff, and unjustly detained the same; that thereafter the same came to the possession of the defendant, who refuses to deliver it to the plaintiff, although, on or about the 27th day of July, A. D. 1888, the plaintiff duly demanded the delivery of the same by the defendant to said plaintiff, but, notwithstanding the premises, said defendant did detain, and still unjustly detains, the same from this plaintiff, to this plaintiff's damage \$750."

COLE, C. J.—It is a mistake to say that the complaint in this case contains more than one cause of action. It is plainly an action of replevin to recover the pass-book described, and nothing else. It is assumed that the complaint attempts to state a cause of action upon contract, or for the recovery of money deposited with the bank. This is not our construction of the complaint. The action is to recover the possession of the pass-book. This pass-book contained the contract of the parties, the rules and regulations as to the withdrawal of money by the depositor, and the evidence of the amounts deposited, with interest on the same. It was in the nature of a certificate of deposit, and was valuable to the owner. We suppose replevin would lie to recover the possession of the pass-book on the same ground that the action would lie to recover a note or bond by the legal owner. There is no difference in principle between the cases. The pass-book contained the contract and regulations as to the withdrawing of deposits, and, being the property of the plaintiff, he was entitled to its possession. The correctness of this view seems to us too plain for argument. The case of *Davis v. Bank*, 53 Mich. 163, 18 N. W. Rep. 629, has no application to the question we are considering, as an examination of the case will show. As between the defendant bank and the plaintiff, it is clear, upon the evi-



dence, that the latter had the lawful right to the possession and control of the pass-book.

A number of exceptions were taken to the rulings of the trial court in admitting or excluding testimony. We shall not notice these exceptions, further than to observe that we do not think there was any error in the rulings of the court on that branch of the case. Some of the questions asked the witnesses, and admitted under objection, were clearly competent, while others were unimportant and could not have prejudiced the defense. The real question in the case, and the only one worthy of any contest, is, Did the bank, in good faith, and without negligence, pay the amount which the pass-book showed the plaintiff had to his credit in the bank upon the presentation of such pass-book by a person who had stolen, or fraudulently obtained the possession of such book, and who fraudulently personated the plaintiff, and signed his name to the receipt; no notice having been given at the time to the bank that the book was stolen? Now, that was a question of fact, for the jury to determine from all the facts and circumstances disclosed by the evidence. It is very clear to our minds that it was not a question of law, for the court to decide. The jury found, on a question submitted, that the defendant was guilty of negligence in the payment of the money to the wrong party. If there was evidence which warranted that finding, it is conclusive, so far as the liability of the defendant is concerned; and we think there was ample testimony to justify such a verdict. We shall not refer to this testimony in detail. Suffice it to say the jury was directed by the court to recall the testimony of the officers of the bank, and of other witnesses produced on its behalf, as to the circumstances under which the money was paid to the party who came with the pass-book, and as to what precautions the bank took to identify such party, and all that was said and done in the matter bearing upon the question of negligence, as the court had defined the term, and then find as the fair preponderance of the evidence indicated the facts to be. The court had instructed that the bank would not be responsible unless its officers had failed to observe, for the protection of the interests of another person, that degree of care, precaution and vigilance which the circumstances justly demanded, whereby such other person suffered a loss or injury. In other words, it must appear that there was a failure on the part of those connected with the bank to do what reasonable and prudent persons would ordinarily do under the existing circumstances, or it must appear that they did not do what such a person would have done, exercising reasonable care and precaution. It seems to us that this charge fairly submitted the question as to whether the defendant was negligent in paying the money to the wrong party. It is admitted that the bank made the payment to a party fraudulently personating the plaintiff in the forenoon of the 2d of July. Among the regulations printed in the pass-book, as to the withdrawal of deposits, was one requiring a previous notice thereof, in writing, of at least 30 days, to be given by the depositor, for all sums of \$50 and over. No such notice was given or insisted upon in this case. It is said that this rule as to notice for withdrawing deposits was one solely for the benefit of the bank, which it could waive; but we think it was intended, also, to protect the depositor against fraud or forgery. Certainly, if the rule had been observed in this case, or insisted upon, there would have been no loss to anyone. It is true the defendant paid the money to a party presenting the pass-book; but there were circumstances calculated to raise suspicion, and which did make the agents of the bank doubt as to his being the man he personated. The marked dissimilarity between the name of the plaintiff as this party

wrote it, and the genuine signature in the defendant's signature book, arrested the attention of such agents; and they required some one to identify him as the plaintiff, which request he attempted to comply with. But it was for the jury to say, in view of all the facts attending the transaction, whether or not the agents of the bank exercised reasonable care and diligence in the means they employed to identify the person to whom the money was paid, and who presented the pass-book, with the real depositor and owner of the pass-book. If they did not exercise that degree of care and diligence, there can be no doubt that the bank is answerable for the consequence of their mistake as to the identity, and for paying the money to the wrong party. The jury having found against the defendant upon that issue, further discussion of that question is uncalled for.

The court likewise submitted the question whether the plaintiff was guilty of any negligence which caused or contributed to the payment of the money to the wrong party. The jury found that he was not, which was the only possible conclusion that could be reached, upon the evidence. The only ground on which negligence could be imputed to the plaintiff was his failure to promptly give the bank notice of the loss of the pass-book. But, under the circumstances, no negligence could be predicated on that ground. The plaintiff was shot and seriously wounded by Ebersen, either accidentally or intentionally, on Sunday afternoon. Ebersen was the man who stole the pass-book, and drew the money. The plaintiff remained in the barn where he was shot until the evening of that day, when, by the advice of the physician who had been called, he was removed to the hospital. The next morning he endeavored to communicate with his friends, and have some one look after his valuables, including the pass-book. But it was not ascertained that the pass-book had been stolen until after the bank had paid the money, on the forenoon of the next day after he was shot. Such being the undisputed facts, there was no ground upon which negligence in failing to give the bank notice of the loss of the pass-book could possibly be predicated.

Some criticisms were made upon a charge of the trial court, but we think it is unexceptionable; and it substantially covers the instructions which were asked on the part of the defendant.

In arguing the case to the jury, one of the plaintiff's counsel used the following language: "For many years I have watched the report [report of the defendant bank], and their deposits are over \$3,000,000"—to which language counsel for defendant objected, and asked to have the remark taken down. Plaintiff's counsel, continuing, said: "They [the bank] make three to four per cent. on all the loans they make"—to which defendant's counsel objected, and took exception to both remarks. We deem these remarks harmless. At least, they do not call for any strictures. They stated, in effect, to the jury, the reports made by the bank as to the amount of their deposits, which were facts probably within the knowledge of the jury themselves. What was said as to the rate of interest the bank made on its loans could not have harmed any one. Besides, there was no ruling of the court as to the propriety of these remarks, further than an admonition to the counsel to confine his remarks to the testimony in the case. That was all the action the court took in the matter.

To the special verdict of the jury the court added a general verdict, finding the value of the pass-book, and assessing damages for its unlawful detention. This general verdict was added pursuant to the consent and stipulation of the attorneys for the parties. The court found the value of the pass-book to be \$710.50, the amount which, upon its face,

appeared to be due the plaintiff. *Prima facie*, this was the value of the pass-book to him. The court gave interest on this sum at the rate of 7 per cent., according to the ordinary rule, from the time the bank refused to deliver the pass-book on demand up to verdict. It is said, because the deposits only drew interest at the rate of 3 per cent., the interest on the recovery should not exceed that rate. But, as we have said, this is an action of replevin to recover the pass-book, and the ordinary rules as to damages apply to it. We can perceive no ground for making a distinction between this and other cases in that regard.

We have examined all the authorities cited on the brief of the appellant's counsel, but find nothing in them in conflict with the views which we have expressed. The doctrine of these cases is that the bank is liable for the payment of the money to the wrong party, where the officers of the bank failed to exercise reasonable care and diligence to ascertain whether the person presenting the pass-book was the real owner and depositor to whom the money is due. At least, there is nothing in these cases contrary to that proposition of law. In this case the jury has found, upon sufficient evidence, that the defendant was guilty of negligence in that respect. We think the judgment of the Superior Court was correct, and must be affirmed.

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### LEGAL MISCELLANY.

**NEGOTIABLE INSTRUMENT.**—In an action on a note signed by defendant and three others, if, when the note was drawn and signed by the real debtor, there was no understanding and agreement on the part of defendant that he would sign, and that the payee did not accept the note as signed, but merely took it, temporarily, to procure the other signers, and did not turn over the consideration till all had signed, defendant was liable; but if the note was delivered as a fully executed note, and the consideration was passed over, and the payee afterwards took the note to defendant, and he signed it, there was no consideration therefor, and defendant was not liable. [*Steers v. Holmes*, Mich.]

**BANKS AND BANKING—TAXATION.**—Plaintiff received for deposit checks and drafts on other city banks, which were sent by it to another bank to be put through the clearing-house, necessitating the keeping of a large balance in such other bank to meet any balances that might be due from plaintiff to such bank on account of those clearances: *Held*, that the checks and drafts upon other city banks constituted a part of plaintiff's deposits subject to payment on check or draft, and should be included in determining the average daily deposits for the purpose of taxation under Rev. St. U. S., § 3,408. [*Bank of the Metropolis v. Weber*, U. S. C. C. N. Y.]

**BANKS AND BANKING—PASS-BOOK.**—Question as to liability of bank in paying amount of plaintiff's deposit to one who had stolen the pass-book and presented it to the bank personating plaintiff. [*Wegner v. Second Ward Sav. Bank*, Wis.]

**BANKS AND BANKING—NOTE.**—Where a bank, holding a note for collection, sends it to the bank where it is payable, the latter becomes the payee's agent; and demand of payment and notice of dishonor by its cashier, who is a notary public, will bind the indorsers. [*Blakeslee v. Hewitt*, Wis.]

**BANKS AND BANKING—DRAFTS.**—Complainant sent a sight draft to a bank in New York, drawn on a debtor in Boston. In the accompanying deposit ticket it was named under the head of "checks," but it was credited on the bank's books as if it were a deposit of money. Before it was collected the bank closed its doors. During its five years of business with the bank, complainant had never drawn against out of town paper before it was actually collected; and, although complainant was allowed interest on its daily balance, it appeared that the bank reserved the right to charge exchange and interest for the average time taken in collection on such paper: *Held*, that the bank did not become owner of the draft. [*St. Louis, etc., Ry. Co. v. Johnston*, U. S. S. C.]

**BANK CHECKS—PAYMENT.**—Possession by a bank of an unindorsed check drawn on it in favor of complainant or his order, coupled with evidence that it was not its custom to require a payee to indorse the check when paid to him in person, is not sufficient to show payment to him, when denied by him. [*Pickle v. People's Nat. Bank*, Tenn.]

**GIFTS—UNINDORSED NOTE.**—The possession by the widow of a note payable to testator, but not indorsed by him, nor shown to have been delivered to her, and evidence that he owed her money, are not sufficient to establish her right to the note. [*Buie v. Buie*, Miss.]

**GUARANTY—STATUTE OF FRAUDS.**—A surety verbally agreed that, if one of the two principals would borrow the money and pay the indebtedness, and accept from his fellow-principal, as security for one-half the amount so paid, a second mortgage on his farm in which his wife refused to join, he, the surety, would indemnify him, and make good any loss he might sustain by being unable to make the amount out of the mortgaged property: *Held*, that the contract was an undertaking to become liable for the debt of another, within the statute of frauds, and void. [*Cheesman v. Wiggins*, Ind.]

**NATIONAL BANKS—UNLAWFUL DIVIDENDS.**—The personal liability of directors of a National bank for violation of Rev. St. U. S., § 5,204, by declaring dividends in excess of net profits, and of § 5,200, for loaning to separate persons, firms or corporations amounts exceeding one-tenth of the capital stock, cannot be enforced in an action at law. [*Welles v. Graves*, U. S. C. C. Iowa.]

**NATIONAL BANKS—TAXATION OF SHARES.**—Laws N. Y., 1880, ch. 596, § 3, which provides that the stockholders in banks and trust companies organized under the authority of the State, or of the United States, shall be assessed for the value of their shares of stock, but which omits to provide for the taxation of the shares of stock in other private corporations, does not contravene Rev. St. U. S., § 5,219, which forbids the taxation of shares in National banks at a greater rate than is assessed on other "moneyed capital" in the hands of the individual citizens of the State. [*Palmer v. McMahon*, U. S. S. C.]

**NEGOTIABLE INSTRUMENT—DECEIT.**—In an action on notes on which defendants were indorsers, they alleged that they were induced to sell the goods to the maker by the representations of M., as president of plaintiff bank, that the maker was solvent, and that, if defendants would sell the goods, and take the notes therefor, plaintiff would discount them, and look to the makers alone for payment: *Held*, that evidence of representations made by M. before the organization of plaintiff, and also thereafter, at the time of the taking by defendants of one of the notes in settlement for goods previously sold the maker, did not

support the allegations, and was inadmissible. [*Alpena Nat. Bank v. Greenbaum*, Mich.]

**NEGOTIABLE INSTRUMENT—NON-NEGOTIABLE NOTE.**—Where defendant, in an action by an indorsee of a non-negotiable note given by defendant for the purchase of a lightning-rod, testifies that the agent agreed to put up the rod as a sample for a sum much less than that expressed in the note, it is error to charge the jury that, if there should be a recovery, it must be for the full amount of the note. [*Closs v. Thiefels*, Mich.]

**NEGOTIABLE INSTRUMENT—CONSIDERATION.**—Under Code Ga., §§ 1,552a and 2,745, *held*, in an action on a note for the price of fertilizer, put up in bags, that the contract was entire, and, if any one of the bags was not branded as required, the consideration was illegal to that extent, and the whole promise failed. [*Allen v. Pearce*, Ga.]

**BANKS AND BANKING—CHECKS.**—Presentation of a check to the bank and notice of non-payment is not necessary when the drawer has no funds on deposit for its payment at the time when it should be presented, or, having funds, withdraws them, or where, by agreement of the parties, the check is not to be presented. [*Culver v. Marks*, Ind.]

**BANKS—COLLATERAL—NEGLIGENCE.**—Where a bank receives from a customer bonds and other securities as collateral security for loans and discounts, the bank is not a gratuitous bailee, is liable for the want of ordinary and reasonable care in the custody of such securities, which liability continues until the securities are re-delivered to the owner. [*Ouderkirk v. Central Nat. Bank*, N. Y.]

**BANKS—COLLATERAL SECURITY.**—A banking corporation organized under the laws of the United States can take an assignment of the money due and to become due from a city of the second class, on a contract for paving a street, from the contractors, to secure an existing *bona fide* indebtedness by the contract to the bank. [*First Nat. Bank v. City of Ottawa*, Kan.]

**CORPORATIONS—STOCKHOLDERS.**—Where a corporation organized under Gen. St. Ky., ch. 56, has by its charter the power to increase its capital stock, its stockholders, who have acquiesced in such an increase and received the stock issued thereupon, when sued by a creditor of the corporation for the amount unpaid on such stock, are estopped to say that the increase was invalid because it was not published and recorded as required by §§ 5 and 6 of the above chapter. [*Stantz v. Handley*, U. S. C. C. Tenn.]

**NOTE OF INDIAN.**—A promissory note made by an Indian, a member of a tribe residing on a reservation, and maintaining its relations, in favor of another member of the tribal relations, in favor of another member of the tribe, is valid, when it was not given under a contract prohibited by Rev. St. U. S. 1878, p. 367, in relation to their lands or annuities. [*Ke-tuc-e-mun-guah v. McClure*, Ind.]

## BANKING IN INDIA.

NATIVE AND PRIVATE BANKING, COINAGE AND CURRENCY  
OF THE COUNTRY.

[CONTINUED.]

Before dwelling further on the British mints, I propose to give a short sketch of the native mints now exercising the privilege of coining money. In Haidarábád, the government of his highness, the Nizam, has a mint and currency of its own. In former days, rupees of different kinds were coined in various parts of the country, but now there is only one mint, situated in the city of Haidarábád, and only one kind of rupee coined, the "*Hali Sicca*," or, in other words, "the rupee of the period." Though smaller in disk, it is a good deal thicker than the British-Indian rupee, but the difference in weight and the intrinsic value between the two is very trifling. At Karauli, a native State in Rajputána, there is a mint, at which native coins in silver are struck. The "Karauli" rupee is almost the exact equivalent of the British rupee. In Kashmir, the silver coins in circulation are of three classes. First, the old *Harisinghi* rupees, worth eight annas, introduced during the Sikh rule by Sardar Hari Singh. They are few in number, but are for the most part of good metal and good weight. Second, the old *Chilki* rupees, issued by Maharaja Ghulab Singh, and valued originally at ten annas. In consequence of irregularities in the Kashmir mint, however, these old *Chilki* rupees were greatly debased, and some years ago the State found itself forced to lower the value to eight annas. The quantity of alloy, however, varies to the extent of many annas, and the device on the coin being a rude one, and easily imitated, the Kashmir silversmiths have freely issued their own coins along with the Government money, and mixed them with as much copper alloy as they chose. These old *Chilki* rupees are spread all over the country, and form the general circulating medium for petty trade. Third, the new *Chilki* rupees, issued by the late Maharaja about seventeen years ago. These are of full weight, of good metal, and of the value of ten annas, or about five-eighths of the British rupee, or equivalent to about one shilling if converted into sterling. In Kuch Behar, during the reign of Nar Narayan, there was introduced the well-known Náráyani currency, the privilege of coining which has not been entirely abolished, although the custom has fallen into disuse. Old Náráyani coins are not in general circulation, but are accepted at the Treasury at a fixed rate. A few coins have been struck to celebrate the recent accession of the Raja, but not for circulation. The privilege, when enjoyed, was much abused, and the existing Náráyani rupees are of a very debased character as regards alloy. In Manipur, the chief medium of exchange is the small coin called *Sel*, weighing about sixteen grains, and made of bell-metal at the Manipur Mint, of which six go to the pice. The British and Burmese rupee (both of the same value) and smaller silver of the Indian mints are also commonly used, but the "*Sel*" is the only bronze coin at the markets or "*Lats*," which, owing to the want of means of transport, are generally held at various intervals on the sides of the main roads. In Nepal, the current silver coin is the *Mohar*, two of which go to the *Mohri* rupee. The intrinsic value of the *Mohar* is six annas, eight pies, of British-Indian currency. The *Mohri* rupee is not an actual coin, but merely a term in accounts, its minor denominations being as follows :

4 dams = 1 pice.  
 4 pice = 1 anna.  
 16 annas = 1 Mohri rupee.

Three different kinds of copper pice are coined, all of which circulate in British territory. It will be in the recollection of some of you, that a discussion recently took place in the London papers as to the real intent and meaning of the phrase, "I don't care a damn," and it was ingeniously suggested by some Anglo-Indian, that the phrase was not of that nature generally ascribed to it, but had its origin in Nepal, and would read "I don't care a *dam*," or, in other words, a very trifling matter. In Bombay, I have often heard the expression, "I don't care a damree." From Bahráich to Champáram, the current coin of exchange is the *Bhút-waliya* or *Gorakhpuri pice*, a square lump of purified copper, roughly cut by hand, with an apology for a stamp; 75 of these coins go to the British-Indian rupee—that is, they stand to the Indian pice as 75 to 72. They are, however, so popular with the people, that traders cannot pass Indian *pice* into Nepál, except at the rate of 9 pice for 2 annas, or a discount of 1 in 8, that is, 12½ per cent. These *Bhút-waliya pice* are made at Tansen, in the Pálpa district of Nepál. In the extreme east and northeast, the common coin is the black or *Lohiya pice*, of which 107 go to the British-Indian rupee. They are of no better shape or manufacture than the *Bhút-waliya pice*, and they are of less value, owing to the admixture of iron in their composition. There are several mints for their production in the eastern hills, the best known being that of Khika Maccha. They are commonly met with in North Behar, from Champáran to Purneah. In the valley of Khatmandu, the thin or new *pice*, introduced in 1865, have nearly driven the *Lohiya pice* out of circulation. They are of circular form, made by machinery, and fairly well stamped. Their value is about 117 to the British-Indian rupee. The average annual out-turn of all the Nepálese mints, in terms of *Mohri* rupees—silver Mohars, Rs. 214,000; *Bhút-waliya pice*, Rs. 186,000; *Lohiya pice*, Rs. 43,000; New *pice*, Rs. 123,000. The coinage of silver used formerly to be much larger, but the British-Indian rupee has gradually taken the place of the native *Mohar*, in the entire south of the country. Indian currency notes are in slight demand above the border, and in Khatmandu they are much sought after as a remittance, in place of *Hundis*, usually fetching a premium of from 3 to 5 per cent. The native traders are sharp enough to see that by the currency notes, they escape the charge of stamp duty on *hundis*. Formerly, the *hundis* of the great banking firm of Dharm Náráyan were bought at higher prices than even currency notes. This firm acts as State bankers, and has corresponding houses at Pátná, Benares, Cawnpur, and Calcutta. It suspended payment in 1873, but was subsequently reconstructed.

At Savanúr, in the Dharwar district, before the State came under Tipú Sultán (785), there was a mint at which gold coins were struck called Savanúr Huns, bearing the name of the reigning Nawáb, and valued at 6s. 8d.

At Sohágpur, there was formerly a mint at which rupees were struck, worth 13 annas, but which are now very rare. At Srinagar, there was a mint formerly at which the Srinagari rupees were coined—still the commonest coinage throughout Southern Bundelkhand.

At Trivandrum, in Travancore, a rude mint which coins scarcely anything but copper is still kept up in the fort.

As an independent State, Baroda has from the earliest times exercised the prerogative of coinage at its own mint. The silver coins are termed the new *Syashdhi* or *Bábdshdhi* rupees; the copper coins Baroda pice. The Baroda rupee is of the value of about 13 annas 11 pies British-Indian currency, or 114½ *Bábdshdhi* are equal to 100. In 1876, 3,356,438 *Bábdshdhi* rupees were coined. In 1882, 1,754,063 *Bábdshdhi* rupees

were coined. The Baroda coinage circulates throughout the Baroda States generally, and also in the adjoining districts of the Rewá Kánthá. The old Broach coinage is still in circulation in Navsari division. It was in contemplation a few years ago to strike a coinage similar to the British, and to introduce machinery into the Baroda mint. The following is the rude process, still carried out in coining: A large hole is made in the ground, in which is placed an earthenware vessel capable of containing 20,000 *tolas* of silver; the metal is then poured with ladles into long, thin, shallow moulds, each containing from 10 to 20 *tolas* of silver. After cooling, quantities of 100 to 500 *tolas* are handed over to the goldsmiths, who clean and stamp them by hand. At Bastar, in the Chanda district, all petty sales are effected by barter or by *Kauris* or shells when procurable—20 *Kauris* (Cowries) making a *bori*, 12 *boris* a *dúgani*, and 12 *dúganis* one rupee. At Jaipúr, Rajputana, there is a mint which turns out gold mohurs, silver rupees, and copper coins. The Jaipúr coinage is distinguished by the "*Jhar*" or sprig borne on the obverse. The gold mohur weighs 167.8 grains, the metal being absolutely pure. The silver rupee, which is alloyed with  $4\frac{1}{2}$  grains troy of copper, weighs 175 grains. At Jhalra Patan, the mint and other State establishments are in the city proper; at Murshidabad there was formerly a mint, but political expediency rendered it necessary to enforce its being closed about the end of the last century. For these details I must again confess my indebtedness to various works, such as Dr. Hunter's "Imperial Gazetteer of India," Meadows Taylor's "History of India," Dr. Pope's "History of India," and to information derived from native sources.

#### RULES FOR THE RECEIPT OF BULLION.

Tenders of gold or silver bullion will be received at the Bombay mint, between the hours of 10 a. m. and 3 p. m. daily (Sundays and holidays excepted), provided that the parcel of gold is not less than fifty *tolas* in weight, and of silver one thousand *tolas* in weight, and that the bullion is of malleable quality, and adapted for coinage.

Silver bullion or coin must be tendered by the proprietor in a form, printed copies of which will be supplied on application to the bullion keeper at the mint.

For gold, the bullion certificate will be at twenty days, and for silver at sight; the former payable at the branch reserve Treasury, and the latter at the Currency Office.

All gold and silver bullion, and coins that may be tendered to the mint for coinage, may be melted and cast into bars by the mint pre-melting establishment, prior to their being received or assayed. Should the bullion prove unadapted for coinage, it will be returned to the importer, who must pay the pre-melting fee, calculated on the gross weight in *tolas* before melting, and an assay fee of two rupees eight annas for each assay, if the silver was sent up for assay.

If bullion is transferred from the name of one proprietor to another after it has been tendered to the mint, a fee of two annas per box will be charged, the minimum fee to be five rupees.

Bullion or coin cannot be withdrawn unless the tenderer is dissatisfied with the assay report, and then the withdrawal can be effected only within two days after the receipt of the assay report (but at no later period), on payment of an assay fee of four rupees for each assay of gold, and two rupees eight annas for each assay of silver, of the pre-melting charges in the event of the bullion tendered having been pre-melted, and a fee of five rupees for the withdrawing order, and two annas per box or bar.



It is to be understood that until the bullion or coin has been duly delivered at the mint scales, in the bullion receiving room, it is in the custody, and at the risk, of the importer, to whom, however, every facility will be afforded to see it properly secured in the bullion strongholds assigned for this purpose.

On the receipt of the assay report, an account current (which shall be verified by an assistant bullion-keeper), showing the net produce of the bullion or coin, with reference to its weight and assay value, after deducting the authorized amount of mint duty and of pre-melting charges, will either be furnished to the tenderer for his examination in the mint master's office, or posted to his address if required.

The seigniorage on gold bullion or coin shall be one per cent. The seigniorage on silver bullion or coin shall be two per cent.

The pre-melting charge on gold shall be at the rate of three rupees and twelve annas per one thousand tolas of standard gold, and on silver at the rate of one rupee per one thousand tolas of standard silver. The total charge for coining gold is thus 1.025, and for silver 2.1 per cent.

#### BRITISH-INDIAN COINAGE.

Silver is the legally constituted medium of exchange in all money transactions throughout the British Indian possessions. Gold coin was intended to be a legal tender, at a fixed value of 16 rupees for the gold mohur of Calcutta, and 15 rupees in silver for the gold rupee of Madras and Bombay, but it is not demandable in payment, and is left to find its current value in the market. An Order in Council was promulgated in January, 1841, authorizing officers in charge of public treasuries to freely receive gold coins struck in conformity with the provisions of Act xvii of 1835, establishing the 15 rupee pieces. This continued until December, 1852, when the swelling tides of Californian and Australian gold began to pour their rich treasures over the globe, and in apprehension that India would be inundated with gold, the proclamation of 1841 was hastily and without due consideration rescinded, and gold thenceforth debarred from entering into any of the public treasuries. Since then the sovereign has been a legal tender for 10 rupees, but seeing that its value is far beyond that, it is obvious that no one would tender a sovereign in payment of an obligation of 10 rupees. In Bombay even now in some old-fashioned firms accounts are still kept in rupees, quarters, and raes, 100 raes making one quarter, while in Madras another old customs till prevails in remote portions of the presidency, where accounts are kept in pagodas, fanams and cash—80 cash being equal to 1 fanam or panam, and 42 fanams equal to 1 star pagoda, hun or vahara. The gold pagoda was of  $19\frac{1}{2}$  carats fine, and intrinsically worth about  $7\frac{1}{5}\frac{1}{4}$ . The currency of India, as you are all aware, is the rupee,\* and its subdivisions of annas and pies. The rupee weighs 180 grains troy, or one tola, and consists of 11 parts of silver and one of alloy. The gold rupee is of the same weight and standard. The copper coins are the half anna, weighing 200 grains; the quarter anna or paisa, 100 grains; the half-paisa, 50 grains, and the pie,  $33\frac{1}{3}$  grains. The silver coins in circulation are the rupee, eight anna, four anna, and two anna pieces. A lakh of rupees is 100,000, a crore 10,000,000, or roughly, £10,000 and £1,000,000 sterling. The inconvenience attending the circulation of rupees coined in native States, and not corresponding entirely to the intrinsic value of the British-Indian rupee, led the Government of India in 1876 to pass an Act whereby certain coins of

\* The term rupee or rupiya is derived from the Hindustani—Rupa, signifying silver.

native States might be received as a legal tender in British India. A summary of the Act is as follows :

ACT NO. 9 OF 1876.

"Whereas, it is expedient to enable the Governor-General in Council to declare that a tender of payment of money, if made in certain coins made for, or issued by, native States, shall be a legal tender in British India, it is hereby enacted as follows :

1. "A 'native State' means any State in India which is under the protection or political control of Her Majesty, or of which the Government shall have acknowledged the supremacy of the British Crown.

2. "Subject to the provisions of section 4, the Governor-General in Council may, from time to time, by notification in the 'Gazette of India,' declare that a tender of payment of money, if made in the coins, or the coins of any specified metal, made under this Act, for any native State, shall be a legal tender in British India; and the provisions of the Indian Coinage Act, 1870, shall apply to the coins to which such notification refers, so far as such provisions are applicable thereto, and save as expressly provided by such notification.

3. "The power conferred by the first clause of section 3 shall be exercisable only when the coins referred to in such notification comply with the following conditions—in the case of coins of gold, silver or bronze :

(a) "Their fineness is identical with that for the time being prescribed by law for coins of the Government of India of the same metal.

"In the case of coins, whether gold, silver, bronze, or copper:

(b) "They are identical in weight with some coins of the Government of India of the same metal, which may, for the time being, be legally coined at any mint of the Government of India, or bear such relation thereto as is approved by the Governor-General in Council.

(c) "The devices upon the obverse and reverse differ from the devices on the coins now made, or issued by, any such native State, and have been approved by the Governor-General in Council.

(d) "Upon each of such coins its value in money of the Government of India is inscribed in the English language.

(e) "The native State for which they are coined has undertaken to abstain, during a term of thirty years from the date of the notification, from coining in its own mint, gold, silver, bronze, or copper, as the case may be, and has also undertaken that no coins resembling coins for the time being a legal tender in British India shall, after the expiration of the said term, be struck under its authority or with its permission at any place within or without its jurisdiction.

(f) "Such State has formally declared that a tender of payment of money, if made in coins of the Government of India of the same metal, shall, in the territories subject to such State, be a legal tender in the cases in which payment made in such coins would, under the law for the time being in force, be a legal tender in British India.

(g) "Such State has also agreed that the law and rules for the time being in force respecting the cutting and breaking of coins of the Government of India, reduced in weight by reasonable wearing or otherwise, or counterfeit, or called in by proclamation, shall apply to the coins made for such State under this Act, and that it will defray the cost of cutting and breaking them.

(h) "Such State has also agreed not to issue the same coins below their nominal value, and not to allow any discount or other advantage to any person in order to bring them into circulation.

4. "It shall be lawful for any such State to send to any mint in British India metal to be made into coin under this Act; and, subject to the mint rules for the time being in force, and to the provisions hereinafter contained, the mint-master shall receive such metal and convert it into coin, provided it be fit for coinage.

"Nothing herein contained shall be deemed to entitle any such State to have coins made under this Act at any mint of the Government of India of any metal which is not for the time being legally coined at such mint.

5. "The Governor-General in Council may impose on any metal sent to a mint for coinage under this Act, the duty (if any) leviable on the same metal under the Indian Coinage Act, 1870, and also a charge sufficient to defray the expenses of coinage, over and above the expenses of assay and refining; and the mint-master shall coin such metal at the charge so imposed.

6. "The Governor-General in Council may, from time to time, with reference to the reasonable requirements of the population of any native State, fix the maximum number of any coins of any particular metal that shall be coined under this Act."

[TO BE CONTINUED.]

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*PEASANT FARMING IN ITALY.*

A recent traveler in Southern Italy asserts that a careful inquiry has satisfied him that there are no peasant farmers in that kingdom, and that it is to be doubted if there are 1,000 small land-owners in all Italy, reference being made to land tilled as farms, vineyards, orange groves and olive orchards. "Whatever," he adds, "may be the fortune of the ambitious lowly in the large Italian cities, the feudal aristocracy, feudal noblemen, the feudal ecclesiastic benefices, and the still almost feudal Government, own, and are determined never to relinquish, every square inch of Italian soil the sun of heaven shines on. No land would be sold to the peasantry, on any terms. This is an unwritten, but inexorable law. Were it possible for any single peasant, or any combination of peasants, to ever secure sufficient means to purchase a tract of land, a score of combinations on the part of titled aristocratic or ecclesiastic landholders would be ready to purchase at any price, to keep it out of the lowly man's hands. Again, were not these absolutely remorseless combinations of landed capital an insurmountable bar to the acquirement of any portion of the soil by the lowly Italian rustico, his condition would still be equally as hopeless. No human being who labors in the fields of Italy could, by any manner of deprivation or starvation, save sufficient money in the course of his entire natural life to purchase enough land on which to decently lay the bones of his own family." The average daily wage of the Italian farm laborer is 16 cents, as compared with 28 cents here in Mexico. It ought to be possible to bring tens of thousands of these poor and industrious Italians to this country, and furnish them with little farms on conditions of slow and easy payment.

## INQUIRIES OF CORRESPONDENTS.

ADDRESSED TO THE EDITOR OF THE *BANKER'S MAGAZINE*.

## INTEREST.

A. gives his thirty day note for \$20,000 with interest. On the 30th day he tenders the holder \$20,000 with interest to that date, which is refused; the holder claiming he is entitled to interest for 33 days, and that the note is not payable sooner. Is the holder entitled to it?

REPLY.—Though days of grace were originally allowed by way of favor to the drawee of a bill, they have become everywhere recognized, and are considered, wherever the law merchant prevails, as entering into the constitution of every bill of exchange and negotiable note, and form a part of it so completely that it is not due in fact or in law till the last day of grace. (2 Dan. on Neg. Instruments, § 614; *Bank of Washington v. Triplitt*, 1 Pet. 25; *Donegan v. Wood*, 49 Ala. 242.) Therefore a demand of payment on the day before the third day of grace would not authorize a protest (*Id.*) and interest may be charged for this period. (*Bank of Utica v. Wager*, 2 Cow. 712; *Ogden v. Saunders*, 12 Wheat. 213.) As these days are, therefore, a part of the period covered by the contract, as much so as any other, payment can neither be demanded nor made before their expiration except with the consent of the parties. The holder of paper may indeed accept payment before its maturity, but no law requires him to do so. (*Ebersole v. Redding*, 22 Ind. 232.) The law is as fair toward one party as the other.

## INDORSEMENT "WITHOUT RECOURSE."

A note payable to the order C. D. is indorsed "without recourse. C. D." Then E. F. indorses (his name simply) under that of C. D. Do the words "without recourse," written by the payee, relieve all subsequent indorsers from liability who have signed in succession under C. D.?

REPLY.—The effect of E. F.'s indorsement is to revive the negotiability of the instrument. He is liable to subsequent indorsers as though C. D. had never restricted his indorsement. In other words, E. F.'s indorsement restricts *his* liability, but not the liability of those who may indorse after him. In *Holmes v. Hooper* (1 Bay 161) the payee of a note W. transferred it to H. with a power to sue in his name and to appropriate the money when recovered, but he did not make the note payable to order. H. afterwards indorsed the note making it payable to order, and the indorser sued H. on his indorsement. H. defended on the ground that the negotiability of the note had been restricted by the payee, but the court held that, although the original payee of a negotiable note might restrain its negotiability, yet a subsequent indorser might give it currency and negotiability from him, and then the negotiable quality recommences, for every indorsement is in the nature of a new bill, and the indorser may negotiate it or not, as he pleases. The indorser therefore was held liable.

Of course all holders subsequent to the restrictive indorsement take subject

to the restriction (*Sigourney v. Lloyd*, 8 Barn. & Cres. 622); that is, the liability of such indorser is determined or measured by his restriction; but *his act* does not affect the liability of subsequent indorsers.

#### PAYMENT TO THE WRONG PERSON.

Suppose A., of town F., remits a draft purchased of Bank B., of town F., drawn on Bank C., of City of S., to order of a person, say G. W. Brown. Mr. A. believes he sent or mailed a letter inclosing the draft to the G. W. Brown, of E., but by some means the draft comes into the possession of another G. W. Brown, of S., who presents it to Bank C. for payment. Bank C. pays the amount of the draft to this second G. W. B. on being identified by a respectable person as G. W. Brown. He has disappeared with the money, and the first G. W. B. wants his money, and has not contributed to its loss. The questions arise, who shall the first G. W. B. look to for his money?

Shall he look to the Bank C., of S.?

Shall he look to the person identifying?

Shall he look to A., of town F.?

Shall he look to himself and lose it? or shall he look to the second G. W. B., of S., who has disappeared with the money?

Is A. responsible if he was remitting it as agent of G. W. B. under instructions?

REPLY.—It is clearly settled that a forged indorsement does not pass the title to commercial paper negotiable only by indorsement, and does not justify the payment of such paper. (*Talbot v. Bank of Rochester*, 1 Hill, 295; *Canal Bank v. Bank of Albany*, Id. 287; *Graves v. American Exchange Bank*, 17 N. Y. 205.) In the present instance if the indorsement of the payee's name was not technically a forgery, it was spurious and false, and equally inoperative to change the title. (*Graves v. American Exchange Bank*, 17 N. Y. 205.) This was long ago decided in England in the same way. (*Mead v. Young*, 4 Term. 28.)

The drawee is bound to ascertain that the person to whom he makes payment is the genuine payee, or is authorized by him to receive it. He cannot defend against the payee that, in the regular course of business, and with nothing to excite suspicion, he paid the bill to a holder in good faith and for value under the indorsement of a person bearing the same name as the payee. This is the position of the court in the *Graves* case above mentioned, and has been maintained by the courts generally. In *Morgan v. Bank* (1 Duer 434), which was affirmed by the highest court (11 N. Y. 404), Justice Paine said: "Where a bill or check is payable to order, to justify the application to its payment of the funds of the drawer it must be proved that the required order was in fact given. In other words, it must be proved that the indorsement was genuine, and the burden of this proof rests upon the person or bank upon whom the bill or check is drawn. Where the indorsement of the payee is shown to be forged, the payment of a check by the bank is in its own wrong, and can never be set up as a defense against the person whose rights it violated, or whose funds are misapplied. In all such cases the bank must be liable to some person to the extent of such wrongful payment."

In a very recent and well-reasoned case (*Pickle v. Muse*, 88 Tenn. 380), Justice Lurton said: "A check drawn in favor of a particular payee or order is payable only to the actual payee, or upon his genuine indorsement, and if

the bank mistakes the identity of the payee, or pays upon a forged indorsement, it is not a payment in pursuance of its authority, and it will be responsible. (The court citing *Morgan v. Bank*, 11 N. Y. 404; Dan. on Neg. Inst. §§ 1618, 1663; *First National Bank v. Whitmore*, 94 U. S. 343).

An action, therefore, clearly lies against the drawee bank in favor of the true owner of the draft for its conversion unless it will deliver it to him; or the drawer can sue to recover the amount indebted to him by the drawee. (See cases above cited for authority on this point.)

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## BOOK NOTICES.

*The Theory of Credit.* By HENRY DUNNING MACLEOD, M. A. In 2 vols. Vol. II, Part I. London: Longmans, Green & Co. 1890.

This is a very important work. In the part before us the author treats of commercial credit, the theory of banking, foreign exchanges, the nature of the funds, and the influence of money and credit on prices and the rate of interest. One of his merits is clearness. Thus, when treating of exchanges he begins with a definition of the term. "An exchange in commerce is," he says, "when a person pays a debt he owes to his creditor by transferring to him a debt due to him from some one else." And then follows an example. "Two passengers are traveling in an omnibus. The fare is sixpence. One passenger pays the conductor a shilling. The conductor is then indebted to that passenger sixpence. The other passenger has a sixpence in his hand ready to pay his fare. The conductor, by a nod, tells him to give the sixpence to the first passenger. By this operation both debts are paid. The debt of the conductor to the first passenger and the debt of the second passenger to the conductor are paid by one operation. The whole transaction is an exchange. Three parties and two debts are thus necessary to an exchange." Mr. Macleod is never more felicitous than in defining terms; indeed, his chief work in economic science is of a critical kind, though no one will deny his merits in other ways. He still maintains, however, that credit is capital, though his position has been assailed a thousand times. But he is impregnable, and in the present work shows no disposition to retreat in the least from the position. No question in monetary science is of greater importance than the influence of money and credit on prices and interest, and though the chapter originally appeared in another form, it is a valuable contribution to the subject.

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*Wheelbarrow: Articles and Discussions on the Labor Question: Including the Controversy with Mr. Lyman J. Gage on Ethics of the Board of Trade, and also the Controversy with Mr. Hugh O. Pentecost and others on the Single-Tax Question.* Chicago: The Open Court Publishing Company. 1890.

This work is a republication of articles contributed to "The Open Court" by a writer whose sympathies with the cause of the working people have not betrayed him into accepting all their fallacies. He writes with as much

earnestness as any trades-union agitator, nevertheless his good sense always reigns supreme. A few brief extracts will give a better idea of the writer's style and tone of thought than can be given by any description. Thus, in regard to convict labor he says:

"I have tried to analyze the principle of non-competition, as enforced by the trades unions, and, so far as I have been able to resolve it into its constituent elements, its chief ingredients appear to be monopoly and selfishness, with some very foolish dread of the evils of abundance. . . . If adding to the wealth of a country is an injury, then subtracting from that wealth must be a benefit, and therefore the destruction of tools and clothes, and houses and furniture, must be a desirable thing; the Chicago fire, instead of being a great calamity, was a great blessing. This fallacy is firmly cherished by workingmen; it is a guiding principle of trades unions, and is productive of want and poverty incalculable."

Regarding speculation in breadstuffs, in reply to a defender of Board of Trade practices, the writer says:

"As making bread dear is morally a crime, let us make it a crime by law; let us build new penitentiaries to accommodate those vermin of trade who make dear the food of the poor. They are the lineal descendants of the sordid Egyptian speculators who tried to corner all the corn in Egypt because there was a famine in the land of Canaan.

"Statesmen of brain tell me that I cannot possibly be hungry because the statistics prove the increasing fatness of the land. I once took a seat in the gallery of the United States Senate in order to hear the debate. In the arena below me was a club of millionaires. To my surprise I saw that they had lost the power of natural speech. They could not talk; they chinked like dollars rustled in a bag. In metallic monotone they told me that of the joint product of labor and capital the share of labor was absolutely and relatively increasing, while the share of capital was relatively decreasing. When I ask for my dividends I am told that I can get them on from the statistics."

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*Silver in Europe.* By S. DANA HORTON. Macmillan & Co., New York. 1890.

In this volume Mr. Horton has republished various contributions on the silver controversy; and his reason for doing so is that "a rising wave of interest in silver has within the last year been spreading over the country." The volume perhaps is disappointing in dealing so largely with theories when facts are most wanted. One portion is devoted to his answers to the British Royal Commission on gold and silver, which investigated the subject during the years 1886-88. The crucial test of bi-metalism, or the "double-standard," is embodied in questions 10, 11 and 12 of the Royal Commission. Can an international agreement be made for the free coinage of gold and silver as legal tender money at a fixed ratio? Could governments maintain such a ratio and would the commercial world accept it? What would be its effect on prices and on the production of the precious metals? To both of the first questions Mr. Horton returns an affirmative answer, and cites as proof that within the limits of any one country, sovereigns, shillings and

pence circulate and are received as identical, simply on government guarantee. Within larger limits he argues, and with reason, an international law could force the circulation of silver in a given proportion. Beyond the prophecy that there would be no injurious effect from an increased production of silver which would certainly result from such a measure he does not attempt to answer the third question.

There are few American financial writers who will not accept Mr. Horton's proposition that an international agreement to accept silver at a fixed ratio with gold is quite possible, provided all important commercial countries agree to it. Hitherto England has stood in the way, and while she occupies that attitude the adoption of a practically unlimited coinage of depreciated silver can but have one effect. It will drive the more valuable money out of the country and leave us a second Mexico. It may be noted that Mr. Horton welcomes Secretary Windom's bill as the best immediate solution of the silver question.

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*The Transfer of Negotiable Paper as Collateral Security. Being the Sharswood Prize Essay of the University of Pennsylvania for the year 1886, and the Johnson Prize Essay for the same year.* By LEWIS LAWRENCE SMITH, of the Philadelphia Bar. Philadelphia: T. & J. W. Johnson & Co. 1889.

We do not hesitate to say that this is a very excellent piece of work. The subject is by no means an easy one. The writer has evidently studied the cases, and his discriminations are as accurate as they are valuable. The thorough manner in which he has handled the subject is another proof, if any is needed, that most of the valuable law writing of the day must be in the treatment of single topics. The cases have multiplied so enormously that any exhaustive work on agency, commercial paper and the like can hardly be anything more than a digest. Digests of this nature are very useful; but by reason of the vast number of cases, treatises and monographs dealing with them critically are more needed than ever. A magazine devoted to this work would supply a real want; and we have no doubt that it would be widely welcomed by the legal profession.

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*Capital and Interest. A Critical History of Economical Theory.* By EUGENE V. BOHM-BOEWERK, Professor of Political Economy in the University of Innsbruck. Translated with a preface and analysis by WILLIAM SMART, M. A., Lecturer on Political Economy in Queen Margaret College, Glasgow. London: Macmillan & Co. 1890.

The great merits of this work render it well worthy of an English translation. And if the English reader rejoices that it is now accessible to him, the author also should rejoice that the work of translating has been done by such a competent hand. This is, in truth, only a part of the entire work, as the author deals here with the history and theories of interest. His own theory must be sought in his Positive Theory of Capital. After stating the problem and developing it, an examination is made of all the theories of much importance that have ever been advanced. Interest proper



may be regarded as the return to the owner of capital obtained without risk and without effort, and the problem to be solved is the origin of this return. Perhaps some one may ask, is the subject worth the elaborate criticism bestowed on it? It certainly is desirable to go to the bottom of some things, and this matter of interest is one of them. Many of the workingmen think that interest is drawn from them; that it is the unpaid sacrifice of labor; but we do not hesitate to say that any person desirous of knowing the truth who reads the three chapters which treat of "the exploitation theory" will reverse his opinion. Such a masterly criticism of the labor-value theory has never come from man before, and though it is not easy reading, it should be read and re-read until fully understood by all who are floundering in the dark. Rightly considered, the book deals with one of the live subjects of our times, going to the very bottom of it, and for that reason possesses a great value—greater in some respects than any other ever written.

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*Manual of the Railroads of the United States for 1890.* By HENRY V. POOR. H. V. & H. M. Poor, 70 Wall St., New York.

We have received a copy of Poor's Mannual of Railroads for 1890, being the twenty-third annual number of that admirable publication. The publishers, Messrs. H. V. & H. W. Poor, 70 Wall street, New York, announce their readiness to supply all orders. The price of the book is \$6 per copy. This Manual is the best of its kind, in its scope, thoroughness and reliability. Its monographs of railway corporations and the tabular statements of bond obligations, their security, trustees, etc., are more complete than ever. It also contains no less than fifty-one maps, which, in a geographical sense, are exceedingly valuable, whilst the topographical features of the territory occupied by the different railroads is a practical guide to all wishing to invest in railroad securities, on the basis of their ramifications and territorial advantages. As a compendium of statistical and other information this Manual has no competitor in the same department.

The figures contained in this volume are always enormous. Thus, of the companies' total liability of \$9,931,453,146, capital stock stands for \$4,495,099,318, while the bonded indebtedness exceeds this latter sum by only about \$333,000,000, being \$4,828,365,771. The unfunded and current debts of the railways aggregate \$607,988,057, or about 12.5 per cent. of the funded debt.

Traffic statistics are given for 152,689 miles of road, against 145,341 miles in the preceding year. This increase in the included mileage, being greater than the increase in newly constructed mileage, is encouraging, giving rise to the hope that year by year the traffic and revenue statistics may be based upon a larger and larger per cent. of the country's total railway mileage.

It will be observed that there were gains in the service, that of train mileage amounting to 688,751,371, yet the per cent. of gain is about the same as that of the increase in miles reported upon, being in each case a fraction more than five per cent. In the number of passengers carried there is a gain of about 44,000,000, or above ten per cent., and the

increase in passenger mileage is equal to about seven per cent. The tons moved in 1889 were 619,134,237, against 589,398,317 for the preceding year, a per cent. of increase about equal to the per cent. of gain in mileage reported upon. By comparison there seems to be a falling off in ton mileage, but this is not the case, since an error in addition is responsible for 5,000,000 of the reported ton mileage of 1888. There was, therefore, a gain last year of 5,181,006,408 in ton mileage, or very nearly 8 per cent. This showing is all in favor of the companies, since, with relatively the same train service as in the preceding year, they showed absolutely and comparatively greater passenger and ton mileage.

The reports of the New York Clearing-house returns compare as follows :

1890.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.	Surplus.
Aug. 9...	\$406,139,500	\$73,496,000	\$29,766,300	\$407,905,200	\$3,644,900	\$1,286,000
" 16...	402,163,900	70,843,200	28,378,100	399,508,100	3,629,400	*655,725
" 23...	397,672,300	68,621,100	26,254,200	389,553,100	3,652,700	*2,512,975
" 30...	392,546,400	69,595,600	26,155,100	385,149,500	3,652,300	*536,675

\*Deficiency.

The Boston bank statement is as follows :

1890.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.
Aug. 2.....	\$156,036,900	\$9,081,100	\$4,444,100	\$129,676,200	\$3,210,000
" 9.....	155,597,000	9,013,000	4,223,500	128,892,600	3,217,000
" 16.....	153,853,000	9,021,100	4,316,600	128,453,800	3,221,900
" 23.....	153,268,000	9,446,300	4,483,700	127,074,500	3,222,600

The Clearing-house exhibit of the Philadelphia banks is as annexed :

1890.	Loans.	Reserves.	Deposits.	Circulation.
Aug. 2.....	\$98,844,000	\$25,128,000	\$96,226,000	\$2,128,000
" 9.....	99,012,000	25,077,000	96,064,000	2,133,000
" 16.....	98,899,000	23,957,000	95,946,000	2,130,000
" 23.....	99,024,000	23,347,000	95,308,000	2,131,000
" 30.....	98,821,000	23,236,000	95,172,000	2,137,000

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows :

QUOTATIONS :	Aug. 4.	Aug. 11.	Aug. 18.	Aug. 25.
Discounts.....	5½ @ 6½	6 @ 7	6½ @ 8	7½ @ 8½
Call Loans.....	8 @ 4	25 @ 8	16 @ 6	12 @ 2
Treasury balances, coin.....	\$162,020,213	\$162,031,280	\$161,389,138	\$160,136,583
Do. do. currency.....	7,122,217	7,445,639	7,601,399	8,626,464

## DEATHS.

**DIMON.**—On August 27, aged sixty-four years, CHARLES DIMON, Vice-President of Kings County Bank, Brooklyn, N. Y.

**FREDERICK.**—On August 8, aged forty-nine years, W. P. FREDERICK, Cashier of Union National Bank, Louisville, Ky.

**KENNEDY.**—On August 11, aged 52 years, PETER F. KENNEDY, Vice-President of Bradford National Bank, Bradford, Pa.

**NOYES.**—On July 12, aged fifty-nine years, WARREN NOYES, President of Gorham Five Cent. Savings Bank, Gorham, N. H.

**SAGE.**—On August 17, aged seventy-one years, WM. N. SAGE, President of Monroe County Savings Bank, Rochester, N. Y.

**SANFORD.**—On August 13, aged eighty-one years, F. C. SANFORD, President of Pacific National Bank, Nantucket, Mass.

**STURGES.**—On August 12, aged fifty-two years, GEORGE STURGES, President of North-Western National Bank, Chicago, Ill.

# CONDITION OF THE STATE BANKS IN ILLINOIS.\*

NAME.		LOCATION.	Capital Stock Paid In.	Surplus Fund.	Undivided Profits.	Savings Deposits.	Individual Deposits.	Demand Certificates of Deposit.	Time Certificates of Deposit.	Certified Checks.	Due to other Banks.	Total Liabilities.
1.	Alexander County Savings Bank.	Cairo.....	\$50,000	\$1,000 00	\$386 75	\$140,702 04	.....	.....	\$6,650 00	.....	.....	\$198,728 79
2.	Alton Savings Bank.	Alton.....	100,000	28,000 00	5,795 08	.....	\$179,052 37	\$46,490 62	325,182 55	.....	\$6,066 06	690,586 68
3.	Bank of Illinois.	Chicago.....	100,000	.....	1,412 15	.....	.....	.....	.....	.....	.....	101,412 15
4.	Bank of Schuyler County.	Rushville.....	25,000	.....	2,104 98	.....	53,387 95	5,002 79	.....	.....	.....	85,495 72
5.	Calumet State Bank.	Blue Island.....	25,000	.....	432 92	.....	19,025 47	90 00	.....	.....	.....	45,148 39
6.	Chemical Trust and Savings Bank.	Chicago.....	350,000	.....	7,438 99	6,983 47	284,866 85	6,200 00	.....	\$18,363 00	.....	673,945 31
7.	Chicago Trust and Savings Bank.	Chicago.....	350,000	15,000 00	44,168 81	92,012 74	74,056 07	10,591 69	.....	12,226 67	71,916 50	787,579 71
8.	Corn Exchange Bank of Chicago.	Chicago.....	1,000,000	600,000 00	34,716 52	.....	5,202,927 08	117,180 83	.....	.....	657,491 57	7,633,478 66
9.	Dime Savings Bank.	Chicago.....	60,475	8,000 00	8,835 04	362,184 00	.....	.....	68,283 95	.....	.....	448,494 04
10.	Enterprise Savings Bank.	Cairo.....	50,000	.....	40,401 79	421,756 18	.....	.....	30,717 62	.....	86 17	580,441 92
11.	First State Bank of Beardstown.	Beardstown.....	25,000	.....	2,560 11	.....	48,523 89	851 06	.....	.....	.....	112,038 85
12.	First State Bank of Mound City.	Mound City.....	25,000	.....	2,202 73	.....	29,155 12	.....	.....	.....	.....	56,357 85
13.	Franklin Grove Bank.	Franklin Grove.....	25,000	1,500 00	506 65	.....	24,313 36	10,460 97	.....	.....	.....	61,780 98
14.	Home Savings Bank.	Chicago.....	5,000	.....	22,909 31	242,807 20	1,252 99	.....	.....	.....	.....	271,969 50
15.	Illinois Trust and Savings Bank.	Chicago.....	1,000,000	788,916 20	53,195 44	6,246,509 33	4,879,972 07	219,463 50	1,114,841 29	119,243 29	137,946 11	14,614,657 63
16.	International Bank.	Chicago.....	486,000	75,000 00	23,062 30	.....	876,201 81	40,584 62	.....	23,011 59	30,739 17	1,554,749 49
17.	Northwestern Bond and Trust Co.	Chicago.....	100,000	17,302 05	.....	.....	41,250 89	.....	427,815 00	.....	.....	586,367 94
18.	People's Bank of Rockford.	Rockford.....	125,000	.....	48,305 66	166,541 03	232,085 07	34,668 99	.....	.....	.....	608,952 75
19.	People's Bank of Astoria.	Astoria.....	30,000	.....	1,574 94	.....	52,159 87	2,369 32	13,800 00	.....	.....	119,964 13
20.	Pittsfield Bank.	Pittsfield.....	30,000	.....	2,828 70	.....	70,328 71	.....	.....	.....	17,040 04	114,196 85
21.	Pullman Loan and Savings Bank.	Pullman.....	100,000	45,000 00	7,556 78	357,644 66	155,230 88	4,103 00	.....	68 46	.....	669,633 78
22.	Rock Island Savings Bank.	Rock Island.....	100,000	.....	106 58	.....	7,150 67	2,100 00	.....	.....	.....	109,357 25
23.	Springfield Marine Bank.	Springfield.....	85,500	214,500 00	89,325 14	.....	596,249 15	44,532 33	283,557 69	.....	78 51	1,313,742 82
24.	State Bank of Clinton.	Clinton.....	50,000	.....	329 63	.....	10,361 79	408 00	.....	.....	.....	61,099 42
25.	State Bank of Hamilton.	Hamilton.....	25,000	2,493 69	.....	.....	45,882 11	4,505 00	.....	.....	.....	77,940 80
26.	State Bank of Orion.	Orion.....	25,000	.....	618 90	.....	14,666 76	4,898 85	.....	.....	80 47	45,204 98
27.	Stock Yard Bank of Brooklyn.	Brooklyn.....	50,000	12,500 00	7,007 37	.....	292,068 84	1,110 00	.....	85,369 73	538 37	448,594 31
28.	Stronghurst State Bank.	Stronghurst.....	25,000	1,000 00	70 84	.....	42,309 83	10,201 96	.....	.....	947 56	70,530 19
29.	The American Trust and Savings B'k.	Chicago.....	1,000,000	65,000 00	5,353 32	335,689 64	1,302,902 13	170,115 77	.....	66,676 12	243,790 12	3,191,991 68
30.	The Bank of Arthur.	Arthur.....	25,000	.....	330 44	.....	3,135 42	2,033 14	.....	.....	.....	30,499 00
31.	The Bank of Elkhart.	Elkhart.....	25,000	.....	21 93	.....	15,501 33	2,082 45	.....	.....	.....	42,605 71
32.	The Belleville Savings Bank.	Belleville.....	150,000	50,000 00	46,637 61	.....	224,485 49	56,603 52	339,240 66	.....	.....	867,057 28
33.	The Elgin City Banking Company.	Elgin.....	60,000	.....	12,802 49	381,530 39	.....	.....	.....	.....	.....	454,332 88
34.	The Farmers and Mechanics' Bank.	Galesburg.....	100,000	60,000 00	4,170 00	.....	187,255 46	15,862 71	.....	7,591 75	.....	374,940 92
35.	The Farmers & Miners' B'k of Ladd.	Ladd.....	25,000	.....	314 22	.....	13,598 67	9,449 78	6,639 95	.....	.....	55,002 62
36.	The Hibernian Banking Association.	Chicago.....	111,000	.....	208,172 14	1,916,096 36	845,523 39	5,390 46	.....	12,138 51	13,684 03	3,116,604 89
37.	The Merchants' Loan and Trust Co.	Chicago.....	2,000,000	1,000,000 00	421,300 36	.....	7,112,175 45	672,116 14	.....	94,636 34	2,182,595 42	13,580,720 59
38.	The Moline Savings Bank.	Moline.....	.....	.....	8,777 46	.....	396,679 96	.....	.....	.....	.....	405,457 42
39.	The Montgomery Co. Loan & Tr. Co.	Hillsboro.....	50,000	1,750 00	3,052 00	.....	110,337 53	30,013 56	.....	.....	128 31	197,135 40
40.	The Northern Trust Company.	Chicago.....	1,000,000	.....	86,833 07	.....	1,927,535 75	357,710 89	620,562 84	10,928 10	28,925 58	4,032,739 47
41.	The People's Bank of Belvidere.	Belvidere.....	50,000	.....	3,826 25	.....	70,157 87	66,075 39	.....	.....	.....	190,959 51
42.	The People's Bank of Bloomington.	Bloomington.....	100,000	75,000 00	6,650 82	.....	285,046 51	157,149 28	.....	.....	20,551 07	645,087 68
43.	The Prairie State Loan and Trust Co.	Chicago.....	100,000	5,000 00	37,392 55	1,510,591 14	32,887 24	109 18	60,072 16	328 83	.....	1,762,623 96
44.	The Sangamon Loan and Trust Co.	Springfield.....	58,322	.....	.....	.....	42,627 59	17,089 05	194,825 00	.....	.....	312,905 99
45.	The State Bank of Woodstock.	Woodstock.....	25,000	.....	2,267 62	.....	72,162 32	26,704 59	.....	.....	.....	126,224 53
46.	The Union Trust Company.	Chicago.....	500,000	346,500 00	7,754 73	1,334,863 17	1,352,694 52	38,083 00	.....	33,235 11	46,975 91	3,669,524 33
47.	The Workingmen's Banking Assoc'n.	E. St. Louis.....	50,000	10,396 55	557 45	.....	183,973 96	6,779 00	52,101 16	.....	.....	303,808 12
48.	Western Trust and Savings Bank.	Chicago.....	100,000	.....	3,497 93	7,812 60	33,867 72	1,458 00	3,417 00	1,223 62	18,066 39	169,591 04
Total.....												65,680,373 91

# RESOURCES.

	Loans and Discounts.	Over-drafts.	U. S. Bonds.	Other Bonds and Stocks.	Cash on Hand.	Due from other Banks.	Banking House.	Other Real Estate.	Furniture and Fixtures.	Current Ex-pense.	Checks and other Cash Items.	Collections.	Total Resources.
1.	\$161,310 51	\$1,417 25		\$1,250 00	\$10,000 00	\$24,728 63		\$2,027 16		\$32 40			\$108,738 79
2.	448,727 94	2,068 06	\$100 00	25,000 00	57,005 62	152,386 76					\$2,368 14		600,586 68
3.				60,500 00		40,912 15							101,412 15
4.	48,848 47	770 32			3,270 30	23,113 43	\$6,913 62		\$1,752 21	818 37			85,495 72
5.	21,656 72	128 95			8,818 19	12,097 46			949 00	598 07			45,148 39
6.	553,611 32	142 56			24,277 78	65,150 21			3,934 04	4,712 75	18,345 44	\$3,771 21	673,945 31
7.	675,762 22	5,337 08		2,150 00	51,948 56	18,138 93		19,914 46	4,500 00	9,838 46			787,579 71
8.	5,720,263 72	2,115 59		10,000 00	1,164,596 95	736,502 40							7,633,478 66
9.	295,816 24	1,045 85		89,498 04	4,179 26	35,071 87		7,615 20	18,486 85		-4,286 43		448,494 04
10.	368,624 66			139,055 43		35,760 20	7,000 00	21,126 60					586,441 92
11.	83,380 34	3,270 59		7,600 00	9,242 46	1,358 16	3,615 75		862 60	943 52	1,592 33	173 10	112,038 85
12.	34,119 23	43 85			9,077 54	9,301 71			1,336 49	1,034 61	573 98		56,357 85
13.	103,850 32				4,075 85	20,934 71	2,979 85	439 46	952 99	24 04			61,780 98
14.	9,211,750 12	1,495,288 85	10,450 00	40,500 00		56,702 68							21,969 30
15.	1,059,668 67	9,441 44	527,250 00	1,428,171 00	1,043,010 57	687,802 91		26,201 34		797 69	194,295 15		14,614,657 63
16.	572,266 28			9,500 00	185,493 92	112,405 87		102,728 91	2,000 00	210 60	63,090 84	12,209 24	1,554,749 49
17.	426,396 57	576 08		30,986 00	32,930 27	10,935 75			3,995 21	60 93	7,628 68		608,952 75
18.	64,276 03	8,666 92	15,502 50	1,000 00	11,597 86	12,080 78	3,776 36		1,244 45	783 13	946 10		119,964 13
19.	81,742 15	536 30			13,382 10	16,825 23			1,500 00	211 07			114,196 85
20.	501,928 43	639 56		3,850 00	31,733 62	128,449 26		327 82	2,500 00	195 09			669,633 78
21.	2,509 11				3,269 08	103,480 25				78 81			109,357 25
22.	885,462 61	95,749 52		19,000 00	33,625 81	203,924 12	35,000 00	24,092 39		579 42	16,368 89		1,313,742 82
23.	26,863 53	6 42			8,595 95	24,720 98			800 00	112 54			61,099 42
24.	41,462 23	1,752 64			4,469 67	25,080 99	2,651 17		804 70	1,374 40	345 00		77,940 80
25.	28,972 03	1,043 34			4,898 48	4,665 47	4,000 00		1,000 00	153 76	471 90		45,204 98
26.	249,321 59	124 08			1,352 12	10,517 55				1,202 47	16 50		448,594 31
27.	42,384 34	1 49		3,500 00	4,436 17	24,691 53	2,592 20		1,585 15	33 55		32 76	79,530 19
28.	2,392,164 70	1,309 06	125,000 00	61,500 00	96,479 94	340,330 59					174,139 02	1,068 37	3,101,991 68
29.	17,340 11	108 84			3,186 66	3,499 71			1,581 67	390 01			30,499 00
30.	7,060 32	79 65			2,413 34	28,992 96	2,345 00		1,601 05	29 39	84 00		42,005 71
31.	523,877 14	3,026 70	250 00	138,600 00	54,948 48	111,839 92	14,000 00	18,200 00	2,000 00	15 00	320 04		867,057 28
32.	345,659 00		628 00	10,940 00		84,347 20		11,602 00		1,156 68			454,332 88
33.	303,083 97	846 98			17,997 47	36,427 54			2,800 00		13,784 96		374,940 92
34.	34,447 75	49 99			6,524 70	12,210 87			883 99	108 01	477 31		55,002 62
35.	2,357,739 43	6,107 04	29,085 87	176,224 26	144,744 74	385,269 78		300 00	4,035 46	134 58	5,367 89		3,116,604 89
36.	9,887,930 92	21,715 03	20,250 00	330,735 00	1,386,272 85	1,487,919 05		7,895 84		1,622 80	444,284 94		13,580,720 59
37.	248,326 43	197 02				156,933 97							495,457 42
38.	84,179 32	4,386 81			10,931 07	69,746 64	14,800 00	6,347 77		2,848 54	3,901 25		107,135 40
39.	1,015,756 47	8,117 91	339,271 88	675,000 00	358,218 33	732,742 99				3,631 89			4,032,739 47
40.	117,455 51	274 16		40,917 71	16,122 99	12,768 71			2,103 65	417 68			100,059 51
41.	442,972 57	5,133 74		14,800 00	41,711 92	92,495 31	30,000 00	12,800 00	2,560 67	2,427 05	156 42		645,087 68
42.	1,048,025 75			452,506 86	49,048 23	108,632 35	100,000 00		4,000 00	352 40	58 37		1,762,623 96
43.	287,637 97	968 80			18,702 10	2,854 08			765 75	1,977 29			312,905 99
44.	64,014 13				18,966 75	41,549 99			650 00	527 16			126,224 53
45.	2,151,972 72	2,686 09	45,800 00	490,735 81	227,760 92	505,048 71		10,986 71	5,000 00	1,101 51	516 50		3,669,524 33
46.	232,705 76	3,223 85		10,100 00	17,542 39	37,963 07		197 10	1,000 00	140 71	74,455 16	29,976 70	393,868 12
47.	142,868 27	1,764 49			5,119 13	13,236 20			1,564 85	2,196 96	2,841 14		169,591 04
48.	44,472,529 88	1,690,190 19	1,128,509 55	4,275,004 11	5,202,695 15	7,200,756 75	229,673 95	278,873 71	79,023 78	40,201 45	1,034,748 77	48,166 62	65,680,373 91

\* Returns for July 14th, 1890, compiled by the Auditor of Public Accounts, W. M. Robertson, Examiner.

## BANKING AND FINANCIAL ITEMS.

OMAHA, NEB.—The German Savings Bank of Omaha, Neb., has opened up for business in the room formerly occupied by the Commercial National Bank at the corner of Thirteenth and Douglas streets. The bank has an authorized capital of \$500,000, with \$100,000 paid in. Some of the principal Germans of the city are among the stockholders, and ex-County Treasurer Bolin is managing director.

OMAHA (NEB.) BANKING REFORM.—The *Financial Journal* says: "It is evident that the State Banking Board intends to bring about a reform in the matter of re-discounting paper. Too many banks carry more sail than is prudent, and the banking examiners insist upon reefing sail. At a meeting of the banking board some time since, the following resolutions were adopted:

"Whereas, The banking law of the State of Nebraska has been in force nine months, thus affording ample time and opportunity for corporations, firms and individuals transacting a banking business in the State to become thoroughly acquainted with the provisions of said law, its requirements, penalties, etc.;

"Whereas, The examiners and members of this board have shown due leniency in the case of banks not strictly complying with the provisions of the law, granting them reasonable time to adjust their affairs so as to meet its requirements, and

"Whereas, Certain banks and bankers still continue to transact business contrary to the provisions of the law governing corporations and the banking law of the State as well as the rulings of this board and the instructions of the bank examiners in the matter of excessive loans, the holding of real estate in excess of one-third of the capital, the creations of indebtedness or liability in excess of two-thirds of the paid up capital stock (except on account of deposits), the publication of reports, etc.; therefore, be it

"Resolved, That the clerk of this board at once prepare a list of such banks as are guilty of violating the law in the foregoing particulars, and submit same to the board at their next meeting, for immediate action."

In speaking of the reasons which prompted the passage of this resolution, a member of the banking board said: "While most of the banks in this State recognize the authority vested in the banking board, and respond promptly to the instructions sent out by the board, and the instructions given them by the examiners, it appears from the examination of the last report that some banks are delinquent in meeting the requirements of the law. The chief cause of complaint lies in the fact that bankers are inclined to incur too great liabilities by the rediscounting of commercial paper. The law governing corporations distinctly says that they shall not incur a liability amounting to more than two-thirds of their capital stock. Some of our State banks show in their sworn statements that they have rediscounted paper to an amount exceeding the whole of their capital, surplus and undivided profits. This is a deplorable state of affairs. Notices have been sent to the delinquent banks calling attention to this matter and requesting their immediate compliance with the law. These requests have in some instances been totally ignored, indicating to the banking board a disposition to disregard the demands of the commission. Another difficulty that the board has encountered is the negligence on the part of some banks to make the report to the Auditor of Public Accounts within the five days' time which the law gives. The law having been in effect nine months, and the board having shown every courtesy to the banks, by taking into consideration the fact that this law is a new measure, and granting banks a reasonable length of time to bring their affairs into proper shape, have at length arrived at the conclusion that a more stringent execution of the law is required."

SAN DIEGO, CAL.—The *San Francisco Journal of Commerce* says: "There is possibly no bank in California that can be measured by the recognition of the public and general prosperity to a greater degree than the California National Bank of San Diego. It commenced business on the 9th of January, 1888, with a

capital of \$75,000. At present, and by its sustained official statement of May 17, 1890, its paid up capital is \$350,000, and authorized capital \$1,000,000; surplus and profits, \$50,000; showing deposits of \$1,038,420.65. It has on hand in cash and exchange over 40 per cent. of its deposits. It transacts a general banking business, deals in home and foreign exchange, and pays special attention to collections at all available points. This bank is already well established, and has the ring of responsibility. The officers are: Wm. Collier, president; D. D. Dare, vice-president; J. W. Collins, cashier. Mr. Collins is also president of the Cheyenne National Bank, Wyoming, which is one of the best connected financial institutions in the United States. The California National Bank is well located and equipped for business—a credit to San Diego and Southern California."

**MINT-DIRECTOR LEECH ON THE SILVER BILL.**—"Congress certainly intended to expand the volume of money in circulation, and it seems to me that that end is accomplished by the new silver law. As we interpret that act here in the Treasury, the currency in circulation—or perhaps I had better say the money in circulation, for the Treasury notes will not be mere promises to pay, but full legal-tender money—will be increased by the entire amount of the Government's outlay in its purchases every month. Those who hold a contrary view proceed upon the assumption that we shall use money now in the Treasury to purchase this silver. That is a mistake. Under the act of 1878 we purchased silver bullion with the money in the Treasury, and immediately replaced it with silver dollars coined from the silver so purchased; but although, under the new act, we could, if the law so provided, purchase silver bullion with the surplus money in the Treasury, we should thereby reduce the amount of money which could be put into circulation by the purchase of bonds for the sinking fund and the retirement of the public debt. As it is, we shall add to the currency of the country by the whole amount of the purchases required by this act a new form of full legal-tender money, leaving the money now in the Treasury for the purpose already mentioned. By way of illustration, the situation is the same as if the Government were committed to the purchase of, say one ship every month of the value of \$4,500,000 or \$5,000,000. The currency paid for each of those ships, if not drawn from the stock on hand, but issued directly and expressly for these payments, would go into circulation, and increase the volume of currency afloat by just that amount."

**JEAN THIERY**, a rich merchant and shipowner in the Rhine provinces, died in 1676, leaving a fortune of 80,000 Louis d'or in Paris, and 800,000 thalers in the Venice Mint. His heirs, for some unknown reason, did not draw the money from the depository in Venice, so at the end of the last century Napoleon found it still untouched and appropriated it to the use of his army. For the last thirty years the descendants of Thiery have been trying to find a way of recovering the 800,000 thalers, with interest. Three weeks ago they all met in Cologne and resolved to send their lawyers to Paris to move the French Government to pay over an indemnity. It was said that the French Chambers had already considered their claims and advised the Government to pay them.

**BELLEFONTE, PA.**—In 1858 Messrs. W. F. Reynolds and George W. Jackson formed a partnership for a banking firm, which was known as W. F. Reynolds & Co., with Mr. Reynolds as president and Mr. Jackson as cashier. For over thirty-one years this firm continued in business without a change. In all that time the record and standing of this institution was always of the very best, and their business interests covered a large scope of territory. After devoting so many years to the exacting care imposed upon him, Mr. Reynolds feels justified at this period in retiring. He has other interests which will demand his time and attention, and will not "retire from business." The new firm will consist of Messrs. Geo. W. Jackson, F. W. Crider and Gen. D. H. Hastings, three representative and reliable men of the town. They will begin business September 1st, under the banking name of Jackson, Crider & Hastings, with Mr. Crider as president and Jackson as cashier. The management of the business will be practically in charge of Mr. Jackson, who, from his many years of experience, is thoroughly acquainted with the work, and eminently qualified for the position. The new firm will start in with the best wishes and the confidence of the public.—*Center Democrat*.



**GOVERNMENT LOANS ON FARMS.**—The scheme of loaning Government money on farm mortgages is not original with the advocates of State socialism in this country. It is this which lies at the bottom of the financial troubles in the Argentine Republic. Within the last eight years upward of \$415,000,000 has been issued in the Argentine Republic by the banks on farm mortgages at the rate of 50 per cent. of their nominal value. The mortgages were placed upon unimproved as well as improved lands, and the interest was guaranteed by the Government. Nearly every farm in that Republic was covered with a mortgage—or a *cedula*, as they call it down there—and the people reveled in issues of paper currency.

**CHINESE SILVER PURCHASES.**—The Government of China is likely to make itself felt in the silver market, it being in contemplation to open a mint for silver coinage, and a loan of 30,000,000 taels is proposed, which would create a large demand for silver bullion.

**A WELL-GUARDED BANK.**—The Bank of England's doors are now so finely balanced that the clerk, by pressing a knob under his desk, can close the outer doors instantly, and they cannot be opened again except by special process. This is done to prevent the daring and ingenious unemployed of the great metropolis from robbing this famous institution. The bullion departments of this and other great English banking establishments are nightly submerged in several feet of water by the action of the machinery. In some of the London banks the bullion departments are connected with the manager's sleeping-rooms, and an entrance cannot be effected without setting off an alarm near that person's head. If a dishonest official, during either day or night, should take even as much as one from a pile of a thousand sovereigns, the whole pile would instantly sink and a pool of water take its place, besides letting every person in the establishment know of the theft.

**SAN DIEGO, CAL.**—The Bank of Commerce has been established about two years. It has a paid up capital of \$100,000, and authorized one of half a million. It is located in the finest building in San Diego—a massive, rough stone structure. It transacts a general banking business, deals in home and foreign exchange, makes collections, and has the confidence of the public. The officers of the Bank of Commerce are: John Long, president; Jno. S. Sinks, vice-president; G. W. Jorres, cashier, and C. D. Long, assistant cashier.

**SIGNING A CHECK BY ELECTRICITY.**—One of the marvels of electricity, and one of the most striking of the Edison exhibits at the Paris Exposition, was the little instrument which enables the operator to sign a check 100 miles distant. The writing to be transmitted is impressed on soft paper with an ordinary stylus. This is mounted on a cylinder, which, as it revolves, "makes and breaks" the electric current by means of the varying indentations on the paper. At the receiving end of the wire a similar cylinder, moving in accurate synchronism with the other, receives the current on a chemically prepared paper, on which it transcribes the signatures in black letters on a white ground.—*Scientific American*.

**A NEW NATIONAL BANK MEASURE.**—Washington, Sept. 2.—A bill introduced by Senator Coke to-day provides that hereafter no National bank shall issue circulating notes, and that within six months each National bank shall deposit money with the United States Treasurer for the redemption of its circulating notes. The bonds now deposited for this purpose shall be returned, and United States legal-tender notes shall be issued in place of bank notes. Authority is given National banks to loan money on real estate.

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Sterling exchange has ranged during August at from 4.84½ @ 4.89 for bankers' sight, and 4.81¼ @ 4.85 for 60 days. Paris—Francs, 5.21¼ @ 5.16¼ for sight, and 5.23¼ @ 5.18¾ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.81¾ @ 4.82; bankers' sterling, sight, 4.85¼ @ 4.85½; cable transfers, 4.85¾ @ 4.86. Paris—Bankers', 60 days, 5.22½ @ 5.21⅞; sight, 5.19¾ @ 5.18¾. Antwerp—Commercial, 60 days, 5.24¾ @ 5.23¾. Reichmarks (4)—bankers', 60 days, 94½ @ 94⅝; sight, 94¾ @ 94⅞. Guilders—bankers', 60 days, 39 15-16 @ 40; sight, 40⅞ @ 40 3-16.

## CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from August No., page 155.)

	Bank and Place.	Elected.	In place of.
N. Y. CITY...	First National Bank....	Wm. B. Reed, <i>Ass't Cas.</i>	V. P. Snyder.
ARK....	Bank of Pine Bluff, Pine Bluff.	H. Riley, <i>Cas.</i> .....	F. H. Head.
"	Mer. & Planters B'k, Pine Bluff.	F. H. Head, <i>Cas.</i> .....	H. H. Hunn.
CONN....	Greenwich Trust, Loan & Deposit Co., Greenwich.	R. Jay Walsh, <i>P.</i> .....	H. Lockwood.
"	New Haven Co. Nat. Bank, New Haven.	H. G. Redfield, <i>Cas.</i> ....	L. S. Hotchkiss.
DAK. N.	Grand Forks N. B., Grand Forks.	Geo. F. Shutt, <i>Cas.</i> .....	Wm. O'Mulcahy.
"	S. First National Bank, Pierre....	B. A. Cummins, <i>Cas.</i> ....	.....
GA....	Dawson Nat. Bank, Dawson...	F. E. Clark, <i>Cas.</i> .....	S. R. Christie.
ILL....	North Western N. B., Chicago.	E. Buckingham, <i>P.</i> .....	Geo. Sturges*
IOWA...	Little Sioux Savings Bank, Little Sioux.	Wm. A. Lovelace, <i>P.</i> ....	.....
"	First Nat. B'k, New Hampton.	T. M. C. Logan, <i>V. P.</i> ...	.....
"	Williamsburg Sav. Bank, Williamsburg.	B. F. Freeman, <i>Cas.</i> .....	.....
"	Williamsburg Sav. Bank, Williamsburg.	Grant M. Bigelow, <i>A. Cas.</i>	.....
"	Williamsburg Sav. Bank, Williamsburg.	G. H. Hughes, <i>Cas.</i> .....	D. E. Evans.
KAN...	Hutchinson N. B., Hutchinson.	John Chapman, <i>V. P.</i> ...	G. A. Vanderveer.
"	First Nat. B'k, Medicine Lodge.	W. T. Rouse, <i>Cas.</i> .....	T. C. Molloy.
KY....	Hickman Bank, Hickman,	W. C. Johnson, <i>Cas.</i> ....	R. L. Alexander.
"	First National Bank, Paducah...	M. G. Cope, <i>Ass't Cas.</i> ...	.....
"	Deposit Bank, Smith's Grove...	L. A. Butler, <i>Cas.</i> .....	Ben S. Cooke.
ME....	Gardiner Nat. Bank, Gardiner.	W. F. Richard, <i>P.</i> .....	I. J. Carr.
MD....	N. B. of Commerce, Baltimore.	Geo. Manning, <i>V. P.</i> ....	.....
"	Citizens Nat. Bank, Frederick..	Wm. G. Zimmerman, <i>C.</i>	D. T. Lakin.
MASS...	Traders Nat. Bank, Boston....	W. A. Faulkner, <i>P.</i> .....	A. L. Fennessy.
"	Pacific Nat. Bank, Nantucket..	E. W. Perry, <i>P.</i> .....	F. C. Sanford*
MONT...	First National Bank, Billings...	W. A. Evans, <i>Ass't Cas.</i>	H. Oldam.
MO....	Wood & Huston Bank, Marshall.	Geo. A. Murrell, <i>P.</i> ....	Will H. Wood*
"	Merchants N. Bank, St. Louis.	Jno. C. Lamkin, <i>Ass't Cas.</i>	.....
"	St. Louis N. Bank, St. Louis.	John Nickerson, <i>Cas.</i> ....	H. G. Allis.
NEB...	First Nat. Bank, Beaver City..	W. E. Burr Jr., <i>Cas.</i> ....	John Nickerson.
"	First Nat. Bank, Beaver City..	T. M. Williams, <i>V. P.</i> ...	C. T. Edee.
"	Jansen Bank, Jansen.	Peter Janson, <i>P.</i> .....	.....
"	Jansen Bank, Jansen.	John P. Thiessen, <i>V. P.</i> ...	.....
"	Jansen Bank, Jansen.	Dan Lewis, <i>Cas.</i> .....	.....
"	Jansen Bank, Jansen.	G. D. Lewis, <i>Ass't Cas.</i> ..	.....
"	First National Bank, Minden	Henry E. Lewis, <i>V. P.</i> ....	G. L. Godfrey.
"	First National Bank, Pierce....	Woods Cones, <i>Cas.</i> .....	C. L. Wattles.
"	First National Bank, Red Cloud.	L. H. Fort, <i>Cas.</i> ....	John R. Shirey.
"	First National Bank, Red Cloud.	Ellis A. Shirey, <i>Ass't Cas.</i>	H. B. Cather.
N. J....	Third Nat. Bank, Jersey City...	R. S. Ross, <i>Cas.</i> .....	Wm. M. Laws.
N. Y....	Wallabout Bank, Brooklyn.	Edwin Ludlam, <i>P.</i> .....	I. M. Bon.
"	Genesee Valley N. B., Genesee.	Chas. A. Sackett, <i>Cas.</i> ....	Jos. B. Pigot.
"	Chautauqua Co. Nat. Bank, Jamestown.	Chas. W. Fielder, <i>A. Cas.</i>	.....
"	Chautauqua Co. Nat. Bank, Jamestown.	W. O. Benedict, <i>Cas.</i> ....	Geo. S. Gifford.
"	First National Bank, Penn Yan.	A. W. Kendall, <i>Cas.</i> ....	H. K. Armstrong.
"	Monroe Co. Sav. B., Rochester.	Jas. E. Booth, <i>P.</i> .....	Wm. N. Sage*
OHIO...	Teutonia National Bank, Dayton.	Louis H. Pooock, <i>V. P.</i> ...	Fred. Reibold.
"	First Nat. Bank, Germantown.	J. Schumacher, <i>Cas.</i> .....	Louis H. Pooock.
"	First Nat. Bank, Germantown.	Henry Ampt, <i>V. P.</i> .....	.....
ORE....	First Nat. Bank, McMinnville..	W. D. McDonald Jr., <i>C.</i>	J. Wortman.
PA....	Butler Co. National Bank, Butler.	Robt. B. Taylor, <i>P.</i> .....	.....
"	Butler Co. National Bank, Butler.	John V. Ritts, <i>V. P.</i> ....	.....
"	Butler Co. National Bank, Butler.	Chas. A. Bailey, <i>Ass't C.</i>	.....
"	Union N. Mt. Joy Bank, Mt. Joy.	I. S. Longenecker, <i>Cas.</i> ...	J. V. Long.
"	Farmers & Mechanics N. B., Phoenixville.	D. W. Brown, <i>Cas.</i> .....	D. W. Brower.

\* Deceased.



<i>Bank and Place.</i>	<i>Elected</i>	<i>In place of.</i>
TEXAS.. First National Bank, Cuero....	C. L. Stadtler, <i>V. P.</i> ....	W. H. Graham.
" .. Fourth National Bank, Dallas.	T. J. Oliver, <i>Cas.</i> ....	T. J. Wood, Jr.
" .. Iron City Nat. Bank, Llano....	J. A. Rafferty, <i>V. P.</i> ....	.....
" .. Citizens National Bank,	G. W. Todd, <i>V. P.</i> ....	.....
" .. Waxahachie National Bank,	Mason. } J. A. Gamel, <i>Ass't Cas.</i> ..	.....
" .. Waxahachie. }	A. Trippet, <i>V. P.</i> ....	.....
" .. First National Bank, Yoakum..	J. J. Metcalfe, <i>Ass't Cas.</i> ..	.....
WASH. Tacoma Nat. Bank, Tacoma..	Alex. May, <i>V. P.</i> ....	.....
WIS.... First National Bank,	H. O. Fishback, <i>Cas.</i> ....	Wm. Fraser.
" .. Hudson. }	J. A. Humbird, <i>P.</i> ....	E. A. Jefferson.
" .. First Nat. Bank, Janesville....	D. C. Fulton, <i>Cas.</i> ....	J. A. Andrews.
ONT.... Imperial B. of Canada, Toronto.	John G. Rexford, <i>Cas.</i> ..	J. B. Doe.*
NOVA S. Merchants Bank of Halifax,	T. S. Stayner, <i>Director</i> ..	Alexander Morris.*
Bridgewater. }	W. F. Mitchell, <i>Agent</i> ,	W. S. Tupper.

\* Deceased.

## NEW BANKS, BANKERS, AND SAVINGS BANKS.

(Monthly List, continued from August No., page 157.)

<i>State. Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N.Y. Correspondent.</i>
ALA.... Demopolis. ....	First National Bank.....	.....
" .. \$50,000	J. S. Hanly, <i>P.</i> Jas W. Taylor, <i>Cas.</i>	.....
" .. Fort Payne....	Peoples Savings Bank....	.....
" .. \$25,000	Joseph W. Spaulding, <i>P.</i> Abner C. Spaulding, <i>Cas.</i>	.....
ARK ... Walnut Ridge..	Lawrence County Bank..	.....
" ..	James M. Phelps, <i>P.</i> James P. Coffin, <i>Cas.</i>	.....
" ..	Milton D. Baber, <i>V. P.</i>	.....
CAL.... Perris. ....	Perris Valley Bank.....	Chase National Bank.
" .. \$10,500	A. H. Naftyger, <i>P.</i> Jas. Patterson, Jr., <i>Cas.</i>	.....
" ..	J. W. Nunce, <i>V. P.</i>	.....
COL.... Denver ....	Union National Bank....	Chase National Bank.
" .. \$1,000,000	Roger W. Woodbury, <i>P.</i> Walter H. Trask, <i>Cas.</i>	.....
" ..	M. Spangler, <i>V. P.</i> R. C. Lockwood, <i>Ass't Cas.</i>	.....
DAK. N. Dickinson.....	First National Bank.....	Southern National Bank.
" .. \$50,000	A. Hillard, <i>P.</i> R. H. Johnson, <i>Cas.</i>	.....
" ..	A. N. Jefferies, <i>V. P.</i>	.....
" .. Fargo.....	Merchants State Bank...	Western National Bank.
" .. \$50,000	Burleigh F. Spaulding, <i>P.</i> Louis S. Champine, <i>Cas.</i>	.....
" ..	Thos. Baker, Jr. <i>V. P.</i>	.....
" .. Tower City....	State Bank.....	First National Bank.
" .. \$5,000	R. P. Sherman, <i>P.</i> S. E. Sherman, <i>Cas.</i>	.....
" ..	Geo. C. Ward, <i>V. P.</i>	.....
DAK. S. Hill City.....	Harney Peak Bank.....	National Bank of Republic.
" .. \$10,000	James Halley, <i>P.</i> Edward W. Speed, <i>Cas.</i>	.....
" ..	H. C. Wicker, <i>V. P.</i>	.....
ILL.... Jerseyville.....	State Bank.....	Chase National Bank.
" .. \$25,000	Stephen H. Bowman, <i>P.</i> Henry A. Shephard, <i>Cas.</i>	.....
" ..	John A. Shephard, <i>V. P.</i>	.....
" .. Monmouth.....	Nat. Bank of Monmouth.	.....
" .. \$100,000	Henry Tubbs, <i>P.</i> Wm. B. Young, <i>Cas.</i>	.....
IND. T.. Guthrie.....	National B'k of Guthrie.	.....
" .. \$150,000	Rhondolph de Steigner, <i>P.</i> Louis de Steigner, <i>Cas.</i>	.....
" .. Muscogee .....	First National Bank.....	.....
" .. \$100,000	Robt. L. Owen, <i>P.</i>	.....
" .. Oklahoma City.	First National Bank. ...	Southern National Bank.
" .. \$50,000	G. T. Reynolds, <i>P.</i> J. P. Boyle, <i>Cas.</i>	.....
IOWA... Fort Madison...	Fort Madison Sav. Bank.	.....
" .. \$30,000	W. H. Kritsinger, <i>P.</i> W. H. Miller, <i>Cas.</i>	.....
" ..	Chas. H. Peters, <i>V. P.</i> J. A. S. Pollard, <i>Ass't Cas.</i>	.....

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
IOWA.	Logan .....	State Savings Bank..... \$20,000 Chas. F. Luce, <i>P.</i>	Hanover National Bank. Wm. H. Johnson, <i>Cas.</i>
"	.. Red Oak.....	State Savings Bank. .... \$50,000 Hiram C. Houghton, <i>P.</i>	Chase National Bank. David B. Miller, <i>Cas.</i>
"	.. Sioux City.....	Northwestern Nat. Bank. \$200,000 W. W. Marshall, <i>V. P.</i> Fred. T. Evans, <i>P.</i>	Hanover National Bank. Frank W. Miller, <i>Ass't Cas.</i> Edwin M. Donaldson, <i>Cas.</i>
"	.. Williamsburg..	Farmers Savings Bank... \$12,000 Abel Anderson, <i>V. P.</i> Wm. Welsh, <i>P.</i>	..... David E. Evans, <i>Cas.</i>
KAN...	Colony.....	Peoples Bank..... \$7,500 W. R. Evans, <i>V. P.</i> Isaac K. Reeve, <i>P.</i>	Hanover National Bank. W. G. Springer, <i>Ass't Cas.</i> John B. Rhodes, <i>Cas.</i>
"	.. Kansas City ...	Kansas City Sav. Bank.. \$50,000 Woodrow Douglass, <i>V. P.</i> C. W. Trickett, <i>P.</i>	Hanover National Bank. A. N. Mayer, <i>Cas.</i>
"	.. Richmond.....	Bank of Richmond..... \$10,000 Porter Sherman, <i>V. P.</i> Chas. E. Putnam, <i>P.</i>	Gilman, Son & Co. Arthur D. Sowerby, <i>Cas.</i>
KY. . .	Benton .....	Bank of Benton..... John W. Dycus, <i>P.</i>	..... Solon L. Palmer, <i>Cas.</i>
"	.. Columbus.....	Bank of Columbus..... J. D. Peterson, <i>V. P.</i> W. F. Cowles, <i>P.</i>	Latham, Alexander & Co. Walter R. Sublette, <i>Cas.</i>
"	.. Middlesboro....	Bank of Middlesboro.... Joseph P. Sandifer, <i>P.</i>	Hanover National Bank. Wm. J. Kinnaird, <i>Cas.</i>
LA.....	Arcadia.....	Arcadia State Bank. .... \$30,000 D. N. Mason, <i>V. P.</i> Albert L. Atkins, <i>P.</i>	Hanover National Bank. John B. Talbert, <i>Cas.</i>
"	.. Minden.....	Bank of Minden..... Alfred Goodwell, <i>P.</i>	Importers & Traders Nat. Bank. Robt. H. Miller, <i>Cas.</i>
MICH...	Muskegon.....	Hackley National Bank.. \$100,000 Felix H. Drake, <i>V. P.</i> Chas. H. Hackley, <i>P.</i>	..... Geo. A. Abbott, <i>Cas.</i>
MISS....	Hernando .....	Hernando Bank..... \$25,000 L. G. Mason, <i>V. P.</i> Edward H. Granger, <i>P.</i>	Hanover National Bank. Andrew P. Watson, <i>Cas.</i>
MO.....	Aurora.....	First National Bank..... \$50,000 A. H. Rogers, <i>P.</i>	..... W. B. Booth, <i>Cas.</i>
"	.. Sedalia.....	Sedalia Nat. Bank..... \$100,000 Chris. Hye, <i>P.</i> O. A. Crandall, <i>V. P.</i>	Hanover National Bank. F. W. Shultz, <i>Cas.</i>
"	.. Thayer.....	Oregon County Bank.... \$10,000 Wellington McLelland, <i>P.</i>	Hanover National Bank. Frank A. Niblock, <i>Cas.</i>
MONT...	Helena.....	American National Bank. \$200,000 Thos. C. Power, <i>P.</i>	Western National Bank. Alexander C. Johnson, <i>Cas.</i>
"	"	Helena National Bank.. \$50,000 A. J. Seligman, <i>V. P.</i> John T. Murphy, <i>P.</i>	..... Geo. F. Cope, <i>Ass't Cas.</i> Frank Baird, <i>Cas.</i>
NEB....	Belden.....	Belden State Bank .....	National Bank of Deposit.
"	.. Stockville.....	Citizens Bank..... \$15,000 H. H. Clark, <i>P.</i> G. W. Clawson, <i>P.</i>	..... F. M. Kimball, <i>Cas.</i> W. Sanford Gee, <i>Cas.</i>
N. H...	Berlin Falls....	Bank of Berlin..... \$5,000 J. L. Sanders, <i>V. P.</i>	..... Albert H. Eastman, <i>Cas.</i>
N. J....	Atlantic City...	Union National Bank... \$100,000 Allen B. Endicott, <i>P.</i>	..... Jesse G. Hammer, <i>Cas.</i>
OHIO...	Blanchester....	Merchants & Farm. Bank. \$50,000 Edward P. Williams, <i>V. P.</i> H. C. Watkins, <i>P.</i>	First National Bank. Wm. C. Gregory, <i>Cas.</i>
"	.. Marysville.....	Union Banking Co..... Philip Snider, <i>P.</i>	..... Chas. S. David, <i>Cas.</i>
		Jerry Miller, <i>V. P.</i>	G. L. Sellers, <i>Ass't Cas.</i>

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
ORE....	Astoria.....	Astoria National Bank ..	.....
	\$50,000	C. T. Edee, <i>P.</i>	A. B. Edee, <i>Cas.</i>
" ..	Woodburn.....	Bank of Woodburn.....	.....
	\$40,000	J. H. Settlemier, <i>P.</i>	J. M. Porrman, <i>Cas.</i>
		J. M. Moyer, <i>V. P.</i>	
PA. ....	Bellefonte. ....	Jackson, Crider & Hastings.	Drexel, Morgan & Co.
" ..	Orwigsburg....	First National Bank.....	.....
	\$50,000	Alonzo P. Blakslee, <i>P.</i>	John R. Leisenring, <i>Cas.</i>
TENN ..	Humboldt. ....	Tennessee State Bank...	United States National Bank.
	\$50,000	R. E. Gardner, <i>P.</i>	J. R. Jarrell, <i>Cas.</i>
		O. C. Sharp, <i>V. P.</i>	
TEXAS..	Cleburne.....	Farm. & Merchants N. B.	Chase National Bank.
	\$100,000	Early Y. Brown, <i>P.</i>	Sterling B. Allen, <i>Cas.</i>
		M. L. Kennard, <i>V. P.</i>	W. A. Jennings, <i>Ass't Cas.</i>
" ..	Colorado .....	Citizens National Bank...	.....
	\$60,000	J. A. Walker, <i>P.</i>	A. Pruitt, <i>Cas.</i>
		F. M. Burns, <i>V. P.</i>	
" ..	Elgin.....	First National Bank.....	.....
	\$50,000	A. H. Jones, <i>P.</i>	E. J. Archinard, <i>Cas.</i>
" ..	Fairhaven.....	Citizens Bank.....	Importers & Traders Nat. Bank.
	\$50,000	Chas. X. Larrabee, <i>P.</i>	H. W. Kinney, <i>Cas.</i>
		P. W. Strader, <i>V. P.</i>	B. B. Seymour, <i>Ass't Cas.</i>
" ..	Floresville .....	Will. S. Heard	W. L. Moody & Co.
" ..	Graham .....	First National Bank.....	Fourth National Bank.
	\$50,000	R. E. Mabry, <i>P.</i>	Wm. R. Houston, <i>Cas.</i>
		Wm. D. Craig, <i>V. P.</i>	
" ..	Grand View....	First National Bank.....	.....
	\$50,000	W. G. Davis, <i>P.</i>	T. E. Pittman, <i>Cas.</i>
		F. M. Weathered, <i>V. P.</i>	
" ..	Nacogdoches... First National Bank....		Southern National Bank.
	\$50,000	John P. Davidson, <i>P.</i>	J. W. Shipman, <i>Cas.</i>
		J. E. Mayfield, <i>V. P.</i>	
" ..	Temple.....	Bell County Nat. Bank..	.....
	\$50,000	C. L. McCay, <i>P.</i>	Henry D. Kone, <i>Cas.</i>
" ..	Texarkana....	Gate City Nat. Bank. ..	W. L. Moody & Co.
	\$50,000	Joseph G. Kelso, <i>P.</i>	Robt. C. Carman, <i>Cas.</i>
		Lawrence A. Byrne, <i>V. P.</i>	
WASH..	Aberdeen.....	First National Bank.....	.....
	\$50,000		Harry A. Hayes, <i>Cas.</i>
" ..	Fairhaven.....	Fairhaven Nat. Bank....	.....
	\$50,000	James F. Wardner, <i>P.</i>	Frederick Pettibone, <i>Cas.</i>
" ..	Hoquiam .....	Hoquiam National Bank.	.....
	\$50,000	C. M. Parkhurst, <i>P.</i>	Geo. W. Hertges, <i>Cas.</i>
" ..	Spokane Falls.. Bank of Columbia.....		.....
	\$30,000	Lloyd S. Roberts, <i>P.</i>	Wm. M. Byers, <i>Cas.</i>
		W. B. Roberts, <i>V. P.</i>	
WIS....	Milwaukee. ....	Wisconsin Trust Co.....	.....
	\$100,000	Frederick N. Finney, <i>P.</i>	Edward Ferguson, <i>Treas.</i>
		Samuel M. Green, <i>V. P.</i>	Andrew A. Hathaway, <i>Sec.</i>
" ..	West Superior.. Amer. Exchange Bank..		Chase National Bank.
	\$50,000	James H. Culver, <i>P.</i>	Ebin M. Hills, <i>Cas.</i>
		F. A. Watkins, <i>V. P.</i>	D. S. Culver, <i>Ass't Cas.</i>

## OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(Monthly List, continued from August No., page 158.)

<i>No.</i>	<i>Name and Place.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
4382	Union National Bank.....	Roger W. Woodbury,		
	Denver, Col.		Walter H. Trask,	\$1,000,000
4383	National Bank of Guthrie.....	R. de Steigner,		
	Guthrie, Ind. Ter.		L. de Steigner,	100,000

4384	First National Bank.....	A. Hilliard, Dickinson, N. Dak.	R. H. Johnson,	50,000
4385	First National Bank.....	Robt. L. Owen, Muscokee, Ind. Ter.		100,000
4386	Farmers & Merchants Nat. Bank.	Early Y. Brown, Cleburne, Texas.	Sterling B. Allen,	100,000
4387	Fairhaven National Bank.....	Jas. F. Wardner, Fairhaven, Wash.	Frederick Pettibone,	50,000
4388	Citizens National Bank .....	F. M. Gardner, Gatesville, Texas.	A. R. Williams,	50,000
4389	First National Bank.....	W. G. Davis, Grand View, Texas.	T. E. Pittman,	50,000
4390	Hoquiam National Bank.....	C. M. Parkhurst, Hoquiam, Wash.	Geo. W. Hertges,	50,000
4391	First National Bank.....	R. E. Mabry, Graham, Texas.	Wm. R. Houston,	50,000
4392	Sedalia National Bank.....	Chris. Hye, Sedalia, Mo.	F. W. Shultz,	100,000
4393	First National Bank.....	C. C. Hemming, Ardmore, Ind. Ter.	C. L. Anderson,	50,000
4394	First National Bank.....	J. S. Hanly, Demopolis, Ala.	James W. Taylor,	50,000
4395	Citizens National Bank.....	J. A. Walker, Colorado, Texas.	A. Pruit,	60,000
4396	American National Bank.....	Thos. C. Power, Helena, Mont.	Alexander C. Johnson,	200,000
4397	Commercial National Bank.....	H. W. Wheeler, Seattle, Wash.	W. Barry,	100,000
4398	Hackley National Bank.....	Chas. H. Hackley, Muskegon, Mich.	Geo. A. Abbott,	100,000
4399	Keystone National Bank.....	Myron Reed, West Superior, Wis.	James H. Rogers,	100,000
4400	National Bank of Monmouth....	Henry Tubbs, Monmouth, Ill.	Wm. B. Young,	100,000
4401	Gate City National Bank.....	J. G. Kelso, Texarkana, Texas.	R. C. Carman,	50,000
4402	First National Bank.....	G. T. Reynolds, Oklahoma City, Ind. Ter.	J. P. Boyle,	50,000
4403	Astoria National Bank.....	C. T. Edee, Astoria, Ore.	A. B. Edee,	50,000
4404	Bell County National Bank.....	C. L. McCay, Temple, Texas.	Henry D. Kone,	50,000
4405	First National Bank.....	John P. Davidson, Nacogdoches, Texas.	J. W. Shipman	50,000
4406	Helena National Bank.....	John T. Murphy, Helena, Mont.	Frank Baird,	500,000
4407	First National Bank.....	Aberdeen, Wash.	Harry A. Hayes,	50,000
4408	First National Bank.....	Alonzo P. Blakslee, Orwigsburg, Pa.	John R. Leisenring,	50,000
4409	First National Bank.....	A. H. Rogers, Aurora, Mo.	W. B. Booth,	50,000
4410	First National Bank.....	A. H. Jones, Elgin, Texas.	E. J. Archinard	50,000

## APPLICATIONS FOR NATIONAL BANKS.

The following *applications* for authority to organize *National Banks* have been filed with the Comptroller of the Currency during August, 1890.

- COL.... Greeley ..... Greeley National Bank, by Hunter & West and associates.  
 " .. Telluride ..... First National Bank, by Lucien L. Num.
- FLA.... Tampa ..... Tampa National Bank, by C. J. Hicks, Orlando, Fla., and associates.
- GA.... Valdosta ..... First National Bank, by S. I. Hayes, of Thomasville, Ga., and associates.
- IDAHO.. Wallace..... First National Bank, by Charles Hussey and associates.
- ILL.... Anna ..... First National Bank, by H. Wells, of Cairo, Ill., and associates.  
 " .. Vienna..... First National Bank, by P. T. Chapman and associates.
- IND. T.. El Reno..... First National Bank, by C. L. Severy and associates.  
 " .. Ponca ..... First National Bank, by C. W. Bleuler, of Guthrie, Okl. T., and associates.  
 " .. Purcell..... First National Bank, by L. N. Coburn and associates.
- IOWA... Sioux City..... Northwestern National Bank, by E. M. Donaldson and associates.
- KAN.... Kansas City .... Exchange National Bank, by Isaac D. Wilson and associates.
- LA..... Alexandria..... Rapides National Bank, by G. W. Bolton and associates.
- MICH... Reed City ..... First National Bank, by L. K. Parkhurst and associates.
- MINN... Duluth..... Marine National Bank, by Willmot Saeger and associates.
- MO..... Joplin ..... Joplin National Bank, by A. L. Newman and associates.  
 " .. Osceola..... St. Clair County Nat. Bank, by J. P. Landes, care of St. Clair County Bank, and associates.  
 " .. St. Louis..... Metropolitan National Bank of St. Louis, by James M. Lewis and associates.
- MONT.. Great Falls .... Merchants National Bank, by Hon. W. F. Sanders, U. S. Senate, and associates.
- NEB.... Lincoln..... Columbia National Bank, by Jno. B. Wright and associates.
- OKL. T. Kingfisher..... First National Bank, by J. C. Post and associates.
- ORE.... La Grande .... Farmers and Traders Nat. Bank, by W. J. Snodgrass and associates.  
 " .. Medford ..... First National Bank, by W. I. Vawter.  
 " .. Portland..... United States Nat. Bank, by C. A. Plumer and associates.
- PA..... Philadelphia... National Collection Bank, by Morse, Haynes & Wensley, 10 Wall St., N. Y., and associates.
- TEXAS.. Aransas Pass.... First National Bank, by J. R. Hoxie, care of Farmers & Mechanics' Nat. Bank, Ft. Worth, Texas, and associates.  
 " .. Corpus Christi. .Corpus Christi National Bank, by Thos. Hickey and associates.  
 " .. Denison ..... National Bank of Denison, by C. S. Cobb and associates.  
 " .. Eastland ..... Eastland National Bank, by F. W. James, of Baird, Texas, and associates.  
 " .. Hamilton ..... First National Bank, by J. W. Rudasell, of Meridian, Texas, and associates.  
 " .. " Hamilton National Bank, by G. W. Perry and associates.  
 " .. Houston..... Planters' National Bank, by Ferd. K. Rule, 706 & 708 Wall St., Kansas City, Mo., and associates.  
 " .. Palestine..... Palestine National Bank, by G. M. Dilley and associates.

- WASH.. Chehalis..... Chehalis National Bank, by F. M. Wade, of Tacoma, Wash. and associates.  
 " .. Dayton..... Citizens National Bank, by W. D. Perkins and associates.  
 " .. Tacoma..... Nat. Bank of the Republic, by Harry H. Ball and associates.  
 WIS.... Waupaca ..... Waupaca County Nat. Bank, by Chas. Churchill and associates.

## CHANGES, DISSOLUTIONS, ETC.

*(Continued from August No., page 159.)*

- N. Y. CITY..... Jamerson, Smith & Co., now Jas. D. Smith & Co.  
 " .. Jones, Kennett & Hopkins, now Kennett, Hopkins & Co.  
 COL.... Denver ..... Union Bank is now the Union Nat. Bank.  
 DAK. N. Dickinson..... Stark County Bank is now First Nat. Bank.  
 " .. Fargo ..... Dakota Guaranty Savings Bank, now the Merchants State Bank.  
 " .. Tower City.... Tower City Bank (R. P. Sherman), now State Bank.  
 ILL.... Bushnell..... Citizens Bank (Heaton & Randall), now W. H. Heaton & Son, proprietors.  
 " .. Jerseyville..... Bowman & Ware, now State Bank.  
 " .. Monmouth..... Monmouth Nat. Bank has expired by limitation.  
 IOWA... Little Sioux.... Little Sioux Bank (B. F. Freeman), now Little Sioux Savings Bank, same correspondents.  
 " .. Logan..... Logan Bank has been succeeded by State Savings Bank.  
 KAN.... Ulysses..... Wm. A. Salter has removed to Hartland, Kan.  
 " .. Wellington ... State National Bank is reported in voluntary liquidation.  
 KY..... Louisville..... Clifton Rhodes Barrett & Co., reported assigned.  
 MASS.. Boston ..... Potter, Lovell & Co., reported financially embarrassed.  
 MICH... Muskegon ..... Muskegon Nat. Bank, now the Hackley Nat. Bank, same officers and correspondents.  
 MO. .... Kansas City ... Nichols Banking Co. reported failed.  
 NEB.... Hastings..... City National Bank reported closed.  
 " .. Jansen..... Jansen Bank has been incorporated, same correspondents.  
 " .. Stockville..... Stockville Bank has been succeeded by the Citizens Bank.  
 N. H.... Colebrook..... Colebrook Banking Co. has discontinued business here and opened at Berlin Falls, as Bank of Berlin.  
 N. Y. ... Buffalo..... Bank of Attica, now Buffalo Commercial Bank, same officers and correspondents.  
 N. C.... Hickory ..... Bank of Hickory reported assigned.  
 PA. .... Bellefonte..... W. F. Reynolds & Co. have been succeeded by Jackson, Crider & Hastings.  
 TEXAS.. Hico ..... A. L. Phillips has been succeeded by First Nat. Bank.  
 " .. Llano..... Moore, Foster & Co., now the Iron City Nat. Bank.  
 " .. Mason ..... Mason County Bank, now Citizens Nat. Bank.  
 WASH.. Fairhaven ..... Strader & Kinney, now the Citizens Bank.



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AND  
*Statistical Register.*

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No. 4.

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THE HAMILTON NATIONAL BANK CASE.

Elsewhere will be found Judge Gresham's decision in the Hamilton National Bank case, which has attracted the attention of bankers throughout the country. It is unquestionably true that the indorsement of a check for the special purpose of collection is not an indorsement *animo indorsandi*, and does not pass the title to the payee.\* The cases cited by Judge Gresham fully sustain his position. We may use an extract here from a work in which we had occasion, not long since, to review most of the cases on the subject.

If the negotiability of the paper sent to the collecting bank be restricted, for example, if the indorsement be, "For collection, pay to the order of A. B.," this is a notice that the indorser is entitled to the money. Thus, a bank in New York sent checks to a Newark bank for collection, which had the qualified indorsement: "For collection, pay to the order of O. L. Baldwin, cashier," who was cashier for the Newark bank. They were sent by him to a bank in Jersey City to be collected, and the proceeds were credited to it by virtue of an agreement existing between the two to thus credit collections made by them. The Newark bank having failed before remitting the amount to the New York bank, the latter sued the Jersey City bank to recover the amount of the checks which had thus been collected and credited to the Newark bank. Judge Wallace said:† "If the defendant had been

\* *National Com. Bank v. Miller*, 77 Ala. 168.

† *Bank of the Metropolis v. First National Bank*, 22 Blatchf. 58.



justified in assuming that such paper was the property of the Newark bank, it would have been entitled to a lien upon it for a balance of account, no matter who was the real owner of the paper. But the checks bore the indorsement of the plaintiff in a restricted form, signifying that the plaintiff had never parted with its title to them. In the terse statement of Gibson, Ch. J., "A negotiable bill or note is a courier without luggage; a memorandum to control it, though indorsed on it, would be incorporated with it and destroy it." The indorsement by the plaintiff, "For collection," was notice to all parties subsequently dealing with the checks that the plaintiff did not intend to transfer the title of the paper, or the ownership of the proceeds, to another. As was held in *Cecil Bank v. Farmers' Bank of Maryland*,\* the legal import and effect of such indorsement was to notify the defendant that the plaintiff was the owner of the checks, and that the Newark bank was merely its agent for collection. In *First National Bank v. Reno County Bank*,† paper was indorsed, "Pay to the order of Hetherington & Co., Atchison, account of First National Bank, Chicago," and it was held to be such a restrictive indorsement as to charge subsequent holders with notice that the indorser had not transferred title to the paper or its proceeds. Under either form of indorsement the natural and reasonable implication to all persons dealing with the paper would seem to be that the owner has authorized the indorsee to collect it for the owner, and conferred upon him a qualified title for this purpose, and for no other. The defendant could not acquire any better title to the checks or their proceeds than belonged to the Newark bank, except by a purchase for value, and without notice of any infirmity in the title of the latter. As the indorsement of the checks was notice of the limited title of the Newark bank, the defendant simply succeeded to the rights of that bank. . . . As against the plaintiff, the defendant had no right to retain the proceeds of the checks as security or payment of any balance due to him from the Mechanics' National Bank of Newark, after a demand by the plaintiff."

This rule is supported by the strongest reasons, and should not be narrowed. The sending bank may wish to retain the ownership of the draft or check sent for collection; and so long as a special indorsement has this effect, full operation should be given to it; for no other method can be adopted for that purpose which will be so short or so easily executed. But while agreeing fully with the decision with respect to this rule, has not the judge missed the real point in the case, namely, whether the Hamilton National Bank has paid the proceeds to the parties for whom the

\* 22 Md. 148.

† 3 Fed. Rep. 257.

collection' was made? The special indorsement required it to pay the proceeds to Fletcher & Sharpe. The bank could not keep them, whatever might be the indebtedness of Fletcher & Sharpe to it; the bank could not divert them; its duty was clear and imperative to pay them to the agent from whom the draft was received. But did not the bank do this very thing? The proceeds were sent to Fletcher & Sharpe by their direction through the agency of Winslow, Lanier & Co. This firm was Fletcher & Sharpe's agent for the purpose of receiving and transmitting the money collected. Suppose that Winslow, Lanier & Co. had failed after receiving the proceeds, could Fletcher & Sharpe have recovered of the Hamilton National Bank? Most certainly not. Suppose the proceeds had been transmitted by an express company at Fletcher & Sharpe's risk, and they had been lost in transmission, surely the bank would not have been the loser, for they would have been regarded as Fletcher & Sharpe's from the time their transit began. But Winslow, Lanier & Co. were simply transmitting agents and nothing more, and the proceeds belonged to Fletcher & Sharpe from the time they reached Winslow, Lanier & Co., if not from the time they left the Hamilton Bank. The special indorsement did not provide or imply a mode of transmitting the proceeds after they were collected. It simply had the effect of retaining the ownership of them. The fact that they were transmitted through Winslow, Lanier & Co. no more changed or affected their ownership than would their transmission by an express company. Now, if Judge Gresham can show that, where money is thus collected on a special indorsement, it must be transmitted in a particular way, by a particular instrumentality, which has been violated in this case, then, of course, the Hamilton Bank is liable; but we do not know of a single authority. The Hamilton Bank did not keep the money, but transmitted it in the manner directed by the agents of the bank that owned the draft; it seems to us, therefore, that it fulfilled its duty. Suppose the Hamilton Bank had sent the money to Fletcher & Sharpe, and they had sent it to Winslow Lanier & Co., does Judge Gresham maintain that in such a case the bank would be liable? In other words, does he maintain that the collecting bank must skip over all the intermediate agents and send the money collected directly to the first or sending bank? If so, he would greatly disturb several most important practices among banks, liens, etc., and throw the law of collections into confusion. We do not think a decision can be found to justify such a wide departure from the usual rule.

### THE SARATOGA CONVENTION.

If the convention of the American Bankers' Association at Saratoga was disappointing in numbers, the proceedings, as usual, were very harmonious, and all went away feeling that they had had a good time, and had gained something both in knowledge and in pleasure. Perhaps the untoward condition of the employees on the New York Central affected the minds of some who otherwise would have attended. The accident on Friday night showed that this fear was not groundless, and whatever may happen to the meetings of bankers in the future, we certainly hope that the workingmen will not be so illogical and heartless as to wreak their vengeance, however just it may be, on their employers, to the injury and death of innocent persons.

Stronger reasons, however, may be given to explain the non-attendance of members, and it is worth while that these should be stated. No thoughtful person can fail to see that, with the exception of last year, the attendance of the convention has been steadily diminishing in numbers and in interest for several years. The first reason for this state of things is the season of the year in which the convention is held. From the beginning the bankers have chosen precisely the worst season for them to leave their respective institutions. The autumn, as we all know, is the time when bankers, if ever, must be at their posts. If the business of their banks is running along smoothly, yet the need of their presence is no less required, for unusual contingencies are, at that season of the year, constantly arising. It is the time of an active money market, when wants are numerous and large, when all the resources of a bank are strained, and when the greatest promptitude is required in accommodating customers. This condition of things compels many a banker to remain at home who otherwise would be glad to attend. The consequence is that, from the large cities especially, there were less than half-a-dozen bankers. From New York, Messrs. Knox and St. John went, and chiefly because they were members of the executive council, and regarded their duty as imperative. Even they, however, did not remain through the entire proceedings. From Boston, Mr. Potter was the only representative, we believe, and he went for a similar reason. Not a banker was present from Chicago or Cincinnati, and only Mr. Parsons, the president of the association, from St. Louis. If these men had had less imperative duties to perform as members of the association, doubtless not one of them would have been present. The absence of so many is largely due to the season of the year, which has been so unfortunately chosen, for holding the convention.

Another reason is the feeling that the association has but very little work to perform. We are constantly told that there are no new subjects on which to write; that all the topics have been considered until they are threadbare; that the subject of taxation, which was the worst evil confronting bankers when the association was formed, has diminished in importance, in consequence of the action of Congress in repealing the heavier taxes, and so not much remains for the association to do. Why, then, should we go? say the members; no new ideas are to be given out; no fresh thoughts concerning the future; nothing to perfect the system of banking. Is it not a mere waste of time—a convention without a purpose or an end? Many of them, indeed, feel that the time has come for disbanding, and yet they pay their dues annually, and thus keep the association alive. Either thoughtlessly, or from habit, they have no heart or interest in the association, and if a burial should occur the mourners would be few.

Yet we do believe the association has a real purpose for existing. Nearly every kind of business in this country has an association. It may be that the character of this association could be changed, but having once been formed, there is ample ground for its continuance. There may be occasions in the future when the association would prove of great value to the members. It costs but little to keep it alive, while the work of forming it could not be done in a day. Now, the association is running along smoothly, its membership is large, and if any occasion should arise needing concerted action, it would be easy to communicate with members, and thus bring them together. The quiet condition of the banking business to-day is no proof or sign whatever that it will always continue so. Indeed, our country is peculiarly subject to frequent and great changes, more so, perhaps, than any other country in the world, and hence the need of having an association like this for mutual support. The National banking system, for example, must in the future undergo some very great changes. The National debt, on which it is founded, is rapidly becoming a thing of the past, and some other basis must be found for the system. Shall the system be destroyed, shall it be continued without any bonds, or what shall be done? It is claimed that the National debt must form the basis of a constitutional system, but then if the system be worth preserving, why cannot the constitution be changed in this regard? If so, a movement to change the constitution should be made. This is a subject well worth the attention of all interested in the system, whether members or not. If the National banks are to abandon their system, what kind of State banking shall be adopted? Shall the banks go back to the system that prevailed in New York, and some of the other States, just before the National system came

into vogue, or shall a different system be established? What functions shall the Government perform in this regard? Not a few persons in the country are in favor of one or more large Government banks, like those in Europe. What shall be done with the bank circulation—shall this function be entirely abandoned, or shall it be revived? We have merely mentioned these questions to bring out clearly the fact that a great work remains for an association of this kind to perform. It seems to us that the association has been confining itself, perhaps too exclusively, to immediate questions, instead of thinking of those which are in the future, but which are of vital importance, and which the banks must necessarily face at no distant day. We are certain that if the members of the association should turn their eyes to the future, and begin the consideration of these questions, there would be work enough to employ the minds of the best for many a year.

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### BANKING EDUCATION.

One of the papers read at the convention was by Prof. James, of the Wharton School of Finance and Economy—a department in the University of Pennsylvania—containing an account of that school, and replete with suggestions concerning the better education of the business man. Many successful business men think that the proper way to succeed is for others to do like themselves; but very likely a repetition of their course would end in failure. Many of the great fortunes in this country have been the result, not only of great business expertness, but also of a happy condition of things outside of the fortune-getter; the circumstances, not less than the man himself, have been the factors of success in many cases. In a more general way the successful man is the man who has the best training, who is the best equipped for his work. The man, therefore, who has had a thorough education in a school or college, and especially if this has been supplemented by technical education, is surer of success, no matter where he may begin, than the undisciplined, unmethodical, hop-skip-and-a-jump business man. In other words, the well-trained man will average far better than the untrained one, especially in all the higher pursuits. This is an unanswerable argument for a better education in banking, railroading, insurance, and all of the more important business pursuits. To Prof. James' paper the members listened with great interest, and we believe that they were impressed with its value. Certainly, the resolution adopted concerning it expressed the hearty sentiments of those who were present. It is singular how slow our country has been in developing courses in instruc-

tion in banking, commerce, insurance, railroading, and the like. Technical courses of a great variety have been adopted and perfected in engineering, mining, in short, in most of the applied arts, but in the great realms of business just mentioned, and which are of the highest importance, and in which a very large number of persons are engaged, but very little has thus far been done. The nature of the business is not such as to render education impossible, outside practical instruction or experience. Indeed, it is just as practicable to form courses of instruction in these as in any other kinds of business pursuits. Of course, it will be readily admitted that no course of instruction in banking could give a banker the experience and practical knowledge which he would gain behind a desk. The same thing can be said of instruction in medicine, or engineering, or mining, and yet who would think of employing a doctor who had never studied at the schools. It is true the quacks still live, and many of them have an astonishing success, but after all they are only a few of the entire number of doctors. So a great deal concerning commerce, banking, and railroads might be learned by systematic instruction, and the time has fully come when this subject should receive the most thoughtful consideration of business men everywhere. As competition in business is becoming sharper all over the land, and conditions of success far more difficult than they used to be, a higher order of intelligence is needful to conduct business successfully than ever before. All of these facts, which are unquestionable, conclusively prove that a more systematic and thorough instruction in these matters is an imperative requirement of the times.

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*The Tariff and the Money Market.*—The New York Daily *Commercial Bulletin*, like many other newspapers, maintains that the Government is the chief disturbing factor in the money market by maintaining such a high tariff policy. But if the rates on imports were lower, would there be less money in the Treasury? The existence of the present policy, and the inflow of enormous sums into the Treasury, do not necessitate the keeping of them there only the briefest space of time, unless the Secretary of the Treasury decides to retain them longer. A way is always open for him to keep the balance at the lowest possible figure; and this he can do quite as easily with a large as with a small revenue. The tariff policy, therefore, is not the cause of the difficulty; but the policy of the Treasury in keeping so large a balance. Let this be reduced to a minimum, and the people would not care a fig about the tariff policy with respect to its effects on the money market, for they would be zero.

## A REVIEW OF FINANCE AND BUSINESS.

## "CORNERING" THE UNITED STATES TREASURY.

The unexpected is what has happened the past month; and on this unforeseen event, everything financial, and most things commercial, have turned, or been turned, for the time being. This event was a stringency in the money market, such as has not been seen in many a day; and, though of comparatively brief duration, it was protracted enough and so severe as to affect, for the moment, all branches of speculation and legitimate trade, to an extent that they have not fully recovered from the fright, since the cause of this semi-panic has passed away. The conditions that led up to it were chiefly artificial, and hence its unexpectedness and demoralizing effects. Nothing so excites men's fears as ignorance of their cause; and few understood what this cause was until it had been removed, and its direct effects had disappeared. Nothing, however, has so thoroughly illustrated the power of the National Treasury over the money market, and hence over the entire business interests of the country, as the suddenness with which this relief came. On the other hand, it has equally illustrated the dependence of the Government upon the moneyed interests, in carrying out the Acts of Congress, when they relate to finance, and permit of manipulation by Wall Street speculators, by which they can actually "corner" the United States Treasury, as they did in this case, together with the money markets of the country. The chief cause of this financial crisis, aggravated by the popular fear that it might run into a panic, was a combination of speculators, short of the stock market and long of Government bonds, to force down the prices of railroad shares to a point where the former could cover at a handsome profit, and put up the price of United States bonds to a point where the latter could compel the Treasurer to take them off their hands at a big advance, in order to relieve this apprehension of panic, which they had created for the purpose. Thus it was that the Treasury of the United States was virtually "cornered" by Wall Street operators, and forced to "cover" at a loss to the former, and profit to the latter; while the business of the country was demoralized. It is doubtful, however, if this gigantic scheme could have been carried successfully through, had it not been for the opportune circumstance of further business legislation pending in Congress, in the shape of the Tariff Bill, by which another branch of the business community were also at work, on a large scale, to profit at the expense of the Government, by anticipating higher duties with enormous imports in advance of trade requirements. This compelled the

importers to borrow heavily of the banks to take their goods out of bond by October 1st, the date originally set for the new tariff to go into effect, and before the time had been extended to February 1st, because of the clamor of these same importers, that the earlier date would work great hardship to them in their effort to deprive the Government of the higher duties on their goods. Thus, between the interests demanding higher duties from Congress, the importers crying for more time to escape them, and the money-lenders and speculators of Wall Street, the poor old Treasury has had a pretty rough time of it.

#### THE MONEY AND STOCK MARKETS.

The foregoing is substantially the history of the money and stock markets for the month, except in matters of detail, the most important of which are as follows: The extreme rates for money before and after the heavy purchases of bonds by the Treasury are too fresh in men's minds to recapitulate. The most important feature of these purchases, and the one that confirms the above diagnosis of the monetary stringency, was the fact that up to the 17th of September the bulk of the money paid out by the Treasury for these bonds went outside of this city, while \$16,000,000 of the proceeds of the sales on that date remained in New York, or practically the whole. The highest prices were paid at this time; the New York syndicate of bondholders sold out, and the money stringency ended the next day, since when the market has worked easy on very low rates, while the bank reserve, which had been depleted, was increased over \$12,000,000 for the week ending the 27th, when it stood over \$14,000,000 on rising averages against \$935,000 in 1889, \$14,757,000 in 1888, and \$9,017,000 in 1887. On that date the bank statement showed an increase in specie of \$16,980,000, and in deposits of \$16,856,000, against only \$1,397,000 increase in loans. The loans were only 96¾ per cent. of the deposits, against 100½ per cent. the previous week, and 102½ the preceding week.

The following is a comparison of the averages of the New York banks for the last two weeks of the month and for the year:

	<i>Sept. 20, '90.</i>	<i>Sept. 27, '90.</i>	<i>Sept. 28, '89.</i>
Loans.....	\$392,631,600	\$394,029,100	\$409,311,700
Specie.....	76,417,200	93,397,300	65,574,000
Legal tenders.....	22,983,700	22,387,800	35,692,800
Deposits.....	389,982,800	406,838,800	417,324,200
Circulation.....	3,588,300	3,481,900	3,948,100

The following shows the relation between the reserve and the liabilities at the same date:

Specie.....	\$76,417,200	\$93,397,300	\$69,574,000
Legal tenders.....	22,283,700	22,387,800	35,692,800
Total reserve.....	\$99,400,900	\$115,785,100	\$105,266,800
Reserve required against deposits.....	97,495,700	101,709,700	104,331,050
Excess of reserve above legal requirements.	1,905,200	14,075,400	935,750



The purchases of bonds under the Treasury circular of August 30 were completed early in the week following the 17th September, and make the total under that circular \$19,352,000. Less money is going from here than usual to move the crops, because they are not moving as freely. Since the tightness in our money market ended London has been having a touch of financial contraction, the rate of the Bank of England has been advanced, and the Bank of Germany followed suit, though as a matter of precaution rather than necessity, it was said, concerning the latter. But neither have had any material effect here, although American railway securities have declined in London with the general list. Yet there has been no heavy selling by London here, and our market has changed little since the end of the money squeeze. But speculation, except for the Bear account, is still lifeless, and there are but few Bull leaders to twist an oversold market upon the shorts, although the latter seem unable to cover without advancing prices, so well are stocks apparently held. At the close, however, there were indications that some of the Bull pool have been laying low for the Bears to get to the end of their rope before squeezing them. Lackawanna furnished the most important evidence of this character, when "Deacon" White turned up on the Bull side of this stock, and long of it when the street had credited him with being a Bear and short. As a result, the stock started up 3 per cent. in one day, upon this discovery, having previously crept up quietly about four points since the 17th. In this connection, a comparison of the highest and lowest prices of the most active stocks for this year, including sixteen dividend-paying stocks and nine prospective dividend-payers, shows that the highest prices were generally in May and June, when the crop prospects were better than they have since proven; and, that the lowest were in August and September, culminating on the 15th, when the average decline was 15 per cent., since when the average recovery had been 4 per cent. up to the 30th. On the 29th, the average price of these sixteen stocks was 90, and their average dividends 5 per cent. on their par value, or  $5\frac{1}{2}$  on their market value.

#### CONGRESS AND LEGITIMATE BUSINESS.

While the interests above named have been "holding the fort" during this protracted session of Congress, legitimate business has been in a state of partial suspension, hopefully looking forward to the adjournment of that body, when it would be left in peace and certainty for the immediate future, to make up in part for the suspense and loss always attending legislation, affecting business interests, which means a change of the existing basis of values. When the Government comes to be regarded as a national "Grab Bag," everybody considers it right

to put his arm into the Treasury as far as he can thrust it, and to pull out all he can lay his hands on. Those who draw "prizes" are no worse than those who get "blanks," so long as they both put their hands in the bag. But it is a most precarious business that depends upon chance to get something for nothing, or upon legislation to get what the laws of trade and competition refuse to give—one individual or interest an advantage over another. If all get this advantage then there is no gain to any. If not, this constant demand for change from those who are not getting such advantage, keeps all industries in a state of uncertainty and fear that is worse even than a disadvantage that is certain, and may be overcome. It is for just this reason that legitimate business has been, and is always at a stand-still whenever Congress is at work on financial or tariff legislation, when even the trusts are compelled to divert their energies, if not their capital, to the lobby at Washington, to see that their hold on those who hold the neck of the bag is not loosened, as has been the case with the Sugar and Twine Trusts during this session of Congress. Now that this vexed and never-settled question is disposed of until another Congress, or until the November elections shall show whether this tariff ground has to be all plowed over again at the next session, business men may breathe more freely and attend to their business. Meantime the trade of the country is being done from hand to mouth, and enterprises requiring permanent conditions and a certainty for the future, are still deferred. The sooner, therefore, this country shall divorce its business legislation from its politics, as England did long ago, the better it will be for all industries, which can then calculate upon their resources, and a stable policy and revenue laws to develop them, instead of waiting on the fickle fortunes of politics and the caprice or cupidity of the politicians. The tax upon our great industries for political purposes, in return for the privilege of putting their hand in the bag, has already become so heavy that it is an open question if it is not eating up all their profits derived from the tariff, except in the cases of trusts and monopolies, which can tax consumers at will to recoup themselves.

#### GENERAL BUSINESS PROSPECTS AND FALL TRADE.

For the remainder of this year the prospects of general business, however, are improved, for the reason that the hand-to-mouth policy of the past nine months has kept stocks of all kinds of merchandise, except those imported, which are subject to a higher duty under the new Tariff law, very low, in all but the manufacturers' hands and in those of their commission houses. The continuous warm weather of the summer and its protracted term, has cleared out, to an unusual extent, the stock of summer goods, which are not left on dealers' hands to carry over to another

season at a loss, as was the case a year ago. This leaves the retail and jobbing trade of the whole country in good shape for fall and winter, except where some of them were loaded with winter goods not disposed of last year, on account of the mild weather. The result has already been seen in a continued and active demand for fall and winter goods during the past month, which had begun, as noted in last issue, ahead of last year in point, both of time and volume. This has done much to relieve manufacturers of accumulations of woolen goods and of textiles generally. Fall trade, therefore, present and prospective, is in good shape, with a larger volume than usual doing, though the margin of profit to the manufacturer is still considered small. The retail trade, as well as the jobbing, have been doing a good business since the cooler weather has brought back the great mass of their customers from the country.

#### THE IRON AND COAL INTERESTS.

These industries have shown little change as yet, though that little is in their favor, as usual at this season of the year. The former has given more signs of returning activity than the latter, except the steam and manufacturing sorts of coal, which have been in improved demand, especially for ocean steamers, which have been taking their coal here for the round trip to Liverpool instead of on the other side, because of the rush of imported goods and travel this way, and the lack of freight the other, even for ballast, for which they have been taking grain free since the prices of all farm products have been forced so high here by speculation as to stop exports, except of old purchases and of cotton. Domestic sizes of coal have also been more active since the return of the summer absentees from the country, where wood is used more than coal; while many more are laying in their winter supplies on the belief that coal will be no lower, and possibly higher before spring. A Philadelphia dispatch gives the following as the condition of the iron trade there and in Pennsylvania at the close of the month:

The Pennsylvania iron trade has gained in activity during the week ending September 27, or since the tariff was settled, though prices have not responded as yet. There are indications of a general increase in demand, among which are bids by large consumers of crude iron for winter stocks. These propositions have brought out offers by makers to furnish first-class No. 1 at \$18, and first-class forge at \$15. But better terms are demanded. Orders are received for large lots of standard section rails at \$29.75 mill, which price it is probable will be accepted. Bridge-builders have recently placed specifications among structural-iron makers for 4,500 tons of bridge material, and the manufacturers of wrought-iron pipe report general anxiety among big and little buyers to have their orders accepted and

dates fixed for delivery, which manufacturers have hitherto refused, as well as future orders. The merchant-bar, merchant-steel, and sheet mills are all well sold up, and it appears as if a slightly higher range of prices for these products were probable. The contractors who use iron and steel material are urging prompt deliveries where mills have taken a little more business than they can easily handle.

INCREASING STOCK OF SILVER BULLION IN FACE OF INCREASED  
COINAGE.

The increase of the visible supply of silver bullion, as represented mainly by the silver bullion certificates dealt in on the Stock Exchange, is attracting considerable attention. It is significant that while the stock last May was about 5,000,000 ounces, it is now about 8,000,000 ounces, besides the purchase of about 12,000,000 ounces by the Treasury since May 1, viz.: 2,000,000 per month up to August 13, and 4,500,000 per month since, so that the present visible stock of bullion, together with the Treasury purchases since May 1, is 20,000,000 against say 5,000,000 on May 1. This increase is at least partly the result of importations in excess of exports. In May the imports of silver were larger than in any month for many years, being \$3,579,536; in June they were \$1,850,234, and in July \$1,285,660; total for three months, \$6,715,430. The exports in May were \$1,397,646, in June \$975,759, and in July \$2,802,347; total \$5,175,752, leaving an excess of \$1,539,678 of imports. A part also of the increase may be accounted for by the fact that certain smelters have converted their holdings into certificates for the purpose of marketing their product in New York. Where these imports come from seems to be a conundrum no one has attempted to answer. But judging from the fact that the little States of Central America are prohibiting the exportation of Peruvian and Chilian silver, it would look as if the United States had made a target of itself for every country to fire its surplus silver at. The result is seen in a decline in the price of bullion in New York from 121 on August 19, to 110 $\frac{3}{4}$  on September 29, or the same price from which it started on the silver legislation on July 28.

PRODUCE MARKETS AND DECLINING EXPORTS.

It is too soon yet to estimate the export movement for September; but the Government returns for August will afford a basis of comparison by which we can see how rapidly we are losing in the last half of the year what we had gained in the first half, over 1889. The month of September will show still more unfavorably than August, because of the bad crop reports that have been issued the past month, and by which farmers have been induced to hold back their crops for higher prices, while speculation has kept the price so far above an export basis, that no new business could be done except to fill old contracts, and in

corn. At the close of the month cotton has begun to move, as that has not been bulled on extravagant crop reports of damage to "help out the farmers" South, as many believe has been done in the North, to enable them to get a higher price for their products. But the rest of the world have good average crops, whether we have or not, and it is using or selling them, while we hold the price up for the rest of the world to sell on. Whether our farmers will be "helped out," or into bankruptcy, they have been induced to hold their crops back till the last half of the crop year, but whether to take less than they could have sold them for in the first half, time only will tell. In the meantime, or till there is a radical decline here or advance on the other side, there is no hope of any general increase in exports, except of cotton, as is shown in the demoralized condition of ocean freights explained under the head of the coal trade. The extent of the decline in our exports is best seen from the August returns of the Government Bureau, which show a total of \$33,303,969, against \$37,410,481 for the same month of last year, a decrease of \$4,106,512, or 10 9-10 per cent. The principal falling off was in breadstuffs, of which only \$10,700,840 went forward, against \$13,262,776 last year, a decrease of \$2,661,936, or 19 9-10 per cent., the smaller exports this year having been the result of a large advance in prices for cereals over a year ago. Mineral oils show a decrease of \$1,097,488, or 17 per cent.; provisions a decrease of \$670,212, or 6 per cent., and cotton a decrease of \$106,380, or 3 per cent., but as August is the last month of the cotton year, the decrease in that item is not surprising. On the other hand, there was an active export movement in cattle, which amounted to \$3,380,858, an increase of \$429,504, or 14½ per cent.

The entire export movement for the eight months ending August 31 was much more favorable than for August, the total having been \$339,663,026, against \$320,481,472 for the corresponding period of last year, an increase of \$19,181,554, or 5 9-10 per cent. The largest gain was on breadstuffs, of which \$103,474,192 were sent abroad, against only \$80,399,430 in 1889, an increase of \$23,074,762, or 20¾ per cent. The exports of cotton were \$97,139,429 to August 31, against \$112,907,405 in 1889, a decrease of \$15,767,976, or 14 per cent. Provisions increased \$8,555,721, or 11 per cent., and live stock \$6,131,124, or 39 per cent.

Cotton, corn, and live stock are now the only staples on an export basis, though considerable flour is going forward on consignment and low ocean freights, and provisions on old contracts at lower prices made before the silver and short crop booms had struck this country. The minor markets are dull and featureless, with narrow speculation, as in the larger staples, while legitimate trade is confined almost wholly to the domestic demand in absence of export.

## FINANCIAL FACTS AND OPINIONS.

*Purchase of the Four per Cents.*—It is stated that no more four per cent. bonds will be purchased by the Treasury, unless some occasion should arise, until the redemption of the four-and-a-half per cent. loan has been completed. The recent offers to the Government show that there is a considerable quantity of fours which can be had at a fair price; and since that time the price has declined considerably; but if the Government continues the policy of buying up the four-and-a-halves, leaving only one issue unredeemed, will not the holders demand a higher price as soon as the others are paid? So long as the alternative exists of buying the four-and-a-half per cents, the price of the fours will remain at a lower figure. Redeem all of the four-and-a-half per cents., and the Government then will be at the mercy of the four per cent. bondholders. Is not this a very questionable policy?

*Bankruptcy Legislation.*—There seems to be a strong aversion in Congress to the enactment of an involuntary bankruptcy law. Bankruptcy laws are in the nature of confiscation measures, and have never been very popular. It may be that they are passing into general disfavor. This is an interesting subject, and if the course of sentiment is running in this direction, it ought to be known before any measure is enacted. If no bill is passed this session, a congressional committee might do a good thing by inquiring into the opinion or sentiment of the people concerning it. There is such a vicious element in every bankruptcy law, however wisely made, that it ought not to exist unless fully sustained by the thoughtful judgment of the people.

*The Taxation of Bank Notes.*—A bill has just been passed by the Senate for the taxation of National bank and United States Treasury notes by the States. The bill was reported last May, and the text is as follows:

"That all circulating notes of National banking associations and all United States legal tender notes and all other notes and certificates of the United States payable on demand and circulating as currency shall not be exempt from taxation under the authority of any State or Territory: *Provided*, That any such taxation shall be exercised in the same manner and at the same rate that any such State or Territory shall tax other money within its jurisdiction.

"SEC. 2. That the provisions of this Act shall not be deemed or held to change existing laws in respect of the taxation of National banking associations."

The bill is not intended to impose a tax on banks, but simply to make National bank and United States notes, not in private

hands, taxable like other property. Senator Blair made the inquiry if the bill did not enable a State to tax securities of the United States to any extent it sees fit, provided it is done under uniform laws. Senator Edmunds gave the assurance that the bill does not apply to securities of the United States, and Senator Hoar pointed out that United States banks are not taxable except by the express permission of Congress, and that the bill does not grant this permission. The bill was finally passed without opposition. It is aimed at the practice which has grown up in certain States, where personal property is subject to taxation, of converting such property as far as possible into bank notes and Treasury notes just before the time when the property is assessed for taxes. The bill has been referred in the House to the Committee on Banking and Currency, instead of that on the Judiciary. The committee has not held any meeting on the subject, and is hardly likely to before the end of the present session. Several members say that they see no objection to the bill, but they doubt if action can be secured even at the next session. The matter is likely to attract more attention than it has yet done before any bill is enacted into law.

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*Business Men versus Speculators as Borrowers of Money.*—The New York *Commercial Bulletin*, in a recent number, remarked that: "If there had been no paternal Government to pour oil on the fires of speculation, and thus to expand a little flame into a big blaze, the absorption of credit in grain and other speculations this fall might not have gone so far as to cause serious stringency or embarrassment in commercial loans. We had the delightful expansion, when more money was wanted for speculative uses months ago, and but for the same paternal institutions, and public confidence in their sure and ready relief in case of trouble, banks and other lenders would have felt obliged to prepare for the usual emergencies of the fall, and so speculation would have been curtailed and stringency avoided." Is this statement wholly true? Would natural laws be powerful enough to prevent the evils that have lately afflicted borrowers in the New York money market? It is doubtless true that higher rates would have the effect of curtailing speculation, but would they not also oppress merchants and other business classes? In the scramble for money the business man is by no means sure of getting it when the speculator cannot. Of course, they ought to be favored, but unhappily, they are not always. The banks are quite inclined to lend their money to those who will pay the highest rates with proper security; and if these are the speculators, they will be accommodated. The earlier Comptrollers of the Currency criticised the action of the banks in lending to the speculative classes, on the ground that

they had no right to do so. Many banks do give the preference to commercial paper, but not all of them. High rates for money mean suffering as well for merchants as for speculators, and if the Government did nothing to ease the money market, it by no means follows that the merchants would fare better than the others.

*The Fall of Interest Rates.*—Walter C. Wright, actuary of the New England Mutual Life Insurance Company, has contributed an exceedingly interesting paper to the proceedings of the American Statistical Association. He shows the net average returns realized upon the investments of twenty of the leading insurance companies of the country from 1869 to 1889. The highest and lowest interest rates are given below, together with the average for the entire period under consideration:

Years.	Highest.	Lowest.	Ave.	Years.	Highest.	Lowest.	Ave.
1869.....	8.2	3.9	6.0	1880.....	5.6	3.6	4.8
1870.....	7.3	4.5	5.9	1881.....	6.3	3.8	4.8
1871.....	7.2	4.9	6.1	1882.....	7.8	4.1	5.1
1872.....	8.9	5.5	6.2	1883.....	6.8	4.1	5.1
1873.....	8.3	5.6	6.5	1884.....	5.7	4.0	4.7
1874.....	7.8	4.9	6.2	1885.....	6.0	1.9	4.7
1875.....	8.4	5.6	6.5	1886.....	6.7	3.9	4.9
1876.....	8.2	5.3	6.1	1887.....	5.6	3.9	4.7
1877.....	7.7	4.8	5.6	1888.....	5.3	3.6	4.6
1878.....	7.1	3.4	5.1	1889.....	5.6	3.7	4.6
1879.....	6.7	3.8	5.0				

The companies show about the same decline in rates. The drop began about 1876 and continued until 1884. During the last six years the rates have been very nearly uniform, and Mr. Wright believes that it may be assumed that these may be considered about the maximum rates that may be expected to prevail in times of commercial inactivity.

*Purchases of Silver Bullion.*—Of course, the object of Senator Voorhees' bill for the purchase of ten millions of silver bullion, in addition to the quantity authorized by the new silver law, is to create a new demand for silver, and thus enhance its price. Probably it would have this effect, but if enacted, other producers, whose commodities are depressed, might endeavor to seek relief by the same methods. The Government has gone quite as far in the way of protecting special interests to the detriment of larger and more general ones as it should go, and the protected ought to perceive the danger of a reaction if the policy is carried any further. The new silver law is a great experiment, and is worth trying. We are a great people, and have done more within the last thirty years in the way of working out new economic problems than any other Government in the world. To a certain extent experimentation is always in order, and this last experiment is fully justified by the situation; but no one can predict the results,



and nothing further ought to be done until these appear. If no harm comes from the purchase of the additional quantity authorized, then it may be safe to go further in the same direction.

*Improvements in Coinage.*—At last Congress has taken action for improving the coins. The officers of the mint can be trusted to improve the designs that are now in use. In the present number will be found some extracts from a speech by Senator Morrill on this subject, that are lively as well as instructive reading. The almost obsolete three-dollar and one-dollar gold pieces and the three-cent nickel piece are to be discontinued. A bill which recently passed the Senate and goes to the President for his approval, prohibits the further coinage of these pieces, and it provides that as fast as those outstanding shall be paid into the Treasury, they shall be withdrawn from circulation and be recoinced into pieces of other denominations. The bill was passed with perfect unanimity by both Houses, on the reasonable ground that there is comparatively no demand for any one of these coins. The three-dollar gold piece is an anomaly in the present system of coinage, and its circulation is limited. The objections to the one-dollar gold pieces are that they are too small for general use, and that the pieces issued usually are mutilated or converted into ornaments. The three-cent nickel piece is so much like the ten-cent silver piece in size and appearance that they are often mistaken for each other, and on this account the baser coin has become objectionable for current use.

*Finance and Farmers' Alliance.*—One of the principal schemes of the Farmers' Alliance is a system of Government banking by which loans are to be made on farm products to the amount of 80 per cent. of their value. Though the history of the First National Bank was very creditable to all concerned, this cannot be said of the Second. But times have greatly changed since then, and no one believes to-day that a system of direct National banking could be introduced without the gravest dangers of loss and far worse evils. Banking requires a high order of intelligence and large experience, and we cannot imagine a function which would be so inadequately performed by a Government as that of lending its resources. There is not the smallest probability that such a scheme will be adopted. Should the Government engage in the business, it would soon degenerate into favoritism and corruption. If the farmers expect to pay, they might just as well get their money from private individuals or existing banks as from the Government. If they do not expect to pay, but to confiscate the property of other individuals for their own benefit, this can hardly be justified. If the farmers desire lower rates of interest, the true way to get them is to preserve the strictest integrity, and thus secure the

largest possible confidence of lenders. There is money enough in the country, and those who are desirous of lending at low rates of interest with good security are very numerous. If not obtained, the farmers may be assured that the difficulty is with them, and not with the lenders. If these facts be true, if money is obtainable at low rates on adequate security, why should they appeal to the Government for aid of this kind?

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*Instruction in Banking.*—Elsewhere we have reviewed the excellent paper by Prof. James, which was read at the Bankers' Convention at Saratoga, and treating largely of the education of bankers. This noteworthy departure from the kind of papers usually read is due to the thoughtfulness of Mr. Rhawn, president of the National Bank of the Republic, who has been a very zealous supporter of the Bankers' Association from the beginning.

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*Bank Liquidation.*—The liquidation of banks is quite often prolonged in consequence of the inability to collect or deposit all of the assets. The European Bank of London, which failed in 1866, nearly a quarter of a century ago, has been so long in liquidation that most persons probably, except those directly interested, have forgotten that any such institution ever existed. Most of the assets of the bank were in foreign countries, and twenty years ago the European Bank Liquidation Co. was formed for the purpose of taking over the assets of the bank. After twenty-four years of liquidation, nearly all of the debts of the bank have been paid, excepting a very small amount, and, besides, a small sum, about \$13 per share, will be returned to the shareholders. During this long period many of the shareholders have died, and probably only the smaller part will receive the final dividend.

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*Brazilian Finance.*—The rapidly increasing interest of the people in this country in South American affairs justifies the publication of the following account of the financial condition of Brazil. In 1888, the revenue was £16,616,567, being more than a million sterling increase on the estimate, and the expenditure was £16,793,410, or a deficit of about £179,000. According to the calculations of Senhor Ruy Barbosa, the present Minister of Finance, the revenue for 1889 would probably reach £17,010,000, thus exceeding the estimate of the budget law of November, 1888, by more than £450,000, instead of £1,736,144. With regard to the condition of Brazilian finances at the time of the revolution (November 15, 1889), Senhor Barbosa's report supplies the following information: £2,740,262 was either deposited with the financial agents in London, or was allocated for the purchase of silver for coinage. This was not available for current internal expenditure, as it was required for special purposes, and for the payment of the interest upon the foreign debt

and other Government liabilities abroad. The sum actually available, together with the estimated receipts to the end of the financial year, are insufficient to meet the ordinary budget expenses; and it will therefore be necessary to draw upon the proceeds of the loan to make good the deficiency of some £200,000, and to pay off that portion of the floating debt immediately due, which must be settled in cash, as well as the claims upon the Treasury arising out of the system of credits to agriculture, and the relief of the distress caused by the drought in the Ceara and other northern States. Although the revolution has effected some economies by the abolition of the Civil List and allowances to the members of the Imperial family, by the abolition of life senatorships and of the Council of State, and by the disestablishment of the Church, these are far more than counterbalanced by the additions to the military and naval forces, the increased rates of pay and pensions in the army and navy, and the general augmentation of salaries in every grade of the public service. On the other hand, there is reason to anticipate a decrease in the revenue from customs duties, as, owing to the high rate of exchange and the expectation that the import duties on many articles would be raised on the 1st of January, a considerable stock of goods has been accumulated in advance. Senhor Ruy Barbosa, in his report of December 28, 1889, states the amount of the foreign debt on the 15th of November as £30,419,500.

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### THE GOVERNMENT AND THE MONEY MARKET.

Every autumn the same cry is heard concerning the conduct of the Treasury in the money market. Two parties exist having diametrically opposite views, one party believing it is the duty of the Treasury to play the part of a hen watching over the money market, and administering relief whenever the slightest noise is heard; while the other party believes, just as strenuously, in the existence of natural laws which regulate all things financial and economic, and which should be permitted to work out their results to the bitter end, no matter who is helped or hurt by them, without any interference by the Treasury officials. We do not propose, at this time, to consider which party is right in this contention. It may be said, however, that the complaint made against the Treasury, of hoarding, has been conclusively proved to be without foundation, and that during all the time when this charge was repeated with so much positiveness, there was no foundation whatever for it. Indeed, the Treasury has been unusually vigilant in keeping the surplus down to a lower point than it has been before for several years. The statement, recently emanating

from the Treasury Department, must be accepted as conclusive proof of the fact. We are not in the least surprised at the action of the Bears in making the contrary statement, for they are quite competent to state anything, whether false or true, that will help them in their purposes. The surprising thing is, however, that persons who do not belong to the tribe, and who usually are careful and considerate in their statements, should have joined in this statement, which furnishes the proof that some, who are regarded as the most sagacious and thoughtful, sometimes, at least, act without much thought. What is worse in this instance is that persons were led to accept the statement because it emanated from them.

The remedy, proposed a thousand times, is the abolition of the Sub-Treasury Department, and the putting of the Government deposits in the banks. This, however, we believe, would be no help at all, for the banks, doubtless, would lend these deposits just as they do others, and therefore there would be nothing left, especially for times of stringency. The profits in banking are made by lending money, not by keeping it, and, therefore, if they could not lend them, the banks would not care a picayune to have them; indeed, would not be troubled with them; and if they did have them, they would be just as eager to lend them as they are other deposits; and if this was done, where would be the reserve for an occasion of this kind? This remedy, therefore, has no merit whatever.

Two things, however, are practicable, the first is, the Government should pay its bills as promptly as possible, and keep its reserve down to the lowest possible point. There is no reason for keeping any surplus, because the revenues of the Government flow in with great regularity, while its expenditures are absolutely fixed by law, so that the uncertain limits in Government finance are almost nothing. The officials know to a cent the expenditures that must be met; they know with great probability how much revenue will flow in from month to month; and even if there should be a shortage, a considerable portion of the Government expenditure can be delayed, like that for fortifications, rivers and harbors, without special harm to anyone; indeed, there is much less occasion for the keeping of a surplus by the Government than there is for the merchant or the manufacturer to keep one. The true policy, therefore, is for the Government to pay its bills, to spend almost every dollar of the surplus in payment of the debt, and thus there would be no surplus to quarrel over, and no blame to attach to the Government, of hoarding money. Let such a policy as this be adopted, and whatever evils might happen to the country from a tight money market, none could be ascribed to the Treasury Department.

Another mode of relief is to cut deeply into the reserves of the banks on such an occasion as this. What is the use of keeping a reserve if it is never to be used? The policy seems to be to keep closely to the line, and then to regard the reserve as a sum that cannot be used, and by so doing the margin left for loans is a very narrow one, and it is easy enough to raise the money scare at almost any time. How quickly this scare would be over if a different policy should be adopted, and the banks felt justified in using five or ten per cent. of their reserve on an occasion of considerable stringency. If a policy of this kind were adopted, the Bears would not attempt to corner the money market, for they could not succeed as successfully as they have succeeded of late. We certainly think that the policy of the Government and of the banks is quite wrong with respect to the use that has been made of this reserve of late years. Practically, we repeat that it is no reserve at all, for the reason that it is regarded as a sum that cannot be used. Had it been stated that the banks would use a portion of their reserve, we believe that the money scare would have passed away immediately; but by absorbing all the money, and then regarding the reserve as money completely locked up, it has been easy to keep people frightened, and to produce demoralization. These things ought not to be, and would speedily pass away if a more rational policy were adopted with respect to the bank reserve.

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## REFORMS IN BANKING LEGISLATION.

BY E. FOURNIER DE FLAIX.\*

[CONCLUDED.]

Has this great fact hitherto sufficiently attracted and held the attention of statesmen, jurists, and economists? It may well be doubted.

Until the close of the Middle Ages, the banks, with very few exceptions, were considered as simple commercial companies. In southern Europe they were managed in accordance with Roman traditions; in the north according to Teutonic traditions. They were both based upon the joint responsibility of the associates. Only, the Roman traditions became gradually modified in Italy under the influence of the increase of wealth. The system of agency, afterwards that of limited liability, aided in securing capital, especially for banks. Besides these banking companies—of which the Jews, depositaries of the ancient usages of Egypt, Phœnicia, Babylon, Chaldea, and Carthage, in the matter of banks and credit,

\* Translated from the French by O. A. Bierstadt.

the Lombards, successors of the Roman and Greek bankers, the associations and guilds of the Hansa, then the London goldsmiths, the usurers of France, the great religious orders of the Knights Templar and the Knights of St. John of Jerusalem, were the chief elements—there were gradually established the State banks, Venice, Genoa, Amsterdam, Hamburg, Stockholm, and the Bank of England.

The State banks were under the rule of their statutes; the other banks were under the rule of the common law, which made the associates jointly responsible, except in the case of limited liability. But, prior to the seventeenth century, limited liability was hardly known but in Provence and Italy, specially in maritime affairs.

This state of things was much complicated, when notes payable to bearer, paper money, made their appearance. I shall not here go into the history of paper money. It may be traced back to Babylon, where it was long in use; but it does not seem to have been adapted to Greek and Roman affairs, so it disappeared. Yet it is indisputable that, before the issue of the first bank notes by the Bank of Stockholm in 1655, the Bank of Amsterdam and the London goldsmiths gave out certificates payable to bearer, just as the Bank of St. George used two kinds of notes that closely resembled the bank note.

It must not be supposed, however, that the attention of statesmen and jurists was only directed to banks at the time paper money began to come into use. Francis I. helped not a little to found the Bank of Lyons. But the tendency soon became manifest of considering every banking establishment as belonging to the interests of the State, which at this epoch meant the king. Hence the provisions of the ordinance of Blois, which prohibited "all foreigners from setting up a bank in France without security," and Henry III.'s interesting ordinance (September, 1581), which forbade any person to deal in money and to keep a bank without authority. It is probable that the expression "to keep a bank" was applied, not to private individuals having a bank, but to banking companies. Cleirac mentions an ordinance of Henry II. (1557), prohibiting the receivers-general from keeping a bank. A century later Cleirac adds: "But they openly keep banks as well as the provincial tax collectors." In the middle of the seventeenth century, therefore, banking was a free industry in France, but carried on by private individuals and subjected to the regulations of partnerships. These regulations were revised by the great ordinance of 1673, which mentions only partnerships under a collective name and simple limited liability companies.

Stock companies, in which the limited liability became impersonal, were already known, but owing to the dangers they offered it was thought that they ought to be authorized by the king.

This authorization was replaced in the Code of Commerce by that of joint-stock companies.

The movement was exactly the same in England. When the Bank of England was called into being, in 1695, no monopoly was given to it. Parliament merely granted it a charter of incorporation. And, in 1708, when Parliament desired to invest the Bank of England with a monopoly, it prohibited in England any association of more than ten persons from establishing or keeping a bank. In England as in France it was thought that joint-stock banks, forming a new force—the Bank of England was founded especially to make war upon France—should depend upon the authority of the State.

The same tendency prevailed in Italy, Germany, Holland, Sweden and Denmark. This tendency kept up during the whole of the eighteenth century. Thus at the time of the establishment of the Caisse d'Escompte, in 1767 and 1776, there was an edict of the king. This edict forms the charter of the establishment which was constituted a stock company with limited liability. In consequence of its being a stock company the royal power intervened. This was quite the same principle as in England.

It is a very singular fact, that the right of issuing notes payable to bearer is not mentioned in the articles of the edict drawn up by Turgot. The power of issuing notes payable to bearer was then considered as belonging to the common law, notwithstanding the edicts of the Regent and of John Law. Adam Smith was at that very time asking the question, whether it was not a part of the natural law? There were the same ideas concerning the St. Charles Bank, founded in Madrid. Throughout the eighteenth century and down to 1844, the *private bankers*, whose firms did not have over six partners, could issue notes payable to bearer. They had the same power in Scotland and Ireland. Hence the general principles of the banking legislation of the United States until the reform of 1863.

It is true, on the other hand, that in Prussia, Sweden, Denmark, and Russia, the monarch's authorization necessary in establishing a bank was also required to secure the right of issue, which was considered one of the State's prerogatives.

The law of March 2, 1791, in France, delivered partnerships and companies from all authorization. The decree of the Convention of August 21, 1793, subjected them, on the contrary, to the necessity of a preliminary authorization, and pronounced the dissolution of all those in existence "as destructive to the public credit." These words, written by Cambon, the author of the decree, refer to a very interesting fact. Even in the time of the Terror the Caisse d'Escompte kept its notes in circulation, and they were all much above the assignats.

But the Directory, 30th of Brumaire, year VI., repealed the decree of the Convention, and the law of 1791 ruled over commercial partnerships until the Code of Commerce; consequently it was by virtue of the law of 1791 that the four banks of circulation were founded and carried on in Paris, which the first consul, Bonaparte, had his soldiers close in 1803. It is well to remember, indeed, that founded in 1800 (January 18) the Bank of France could not make head against the competition of the free banks. Then there came the law of April 14, 1803, which gave the Bank of France the monopoly of circulating paper money at Paris only, ordered the closing of the free banks of Paris, and stipulated that in the departments the banks issuing notes payable to bearer could only be established after obtaining the Government's consent. No bank was authorized by Napoleon.

This law has not been repealed. It is still in force. Only, indeed, in 1848 the authorized banks of circulation were united with the Bank of France by reason of the provisional Government's violence and incapacity; then the privilege of the Bank of France was renewed in 1806, 1840 and 1857.

France, therefore, has a lame sort of legislation on the subject of banks of circulation. It is either monopoly or a preliminary authorization.

As for the other banks, which were scarcely thought of at the time the Code of Commerce was drawn up, they are subject to that part of this Code which deals with commercial partnerships and to the law of 1867. The Code of Commerce did away with all authorization for limited liability partnerships with shares; this was some progress; but it kept joint-stock companies under the State's authorization and control. Consequently there were very great difficulties in the way of establishing joint-stock banks before the law of 1867, which placed joint-stock companies under the jurisdiction of the common law.

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It would take too long to go over all the foreign legislation upon banks and commercial partnerships in order to compare it with the French legislation. I am obliged to limit myself to the legislation of the principal States. These States are divided into different groups which may be reduced to two, according as the note circulation is the object of a monopoly, or is left free with various guarantees.

The monopoly exists only in Belgium, Holland, Russia, Austria-Hungary, Turkey, Roumania, Bulgaria, Spain, Portugal. Outside of Europe it is found in no country but Hayti. In Turkey, Roumania, and Bulgaria, the note circulation is not of much importance; in Russia and Austria-Hungary it is confounded with the



paper money. In Belgium and Holland it is but a simple fact, the Governments having reserved the privilege of giving other banks the right of issue. In Spain, the monopoly of the Bank of Spain is merely temporary; liberty remains the general law of the country.

The second group comprises the States, where the right of issue is granted, upon certain guarantees, to a fixed number of banks: they are the British Isles, Sweden, Switzerland, Germany, Italy, Chili; and the States where the number of the banks of circulation is unlimited, the United States, Canada, Brazil, the Argentine Republic, Australia, China, Japan, with certain guarantees.

It is readily seen that, contrary to what is often repeated, the group of liberty is much more powerful than that of monopoly.

But the note circulation is only one element in the matter of banks, and this is a new fact which I wish to set forth plainly. Hence follows the necessity of understanding the general system of banks.

Generally, in the States where the note circulation is a monopoly, the banks—and this is a serious mistake—not having the right of issue are considered as ordinary commercial companies, and subjected to the Code of Commerce. On the other hand, in the States where there is no monopoly, the necessity of regulating the liberty has allowed of following more closely the evolution of the banks, and of adapting the legislation to the new needs. This has been especially manifested in the legislation of England, Sweden, Switzerland, Italy, the United States, Canada, Brazil, and the Argentine Republic.

I take England for example. In 1826 and 1833, the law authorized, except within a certain distance around London, the formation of joint-stock companies, and, consequently, of joint-stock banks. These banks were allowed to issue notes payable to bearer. In 1844 came the law that closed the list of banks privileged to issue notes, and limited their issues. In 1857 and 1862, there were new laws, applying to all companies, to limit the guarantee of the stockholders. Finally, the law of August 15, 1879, specially authorizes joint-stock banks, under the system of unlimited responsibility (joint responsibility according to the common law), to change to the system of limited liability. This last is more especially than the others "an Act to amend the law with respect to the liability of members of banking and other joint-stock companies." Its application is considerable. Before the laws of 1857 and 1862, commercial companies, and consequently banks that had no special character, were subject to joint responsibility for the companies' engagements. Such was the condition of the great joint-stock banks established after 1826 and 1833. The law of 1879 authorizes these banks to adopt the system of limited liability, on condition that the

law shall not have a retroactive effect, and that the circulation shall still be guaranteed. Further, these banks, in case of an increase of their capital, are not authorized to require it to be paid in. The law desires a guarantee to be constituted. And it gives companies the privilege of calling in a part of their capital only in case of liquidation.

These provisions indicated an intention to obtain guarantees from the joint-stock banks, even from those that neither possessed nor exercised the right of issue. What is the reason of this purpose of the English law? The new fact of deposits. No trace of these guarantees is to be found in the Codes of Commerce of the different States, where the circulation is a monopoly. The jurists have supposed that the monopoly sufficed for everything. But the right of issuing notes payable to bearer may be of less importance than that of receiving deposits. In what concerns this latter right the English legislators took certain precautions in 1879.

Thus on October 20, 1888, the Yorkshire Banking Company had a circulation of only £100,000, and deposits amounting to £2,957,000. The legislators are uneasy less about the circulation than the deposits. Therefore they require the banks to form a reserve capital, to be called upon only in case of liquidation.

The National Provincial, which is the first bank in England after the State bank, had, on the 20th of October, deposits amounting to £34,812,000, or over \$174,000,000. Just as in the last century a note circulation of £15,000,000 was a new fact in England, this sum of \$174,000,000 at the disposal of a single bank is a new fact at the end of the nineteenth century. The National Provincial also, which is a very conservative establishment, has a subscribed capital of £9,037,500, of which it has called in only £1,807,500. It offers its creditors, therefore, an immediate guarantee of £7,230,000, besides its reserves and its bills and acceptances.

These changes were made in the English legislation in consequence of the failure of the Bank of Glasgow, which had deposits of over \$60,000,000. The stockholders, being jointly responsible, had to make up the deficiency, and the result was a formidable crisis.

The Government was obliged to take the subject into consideration. It saw that large deposits might become for the banks a more important element than the issue of bank notes.

Such was the case lately with the Comptoir d'Escompte of Paris. The Comptoir d'Escompte had deposits of only 200 million francs. An unfortunate management having excited public distrust, there was a run. The Government stepped in without any hesitation. It must be congratulated upon doing so, for the run on the Comptoir d'Escompte might have become general. The Crédit

Lyonnais and the Société Générale had at that time deposits amounting to 1,100 million francs. These 1,100 millions of deposits are a new fact.

In the States allowing a free circulation of notes there is a better understanding of the importance of these new facts than in those making it a monopoly, because the banks are more numerous there, and the State, having accepted the duty of regulating the circulation, is better prepared to understand the others.

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No doubt there are still some partisans of absolute liberty for the circulation of notes. They contend that its regulation will take care of itself. Such is not my opinion, and still less that of the business world, which needs a thoroughly guaranteed circulation. A sort of supervision exists in all States where the circulation of notes is free, and this supervision tends, as in England, the United States, Brazil, and La Plata, to be exercised upon the other elements of banking, particularly upon what concerns deposits and the observance of the statutes.

The advantage of liberty is to accustom people to responsibility; the danger of monopolies is to accustom them to carelessness. It seems, with a strict monopoly of bank notes, like that of the Bank of France, that nothing more can be done. This is the spirit and character of our legislation upon banking, and of that of most States where a monopoly of the circulation of notes flourishes. It is a deplorable illusion, and it proceeds from ignorance. People do not observe the facts contemporary with them; they make shift only to live from day to day; as soon as the bank note is everywhere accepted without apprehension, it is fondly imagined that everything has been provided for, and the advantages of monopoly are celebrated in triumph. These advantages are, however, counterbalanced by many inconveniences. The first is the giving rise to a feeling of deceitful security, as happened in the case of the Comptoir d'Escompte. The day of the last general meeting of this bank's stockholders, who would have imagined that it was suddenly about to collapse? And what a terrible crisis this collapse would have occasioned, without the interference of the Government, and the merciless sacrifice of the Comptoir d'Escompte's 10,000 stockholders! The second inconvenience of monopoly is the centralization in the highest degree of credit and capital; it creates plethora at Paris and penury everywhere else; it subjects to the caprice of some clerk in the department of accounts the interests of such industrial centers as Lyons and Lille, and of our great ports, Marseilles, Havre, and Bordeaux, whose influence is universal; it puts them on rations in the matter of notes and specie, and enforces the same conditions of discount and credit on widely

varying circumstances and interests. But the most serious still of all these inconveniences is the carelessness, ignorance, and contempt of duty of which so many examples are found in Paris, where everything centers and becomes perverted.

It is urgently necessary, therefore, that France should give up her place among the States with the system of monopoly, in order to take rank in the group of States which, under certain guarantees, accept the liberty of issuing bank notes payable to bearer, as in Germany, Italy, the United States, La Plata, and Australia, and which extend their supervision over all the important interests now intrusted to banks.

In the matter of credit, France is not in her place by the side of Russia, Austria, and Spain. If one bank of circulation suffices for Holland and for Belgium, why should it suffice for France? The ruin of the Union Générale, and the Comptoir d'Escompte disaster, are proofs that cannot be answered of the necessity of a reform in the banking legislation of France. The causes of these two lamentable facts are in close relation with the monopoly of the Bank of France. How can there be any explanation of the carelessness, ignorance, neglect of duty, and contempt for their stockholders and creditors which the managers of these two banks carried to the highest point, unless it is in the want of all responsibility that characterizes what is called in Paris "high banking"? And this absence of responsibility has its origin in the monopoly of the Bank of France. Who has any superintendence over the Bank of France? And if there is no superintendence over the Bank of France, disposing, as it does, of such a gigantic monopoly, by what right are the other banks to be superintended?

The English legislation of 1879 enacted for banks permanent examiners, who cannot be stockholders, and whose duty it is to keep an eye upon all their operations.

Everything is changed, renewed, and transformed. Why should our old Code of Commerce be good enough for to-day, and what thinking mind will for a single instant accept the idea that in the matter of credit and banking there has been nothing new since Germinal of the year XII.?



## COLLECTION.

CIRCUIT COURT OF THE U. S. FOR INDIANA.

*Commercial Bank of Cincinnati v. Hamilton National Bank of Fort Wayne.*

When a bank sends a draft specially indorsed to another bank for collection, and which sends it to a third bank with a similar indorsement, the third bank is liable to the first for the amount collected.

GRESHAM, J.—In April, 1884, the plaintiff sent to Fletcher & Sharpe, bankers at Indianapolis, a draft indorsed, "Pay to the order of Fenton for collection, on account of Commercial Bank." Fenton was Fletcher & Sharpe's cashier, and the draft was sent to them in pursuance of an arrangement entered into in 1883, whereby they were to make collections for the plaintiff and remit balances on the first and fifteenth of each month. Fletcher & Sharpe indorsed the draft, "Pay to the order of John Mohr, Jr., Cashier, or order, for collection on account of Fletcher & Sharpe, Indianapolis, Indiana, F. W. Fenton, Cashier," and sent it to the defendant (whose cashier John Mohr was) at Fort Wayne. The defendant collected the draft on July 10th, 1884, and the same day credited Fletcher & Sharpe with the proceeds, \$3,497.49, and advised them of the fact. On receipt of this advice, July 11, Fletcher & Sharpe charged the defendant and credited the plaintiff with the amount, and notified the latter of the collection and credit. This notice was received by the plaintiff July 12th, when it charged the amount to Fletcher & Sharpe. On July 15th the defendant posted a letter at Fort Wayne addressed to Winslow, Lanier & Co., bankers at New York, directing them to credit Fletcher & Sharpe with the amount collected.

At this time, and for several years previous, the defendant and Fletcher & Sharpe had made collections for each other, and any amount due from one to the other was placed to the latter's credit with Winslow, Lanier & Co., with which banking firm both kept accounts, but the plaintiff had no knowledge of this arrangement. The defendant in good faith directed that the credit be given to Fletcher & Sharpe in New York, not knowing that they were indebted to Winslow, Lanier & Co.

Fletcher & Sharpe failed and ceased to do business on July 14th, which failure was announced in the evening papers of Fort Wayne the next day, after banking hours, not however until after the defendant had posted the letter of instruction to Winslow, Lanier & Co. This letter was received in New York on July 17th. The defendant knew of the failure of Fletcher & Sharpe on July 16th, and, although it had ample time to have done so, it failed to countermand the order sent by mail to the New York banking firm.

On July 25th the plaintiff addressed a letter to the defendant claiming the collection and demanding that it be remitted. The demand was refused, and this suit was brought to recover the amount.

The indorsement to Fletcher & Sharpe, "For collection," authorized them and their indorsee to collect the draft for the owner, the plaintiff. Fletcher & Sharpe received the draft for collection, and for no other purpose, and the restrictive character of the indorsement informed the defendant that the title remained in the plaintiff, and that it would own the proceeds when collected. The defendant became a mere sub-agent

of the plaintiff for collection, with no more right to pay the proceeds to Winslow, Lanier & Co. than Fletcher & Sharpe would have had had they made the collection. Fletcher & Sharpe acquired no property in the draft and they passed none to the defendant. The defendant as sub-agent, or trustee, of the plaintiff was bound to send the proceeds to it directly, or through Fletcher & Sharpe. It did neither.

The defendant claims that the placing of the amount of the collection to the credit of Fletcher & Sharpe on the books of Winslow, Lanier & Co., the charging of the same amount against the defendant by Fletcher & Sharpe, the crediting by them of the plaintiff with a like amount, and the charging of Fletcher & Sharpe by the plaintiff, amounted to a payment by the defendant to the plaintiff, through Fletcher & Sharpe; that the defendant should not be required to pay the money again, and that the draft and its proceeds were in all respects treated in accordance with long and well-established custom and usage among banks and bankers.

The plaintiff's indorsement upon the draft was plain and its legal force cannot be defeated by resort to usage, custom or any method of book-keeping. (*Sweeney v. Easter*, 1 Wal. 173; *Bank v. Bank*, 19 Fed. Rep. 303; *Commercial National Bank v. Armstrong*, 39 Fed. Rep. 684; *First National Bank v. Reno Co. Bank*, 3 Fed. Rep. 257; *Blaine v. Bouvero*, 11 R. I. 119; *National Butchers & Drovers Bank v. Hubbel*, 22 N. E. Rep. 1,031; *Parsons on Promissory Notes*, Sec. 143.)

In discussing the effect of indorsements of this character the Supreme Court in *White v. National Bank*, 102 U. S. 658, said: "The language of the indorsement is without ambiguity, and needs no explanation, either by parol proof or by resort to usage. The plain meaning of it is that the acceptor of the draft is to pay it to the indorsee for the use of the indorser. The indorsee is to receive it on account of the indorser. It does not purport to transfer the title of the paper, or the ownership of the money when received. Both these remain by the reasonable and almost necessary meaning of the language in the indorser . . . If this be a sound view of the legal effect of the written indorsement, neither parol proof nor custom can be received to contradict it."

Instead of sending the money to the plaintiff, either directly, or through Fletcher & Sharpe, the defendant sent it to Winslow, Lanier & Co. in New York, not for the plaintiff, but to the credit of Fletcher & Sharpe. It was a violation of the plain terms of the indorsement to thus treat the draft and its proceeds as the property of Fletcher & Sharpe. The defendant sent no money to New York to be credited to Fletcher & Sharpe. It simply instructed Winslow, Lanier & Co. by letter to charge it, and credit Fletcher & Sharpe with an amount equal to the collection, and if the letter of instruction left Fort Wayne before the defendant knew of the failure of Fletcher & Sharpe, it knew of the failure in ample time to have sent a dispatch countermanding the instruction.

Finding and judgment for the plaintiff for the amount collected, with interest.

## ASSIGNMENT OF BANK STOCK.

SUPREME JUDICIAL COURT OF MASSACHUSETTS.

*Ware v. Merchants' Nat. Bank.*

Where an owner of bank stock directs another to obtain all the money possible thereon, and pay the owner's debt to a bank, and adds, "You may apply any and all balance towards the payt. of my indebtedness to you," there is no assignment of the stock to the latter, and, after his debt is paid, he cannot maintain an action for dividends due thereon.

Action by Daniel J. Sawyer, as executor of Charles F. Barker, to recover of the Merchants' National Bank dividends due on forty shares of its stock. Deceased was indebted to the Freeman's National Bank and also to George W. Ware, Jr., and, in view of this indebtedness, gave to Ware the following paper: "Boston, Oct. 3, 1871. Mr. Geo. W. Ware, Jr.: Please obtain all the money you can on my 40 shs. Merchants' Bank stock, and pay Freeman's Bank my notes; and you may apply any and all balance towards the payt. of my indebtedness to you.

CHARLES F. BARKER."

DEVENS, J.—The instrument of October 3, 1871, signed by claimant's testator, C. F. Barker, which requested the plaintiff to obtain all the money he could on the forty shares of Merchants' Bank stock belonging to the testator, and to pay his notes to the Freeman's Bank, and authorized plaintiff to apply any and all balance towards the payment of the indebtedness of the testator to the plaintiff, was not an assignment of the shares to the plaintiff, but an authority to sell the same and to use the proceeds in the manner recited. Even if the paper be construed as conferring the authority, also, to collect and dispose of the dividends already due and unpaid thereon, as it was construed to be by the presiding judge, it was no more than this. It could not operate to transfer the property in the dividends to the plaintiff, and make them his while yet uncollected. Assuming, without finding it necessary to decide, that it was correctly held that an authority to collect these dividends was granted, yet plaintiff was only so authorized in order to apply them to some existing indebtedness to himself—that to the Freeman's Bank having been liquidated. If now entitled to receive them it is because the estate of claimant's testator is still his debtor. After the application of the balance of the money obtained by sale of the stock to plaintiff's debt, and after the decease of the testator, the plaintiff claimed that there was still the amount of \$600 due to him from the estate, while the claimant, the executor, denied that anything whatever was due. A settlement and compromise of all existing claims and liabilities was made between them on January 31, 1885, by which the executor paid to plaintiff the sum of \$200, and received from him, personally and as executor of Charles F. Barker, a release and discharge, under seal, "from all claims and demands." It was ruled as matter of law that, by this settlement and discharge, "the debt to which such dividends might have been applied was extinguished and the dividends released, and that, therefore, the plaintiff could not recover." This ruling was correct. The payment of money by an executor, from the funds of an estate, in settlement and compromise of unliquidated and disputed claims against it, and the acceptance thereof as such, would operate to extinguish

them, even if there had been no formal release under seal. The release and discharge of all claims and demands against the executor was a release and discharge of the estate. Neither the plaintiff nor the executor, in fact, knew of these dividends. Even if it be true, as the plaintiff contends, that the dividends, had the plaintiff known of their existence, might rightfully have been applied to the payment of his debt, he had not so applied them. They were still, as we construe the paper of October 3, 1871, the property of the estate; and when the debt was extinguished the plaintiff had no further interest in them. Exceptions overruled.

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## COLLECTIONS.

SUPREME COURT OF MINNESOTA.

*Streissguth et al. v. National German-American Bank.*

A bank with which a customer has left for collection his draft upon a party residing at a distant point is liable for the failure and default of a correspondent to whom it forwarded the draft for collection.

COLLINS, J.—The single question presented by this appeal is whether a bank with which a customer has left for collection his draft upon a party residing at some distant point can be held responsible for the failure and default of a correspondent to whom the bank has forwarded the draft for collection. It must be admitted that there is apparently a great conflict of precedents upon this precise question, and it is possible that, as contended by the appellant, the weight of the authorities, numerically speaking, is with the proposition that when, under such circumstances, a bank has exercised ordinary care and prudence in the selection of a correspondent to whom it transmits a draft, bill or note for collection, and remittance of the proceeds, its liability terminates, because, as it is necessary and customary, and in the usual course of business, for banks to collect through correspondents, of which necessity, custom and course of business the owners and holders of paper have full notice and knowledge, it must be held that they have assented to and authorized the work of collection through others. The question involves a rule of general application and of commercial law. As it concerns trade between different and distant places, and, in the absence of a statute or contract or usage which has obtained the force of law, is not to be determined according to the views or interests of any particular persons, classes or localities, it should be decided according to those principles which govern and best promote the general welfare of the entire commercial community, and in accordance with the general principles which apply to all who contract to perform a service. When the appellant received the draft for collection, it entered into a contract, by implication, to perform such duties as were necessary for the protection of its customer. It agreed to collect the paper itself, not to procure the services of another to make the collection. The plaintiffs had no voice in the selection of appellant's agent or correspondent, and it is difficult to see why banks and banking-houses should be excepted from the operation of a cardinal and well-established principle of law that every person is liable for the acts of such agents as may be appointed or designated by him to transact such business as he has undertaken to perform for others. The appellant, having undertaken the collection of the paper, stands in the attitude of an independent contractor



who, having unrestrained liberty so to do, has designated a sub-agent, and is therefore answerable for his neglect, failure or default. It is true that in the adjudicated cases cited by the appellant strong arguments are found, and cogent reasons stated, in support of its position; but we are of the opinion that the conclusion we have reached is the sounder one upon principle. It is also sustained by the Supreme Court of the United States, and the courts of last resort of several of the States, including that of the great commercial center, New York. It is also the rule in England. (*Exchange Nat. Bank v. Third Nat. Bank*, 112 U. S. 276, 5 Sup. Ct. Rep. 141; *Allen v. Bank*, 22 Wend. 215; *Ayrault v. Bank*, 47 N. Y. 570; *Simpson v. Waldby*, 63 Mich. 439, 30 N. W. Rep. 199; *Titus v. Bank*, 35 N. J. Law, 588; *Reeves v. Bank*, 8 Ohio St. 465; *Tyson v. Bank*, 6 Blackf. 225; *Express Co. v. Haire*, 21 Ind. 4; *Mackersy v. Ramsays*, 9 Clark & F. 818; *Van Wart v. Woolley*, 3 Barn. & C. 439.) Judgment affirmed.

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### WAIVER OF NOTICE.

#### SUPREME COURT OF PENNSYLVANIA.

##### *Sieger v. Second Nat. Bank.*

An absolute promise by the indorser of a note to pay it at maturity waives the right of notice of non-payment.

A bank which has discounted a note made by one of its depositors, but payable elsewhere, does not relieve the indorser from responsibility, by not applying the maker's deposit to the payment of the note.

Action by Franklin G. Sieger against the Second National Bank of Allentown. Defendant had discounted for plaintiff a note given by Daniel Stettler to William P. Snyder, and by him indorsed to plaintiff. The note not having been paid at maturity the bank charged it to plaintiff's account. The note was not protested, and no notice of demand was given to plaintiff. This suit was brought to test the right of the bank to charge the note to plaintiff on non-payment. Defendant obtained judgment. Plaintiff brings error. His first assignment of error is as follows: "First: The court erred in refusing the following offer of proof by plaintiff by witness B. D. Keck, to wit: Plaintiff's counsel propose to prove that at various times between the 21st of January, 1885, and July 19, 1887, Daniel Stettler, the maker of the note, had sufficient funds on deposit in the Second National Bank to pay this note, the deposit being a general one, and that the bank, instead of applying the funds to the payment of the note, permitted Daniel Stettler to draw the funds out of the bank. This for the purpose of showing that by reason of that indulgence the indorser was discharged, if he was otherwise liable."

PER CURIAM. We find no error in this record. The defendant below proved, and the jury have found, a distinct and absolute promise by the plaintiff, at the time the note in controversy was discounted by the bank, to pay it at maturity. This dispensed with notice of demand and refusal to pay. His liability, instead of being conditional as an indorser, thus became absolute, and notice and protest were unnecessary. Nor do we see error in the rejection of the offer of evidence referred to in the first assignment. The note was not made payable at the defendant bank, and could not, therefore, be considered a check or draft of the maker of the note against his deposit there. Judgment affirmed.

## COLLATERAL SECURITY.

COURT OF APPEALS OF MARYLAND.

*Williams v. The National Bank of Baltimore.*

Whenever collateral security is given for the payment of a debt, the collateral will continue as a security until the debt is satisfied, unless both the parties to the original contract agree to its surrender, or the pledgee in some other way discharges or releases it.

McSHERRY, J.—The record now before us brings this case up for the second time. The first appeal is reported in 70 Md. 343.

I. Parker Veazey, by his letter of December 9, 1884, addressed to the cashier of the National Bank of Baltimore, arranged with the appellee for a loan of \$12,000 to himself, with the note of the appellant for the same amount payable to his order, as collateral, and with the further security of Gaddess Brothers, either as accommodation drawers or indorsers of his paper. On December 12, 1884, the bank discounted for Veazey, a note of Gaddess Brothers for \$12,000, indorsed by Veazey, and payable in four months, and took as collateral security the note of the appellant, dated December 13, 1884, for \$12,000, payable to Veazey in four months, and indorsed by him. This note of the appellant is the one now in suit. The Gaddess note matured April 12-15, 1885, and was taken up by the proceeds of a new note of Gaddess Brothers indorsed by Veazey for \$12,000 at four months, the bank still retaining possession of the note of Mrs. Williams, of December 13, 1884, and claiming to hold it as collateral. In August, 1885, another renewal was made in precisely the same way. In December following, Veazey, desiring to renew the loan again, as appears by his letter of November 30th, but being unable to pay the discount in cash, presented a note of Gaddess Brothers, payable to himself, and indorsed by him for \$12,246, at four months; but the bank declined to accept it in renewal, because of the increase in the amount, caused by the addition of the discount. Thereupon Veazey drew his own note for \$12,000, pledging the Gaddess Brothers note for \$12,246 as collateral, and with the proceeds of the discount of this note of his, took up the renewal of August 17th, which was then overdue. The bank still held the note of Mrs. Williams, and kept it pinned, along with the Gaddess Brothers note, to the note of Veazey. When Veazey's note of December 16, 1885, matured, it was not paid or renewed. He was then greatly involved and in straitened circumstances, though he made some payments to the bank afterwards, aggregating about two hundred dollars. Gaddess Brothers failed, and subsequently paid thirty per cent. of Veazey's note to the bank. The balance remaining due by Veazey to the bank, the latter now seeks to recover from Mrs. Williams on her note of December 13, 1884.

The appellant rests her defense to the action on two grounds: first, it is insisted that the transaction of December 16, 1885, or some of the preceding renewals of the note of December 12, 1884, amounted in law to a payment of the note for which the Williams note was held as collateral; and secondly, that the Williams note was pledged as collateral only for the Gaddess-Veazey note of December 12, 1884, and that it consequently was not held for any renewal thereof. The first five instructions granted at the instance of the appellant, and the fourteenth prayer, relate to the defense of payment. The Superior Court, sitting as a jury, found, against the contention of the appellant, that the transactions

alluded to were not intended by the bank and Veazey to be payments of the original debt. That branch of the case, except as presented by the fourteenth prayer, is, therefore, not now before us. The sixth and seventh instructions require no special mention. The eighth, ninth and tenth prayers, which were rejected, were intended to present the second ground of defense; and the remaining three prayers, also rejected, raise other questions which will be considered later on.

On the former appeal this court said that the question then involved was "whether the note sued on is to be considered and treated as collateral security only for the payment of the first note of Gaddess Brothers, indorsed by Veazey, or as collateral security for all the notes given in the subsequent transactions between Veazey and the bank. This was a question of fact to be determined by the jury from the proof in the cause. It has been decided in a number of cases that it depends on the intention of the parties whether the giving of a new note extinguishes the existing debt and creates another obligation, or is to be considered as a mere renewal of the old note for which it is substituted. If the old debt is extinguished, the collateral security ceases to operate. If the old debt continues to exist there is no extinguishment of the collateral security."

The proposition announced by the eighth prayer is this: If the note sued on was delivered to the bank by Veazey as collateral for the note of December 12, 1884, signed by Gaddess Brothers and indorsed by Veazey and discounted for him by the bank, and if either Veazey or the bank did not intend that the note sued on was to be held as collateral for any note given in renewal of the Gaddess-Veazey note of December 12, 1884, or for any discounts made by the bank for Veazey subsequent to December, 1884, then the bank could not recover. The ninth and tenth prayers present, in a different form, substantially the same proposition. Obviously, these prayers, as framed, could not have been granted. They do not set forth the proposition which was intended to be relied on.

Wherever collateral security is given for the payment of debt, the collateral will continue as a security until the debt is satisfied, unless both the parties to the original contract agree to its surrender, or the pledgee in some other way discharges or releases it. If the debt be evidenced by a promissory note and upon the maturity of that note the parties intend by renewal merely to extend the time for payment and nothing more, then a simple renewal so made will not extinguish the original debt. (*Flannigan v. Hambleton*, 54 Md. 222.) The same debt will still remain. Consequently, the collateral pledged for it in the first instance will not be released where the renewal transaction is, and was meant by both parties to be, a mere extension of the time for payment. (3 Rand. Com. Pa., Sec. 1,571.) It equally follows that the *ex parte* unexpressed intention of the pledger that the collateral shall not apply to and secure a renewal which is, in fact, a mere extension of the time for payment, and not an extinguishment of the original debt, cannot defeat the right acquired by the pledgee under the contract made by both of them when the debt was created. The right so acquired is the right of a *bona fide* holder for value. (1 Danl. Neg., Sec. 824.) And it is a right to retain the collateral until the debt shall be paid or extinguished. Now, the eighth, ninth and tenth prayers, as submitted to the Superior Court, did not require the jury to find that the Williams note was, under the original contract, pledged as collateral only for one particular Gaddess-Veazey note, but denied the right of the bank to recover if the pledge was made as security for the payment of the first Gaddess-Veazey note, provided Veazey intended that the collateral should not apply

to any renewal, though the bank, in good faith, intended that it should, and though the debt, notwithstanding the renewals, remained the same throughout. This is making the question turn, not on the intention of the parties, but upon the intention of one of them, and is the very error which the bank fell into in its prayer on the former trial, and which caused a reversal of the judgment then appealed from. (70 Md. 350.) The Superior Court was, therefore, clearly right in rejecting these prayers. Had the prayers left it to the jury to find that the note sued on was, under the agreement between Veazey and the bank, pledged for the Veazey-Gaddess note of December 12, 1884, only, and that it was also agreed that Mrs. Williams' note should not be held by the bank as collateral for any note given by Veazey in renewal of or in substitution for the note of December 12, 1884, then it would have been perfectly proper, had the evidence sustained the hypothesis of the prayers, to have instructed the jury that the note of Mrs. Williams could not be treated as collateral security for any such renewal or substituted note, unless both parties subsequently agreed, expressly or impliedly, that it should be, because if the contract between the parties made the collateral applicable exclusively to one note, and to no renewal thereof, it would have required a new contract to make the note sued on liable for the payment of some other or different note; and if either of the parties to the original contract did not assent to the making of such new agreement, then, of course, no new agreement could have existed, and no recovery could be had. Whilst this is the doctrine intended to be announced, the prayers failed to present it.

The eleventh prayer, after reciting the original transaction and the several renewals, and leaving to the jury to find that the note sued on was intended by both Veazey and the bank to remain as collateral for the note of December 16, 1885, restricted the bank, in the event of the verdict being for it, to a recovery of only the amount "the court may, upon the evidence, find to have been due and owing by the defendant to said Veazey at the time of said discount in December, 1885." In other words, though the bank took the Williams note in good faith as collateral, and therefore for value, and by the agreement of both Veazey and itself continued to hold it for all the subsequent renewals of the same debt, yet, in fact, if Mrs. Williams owed Veazey nothing on her note when the transaction of December 16, 1885, took place, the bank could recover nothing from her. Such is not the law. Had Mrs. Williams paid Veazey the entire amount of the note, after its pledge to the bank, without the assent of the bank, or had she really owed him nothing on it in the first instance, the right of the bank to recover from Mrs. Williams the balance due to it by Veazey cannot be questioned. After a note is once pledged, payment to the pledger will not discharge or satisfy it and will not constitute a defense on the maker's part against the pledgee. (*Griswold v. Davis*, 31 Vermont 390.)

The twelfth prayer sought an instruction to the effect that if the note sued on was left as collateral security for the Gaddess-Veazey note of December 12, 1884, and for all renewals thereof, and for no other purposes, and that in December, 1885, Veazey had his own note for \$12,000 discounted by the bank, and left with the bank as collateral security for his said note, the note of Gaddess Brothers for \$12,246, "then the plaintiff cannot recover on the note sued on as collateral security for the note of the said Veazey so discounted in December, 1885."

The thirteenth prayer is substantially the same. The vice of these prayers lies in the assumption that the transaction of December 16, 1885, was not a continuation of the original indebtedness, because differ-

ing from the previous extensions merely in form. They assume that the note of December 16th created a new and entirely different obligation, without submitting to the court, sitting as a jury, to find whether the parties intended it to be so or not. If the Veazey note of December 16th really represented the same indebtedness originally created by the note of December 12, 1884, and was intended by both the parties to it to do so, the bank was undoubtedly entitled to hold the collateral for the last note as well as for the first. These prayers entirely ignore the essential element of intention, and rely on the mere form of transaction. They were consequently erroneous, and were properly rejected.

The fourteenth prayer asked an instruction to the effect that if, upon the maturity of the note of Gaddess Brothers, indorsed by Veazey, and dated August 17, 1885, a note of I. Parker Veazey for \$12,000, dated December 16, 1885, was discounted by the bank for Veazey, and if his account was then credited with the net proceeds of that discount, and if Veazey drew his check, payable to the bank, on those proceeds for the amount realized by the discount of his note, and added sufficient cash to make up the amount due on the note of August 17th, and if the check was carried to the debt of Veazey and the Gaddess Brothers note of August 17th was delivered to Veazey, "then the said note of Gaddess Brothers was paid and the debt represented thereby was extinguished." And this, too, without the slightest reference to the intention of the parties, and, in fact, even though they might have designed the transaction of December 16th to be a mere renewal or extension, and not a payment at all. The prayer, wholly ignoring the element of intention, announces the proposition that the acts therein recited amounted, in law, to a payment and extinguishment of the debt for which the Williams note was held as collateral. This is in conflict with what was determined on the former appeal, and is equally inconsistent with the second instruction granted in this case, wherein, upon substantially the same facts, the question of intention, as applicable to the subject of payment, was explicitly left, at the instance of the appellant, to be found by the court before those facts could be held to establish a payment.

Finding no errors in the rulings excepted to, the judgment of the Superior Court must be affirmed.

Judgment affirmed.

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## WHEN AN INDORSEMENT AND DELIVERY OF A CHECK WILL TRANSFER A DEPOSIT.

SUPREME COURT OF PENNSYLVANIA.

*Hemphill et al. v. Yerkes et al.*

Where a master in chancery, who has deposited in bank in a separate account a sum of money held by him as master for the benefit of one person, gives such person a check for the entire sum, the delivery of the check transfers to the payee the legal title to the deposit.

An indorsement and delivery of the check by the payee, before the fund has been garnished by his creditors, transfers title to the indorsee, as against the creditors.

PAXSON, C. J.—This case stated is very unartificially drawn, and might well be quashed for this reason. Instead of being a clear statement of facts agreed upon, we are referred for many of the facts to the answers of the garnishees, and to certain affidavits which are attached

to the case stated, and made a part thereof. As an examination of them enables us to gather the material facts with reasonable certainty, we will dispose of the case as presented. The fund in controversy was deposited in bank to the credit of R. Jones Monaghan, master. It amounted to \$634.14, and was part of a fund which had come into the hands of Mr. Monaghan as master, appointed by the court to make sale of certain real estate under a decree in partition. The fund in bank represented the share of Jonathan P. Yerkes in the proceeds of the sale of said real estate, all of the other heirs having been paid in full. Under these circumstances, the fund in bank, although deposited in the name of Mr. Monaghan as master, was really the money of Yerkes. He was the equitable owner thereof, and entitled to demand the legal title. It was held in *Bank v. Mason*, 95 Pa. St. 113, that money deposited in a bank to the credit of A. may be shown to be the property of B. It may be reached by attachment on the part of the judgment creditors of B., or its payment by the bank to A. may be stopped by a proper notice on the part of B. that the money belongs to him. The credit on the books of the bank are but *prima facie* evidence of ownership. It is equally well settled, however, that, in the absence of any claim by the real owner, the bank cannot dispute the right of its depositor, and is bound to honor his check. On February 7, 1888, at or about 6 o'clock P. M., the said Jonathan P. Yerkes called upon Mr. Monaghan at his office, and received from him a check of that date for \$634.14, the full amount of the deposit. The check was drawn as master against a fund standing to Mr. Monaghan's credit as master. It was drawn against a particular fund, and for the whole of it. Yerkes then and there delivered to the master a full release and discharge for the same. All the other parties to the equity suit had previously released him. He was the last party to whom a check was given. All the other parties had been fully paid some months before. This placed the legal as well as the equitable title to the fund in Jonathan P. Yerkes. It is true, as a general principle, that a check drawn in the ordinary form vests no title to the general funds of the drawer in the bank upon which it is drawn. (*Loyd v. McCaffrey*, 46 Pa. St. 410; *Bank v. Gish*, 72 Pa. St. 13.) This principle and these cases do not apply. The check was not drawn against the general funds of Monaghan. It was drawn against the whole of a specific fund which in equity belonged to the payee, and, as before observed, passed the legal title to the fund, even as against the drawer. Mr. Monaghan could not have withdrawn or repudiated that check. An attempt to do so would have been a fraud. To have drawn it out and converted it to his own use would have been an embezzlement. This is a test of ownership. After leaving Mr. Monaghan's office on the evening of February 7th, Jonathan P. Yerkes, on his way home, stopped at the house of his brother, John Yerkes, indorsed a check, and gave it to his brother in payment of a debt which he owed him. This was done in pursuance of a previous parol agreement by which John was to receive Jonathan's share of the money in the hands of the master. It was a parol assignment of the fund, consummated as soon as the check came into Jonathan's hands. The plaintiffs, having obtained a judgment against Jonathan P. Yerkes, issued an attachment thereon on the same day that the settlement was made between Monaghan and the said Jonathan, which attachment was served upon the garnishees about 8 o'clock P. M. At that time there were no funds in the hands of either Mr. Monaghan or the bank, garnishees, belonging to Jonathan P. Yerkes. The attaching creditors could only attach his right. They stood precisely in his shoes. They could take what he could claim; nothing more. It cannot be con-

tended successfully that, as between Jonathan and his brother, John, the former could take this fund. He had made a parol assignment of it for a valuable consideration, and, before any attachment was served, indorsed and transferred the check to his brother, and thus passed to him the legal title. The learned judge below correctly held that the attaching creditors acquired the rights of Jonathan P. Yerkes to the fund. But we have endeavored to show that he had no right to it. All his right passed to his brother by virtue of the parol assignment and the delivery of the check. The error into which the learned judge below fell was in holding that the check gave the payee no valid claim upon the fund, overlooking the fact that this was not the case of an ordinary check drawn against general funds of the drawer, but a check drawn against a special fund, to which the payee held the equitable title. The judgment is reversed, and judgment is now entered against the National Bank of Chester County, garnishee, in favor of John Yerkes, one of the above-named defendants, for \$634.14, with costs.

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## ALTERATION OF A CHECK.

SUPREME COURT OF PENNSYLVANIA.

*Appeal of Hess et al.*

A check, in the handwriting of the payee, purporting to be for \$1,422, had been scratched after the letters "four," and before the letters "dred," and the letters "teen hun" had been written over such erasure in a cramped hand, though the other letters were given plenty of room. The figure "1," where the amount was stated in figures, was darker than the other figures, and very close to the dollar mark. *Held*, that the burden was on the holder to explain the erasure, though both the drawer and payee were dead.

CLARK, J.—When the check which is the subject of controversy in this case was presented to the auditor for adjudication, it was objected to, upon the ground that there was an alteration in the amount; that the alteration was apparent and manifest upon the face of the check; and that the burden was upon the holder, before the check could be received in evidence, by competent proofs to explain it, and to show, either that the alteration was made before its execution, or afterwards, with the consent of the drawer. The auditor, however, was of opinion that the check did not exhibit on its face any material alteration. Admitting that where the alleged alterations appeared the face of the paper had been scratched or scraped, he was not able to discover that the amount of the check had been written over any other amount previously written; that is to say, although the check was manifestly blurred and disfigured at the place of the alleged erasure, yet there was not, upon the face of the paper, any apparent alteration of the amount. "The witnesses testify," says the auditor, "that they can see that the paper had been scratched, and that the ink blurred, and appeared to have been written over an erasure. What had been erased they do not pretend to say. It may have been a blot of ink, or the wrong word may have been written and immediately scratched out, and thus the ink blurred. It certainly does not appear, either to the naked eye, or from an examination under the microscope, that it was written over any particular amount previously written." The check was therefore received

in evidence, and was, without any explanation, allowed in the distribution. The learned judge of the court below, in passing upon the report of the auditor, says: "Now, an 'alteration' is defined to be an act done upon the instrument by which its meaning or language is changed. (1 Greenl. Ev. § 566.) Where does it appear on the face of this check that it ever conveyed a different meaning, or spoke a different language, from what it does to-day? It is said that the letters 'teen hun' are written over an erasure. If that is so, the check does not disclose it, and at this stage of the inquiry we can look no further. All that the check shows is that the face of the paper, where those letters appear, had been scraped before the letters were written. It is admitted that not the slightest trace of any previous matter, either written or printed, can be discovered at this point. To 'erase' is to 'rub or scrape out; as letters or characters, written, engraved, or painted.'—Webster. The scratching or scraping of the surface of blank paper is not an erasure, in any accepted sense of that term. We think, therefore, that the learned auditor did right in receiving the check in evidence." If the rule be as stated by the learned judge, their success in completely obliterating all traces of the words of the genuine instrument, although there may be other evidences of alteration apparent, shifts the burden of proof from the party offering the paper in evidence to the party alleging the alteration. This would, in effect, be to offer a premium upon the forger's skill. If there be apparent proof on the face of the paper that an alteration has been made in the place where the amount or the date of a check or note should be written, it must be supposed, *prima facie*, that it was the amount or the date which is altered, and that the alteration is to the prejudice of the party executing it. If this were not so, it would, in all cases, fall upon the drawer of the check or the maker of the note, in the first instance, to show what was the matter erased, before the holder is required to explain what is otherwise manifest, viz., that the instrument has been altered in a material part.

At the argument of the cause, in this court, the check was produced, and submitted to our inspection. Photographic copies were also provided, and we have thus been afforded the same opportunities for examination of the paper as the auditor or the court below. The mere fact that some of the words of a writing appear to have been written upon paper where it has previously been rubbed or scraped, and that the ink has run so as to create a blurred appearance, that, and no more, might not, perhaps, import any alteration, although this occurred in a material part; but the fact that an erasure has been made where the surface of the paper has been scraped may become apparent from various facts exhibited on the face of the paper itself. The writing upon the erased surface may be with a different pen, in different ink, or in a different hand, or the words may be crowded and cramped to fit the space originally occupied. The mere roughness of the surface is not likely to affect the general style and spacing of the words, but when certain words are erased, and others are inserted in lieu thereof, in a space either too small or too large to receive them, the alteration is usually inserted in such a cramped or crowded manner, or in such extended form, as to plainly indicate the alteration. Simple faults in writing, blots, or blemishes are, in most cases, thus readily distinguishable from an alteration in the body of the instrument, whether made fraudulently or in good faith. That this check was scraped or rubbed, as if to erase something, is patent and plain; indeed, that is not disputed. The sizing and a portion of the surface of the paper has been removed. At this particular place the paper is so thin that, holding it to the light, one may almost see through it; whereas, the other portions of the paper are quite per-



fect. The marks of an instrument with a sharp edge are plainly visible. The allegation is that the check, originally, was for \$422 (although written four hundred 22-100 dollars,) and was raised to \$1,422. It is plain that the words, "the sum of four . . . 22-100" are unaltered. They are undoubtedly just as they were originally written. It is very remarkable that where the writer had plenty of room, and to spare, in the line devoted to the amount, and he started out apparently to occupy it, that he should stop at the place of the erasure, in the middle of a word, and from that point cramp and crowd the words or letters, as if the space was limited. It will be observed, also, that the crowding of the letters and contracting of the spaces is confined to the place where the paper was scraped; that the space covered by the alleged erasure is just sufficient to contain the word "hundred" with the usual spacing, and the letters "dred" appear to be written upon the space between the "22-100" and the word preceding, where no erasure was made; that after the word "four" there is apparent a remnant of the matter erased, and that the letters "teen" appear to have had no connection with "four" until after the erasure, the hair-line finish of the "r" having been formed as if that letter was the last one of the word. It is also a singular coincidence that the figure "1," in the figures on the corner, denoting the amount of the check, is very close to the (\$) dollar-mark, and is of a much darker shade or color than either of the other figures, which are alleged to have been made at the same time, with the same ink, and the same pen. The general appearance is that of an altered paper. The alteration, we think, is manifest and apparent at the first glance, and a critical and careful examination confirms this impression. The alteration may have been made at the time, with the knowledge and approval of the parties; but as the writing, including the alteration, is in the hand of the payee, it is the duty of the holder to explain it. It is unimportant that both parties to the transaction are dead. An explanation is thereby rendered more difficult, perhaps; but the security and safe transmission of negotiable paper demand that the rule so well established in our decisions shall be maintained.

The maker of negotiable paper is always presumed, in the absence of evidence, to have issued it clear of all blemishes, erasures, and alterations, and the burden of showing that it was defective when issued is upon the holder. (*Heffner v. Wenrich*, 32 Pa. St. 423.) As a general rule, the law presumes in favor of innocence, but this presumption does not extend to the alteration of negotiable instruments. "He who takes a blemished bill or note takes it with all its imperfections on its head." He becomes sponsor for them, and, though he act honestly, he acts negligently. The law presumes against negligence as a degree of culpability; but it presumes that he had not only satisfied himself of the innocence of the transaction, but that he has provided himself with the proofs of it, to meet a scrutiny he had a right to expect. (*Simpson v. Slackhouse*, 9 Pa. St. 186.) To the same effect are *Paine v. Edsell*, 19 Pa. St. 178; *Clark v. Eckstein*, 22 Pa. St. 507; *Miller v. Reed*, 27 Pa. St. 244: and many other cases. The distinction as to the province of the court and of the jury, excepting as it may involve the question of the burdens of proof, is rendered unimportant, by the fact that the auditor in the first instance, and the learned judge afterwards, performed the functions of both court and jury. The check was not only received in evidence, but it was allowed in the distribution, without any explanation whatever. We are of opinion that the decree in this case cannot be sustained. The decree of the orphans' court is therefore reversed, and the record remitted for further proceedings; the appellee to pay the costs of this appeal.

## COLLECTION OF CHECK.

SUPREME COURT OF PENNSYLVANIA.

*Haslett v. Commercial National Bank.*

Plaintiff deposited with defendant, a bank his own check on another bank. Defendant, instead of collecting the check, exchanged it for a bank draft, which was not paid, and then notified plaintiff that it held the draft subject to his order. Plaintiff thereupon, with knowledge of all the facts, directed defendant to hold the draft for a few days, and, if not paid, send it to him. *Held*, that plaintiff had condoned defendant's negligence, and could not hold it liable for not collecting his check.

PAXSON, C. J.—When the plaintiff drew his check for \$5,000 on the Penn National Bank of Pittsburgh, and deposited said check with the Commercial National Bank of Philadelphia for collection, he made the latter bank his agent. The mere fact that the collecting bank credited him with the check as cash did not alter that relation. This is done daily. Indeed, it is the almost universal usage to credit such collections as cash, unless the customer making such deposit is in weak credit. If the check is unpaid, it is charged on again, and the unpaid check returned to the depositor. The receipt of a check for collection involves the duty of due diligence on the part of the collecting bank. If the money is lost through its neglect, it becomes fixed for the money. This is familiar law. The defendant bank, instead of sending the check to an agent in Pittsburgh for collection, sent it direct to the Penn Bank, and received by return mail the check of that bank on the National Bank of the Republic, its Philadelphia correspondent. This was irregular. As a collecting agent, it had no right to receive anything from the Penn Bank but the money. A check or draft on another bank is not payment. If the money had been lost, for this reason, without more, the defendant bank would have been liable, and would have had no right to charge off the check against the plaintiff. It appears probable, however, that the check might still have been collected, if due diligence had been used. The Penn National Bank suspended about noon on May 21, 1884. It reopened on Saturday, May 24, about 2 P. M., and remained open until noon on Monday, May 26. During this reopening all checks that were presented were paid. The check of the Penn Bank reached Philadelphia on May 22d, and was presented to the National Bank of the Republic. Payment was refused then, as well as on several subsequent days. On May 22d, the defendant bank wired the plaintiff that "We have received from Penn Bank, in return for your check, their draft on Bank of Republic, which is not good, which we hold subject to your orders." The plaintiff had then a right to repudiate what the defendant bank had done, and hold it for the money. He did not do so. On the contrary, he wired the bank as follows: "Your telegram was duly received, and contents noted. The Penn Bank is all right; and their draft, as mentioned, will be paid in a day or two. Please hold for a few days, and, if not honored, return to me." It must be borne in mind that when the plaintiff sent this telegram he was in possession of all the facts, and knew far more about the Penn Bank than did the collecting bank in Philadelphia. With this information, he directed the draft on Philadelphia to be held for a few days. He cannot now complain of the delay. It was his own act, and condoned the original negligence. Moreover, it is a conclusive answer to the allegation that the defendant bank was no longer his agent. The telegram was an order from a principal to his agent, or it was a piece of impertinence. We find no error in the rulings of the court below. Judgment affirmed.

## LEGAL MISCELLANY.

**BANKS AND BANKING—MINGLING FUNDS.**—Plaintiff sent to one E., a banker, a draft on E., directing him to remit the proceeds to a certain bank for plaintiff's credit. Money was deposited with E. to meet the draft. Before the remittance was made according to plaintiff's instructions, E. died: *Held*, that the title to the fund was in plaintiff, and did not become part of E.'s estate, though it was mingled with other funds of E., and an action for recovery will lie. [*First Nat. Bank v. Hummel*, Colo.]

**CONTRACT—ACCEPTANCE OF DRAFT.**—Where a telegram, "We will honor draft of cost of cattle consigned to us," has been treated by both parties as referring to several different drafts and shipments, it binds the sender to accept all such drafts until it is revoked, since the construction which the parties put upon their contract will, if not inconsistent with its terms, be adopted by the courts. [*Hall v. First Nat. Bank*, Ill.]

**CORPORATIONS—DISSOLUTION.**—Where stock which has been subscribed for, but not taken up by the subscribers, is transferred to the company as "treasury stock," and then sold to third parties for less than its face value, such stock, though purporting to be full paid, will, when called in question by creditors of the corporation, be held to be paid up only to the amount that was actually paid for it, within the meaning of Rev. St. Ill., ch. 32, §8, which makes stockholders liable for corporate debts for the amount unpaid upon their stock. [*Alling v. Ward*, Ill.]

**NEGOTIABLE INSTRUMENT—CONSIDERATION.**—In an action upon a note valid upon its face, it appeared that plaintiff purchased it before maturity for value, having knowledge of a collateral agreement warranting the mares for which it was given to be with foal, but that he was ignorant of its breach: *Held*, that the breach was no defense to the action. [*Miller v. Ottaway*, Mich.]

**NEGOTIABLE INSTRUMENTS—EVIDENCE.**—In an action on a note, where the defense is a denial of its execution, and plaintiff's witnesses testify that defendant admitted executing the note, evidence tending to prove a repudiation of the claim for which the note was given, occurring before the date of the note, is irrelevant. [*Dorsett v. Clother*, Ill.]

**NEGOTIABLE INSTRUMENT—GAMING.**—Where the defense to an action on a note is that it was given in settlement of gambling contracts entered into by defendant, through a broker, with third persons, settlements made between defendant and his broker are not competent to show that the contracts were gambling transactions. [*Grubey v. National Bank of Illinois*, Ill.]

**NEGOTIABLE INSTRUMENT—INDORSER.**—Although by Rev. St. Ill., ch. 98, § 7, the indorser of a note is not liable thereon until the holder has exhausted his remedies against the maker, yet if the indorser waive that privilege, and pay the amount due, he becomes subrogated to the right of the holder, since such a payment cannot be considered as a voluntary one. [*Telford v. Garrels*, Ill.]

**BROKER—COMMISSIONS.**—The rights and duties of a broker employed to secure a loan depend upon the same principles which govern the

broker who undertakes to find a purchaser of property. He is entitled to his commissions when he has procured a lender ready, willing, and able to lend the money upon the authorized terms. [*Peet v. Sherwood*, Minn.]

**NEGOTIABLE INSTRUMENT—DISCHARGE.**—In an action on a promissory note, it appeared that defendant was joint maker of the note, and had after its maturity paid one-half of it to plaintiff's son, who erased defendant's name at his request: *Held*, that such part payment was not a discharge of the note, whether plaintiff's son had authority to make the erasure or not, and that defendant was still liable. [*Eldred v. Peterson*, Iowa.]

**NEGOTIABLE INSTRUMENT—FAILURE OF CONSIDERATION.**—In an action on a promissory note by the payee, an answer which alleges a failure of consideration is not demurrable because it fails to allege that the note was procured by deception and fraud, as failure of consideration may be consistent with an honest intent. [*Aultman-Taylor Co. v. Trainer*, Iowa.]

**NEGOTIABLE INSTRUMENTS—INTEREST.**—A note not made payable at any particular place is governed as to interest by the law of the State where it was made and delivered. [*Clark v. Searight*, Penn.]

**NEGOTIABLE INSTRUMENT—PLEADING.**—An allegation in a petition that "the defendant, by his promissory note filed herewith, agreed and promised to pay," etc., is sufficient averment of the execution and delivery of the note. [*Bell v. Mansfields*, Ky.]

**CORPORATIONS—STOCKHOLDERS.**—Section 136, ch. 16, Comp. St., which makes stockholders in a corporation liable for debts contracted by the corporation while its officers are in default in publishing an annual notice stating "the amount of all the existing debts of the corporation," is *quasi* penal, but is not a penalty; the evident purpose being to secure the rights of creditors, and an action to recover such debts is not barred by the statute of limitations in one year. [*Howell v. Roberts*, Neb.]

**CORPORATIONS—OFFICERS.**—A director of a corporation who contracts with another director of the same corporation concerning the company's property, who was also business manager, with certain enumerated and limited powers, is chargeable with notice of any defect in the manager's power to make said contract. [*Schetter v. Southern Or. Co.*, Oreg.]

**CORPORATION—ANNUAL STATEMENT.**—Under Comp. St. Mont., div. 5, § 360, the trustees, in the absence of a formal dissolution of the corporation, are liable for its debts, on failure to file and publish the statement, though the corporation has been totally insolvent for some months prior to September 1st, and has transferred all its property to one of its creditors. [*Gaus v. Switzer*, Mont.]

**CORPORATIONS—CONSTITUTIONAL LAW.**—A corporation is not a "citizen," within the meaning of Const. U. S., art. 4, § 2, providing that "the citizens of each State shall be entitled to all privileges and immunities of citizens in the several States." [*Norfolk, etc., R. Co. v. Commonwealth*, U. S. S. C.]

**LIMITATIONS—ACKNOWLEDGMENT.**—An indorsement of a creditor upon a promissory note, made by the payee after the statute of limitations has run upon the note, and without the direction or knowledge of the maker, is not admissible as evidence of payment in favor of the payee. [*Easter v. Easter*, Kan.]

**NEGOTIABLE INSTRUMENT—BONA FIDE HOLDER.**—In an action on a promissory note by an indorsee, an instruction given that if he knew that the note was fraudulently obtained, or had such notice as would put a reasonable man on inquiry as to its illegality, it would show bad faith, and he could not recover, was more favorable to defendant than he was entitled to. [*Heems v. Douglas*, Mich.]

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#### POSSIBILITIES OF AGRICULTURE.

In the August *Forum*, Prince Krapotine makes some most interesting and encouraging statements as to "high farming." Thirty years ago, twenty-two bushels of wheat to the acre was considered a fair crop in France, while the present average is at least thirty-three bushels on the same land, and in the best soils the crop is considered good only when it yields from forty-three to forty-eight bushels, and occasionally as much as fifty-five and a half bushels to the acre. At Whitley, England, from 77 to 110 tons of beets have been grown on an acre, and in France for fourteen consecutive years, on the same lot of land, forty tons of fodder for ensilage—that is, the food of four cows at least—is obtained from an acre. Paris market gardeners are able to pay 126 f. rent to the acre and make a good living. They use artificial means of heating the soil, as well as the air, so as to hurry on early vegetables. The Island of Jersey is a land of open-field culture, yet it nourishes a population of two inhabitants to each acre, and the early potato crop returns more than \$300 to each acre planted. Besides this, cereals and grass are grown for cattle, and more than one cow is supported on each acre of grass land. In addition to the enormous amount of dairy products exported, 1,500 milch cows a year are sent away, so that an agricultural produce to the amount of \$250 an acre of the entire surface of the island, including the rocks, is obtained. Mr. Bashford, in the Island of Jersey, has vineries which cover thirteen acres, and the money returns from them greatly exceed those of an ordinary English farm of 1,300 acres. The last year's crops were twenty-five tons of grapes, eighty tons of tomatoes, thirty tons of potatoes, six tons of beans. The cost of the houses is only \$2.34 to the square yard, without taking into account the pipes, and all the work is done by thirty-six men. A thousand loads of coke and coal are all the fuel that is required. The Island of Guernsey nourishes 1,300 souls to each square mile of soil, which is less productive than that of Jersey, but the land is given over to market-gardening and greenhouse culture. These greenhouses are seen all over the fields and on the steep slopes of the hills, the origin of this new departure being the production of grapes, which were started some thirty years ago. Five hundred tons of grapes are annually exported now, and yet the most important crops under glass are tomatoes, potatoes, carrots, etc. Three-fourths of an acre under glass and heated for three months in the spring yields some eight tons of tomatoes and 200 pounds of beans as a first crop in April and May, to be followed by two crops more in summer and autumn. In simple glass and plank shelters pea plants cover walls in places for a length of a quarter of a mile, and potatoes are dug in April at the rate of five bushels to twenty-one feet square.

## MONEY GETTING AND THE SILVER QUESTION.

The following is the larger portion of the excellent address of Mr. Charles Parsons, of St. Louis, as president of the American Bankers' Association :

I recollect to have heard a lady ask a child what her father and mother were talking about in so animated a manner. "Oh," she replied, "Money ; money, always money." So it seems always, wherever we go, with whomsoever we converse, it is always money that is the absorbing topic. Perhaps never in the world's history was it so much so as now : it seems to be the one thing most valued, most sought for, and its pursuit the great object of life for the entire civilized world. The merchant in his store, the banker in his office, the manufacturer in his workshop, the doctor with his patients, the farmer on his land, and even the clergy seeking a more lucrative call for the exercise of their duties, all seek the mighty dollar. The days of knight-errantry, in which the panoplied chivalry of the world went forth to do battle for the right, to rescue the unfortunate from persecution or peril, and to help the weak against the strong, are long since past, and the knightly deeds of those days are buried in the mouldy pages of forgotten books. The era of religious devotion, when vast numbers of men and women spent their lives in meditation and prayer, thinking more of the hereafter than the present, passing their time in devout aspirations or ecstatic visions, either dwelling in the depths of humiliation or standing on the heights of the mount of hope and promise, is also gone, and we seem to have come down to an age of sober fact, material progress, in short, the age of money getting. It may be reasonably questioned, how far this chase for money is warranted, whether we are not setting up a deity of mammon that, instead of being a proper object for worship, may turn out to be a devil that will tear and rend us. I remember to have seen, many years since, a book which urged the importance of getting money, and arguing in favor of its diligent pursuit, with the great object in view of making it of use to others. No doubt this would be a noble end to have in view in the temperate pursuit of gain, but too often the mind is wholly absorbed in the pursuit, and forgets the proper end, in the race for accumulation.

But it is now our special and immediate business to consider pecuniary matters, and we may therefore be deemed to be in the particular line of occasion and duty if we talk and reason about money and currency.

There is no subject that is so important to our civil and political life, after that of a good government, as that of the money of the country. A bad currency can do more harm in a year than the march of an invading army ; it can destroy all the values of what constitutes our immense system of credit. One of the greatest misfortunes of the South which confronted its people at the end of the late war, was the total destruction of their currency, credit, and banking system. All had to be reconstructed on the ruins of almost total bankruptcy. Important is it, therefore, that no calamity like this shall be allowed to come on any country, except under circumstances which override all pecuniary considerations in importance. In connection with this, we must bear in mind that no mode of conducting business can be found available that does not contemplate payment of balances, at least, in cash, all economies of checks, and clearing houses come at last to a point, when cash must go to

liquidate balances; and now a point which interests a vast number of the American people seems to be in what medium shall these be liquidated, shall it be in two metals or one; and if one, what shall that be; or if it is possible to make it in two, how shall they be made to go hand in hand, amicably discharging their beneficent functions in paying these balances of debt? for, however small they may be, compared to the total of transactions, the money of account fixes the total value of all the great sum.

Quaint old John Bunyan wrote an allegory, which, in that peculiar line of intellectual effort, was the most remarkable since the Book of Job. Among the very numerous and singular persons whom the prisoner in Bedford Jail made his hero Christian acquainted with, as the latter was making his pilgrimage from the City of Destruction to the resplendent, glorious city of the heavenly world, was one Demas, for whom he seems to have had no little aversion. It seems this Demas was trying to lead off those devout minded persons, who were wont to go on pilgrimages heavenward, from their legitimate journey, with the statement that he had found a silver mine, and his efforts seemed made to persuade them to seek for this white metal of the mine with him, and cease their travels. It is plainly intimated that in thus yielding to temptation they were in great danger of arriving ultimately at a point antipodal to that for which they had set out. Bunyan was a strong believer in the golden city with its golden streets, and I suppose if there was coin there he would have much preferred that it should be of that color. One of my friends, who is disposed to advocate the Demas side of this question, and consequently differs widely from Bunyan, is inclined to think the major part of our fraternity are of the Bunyan belief, and opposed to the color of this element of our currency; but I am sure there is no prejudice with this association against the one currency in favor of the other, except as its members suppose the one more suitable to discharge the duties of a medium and to meet the views of the great commercial world than the other; such I understand to be the attitude of the association hereto. In 1885, at Chicago, there was a most lengthy discussion on the subject, and so far as voting was concerned, it was settled; but, like Banquo's ghost, it would not down, and last year came up again at Kansas City. You remember the discussions there, its reference to the executive council, its action, and that of Congress since. It seems to be a great misfortune that people cannot come to the consideration of so important a matter, without showing bad temper or trying to array one part of the country or one part of society against the other, or of accusing those who differ with them of wrong or mercenary motives. The man whose interests lie in one direction gradually comes to see his side in a magnified light, and becomes of the opinion that the other is wholly in the wrong, and after a time, impatient even of toleration, breaks out in denunciations against all who differ, forgetting that his opponents may be just as honestly convinced in the other direction, believing his course will lead the nation to the bad. Perhaps it may be well to consider the arguments offered by the two sides on this question, and who compose the parties arguing.

And first, the silver men proper are composed of those who either own or work the mines, or who are directly dependent on the results of their production, from which comes so large a part of our mineral wealth, sending forth in 1889, to the world, fifty million ounces of silver, which, at 93½ cents per ounce, is \$46,750,000, and if computed on the basis of our former coinage rate, would have made 64,646,464 coined dollars. No country produces so much silver as ours; the entire product of the world in 1889, being 126 million ounces; and therefore the

subject is well entitled to consideration as an important element of our national wealth, and everything that tends to its enhancement in value is worthy of careful attention, not alone for its own sake, or for that of those who own or work the mines, as would be the case with a product not made into money, but because, secondly, there is another and still more important and larger class of silver advocates who claim that their interests are largely dependent upon the proper solution of this question, and they are the agriculturists or those who claim to represent them. They assert that the decline of prices of agricultural products began and has kept pace with that of silver, which, from \$1.2929 per ounce, in 1873, ran down to an average of 93½ cents last year, and they argue that the decline in price of silver is the cause of that of wheat and other farm products, and that if silver were again restored to its value in former years, these products would rise in proportion. They point to the greater prosperity of India since the decline in silver and claim that the Hindoo peasant who formerly got 70 cents per bushel for his wheat, has, last year, been getting at the seaboard, about a dollar in silver, which is the coin of his country, and his only standard of value, and that this means prosperity for him, while our farmers have been getting, in 1889, about 70 cents in gold, instead of a dollar, as formerly. They say the farmer has no means of fixing the price of his commodities, and cannot strike, for the products of his labor can be gotten elsewhere than in this country, for the foreign market—which must take a part—and so governs the price, and no means exist by which he can limit supply, or restrict production; so they maintain that if silver could be increased in price, up to our coinage standard the world over, then the East Indian would be set back to starvation wages, and the American farmer, with his added 25 or 30 cents per bushel on wheat, would prosper. That our money supply is not equal to our wants, and that nations prosper in proportion to the amount of money they have in circulation; that, for some thousands of years, silver was always money everywhere, and a legal tender up to 1819, when England demonetized it; that this did not seriously affect its use or value, which continued the same until the unfortunate war of 1870 forced France to pay Germany 1,000 millions of dollars, when the latter country joined England in demonetizing silver, followed by us in 1873. They also claim that silver has not fallen, but gold has risen, and that 412½ grains of silver, in 1873, would buy about the same wheat, corn beef and pork as now, and will buy now about one-fifth more cotton and eggs, and one-tenth more sugar, than then; that the stoppage of free coinage was effected by the creditor class to increase the value of money, so enhancing worth of a dollar to get the property of the country into their hands, and reduce the great mass of population to be their tenants. They even denounce the advocates of a gold currency as brigands, who, under the protection of law, are robbing the people—one of the foremost advocates of free coinage in the Senate claims that the entire difference between the prices that ruled for the various farm products in 1873 and since, is chargeable to gold account, and claims the loss in cotton as being a grand total of \$1,411,000,000, and in wheat as \$1,700,000,000; he even charges up to silver demonetization the estimated value of the labor of all the men idle in the United States, making a computation that the whole number is 2,250,000 persons, and figures an annual loss of \$1,400,000,000 in consequence. He claims that the evils prophesied in consequence of coining two millions a month have not followed, and that future prophecies of evil are equally unreliable, and that, as the production of gold is decreasing, it may be absolutely necessary to make silver the principal



medium of currency as the most abundant metal, and that the best money is the cheapest, so it is coin.

Per contra, the opponents of free silver coinage claim that a terrible misfortune would ensue upon its adoption, that it would soon make it the exclusive currency of the country and demonetize gold, thus throwing out of use 689 million dollars, which now, either in coin or gold certificates, or gold bullion, serves as currency, and even if it is not in the pockets of the people, is yet, as a reserve, performing the part of a circulating medium; that this enormous sum of gold, thus ceasing to be money, would make a tight money market, and almost certainly a catastrophe would follow, widespread in extent, which would create great loss and damage to the business and laboring interests of the country and innumerable bankruptcies; that our present currency, be it bank notes, greenbacks, or silver and gold certificates, passes current, not alone here, but in all parts of Europe, for all being on gold foundation and redeemable in that metal, they will pay debts in England, France and Germany, and those made redeemable in silver, all will be sectionalized, only available at home, or, if used elsewhere, will be there simply as merchandise, at such a discount as the variations of the silver market call for; that in our dealings with foreign countries we will, as prior to resumption of specie payments, have to make two calculations, first, price of exchange, and second, difference in value of our currency from theirs; that this agitation is gotten up and carried on by the silver producers, who would be the only gainers, all others being ultimately losers; that it would prevent loans of money from Canadian and British banks and other parties to this country, on account of varying nature of dollar value, and so still further stop free circulation of money and tend to financial stringency. They say that in 1880 and 1881, on a gold basis, we got large prices for our wheat and flour, and that it is not the price of silver that has made agricultural products low, but immense production here and elsewhere; that the law of supply and demand governs; that at the present time a short crop here and in Europe has largely enhanced prices of produce, as it always will; that this scheme will provincialize us, narrow the scope of our commercial effort, take us out of the list of leading nations and put us on a par with the Orientals; that by clinging to a gold basis we attract capital and business, broaden our influence and trade, and carry our commercial and financial transactions everywhere; that the maintenance of the double standard permanently is not possible while our country produces fifty million ounces of silver at a par value in coin of \$64,646,464, and Mexico on our borders furnishing \$40,706,000 more, while we produced only \$32,817,000 of gold, with an importation of \$12,061,520 in 1889, a use in the arts of \$16,697,000 and last year an export of \$50,948,273; making a net loss of gold of \$22,766,753; while of silver our export was \$40,730,014, use in arts \$8,766,000, and thus an increase of silver in 1889 of \$23,195,332; that the immediate result of free coinage would be to raise the price of silver, but that this would also set at work men in many a mine now unprofitable, increase the product, and so accelerate the result of coming to a silver basis; that the prosperity of a country brings money to it, and that no government measures to furnish it, out of the usual course, produce more than a temporary prosperity, but that the supply will come always when a country has that to sell which the world wants. It is also claimed that immense sums of silver will be shipped here from Mexico and many European nations which stand ready to send us silver and receive our gold, and that we will thus be bulling the silver market of the world; that, as to the men out of employment—there is ample work for all who desire it, and have any knowledge of a useful art, or are

disposed to do manual labor, and that the constant inflow of foreigners shows that charge to be groundless; that during the last ten years there has been a general increase in labor price; that in fact we are very prosperous now, and have more money per capita than any country save France; that our money buys a much larger amount of manufactured articles than formerly and that if people are in debt, it is either because they have lived more expensively, become more speculative, or purchased lands for which they expect to pay out of future earnings, and further that prices of products in 1873 were on a currency basis when coin of both sorts was at a high premium. They deny the charge that capital is benefited by contraction, and claim that capital gains by general prosperity indisputably, and that their interest in the matter is that of good citizens only.

I believe I have given the principal arguments that have been urged on both sides of this question. Congress has passed a bill for the purchase of 4,500,000 ounces of silver a month, and which leaves the standard gold; the tendency has been to raise the price of silver very largely and yet gold is the metal of free coinage and silver is not; it may be that we can take up the large production of silver at high prices, and still keep gold as the coin of value; if so, we will constantly increase our currency by this absorption of silver and issue of Treasury notes, which will also take the place of National bank notes fast going out of circulation. No one can tell how large is the capacity of this country to absorb money or people, and as silver is a *bona fide* coin, and can never sink to be valueless, being certainly the next thing to gold, it seems worth while to try this experiment fairly. If we can make the rest of the world—so far as they need it—buy our silver at as near as possible the old coinage price, it will be well; if it turns out that we begin to be flooded with foreign silver, and the product of our mines is not purchased abroad as usual, we can consider what is next best to be done. Under all circumstances, it is satisfactory that a "*modus vivendi*" has been for the time arrived at, and the new experiment must and will be tried by the Secretary of the Treasury, with all fairness. The avowed object stated in the bill is to maintain the two metals on a parity. The silver notes issued by the Government will cost a dollar for each dollar issued, not, as heretofore, 70 to 75 cents in cost and balance in trust of either a higher or lower power.

If the result should be to arrive at a price for silver near or quite equal to \$1.2929 per oz., then no further agitation of this subject will arise. If, on the contrary, there should be a serious failure in this respect, each side will again agitate the question, the one claiming the measure was not radical enough, and the other that any movement in the direction of making silver free of coinage as gold, and to keep it on a parity with it, will utterly fail.



## CLEARINGS OF COUNTRY COLLECTIONS.

The following paper was read by Mr. C. W. Hammond, Cashier People's Bank of Buffalo, at the Saratoga Convention of the American Bankers' Association:

The greater part of the business of the United States is settled with bank checks and drafts, and the nearer the location to the great financial centers the greater the proportion of checks used. Those who are interested in seeing the exact figures are referred to the report of the Comptroller of the Currency for 1881, which contains tables compiled from reports made by the National banks of the United States showing the nature of their receipts for two separate dates, viz., June 30 and September 17, 1881. In New York City on June 30th the receipts were made up of 98 $\frac{7}{10}$  per cent. checks, drafts, etc., and 1 $\frac{3}{10}$  per cent. gold coin, silver coin and paper currency. In other cities the checks and drafts were 94 $\frac{1}{10}$  per cent. and actual money 4 $\frac{4}{10}$  per cent. In the country outside of these places the checks and drafts constituted 81 $\frac{7}{10}$ , and cash 18 $\frac{3}{10}$  per cent. The receipts on September 17th showed in each of the divisions named practically the same proportions between cash and checks and drafts.

The use of these substitutes for cash is greatly facilitated by clearing houses established in nearly all of the important cities of the country.

So far, however, clearing house facilities have only been extended to local checks and drafts; in other words, the clearing house in any city accepts in its operations only checks presented by banks belonging to it on other banks in the same place.

Every bank receives daily from its customers, checks taken in payment to them, drawn on banks located far away from its own locality, and often out of the usual line of its exchange. If these checks were received for collection without an advance of credit or cash and a charge made proportionate to the trouble incurred in making such collection, no bank could complain. But the exigencies of business custom, permitted to grow up without any attempt to control it, have practically thrown upon the banks all the expense and labor of these collections, as well as the loss of interest on money advanced upon them.

Where A., who is a depositor in a country bank located at a distance from a financial center, sends his check to a creditor in that center as a payment for goods received, the dealer at the financial center, in a majority of cases, expects his bank to receive the check on deposit as cash, and to give him immediate credit for it. The bank is put to the labor and expense of the collection of the check, for which it is many times unable to make any charge.

The result is that the original drawer of the check gets the use of the money at the expense of the bank for the time between the deposit in the central bank, and the time the returns are received from the collection. Although the drawer of the check is properly the one who should pay the cost of this collection, the charge, small in each individual case, but large when the aggregate amount of such collections is taken into consideration, is for the most part borne by the banking community.

The charge for this work of collection now performed by the banks cannot often in practice be thrown back upon the customers or upon the drawers of the various items as long as there is no concert of action among the banks at the financial center.

The convenience of paying bills by the drawing of local checks and

drafts is so great and facilitates business to such an extent, and has therefore grown to such proportions, that competing banks accept the burden of these collections rather than lose valuable accounts of which they form a part. The depositor in the central bank is glad to accommodate a good customer of his by taking the check, and the bank in which he deposits it often refrains from making a proper charge for treating the check as cash, because it fears that if a charge is made, some other competing bank will do the business without charge and thus secure the customer's account.

Each bank, under the pressure of competition of other banks, in order to retain good accounts, feels it necessary to do more or less of this collecting business without charging anything for the accommodation, and naturally does it in the directions where it incurs the least expense. When the most direct route of collection would entail a heavier cost, the item is sent through correspondents who will do it for a minimum charge, or for nothing, and thus the anomaly arises of checks being interchanged and carted all over the country in the most remarkable and apparently unnecessary manner.

Assuming, therefore, that, in the present state of the business of the country, competition for customers on the part of the banks, and competition for trade on the part of the banks' customers, will continue to make inevitable the collection of out-of-town checks and drafts by the banks, the problem is how to render this collection profitable, or at least as inexpensive as possible, without danger of offending customers or interfering with the convenient use of checks and drafts by those who make payments to those customers. The plan I am about to suggest will, I think, accomplish this purpose, although I present it with some hesitation, knowing how widespread and varied are the interests involved. It has the advantage of being easily tried on an inexpensive scale, and, if it accomplishes what is expected of it, will naturally bring about its own extension. I do not, however, insist on any particular form of doing this business with economy and profit to the banks. The details will of course be arranged by the banks of each financial center according to their own ideas. The plan which I am about to indicate is, I think, perfectly feasible and would accomplish the result desired, and is put forward as a practical example.

In any center of convenient size, say where there are ten banks, let a stock company be formed, with a capital of \$200,000, the shares being offered to the stockholders of the banks. The shareholders of each bank are to take an amount of the stock, in the proportion that the capital and deposits of the bank bears to the capital and deposits of the ten banks. This company or joint stock collection agency is to do simply a collecting business. It will receive no deposits from the public and make no loans. Each of the ten banks will each day, or twice a day, turn over to it all out-of-town items for collection which it may see fit. It need not turn over items on banks with which it has reciprocal accounts, or any others that for any reason it may prefer to collect itself. The collection agency will divide the territory throughout which collections are to be made into collection districts according to the average time required to receive returns. If such a collection agency be formed in any business center the items it would receive would naturally be those coming to that place, and the time required to collect in the various collection districts would be well known. The collection districts we will assume, for illustration, are made in conformity with State lines, New York forming one, Pennsylvania another, Ohio, Iowa, Minnesota, etc., forming others. The collection agency will furnish to each of its contributing banks a schedule showing the charge for the

collection of items falling within each collection district. These charges will of course be graded on the basis of the time known to be required to receive returns by the most direct route. Each day, then, or twice a day, each of the banks lists its collection items from the selected collection districts, and turns them, properly indorsed, over to the collection agency. For instance, one bank sends \$5,000 in Minnesota items, \$6,000 in Ohio items and \$3,000 in Iowa items. In return the collection agency issues three certificates, one for the sum of the items in each collection district. These certificates are payable in cash on New York Exchange at the end of the time allowed for returns from the district involved, and each is for an amount equal to the face of the items on which it is based, less the schedule charge for collection. If the bank sending in the items desires cash immediately, the collection agency must be prepared to cash the certificates, for an additional charge, also previously arranged for each collection district. The minimum charge for collection and the maximum charge when cash is advanced should be determined on a scale sufficiently liberal to cover the expense and labor of collecting and interest charges, and also a fair profit.

The dividend rate should be fixed at some given per cent. and all profits in excess of the fixed dividend should be paid, as a rebate, on a basis of the business turned in by the respective banks, to the stock held by the stockholders of such banks.

The first advantage of this plan will be a saving in clerk hire and stationery. As the business is now conducted each separate bank is obliged to keep a special force to make its own collection, nearly if not quite as great as that which the collection agency would require to do the same business for all. On the supposition of ten banks, the reduction of the item of expense would obviously be over one-half.

The second advantage will be that all danger of competition to the detriment of profit will be removed. A banker can readily tell a customer that, under the new arrangement among the banks, out-of-town collections presented for deposit must pay the regular collection agency collection charge, and if cash is required at once, the additional interest charge, without fearing that some other bank will grant greater privileges. Nor is there any disadvantage in the case of a customer whom the bank may wish to specially accommodate. Where the account is so valuable that the bank is willing to treat out-of-town items as cash, the cost of so doing is, by the use of the agency, reduced to a minimum through the economy of labor and saving of time. If this pressing back the collection charge upon the customer in most cases seems a hardship, the latter can make his future calculations so as to include this expense in the terms on which goods are sold to the dealer who sends the check in payment.

At all events, the banks will protect themselves and realize the profit to which the work done fairly entitled them.

Third, much time and risk will be saved, because the collections will always be sent out by the most direct route. As it is now, banks collecting for themselves prefer to send by a circuitous route when they can save a direct charge, apparently careless of the loss of interest which they often suffer by the delay.

The motive for this will be removed.

It may be objected that at times the demand for cash, even at the maximum charge, will be so great that the collection agency will not, with its proposed capital, be able to supply it. In regard to this, however, it is hardly probable, after the business of the agency has fairly got under way, but that the returns will come in with such regularity as to avoid any difficulty on this score.

But assuming that at times the capital might prove insufficient to meet demands for cash, it would then become the duty of each contributing bank to make such advances to the collection agency as conveniently lay in its power, of course receiving interest until repayment. Moreover, as the agency secures the confidence derived from experience it is probable that the certificates will pass easily from bank to bank as a security for temporary loans, obviating the necessity of applying to the agency.

It will be observed also that it has been proposed to have the stock of the agency allotted in certain due proportion to the stockholders of the supporting banks. In order to keep the proper proportion of stock among the shareholders of each particular bank, it would be necessary to make that portion of the stock non-transferable, except among the stockholders of that bank.

It would be better in many ways if the stock could be taken directly by the banks, but in order to do this it might be necessary to secure a special provision of law, particularly for National banks, that are not permitted to become stockholders in corporations. It is to obviate this difficulty that the proposal is made to have the stock of the agency allotted to the stockholders. By this course the capital of the agency is independent of, and in addition to, that of the banks. The portion allotted to the stockholders of any one bank might be held in trust for them by the president or board of directors.

It may be asked what would be the method of procedure in the case of items that are returned unpaid? These, of course, will be returned by the agency to the bank sending them for collection, in the same manner as unpaid items are now returned and adjusted between the clearing house banks and the clearing house. The exposure of business of each bank would be no greater in turning over out-of-town cash items to the collection agency than is now the case in turning over local items to the clearing house.

The managers of the collection agency should be selected from the officers of the supporting banks. The agency will do no business except that necessary to make the collections. It will not receive individual deposits, make loans, or pay checks. The only evidence of indebtedness issued by it should be the certificates. It will in no way interfere with legitimate competition among the banks, but will remove a form of competition that in the long run can only prove disadvantageous to them. What I consider the special advantage of this proposition is that it may be tried on a small and inexpensive scale. I would not recommend that it be tried first in the largest financial centers, but in some one of those of moderate size. The amount of money that is now advanced without charge by banks upon out-of-town country collections in each financial center would be more than sufficient to capitalize such a collection agency as has been described, in each case.

Formerly, when the banks were struggling with the problem of the redemption of State bank circulation, the Bank of Redemption, afterwards and to-day the National Bank of Redemption, of Boston, was organized and its stock taken by other banks in Boston and New England to undertake the redemption of the State bank notes. It was in successful and profitable operation until those issues were superseded by the National bank currency. The law permitted the holding of the stock of the bank named by other banks. The plan proposed for making country collections is analogous to that adopted by the banks of Boston and New England when they organized the Bank of Redemption to relieve them of the labor (for each single bank) of forcing the redemption of the notes of State banks. Before the organization of the

Bank of Redemption for the special purpose of having the profits of redemptions accrue to the banks sending in the notes, the Suffolk Bank of Boston had monopolized the business for the sole profit of its stockholders, though to the great convenience of the banking community. There were circumstances connected with the issue and redemption of State bank circulation which enabled any bank willing to undertake the business to virtually compel the outside banks to send accumulating notes to it for redemption, and the Suffolk Banking system, as it was called, was a great success until a desire to share in the profits caused the organization of the Bank of Redemption. One bank in any center could not to-day successfully undertake to make all country collections for that center, in the same manner as the Suffolk Bank succeeded in monopolizing the business of redeeming bank notes, without the consent of the other banks to send all such items to it, and as yet there seems to be no sufficient motive in every case to induce this consent and give the one bank all the profit, in the case of country collections, as there was formerly in the case of the redemption of State bank notes. Even now, however, it is the custom for some of the banks in New York, and also in Chicago, to turn over all these out-of-town cash items to other banks on an agreed basis. Perhaps this custom may increase to such an extent that one bank in each financial center will be able to do this business for all. But inasmuch as in the days when the Suffolk redemption system was in successful operation, many of the banks thought best to organize a special institution to enforce redemptions, so that the banks organizing it might share in the profits, it seems at the present time even more advantageous to organize special agencies for conducting out-of-town collections, and realizing and dividing the profits which, with proper management, ought fairly to accrue in return for the labor and skill employed and the money advanced.

It only remains to make the experiment. At the next meeting of this association I trust we will have reports from trials of this or some similar plan, to obviate the acknowledged inconvenience and injustice inseparable from the present method of dealing with out-of-town country collections.

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### THE ULTIMATE FATE OF OUR NATIONAL BANKING SYSTEM.

The following paper was read by Thomas D. Gilbert before the Michigan State Bankers' Association, which met recently at Saginaw:

The apparent indifference of our politicians, bankers, and the business community in general, to the ultimate fate of the best banking system the wisdom of man has ever devised, may well excite alarm among those who understand how closely the National banks are connected with the enormous daily financial transactions of the country. Scarcely a thought is given, much less expressed, as to what will be the relations between the banking institutions of the country and the people, when the tie that now binds them to the Government is severed by the liquidation of the public debt.

One of the best features of our present banking system is the supervision exercised over all the National banks by the Government, through the examiners, who periodically, but at uncertain intervals, and unannounced, make their welcome visits. I say "welcome," for I am sure every upright bank officer is glad to have his own knowledge of the con-

dition of his bank verified by an expert not connected with it. The fact that these examinations are made gives the people great confidence in the banks, and brings to their vaults the surplus money of the people to an extent formerly unknown. It seems as though a banking system so beneficent in its operations, and not possessing a single monopolistic or other objectionable characteristic, ought to meet with general approval, and that public sentiment should demand such legislation as would make it perpetual. Such, however, is not the case. On the contrary, there seems to be a fear on the part of congressional legislators that if any move is made to perpetuate the system they will jeopardize their political future. The demagogues that fasten themselves on all parties are never rebuked when they demand the repeal of the National banking law; and even our own legislature has so arranged its tax laws that the owner of bank stock pays from 25 to 50 per cent. more taxes on it than is paid on other property.

Let us briefly review the history of our National system and see if we can find a cause for this seemingly unfriendly attitude toward it. When the war of the rebellion broke out, the Government was without money or credit. The State banks in New York, Philadelphia and Boston came to the rescue with a loan of \$30,000,000 in gold, which was rapidly disbursed for munitions of war and other pressing needs. This money, in the natural course of business, soon found its way back to the banks in those cities, and was again loaned to the Government. About that time occurred the unfortunate battle of Bull Run. Faith in the stability of the Government was shaken, gold went to a premium and never came back to the banks, and a suspension of specie payments soon followed. You are doubtless all familiar with the makeshifts to which the country resorted during the early days of the war, to meet its necessities. Demand notes, 6 per cent. certificates convertible into bonds, greenbacks, were issued as fast as needed. The banks of the loyal States at that time had a capital of about \$200,000,000, which the Government needed, and took prompt measures to bring into its Treasury. The National banking law was passed, and the banks were told to reorganize under that law, or pay a tax of 10 per cent. on their State circulation. As that would be practical confiscation, the capital of the banks was soon invested in the 6 per cent. 5-20 gold bonds of the country, on which they received 90 per cent. of circulation. For a few years it was a very profitable operation for the banks, and it was a stupid banker who could not give his stockholders reasonable dividends, and add largely to his surplus. The ruling rate of interest in the West was 10 per cent., and the gold interest paid on these bonds sold for a large premium. As soon as they could be reached, the 5-20 6s. and the 10-40 5s were called in, and a long time 4 per cent. bond issued in their stead, and which now constitutes the security held by the Government for the circulation of the National banks. These bonds now command so high a premium that there is little or no profit to the banks in the issue of circulating notes, which is clearly demonstrated by the fact that but few banks have a circulation in excess of the minimum amount required by law. In the town where I live the banks are entitled to a circulation of \$1,800,000, and they have but \$225,000. The bonds they have deposited to secure that \$225,000 would sell in the market to-day for \$275,000 in gold, and yet a bill allowing an issue of \$100 of circulation instead of \$90 on each \$100 of security deposited, lies on the table at Washington, and if an effort should be made to pass it, a howl of indignation would be heard all over the land, from the political demagogues whose special mission seems to be the annihilation of the National banks.

The great financial crisis of 1873 was due eight years previous, imme-



diately after the close of the war. It is the only instance on record where the close of a great war was not followed by a financial disturbance. That it did not come in 1865 was largely due to the strength and liberality of the banks, reinforced by a demand from the South for all our Northern products, for which they had abundant means to pay. In the winter of 1864-5 it was evident that the war must soon end. Our manufacturers curtailed their production of goods from costly raw material, and importations were reduced to the lowest point consistent with immediate demand. The close of the war found 12,000,000 of people in the Southern States destitute of all the necessities of life, with an accumulated stock of \$200,000,000 worth of cotton with which to purchase them. The Northern markets were swept clean of manufactured goods. Our factories all resumed active operations, and it was at once apparent that we would not have the usual financial crisis that follows a protracted war. A period of active business prosperity set in, a great number of National banks were organized, and we had eight years more of unparalleled prosperity. During those eight years the National banks largely increased their capital and surplus, and were in good shape to carry their customers and the country through the financial disturbance of 1873. The older bankers present will confirm my assertion, that the losses of the National banks during that trying time were very small, and their depositors lost little or none of their money.

Now, in view of these undisputed facts, why is it that there is not a general demand for a perpetuation of a banking system that has produced such good results? There is but one answer to the question. The success which has attended the use of our present conglomerate circulation, has impressed the people with a conviction that the Government alone should issue the money in use. All old-fashioned and conservative theories as to the proper basis for our circulating medium have been swept aside, and it must be confessed that up to the present time the new methods have been a great success. Gold, which has been for many years the standard of the great commercial nations; three hundred and fifty millions of greenbacks that have no value except what is conferred upon them by the fiat of Congress, and a decision of the Supreme Court; our National bank circulation that is secured by a deposit of 30 per cent. of gold value more than the amount issued; and our silver dollars with their representative certificates, which till a quite recent date were not worth more than 75 per cent. of their nominal value, have all traveled peaceably together along the channels of our domestic business, until they struck the line that divides our home trade from the commerce of foreign nations. At that point they separated. Gold is all we can use abroad, and the inferior currency remains.

No harm can possibly come from this anomalous condition of our circulating medium, except such a possible inflation as will induce wild speculation, or a long-continued adverse balance of trade with foreign countries. This latter is the crucial test that is yet to be applied to our present financial system.

I do not fear such a condition at present, for I believe we will in the near future establish such commercial relations with the nations of this hemisphere as will force the world to a bi-metallic standard, and the rapid development of our boundless resources is furnishing us with great debt-paying power.

Assuming all this to be true, why seek to perpetuate a banking system that furnishes so small a proportion of our circulating medium? My answer is, the best interests of the public demand it. There is a fascination about the business of banking that attracts skilled and unskilled men alike, all over the country. An irresistible desire to be

handling other people's money establishes a bank at every cross road, and the people are invited to bring in their funds. It is easy to see how important it is that there should be a general National supervision over institutions so intimately connected with our vast internal business, and how important it is that bankers should be encouraged to organize under a sound National system.

There will be no possible excuse for governmental control over the banks if they do not issue circulating notes, in which case there would be as many different systems of private banks as there are States, a condition of things destructive of all confidence.

I do not hesitate to give utterance to my belief that our National banking system should be perpetuated by the issue of Government bonds bearing a low rate of interest, to the fullest extent that might be demanded by the banking interest of the country. I would not fix the rate of interest so high as to attract capital to the business, but the country could afford to pay interest enough on the bonds to encourage men who contemplate embarking in the banking business to organize under the National law. I do not expect that this will ever be done, hence I conclude that our National banking system will, in a few years, die a natural death, and the country embark in State systems, or no systems, with all the uncertainties likely to pertain thereto.

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### EXPERTS IN HANDLING MONEY—FEATURES OF THE ENGLISH SYSTEM.

A London bank teller always experiences a feeling of relief when he finds his money correct at the close of Friday's work—and this feeling is usually shared by the rest of the staff—who cannot leave the bank until he either discovers his error or satisfies himself as to the actual shortage. The great bulk of the shortage made across bank counters in England is believed to occur on that day.

Next in order bad days for the teller, or cashier, as he is designated in London, comes Saturday, but there the bad luck is intelligible. Saturday is wages day, and no sooner has the teller filled his till and loaded up his shelves with silver in £5 and £10 bags than the day's work sets in like a flood. Until 12 o'clock he is paying with both hands; after that hour, if he is a receiving clerk as well, he begins to receive heavily, for Saturday is also the last day of the week, and every one elects that the bank should receive his deposits rather than he should keep them in his own less secure custody over Sunday.

In beginning work on Saturday the London teller faces an open mahogany counter, of which the portion controlled by his desk is probably six feet long by three feet wide. He likes to have a good square view of his customer, and it is one of the canons of British banking that the eyes of the staff shall command the counter. With such an open counter the chief clerk is able to keep the whole field under his eye at one time, and to relieve the overstrain at any particular desk. The effect of the exposed condition is beneficial to the staff, the members of which maintain a steadier demeanor and attend more closely to business while thus under the eyes of the public.

The London teller is a quick manipulator of coin. This is largely owing to the fact that the smallest note issued in London is of the value of £5, or \$25. When asked for gold in a greater amount than his eye

can count at a glance, the teller, after counting it quickly with a pianoforte action, throws it with his copper scoop into his faithful scales, and so checks his count. The weights of these scales are arranged in suitable numbers. The teller also checks the gold which he receives by weight, and here his knowledge of his business will be tested. One hundred new sovereigns are of full weight, rather more, in fact, but the same number taken at haphazard will be found to be nearly half a sovereign [or  $\frac{1}{2}$  per cent.] short in weight, while £100 in ordinary half sovereigns are sometimes 20 shillings [or 1 per cent.] short in value. The teller can quickly satisfy himself as to whether the deficiency is caused by shortage in weight or count, by dividing the amount and weighing one moiety against the other. If they balance evenly the count is correct and the difference is due to underweight. If the latter exceeds the average stated the coin will need to be specially examined; there is probably something wrong.

The edge of the English bank counter is provided with a lip to prevent the coin from rolling over and to aid the teller in scooping up the money. The teller usually counts with the first two fingers of both hands, simultaneously; sometimes he uses six fingers, and a teller has been known to count 450 sovereigns in one minute, working against time. An expert teller will count £100 value of silver in seven minutes. When it is remembered that the coins are always mixed and consist of sixpences, shillings, florins, half crowns and crowns, with never a decimal convenience among them, this will reasonably be considered as a remarkable feat.

The annual loss from wear and tear of gold coin in England by reason of the absence of small notes is almost incredible. In Scotland the issue of £1 notes displaces gold to a great extent. The Scotch teller excels in counting paper money. In fingering a bundle of notes he is king of men. Placing the packers upright against his left palm, and seizing the top corner between the finger and thumb of his right hand, he will turn over the notes so quickly that an ordinary observer will be as entirely deceived as by the three-card trick, and will probably count only sixteen or seventeen to the teller's twenty. Then to check his count he will either alternate his hands, or, placing his notes horizontally on the counter, he will count them toward himself with the same paralyzing speed.

The Scotch counter is twice as wide as the London one; it is elevated in the center and is minus the rim which facilitates the English teller's dexterity with the coin. The Scotch teller in Edinburgh is railed in. His domain is a little island by itself; he takes no responsibility, he carries no balances in his head, and will not look at a check until the ledger clerk, far off in the corner, has countersigned it.

An advantage which the English teller possesses over the American and Scotch teller lies in the fact that he issues clean notes only. The Bank of England has the exclusive privilege of note issues in London and within a radius of sixty miles, a right conferred for a certain valuable consideration granted to the Government in years gone by. All the notes received by the London teller are sent into the Bank of England, and they are not re-issued. The average life of a £5 bank note is two or three weeks, that of a £100 bank note is three days—that is, the interval between its issue and return to the bank and final death.—*Exchange.*

## BANKING IN INDIA.

NATIVE AND PRIVATE BANKING, COINAGE AND CURRENCY  
OF THE COUNTRY.

[CONCLUDED.]

I now come to the note circulation. Previously to 1862, the note circulation was entirely in the hands of the presidency banks, with the exception of the promissory and Treasury notes of the Government, which circulated largely. The former of these corresponded to bank certificates, being, in fact, obligations on the Treasury for the payment of the interest on the public debt; the second partook of the nature of exchequer bills bearing a certain rate of interest per diem, which from time to time varied considerably. The notes of the presidency banks were received as cash, but as security it was required that one-fourth of the amount of the circulation should be deposited in the Government's own Treasury notes. By Act XIX of 1861, it was enacted that the right of issue of notes by the presidency banks conferred on the banks of Bengal, Bombay, and Madras, by Acts VI of 1839, III of 1840, IX of 1843, should cease from and after the 1st day of March, 1862. This Act provided for a Government Department of Issue, entirely superseding the issues formerly in circulation. This Act provided that all the coin and bullion received in exchange for currency notes should be retained and secured as a reserve to pay such notes in circulation, with the reservation that 4 crores of rupees, or such amount as the Governor-General in Council should fix, might be invested in Government securities, which coin, bullion, and security should be set apart for the satisfaction and discharge of the said notes. In 1871, a further Act was passed to consolidate and amend the law as to paper currency, by which certain previous Acts were repealed. Amongst others, Act XXIV of 1861, which enabled the banks of Bengal, Bombay, and Madras to enter into arrangements with the Government for managing the issue, payment, and exchange of Government currency notes, and of certain business hitherto transacted by the Government. The only material change which Act III of 1871 made was that the reserve to secure the payment and satisfaction of the notes was increased from 4 to 6 crores, which might be invested in Government securities. It has quite recently been proposed by the Financial Department of the Government of India that the 6 crores sanctioned by the Act of 1871 should be increased to 8 crores to be invested in Government securities, but when it is considered that the note circulation of that period was only about 9 crores, and that it is now nearly 16 crores, the proposition seems a very modest one. It is therefore suggested that the Government should take power from the legislative to increase the invested reserve to the maximum limit of 8 crores, but it is not intended at present to go beyond 7 crores.

## GOVERNMENT PAPER CURRENCY.

The following is the Official Statement, issued in the "Gazette of India," by the Secretary to the Government of India, Financial Department, showing that the total currency notes in circulation on the 31st January, 1890, amounted to Rs. 6,28,94,055; that the reserve in coin and bullion on that date was Rs. 10,28,94,075; and the reserve in Government securities, Rs. 5,99,99,980.

Abstract of the accounts of the Department of Issue of Paper Currency on the 31st January, 1890, published as required by Section 27 of the Indian Paper Currency Act XX, of 1882 :

<i>Circles of Issue.</i>	<i>Whole Amounts of Notes in Circulation.</i>	<i>Reserve in Silver Coin and Bullion.</i>		
		<i>Coin.</i>	<i>Bullion.</i>	<i>Total.</i>
	Rs.	Rs.	Rs.	Rs.
Calcutta.....	6,56,57,855	2,20,93,330	10,36,720	2,31,30,050
Allahabad.....	74,95,500	1,73,21,740	.....	1,73,21,740
Lahore.....	80,76,415	53,16,625	.....	53,16,625
Bombay.....	5,09,37,020	2,12,04,533	63,50,577	2,75,55,110
Kurrachee.....	35,59,405	39,75,655	75,600	40,51,255
Madras.....	2,30,53,305	1,07,01,340	20,000	1,07,21,340
Calicut.....	10,48,315	5,53,700	.....	5,53,700
Rangoon.....	30,66,240	1,42,44,255	.....	1,42,44,255
Total Rs.....	16,28,94,055	9,54,11,178	74,82,897	10,28,94,075
Price paid for Government securities of the nominal value of Rs. 6,25,31,100, held under section 19 of the Act.....				5,99,99,980
Grand total, Rs.....				16,28,94,055

As previously mentioned, the presidency banks had, prior to 1862, the exclusive privilege of a circulation of bank notes. The Bank of Bengal, though limited to two crores of rupees, had seldom more than one crore and 60 lakhs in circulation, but on one occasion the limit was exceeded by 50 lakhs, and this infringement of the regulation had to be sanctioned by a temporary Act, the bank paying to the Government a commission of 5 per cent. on the excess of the limit. As before mentioned, the privilege of issuing notes was withdrawn in 1862, on the introduction of a State currency. As a sort of compensation for the abolition of the issue of notes, the Bank of Bengal was intrusted with the business which had heretofore been transacted at the General Treasury in Fort William. The right of issue of the Bank of Bombay was also 2 crores, but the highest point it ever reached was about a crore and a quarter. The average circulation of the Bank of Madras was about 15 or 16 lakhs. At one time it reached 30 lakhs, and in the negotiations of the bank with the Government, it struggled hard for an extension. With the exception of the year 1860, the circulation was always under 20 lakhs, but in that year it rose to 24½ lakhs, the surplus being generally held by the Treasury and the other banks in Madras. Gradually the management of the currency was withdrawn from the presidency banks, and, as compensation, an arrangement was come to that the Government would keep with these banks a certain sum, and if the balance fell below the minimum, interest was to be paid on the deficiency. The presidency bank notes were issued solely on the credit of the banks, but, of course, they had to maintain a cash reserve. Mr. Laing stated that these banks held as an average one-third in cash of the amount of notes in circulation. I now come to private banking in India.

Consequent on the changes which took place on the renewal of the East India Company's charter in 1783, by which the powers of the company were considerably circumscribed, a field was thrown open to private

British bankers and merchants, which had not hitherto existed. Advantage was at once taken of this opportunity for the extension of connections with our Eastern possessions, and the result was the establishment of a number of private firms who did a large and prosperous business for many years thereafter. The march of time, however, brought developments in joint stock banking, which gradually absorbed the business of the private bankers. This was more especially the case about half a century ago, when the exchange banks gradually absorbed the business of the private bankers, and of all the firms then established, not one now exists. One of the oldest in Bombay succumbed about ten years ago, and another, second only in age to that previously alluded to, died of inanition a year or two ago.

Valuable services were occasionally rendered by the private British bankers to the East India Company. For instance, in the beginning of this century the company was obliged to borrow from the bankers (private) of Bombay the wherewithal to carry on the wars then being waged with the Mahrattas. During the period from 1803 to 1805, the campaigns of Sir Arthur Wellesley, the great Duke of Wellington, against Scindia and Holkar, were to a great extent carried on by advances from Forbes & Co., and Bruce Fawcett & Co. During two years at that period, these two houses relieved the difficulties of the Government to the extent of 2½ millions sterling. At this time so great were the difficulties of the Government, that Treasury bills were at 8 to 10 per cent. discount, but so disinterested were these two houses that they undertook to receive such bills, and passed them current in their transactions at par. At this period so great was the impecuniosity of the Government, that they had many lakhs of rupees lying in the Bazaar under protest for non-payment. The exchange on Calcutta had fallen to Rs. 85 for 100 Sicca rupees,\* or 20 per cent. A monopoly of the produce of cardamoms for some years was the reward to the private bankers, for their valuable aid in time of need. On the renewal of the company's charter in 1814, greater latitude was allowed to bankers and merchants, which induced numerous adventurers. I do not mean the word in an offensive sense, because, at that time, all transactions with the East were styled adventures. Of those then established, many have succumbed to the changing character of the trade. It will be recollected that previous to the year 1814, the East India Company enjoyed by law a monopoly of the trade of every place from the east coast of Africa to the west coast of America, inclusive. In so far as regards the trade between the East Indies and Europe, there was very little relaxation in this monopoly for a period exceeding 200 years. But in the local trade of India, British, foreign and native, the East India Company had not for a great number of years interfered, and although the company meddled in the trade of staple articles, the produce of India, they did not exclude the competition of Europeans in them, except in so far as the latter were precluded from engaging in the inland grain, salt and tobacco trades. It will be recollected at the same time that the restrictions on the residence of Europeans in India were severe and oppressive—that Europeans were liable to expulsion for any offense given to the Government—and, indeed, to expulsion without any reason being given, on bare suspicion. It was the settled policy of the Government to restrict the number of Europeans as much as possible, and consequently their number, up to the period in question, was very inconsiderable. Such a system was sufficient to paralyze all industry, and it is a matter for wonder now how these early pioneers in India managed to make the com-

\* 100 Sicca rupees are equal to 106.66 ordinary British-Indian rupees.

merce of India so considerable. It was under this state of things that the great banking and mercantile firms of Bombay, Calcutta, and Madras sprung up. Although now extinct, that is the firms established upwards of a hundred years ago (because there are still some firms in existence, established in 1814, and subsequently), it is impossible to understand the present banking and mercantile position of India, without a brief notice giving some account of them. The relaxation which took place in the monopoly of the East India Company, by the Act of 1813, brought upon the old-established firms a host of active competitors carrying on business on more liberal principles, and the absolute cessation of the monopoly in 1833 completed the revolution which commenced in 1814, so that the trade of India is now on a totally different footing to what it has ever been before. It became, in fact, free for the first time, after a period of about 230 years. The largest private banking and mercantile houses in Calcutta, which had been established fifty years, all fell in 1830. The partners of these houses, generally from three to four, consisted, in many instances, of civil, military, and medical officers of the East India Company, who, tempted by the large fortunes which had been acquired by such firms previously, quitted the service and became bankers and merchants. Although, generally, men of talent and acuteness, and, indeed, selected on this account, they were for the most part destitute of banking or mercantile experience, or training. It may be observed here that the partners returning with fortunes to England generally set up corresponding houses at home, not, indeed, in active partnership, but intimately connected with the Indian houses in business. As long as the East India Company's monopoly lasted, the private banking and mercantile firms were so circumstanced that they had secured to them a description of sub-monopoly. Nearly the whole European and American business fell into their hands. They were agents for the whole civil, military, and naval service; they were agents for the planters and storekeepers in the provinces. They were bankers receiving deposits and making advances for the produce of the country. On the original establishment of the great houses, the partners were in many instances without capital of their own, and, indeed, the deposits from the savings of the civil, military, and naval officers may be said to have contributed the capital on which they wrought their ventures. These officers, before 1814, constituted nearly the whole European community. To these officers the great houses were always kind, useful, and obliging, and frequently of essential service. Commanding their respect and friendship, with strong claims on the gratitude of many, and possessing the unbounded confidence of all, is it to be wondered at that the great annual savings of these officers were intrusted to houses in which they had entire confidence? With the large funds thus received by the great houses of Bombay, Calcutta, and Madras, they made advances to speculators in opium, indigo, silk, and cotton to a very large amount. The interest which they allowed on deposits was not less than 9 per cent., and they charged on advances 12 per cent., as well as a commission. As long as the houses were free from competition they made immense profits, which enabled the partners to return to England or Scotland with immense fortunes, ranging from 25 to 100 lakhs, when they settled peaceably at home, where they generally bought a landed estate with the further ambition of founding a family.

Amongst other private banking firms established at this period was that of Messrs. William Palmer & Co., of Haidarabad, under the license of the supreme Government. The then Nizam had neither capacity nor firmness, so that the administration of the State fell into the hands of Raja Chundoolhall, a man of marked ability, but who was most reckless

as regards finance. Consequent on the ravages of the Pindharis and others, the State was in a position of utter insolvency, and loans were raised for pressing emergencies at most usurious rates from the native bankers. In the same year Chundoolhall obtained a loan of 60 lakhs from the firm above mentioned, and permission was given for the transaction by the Governor-General in Council. Mr. W. Palmer was the son of General Palmer, one of the ablest of the old school of diplomatists in India, and entered the military service of the Nizam at an early age, but afterwards became a banker, like many others, in association with local native capitalists. In 1816, an Act was passed which prohibited Europeans from having pecuniary transactions with native powers, but this was suspended in Messrs. Palmer & Co.'s favor by an order in Council. For four years thereafter the same relations continued between the Nizam and Messrs. Palmer & Co. The rates of interest ranged from 18 to 24 per cent., but as the Government of India was itself borrowing at 12 per cent., this was not considered exorbitant. In the native States the rates of interest varied from 36 to 40 per cent. In 1820, the court withdrew the sanction of Council to the Haiderabad transactions, so that further dealings with the Nizam were impossible, and to avoid difficulties, the 60 lakh loan was paid off by the Resident. Although the interdict of the Council was subsequently rescinded, the credit of W. Palmer & Co. was irretrievably destroyed, and the conduct of Sir Charles Metcalfe in these transactions was afterwards severely condemned. It has been said, and it has been exemplified in history, that great commanders must be trained in India, and it may, perhaps in a lesser degree, be remarked that bankers trained in that field seldom fail to distinguish themselves afterwards in an English sphere. The Indian banker has many strange elements to contend with. He must possess extraordinary patience, great coolness, presence of mind in a remarkable degree, and those qualities which enable him to realize at a glance the character of his clients. He has not only to deal with the shrewd and cautious Parsi, but he has to meet the wily Marwari, the dull but doubtful Mussulman, the crafty Borah, and the sharp Hindoo.

I have now, in conclusion, to ask your kind indulgence towards this imperfect sketch of native banking, private banking, and currency in India. It must be borne in mind that, independent of warlike conquests, the Empire of India has been, to a very great extent, built up by merchant adventurers. In fact, the old East India Company was nothing more than a merchant company. But, although few marble monuments have been reared in memory of the early pioneers of British banking and trade in India, the extent to which that trade is now developed is a lasting monument to those who aided in its development, many of whom sleep in nameless tombs. It is a grand tribute to the sterling worth of the British character, and though many of the early adventurers, full of life and hope, sacrificed their lives at the early factories, such as Surat (designated, formerly, the "Scotchmen's Grave"), their memories will ever be hallowed by all those who, with a patriotic pride, look upon the Empire of Hindostan as one of the prime jewels in the majesty of the British Empire.—*Paper read by Andrew J. Macdonald before the London Institute of Bankers.*



## ECONOMIC NOTES.

*FARMING IN DIFFERENT SECTIONS CONTRASTED.*

The relative advantages of farming in New York State and in the West form an interesting topic discussed by John W. Dwight, proprietor of the famous farm of 60,000 acres in the Red River Valley, N. Dak. Relative to the cost of farming in the two sections he said: "It is wholly to the advantage of Dakota, if the measure is made the cost of laying down wheat in New York City. If this cost is figured so as to charge 10 per cent. on the valuation of Dakota land and only 5 per cent. on the valuation of Central New York land, there is still an enormous difference in favor of Dakota. Let me give you some approximate figures: Central New York land is worth on an average \$80 an acre, 5 per cent. on which is \$4. It raises an average of 16 bushels per acre, the cost of getting which to New York City is about 8 cents per bushel, or \$1.28 per acre, making the total cost per acre of putting the wheat product in New York \$5.28. One-half the Northern Pacific land was homesteaded. The balance was probably sold at \$1.25 to \$2.50 per acre, but allowing it at \$5 per acre is an outside figure. Ten per cent. on this is 50 cents an acre. Allowing only 16 bushels to the acre, whereas they get from 20 to 35 bushels, it costs 20 cents per bushel to get the product to New York City through the Erie Canal, or \$3.20. Thus the total cost per acre on this liberal comparison is \$3.70, or a difference in favor of Dakota wheat in New York is \$1.58. The actual figures would show from \$2 to \$3 or even \$4 difference, because some of the great farms of this section were bought at 30 to 50 cents per acre, when the N. P. Railroad was embarrassed and let its land go to pay off bonds." Mr. Dwight makes no discount in the matter of drought, frost and cyclones.

*CHARLESTON BUSY.*

The Charleston (S. C.) *News and Courier* says there is probably more shipping in that port at present than at any time in five years. Among the numerous vessels now in port are ten large iron cotton steamers waiting to carry cargoes of the staple across to the other side of the water. There are also nearly forty barks, brigs and schooners in port, to say nothing of the great number of small vessels which are not officially reported. Most of the sailing vessels are loading lumber, naval stores and phosphate rock for coastwise ports. A few of them are taking in cargoes of rock and naval stores for Europe. Although the number of vessels in the harbor at present is almost unprecedented, there is need for every one that comes. The rush of cotton from the interior continues without remission, and the railroads are kept busy handling the staple. Long train loads are coming in every day from every road, and the handlers in the city are kept hard at work keeping up with it.

*MAGNITUDE OF LAKE SHIPBUILDING.*

American shipbuilding for the ocean carrying trade has declined, but the tonnage in the coasting trade has steadily increased. The prosperity in this branch of American shipping has enabled the United States to hold its place as one of the greatest shipbuilding nations of the world. The *Marine Review* says: "Clyde shipbuilding statistics show that during the month of July fifteen steamers, three sailing vessels and five yachts, with a tonnage measurement of 16,765 tons, were launched. The Clyde, of course, is regarded as the shipbuilding center of the

world. The July supplement to Lloyd's register shows that fourteen vessels, with a tonnage of 15,668, were launched on the lakes. This does not include the Monarch, estimated at 2,000 tons, launched on the Canadian side, making the output of lake shipyards for July 17,688 tons, pretty nearly 1,000 tons more tonnage than was built on the Clyde, and in comparing numbers it is seen that the lakes turned out larger vessels. During July the new orders on the Clyde aggregated 8,000 tons in round numbers; the new orders placed during that month on the lakes figured 18,000 tons. This makes the lakes the leading shipbuilding region on the globe for that length of time."

#### THE PUBLIC DEBT OF FRANCE.

The public debt of France is estimated at \$6,200,000,000, thus making it the heaviest of any country in Europe. To add to the burden, the expenses for the present year are set down at \$700,000,000, and the revenue at only \$600,000,000; and the Government has been forced to fund the accumulated deficits in a new loan for \$200,000,000. More than one-half of the taxation in France goes to the support of the army and navy, and the poorest peasant has always been willing to pay it; but an annual decrease in revenue, increased taxation, and new loans, will unquestionably tend to injure the industries of the country and ultimately prove dangerous to the existence of the Republic.

Sterling exchange has ranged during September at from 4.84 @ 4.86½ for bankers' sight, and 4.79½ @ 4.82½ for 60 days. Paris—Francs, 5.22½ @ 5.21½ for sight, and 5.25½ @ 5.21½ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.81½ @ 4.81¼; bankers' sterling, sight, 4.86 @ 4.86¼; cable transfers, 4.87½ @ 4.88. Paris—Bankers', 60 days, 5.23½ @ 5.22½; sight, 5.20½ @ 5.20. Antwerp—Commercial, 60 days, 5.25½ @ 5.25. Reichmarks (4)—bankers', 60 days, 94½ @ 94½; sight, 95¼ @ 95½. Guilders—bankers', 60 days, 39½ @ 39 15-16; sight, 40½ @ 40 3-16.

The reports of the New York Clearing-house returns compare as follows:

1890.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.	Surplus.
Sept. 6...	\$394,978,100	\$70,216,700	\$25,482,000	\$388,399,300	\$3,693,300	*\$1,401,125
" 13...	393,100,000	67,842,300	24,663,500	388,250,900	3,702,700	*3,306,925
" 20...	398,631,600	76,417,200	22,983,700	389,982,800	3,588,300	1,905,200
" 27...	394,029,100	93,397,300	22,387,800	406,838,800	3,481,900	14,075,400

\*Deficiency.

The Boston bank statement is as follows:

1890.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.
Aug. 30.....	\$152,712,800	\$9,521,200	\$4,664,000	\$125,205,900	\$3,220,900
Sept. 6.....	152,769,700	9,648,700	4,498,900	128,392,400	3,197,100
" 13.....	153,004,000	10,329,700	4,401,200	129,404,700	3,198,500
" 20.....	153,551,800	10,329,700	4,613,500	129,739,400	3,206,700
" 27.....	153,770,400	10,056,100	4,893,600	129,328,600	3,221,500

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1890.	Loans.	Reserves.	Deposits.	Circulation.
Sept. 6.....	\$99,110,000	\$22,328,000	\$94,358,000	\$2,140,000
" 13.....	98,908,000	22,647,000	93,662,000	2,142,000
" 20.....	97,983,000	22,822,000	93,402,000	2,143,000
" 27.....	98,099,000	23,588,000	94,308,000	2,129,000

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	Sept. 2.	Sept. 8.	Sept. 15.	Sept. 22.	Sept. 29.
Discounts.....	7½ @ 8½	6	6	7 @ 7½	6½ @ 7
Call Loans.....	8 @ 3	10 @ 3	96 @ 3	5 @ 2	4 @ 2½
Treasury balances, coin.	\$158,969,208	\$158,310,316	\$157,048,440	\$155,703,059	\$154,857,656
Do. do currency	9,122,806	8,374,142	8,204,853	5,695,931	5,439,588

# CAPITAL, REAL ESTATE, VALUE OF SHARES AND DIVIDENDS, OF BOSTON NATIONAL BANKS.\*

Names of Banks.	Capital.	Surplus.	Par.	No. of Shares.	Gross Value per Share, 1890.	Real Estate.	Assessed Value per Share, May, 1890.	Dividends, per Cent.			Book Value Shares, 1890.	Last Sale Stock Reported.	Individual Deposits, Net.	Due Banks.
								1887.	1888.	1889.				
Atlantic National.....	\$ 750,000	300,000	100	7,500	145	267,262	140	6	6	Oct. '90..3	145	June 11, '90..141½	\$ 981,400	\$ 53,200
Atlas National.....	1,500,000	300,000	100	15,000	119⅞	300,000	119	5	5	Oct. '90..2½	133	June 4, '90..116	1,602,500	278,600
Blackstone National.....	1,500,000	205,000	100	15,000	121	300,000	117	5	5	Oct. '90..2	118½	Aug. 6, '90..114½	2,902,600	413,400
Boston National.....	1,000,000	138,000	100	10,000	122¾	.....	120	6	6	Oct. '90..2½	120	July 30, '90..119¾	1,964,000	1,140,000
Boylston National.....	700,000	210,000	100	7,000	142½	.....	140	6	6	Oct. '90..3	148½	Aug. 20, '90..137¾	1,277,700	112,100
Broadway National.....	200,000	100,000	100	2,000	None	.....	108	0	0	Apr. '84..2	158¾	Dec. 27, '82..100⅝	1,815,000	12,000
Bufker Hill National.....	500,000	300,000	100	5,000	205½	25,000	190	10	10	Oct. '90..5	186	Oct. 1, '90..205	1,128,010	.....
Central National.....	500,000	100,000	100	5,000	136	.....	133	6	6	Oct. '90..3	171½	Jan. 15, '90..136	1,048,900	392,700
City (National).....	1,000,000	120,000	100	10,000	105¼	.....	103	4	4	Oct. '90..2	115	July 30, '90..105	1,234,900	491,400
Columbian National.....	1,000,000	130,000	100	10,000	127	.....	125	6	6	Oct. '90..2	118	Sept. 17, '90..124	1,117,000	236,000
Commerce (Nat. Bank of)	1,500,000	300,000	100	15,000	137	.....	134	6	6	Oct. '90..3	137	June 14, '90..137	2,804,100	862,500
Commercial National.....	250,000	e 17,475	100	2,500	97¾	.....	95	New, 1888.	None.	Oct. '90..3½	105½	April 26, '90..95½	752,100	203,800
Commonwealth (N.B. of)	500,000	200,000	100	5,000	170	300,000	160	6	6	Oct. '90..3	165	July 2, '90..170	2,275,000	2,252,000
Continental National.....	1,000,000	200,000	100	10,000	128	223,224	126	6	6	Oct. '90..3	134	May 7, '90..127½	1,407,600	355,400
Eagle (National).....	1,000,000	153,200	100	10,000	110½	.....	109	4	4½	Oct. '90..2½	122	Sept. 10, '90..110½	1,552,700	108,300
Eliot National.....	1,000,000	500,000	100	10,000	135¼	.....	133	6	6	Oct. '90..3	155	Sept. 17, '90..135¼	922,100	341,500
Everett National.....	400,000	30,500	100	4,000	110½	.....	106	4	5	Oct. '90..2½	118	April 26, '90..108	1,013,200	2,900
Exchange (National).....	1,000,000	250,000	100	10,000	133	.....	129	5½	7	Oct. '90..3	144	Sept. 17, '90..132½	2,656,000	3,290,000
Faneuil Hall National.....	1,000,000	200,000	100	10,000	147¼	120,000	141	6	6	Oct. '90..6	231	May 28, '90..143½	1,827,900	155,100
First National.....	1,000,000	1,000,000	100	10,000	254½	250,000	245	a 13	12	Oct. '90..6	141	Aug. 27, '90..254½	1,929,400	638,000
First Ward National.....	200,000	75,000	100	2,000	131	.....	129	6	6	Oct. '90..3	148½	July 16, '90..131	668,663	7,141
Fourth National.....	500,000	100,000	100	5,000	..	.....	115	5	5	Oct. '90..3	127½	July 31, '89..117¾	1,246,300	182,100
Freeman's National.....	800,000	123,100	100	8,000	110¼	.....	108	0	2	Oct. '90..2	120½	Sept. 17, '90..108¼	1,145,300	373,800
Globe National.....	1,000,000	49,000	100	10,000	103¾	.....	101	4	4	Oct. '90..2	111½	Sept. 24, '90..102	2,184,000	728,400
Hamilton National.....	750,000	200,000	100	7,500	122½	.....	124	5	6	Oct. '90..2½	136	Sept. 10, '90..122	730,700	29,500
Hide and Leather (Nat'l)	1,500,000	300,000	100	15,000	130¼	.....	126	5	6	Oct. '90..3	127	Aug. 27, '90..130¼	990,600	1,017,100
Howard National.....	1,000,000	188,220	100	10,000	112½	36,197	109	4½	5	Oct. '90..2½	128	July 2, '90..112½	1,401,100	623,200

Lincoln National.....	300,000	36,000	100	3,000	117 1/4	.....	115	5	5	Oct.	'90..2 1/2	118	June 21,	'90..117 1/4	919,200	154,300
Manufacturers' National..	500,000	32,700	100	5,000	109	175,500	107	4	4	Oct.	'90..2	118 1/2	May 3,	'90..108 1/2	1,658,800	334,100
Market National.....	800,000	75,000	100	8,000	102	.....	99	4	4	Oct.	'90..2	115	Sep. 10,	'90..102	1,347,000	484,600
Massachusetts National..	800,000	129,000	100	8,000	110 1/2	.....	108	4	4	Oct.	'90..2	121	May 24,	'90..110	1,489,900	476,000
Maverick National.....	400,000	600,000	100	4,000	254	.....	240	10	10	Oct.	'90..5	137	June 21,	'90..254	3,908,000	6,681,000
Mechanics' National.....	250,000	50,000	100	2,500	145 3/4	11,914	135	7 1/2	7	Oct.	'90..3	134 1/2	Sep. 24,	'90..140	1,333,700	266,500
Mechanics' National.....	3,000,000	1,000,000	100	30,000	153 1/2	500,000	148	6	6	Oct.	'90..3	152 1/2	Aug. 20,	'90..151 1/4	5,557,200	788,200
Metropolitan National...	500,000	66,000	100	5,000	102	.....	100	5	5 1/2	Oct.	'90..2	116 1/2	Sep. 10,	'90..100	433,800	61,800
Monument National.....	150,000	160,000	100	1,500	.....	.....	220	12	12	Oct.	'90..6	249 1/2	Dec. 14,	'87..220	471,964	10
Mount Vernon National..	200,000	50,000	100	2,000	138 1/2	.....	135	6	6	Oct.	'90..3	143	Nov. 1,	'90..138 1/2	840,400	95,300
Nat. Market of Brighton..	250,000	50,000	100	2,500	104	.....	100	7	7	Oct.	'90..2	130	Sep. 17,	'90..103	383,526	1,365
New England National...	1,000,000	600,000	100	10,000	170 1/4	.....	165	7	7	Oct.	'90..3 1/2	168	Aug. 13,	'90..170 1/4	1,179,900	268,600
North America (N. B. of)	1,000,000	350,000	100	10,000	146 3/4	.....	141	6	6	Oct.	'90..3	142 1/2	Sep. 3,	'90..144	1,260,400	1,077,400
North America.....	1,000,000	200,000	100	10,000	129	.....	120	5	5	Oct.	'90..3	134 1/2	Aug. 20,	'90..127 1/2	1,697,800	258,500
Old Boston National.....	900,000	250,000	100	9,000	117 1/2	.....	113	6	6	Oct.	'90..4	169	July 23,	'90..170	1,009,700	263,700
People's National.....	300,000	175,000	100	3,000	170	.....	158	8	8	Oct.	'90..3	136	Aug. 20,	'90..115 1/4	681,359	121,871
Redemption (Nat. B. of)	1,000,000	300,000	100	10,000	146 1/2	.....	138	6	6 1/2	Oct.	'90..3 1/2	172 1/2	Sep. 17,	'90..170	1,920,700	4,274,800
Republic (N. B. of the)..	1,500,000	800,000	100	15,000	172	.....	167	6	6	Oct.	'90..3	129	Aug. 27,	'90..130 1/4	3,870,000	1,088,000
Revere (National).....	1,500,000	300,000	100	15,000	132 1/2	.....	130	6	6	Oct.	'90..3	129	Aug. 27,	'90..130 1/4	2,470,500	2,066,000
Rockland (National).....	1,600,000	850,000	100	16,000	196 1/4	.....	148	8	8	Oct.	'90..4	162 1/2	June 25,	'90..150	1,412,278	637
Second National.....	1,500,000	150,000	100	3,000	150	.....	148	8	8	Oct.	'90..4	162 1/2	Sep. 17,	'90..196 1/4	1,799,400	1,483,700
Security (National).....	250,000	200,000	100	2,500	.....	75,000	180	12	12	Oct.	'90..3 d	218	Oct. 18,	'84..178 1/2	1,526,000	193,000
Shawmut National.....	1,000,000	200,000	100	10,000	131 1/2	.....	128	6	6	Oct.	'90..3	127	Sep. 10,	'90..131 1/4	4,967,500	987,300
Shoe and Leather Nat'l..	1,000,000	73,000	100	10,000	101	.....	99	5	5 1/2	Oct.	'90..2	114	Oct. 1,	'90..196 1/4	892,500	614,200
South End National.....	200,000	6,362	100	2,000	.....	9,728	100	Ne	18 90.	None.	'90..3	102	No sales,		219,012	8,037
State National.....	2,000,000	400,000	100	20,000	129	.....	126	5	6	Oct.	'90..3	126	Sep. 10,	'90..127	2,141,800	247,500
Suffolk National.....	1,500,000	300,000	100	15,000	120	350,000	117	5	5	Oct.	'90..2	126 1/2	Oct. 1,	'90..115	949,000	828,000
Third National.....	1,000,000	68,000	100	10,000	120 1/4	.....	112	5	5	Oct.	'90..2 1/2	110	Oct. 1,	'90..120 1/4	2,309,100	1,717,000
Traders' National.....	500,000	26,500	100	5,000	106	.....	100	4	4	Oct.	'90..2	107	Aug. 27,	'90..106	906,000	113,600
Tremont National.....	2,000,000	330,000	100	20,000	118	.....	113	5	5	Oct.	'90..2 1/2	123 1/2	July 30,	'90..120 1/4	1,423,700	478,600
Union (National).....	1,000,000	400,000	100	10,000	146 3/4	.....	144	6	6	Oct.	'90..3	156	June 11,	'90..143 3/8	915,400	41,100
Washington National...	750,000	300,000	100	7,500	129 1/4	.....	125	5 1/2	5	Oct.	'90..2 1/2	145	July 23,	'90..124	447,300	4,000
Webster (National).....	1,500,000	220,238	100	15,000	108 5/8	.....	106	4 1/2	5	Oct.	'90..2	119 1/2	Sep. 3,	'90..106 1/4	1,074,800	.....
Winthrop National... ..	300,000	38,250	100	3,000	114 3/4	.....	110	Ne	18 90.	Oct.	'90..2	128 1/2	June 30,	'90..114 3/4	652,000	141,300

\* Prepared by J. G. MARTIN, Stock Broker, 10 State Street, Boston. † Ex. dividend.

(a) First National, three per cent. of this extra. (b) Third National, paid on \$400,000 increased capital.

(d) Security, quarterly dividends January, April, July, October.

(e) Commercial and South End undivided profits.

## BANKING AND FINANCIAL ITEMS.

D. C. JORDON, said to be head bookkeeper of the Bank of Little Rock, Ark., has disappeared, after securing several thousand dollars on forged checks.

THE cashier of a prominent savings bank says that the Germans are by far the best customers. The moment a young German of either sex begins to earn money they almost invariably begin to save it, and their deposits flow in a constant stream, no matter how small their wages, until they have enough saved to start business for themselves.

KING OF BANK BREAKERS FREE.—L. W. Moore, who has earned by his achievements the title of "king of bank breakers," has been set at liberty at the age of 66 years. During the past ten years he has been confined at the Charlestown State Prison serving out a sixteen years' sentence for breaking and entering and for having burglars' tools in his possession. He and a partner, G. B. Gordon, attempted to go through the Charlestown Post Office and the Warren Institution for Savings, but they succeeded in getting nothing, and were soon after apprehended. Moore was one of the most daring operators that ever handled a "jimmy." He was concerned in the robbery of the Concord National Bank and the Middlesex Institution for Savings, both of which were located in one building at Concord, Mass., and used one vault in common. From this place, in 1865, money, bonds and other securities were taken, to the value of over \$300,000. This is the biggest steal on record. Moore was born in East Boston 66 years ago, and commenced life as a brakeman. His criminal career was commenced when he was 27 years old; since that time he has literally lived in crime. His exploits in counterfeiting were extraordinary. Moore has a record of breaking into more banks than any crook. Moore started West Monday with about \$100 in his pockets, and is now believed to be in New York. Before going he expressed a determination to lead an honest life.—*Boston Advertiser*.

DENVER.—The German National Bank has recently increased its surplus by \$100,000, which now bring this fund up to the round number of \$300,000. The capital remains the same—\$200,000. This increase shows to what degree of prosperity this institution has attained.

THE Denver National Bank has increased its capital to \$500,000. The constant and increasing demand for money has urged them to take this step. This bank is one of the oldest of like institutions in the city, and its solidity is shown in the surplus fund, which has now reached \$130,000.—*Denver Financial News*.

AMERICAN SILVER POLICY IN SOUTH AMERICA.—Consul-General Sorsby, at Guayaquil, Ecuador, in a letter to the Department of State, reports that on the 15th of August a decree was issued by the President of the Republic of Ecuador, prohibiting the circulation of Colombian, Chilian and Peruvian coin in Ecuador, the 30th of August being fixed as the last day for the changing of these coins by the people for the coin of Ecuador. He reports that since the passage of the Silver Bill by the Congress of the United States exchange on New York has fallen from 40 per cent. to 19 per cent. premium; on London from 35 per cent. to 15 per cent. premium, and a corresponding depreciation on Paris and Hungary, all of which, he says, is attributed to the action of the United States in regard to silver.

PUEBLO.—Though a comparatively new institution, it is reported that the Pueblo Savings Bank is doing a remarkably fine business.

BOSTON.—The establishment in Boston of the new American National Bank will add another million to that city's banking capital, which is already larger than that of any other city in the country. The total capital of the Boston banks is \$54,300,000, as against \$49,000,000 in New York, \$23,608,000 in Philadelphia, and \$16,345,000 in Chicago.

A NEBRASKA banker is reported as saying that fewer loans have been made to farmers this year than in any previous year. This indicates that the farmers are now largely supplied with funds, and it is pleasant to note that they are meeting their obligations, according to the same statement, with cheerful promptitude.

TRINIDAD, COL.—The capital stock of the Trinidad National Bank has been increased to \$100,000. A large block of the new stock was taken by James L. Lombard, the well-known Kansas City financier, who is now a director of the bank. The bank has paid 40 per cent. dividends to its old stockholders, and has now a surplus fund of \$10,000.

NEW YORK CITY.—John Castree, president of the Irving Savings Institution, died in this city on the 14th inst. He was born in Ireland, February 17th, 1811, but came to this country when a child, and was educated in the local schools. He engaged in the grocery business and retired in 1853, having made a large fortune. He then devoted his energies to the real estate business. Early in the sixties he became a director in the Irving Savings Institution, and was its president for many years. He was formerly president of the Irving National Bank, and one of the leading officers in the Commercial Insurance Company until that concern was wound up. For a number of years he has been a member of the Mercantile Exchange and the General Society of Mechanics and Tradesmen; also a director in the Globe Insurance Company.

A GROWING BANK.—A special meeting of the stockholders of the Metropolitan Bank, Minneapolis, Minn., was held Monday, September 15, at which it was voted to increase the capital stock from \$100,000 to \$150,000, and the new stock was all subscribed for and paid in by Saturday, September 20, and applications were made for a great deal more stock than was offered. This gives a capital of \$150,000, surplus \$15,000 and undivided profits \$10,000, with deposits of about \$300,000, and as the business only commenced in May of last year this makes a very good showing.

FARM MORTGAGES IN NEBRASKA.—The following communication has been prepared by John Jenkins, Commissioner of Labor and Industrial Statistics of that State, and who doubtless has used proper care in the preparation of the statement. The inquiry relates to Sarpy county. He says: "You will find that it is at variance with the statements made by the Farmers' Alliance Memorial to Congress, 'that it is rare to find a section of land that is not mortgaged' in this State, and makes the assertion that, as a result, 'tenant farmers are becoming more numerous.' If we admit that tenant farmers are becoming more numerous, it must be that they can and do make a living at farming, and if they owned the farms they would make a much better one:

*Statement.*

Area of Sarpy County (U. S. Survey). Acres.....	150,778.47
" farms as per assessors' returns.....	141,109
" farms mortgaged.....	40,095
Farm mortgage indebtedness.....	\$468,618
Assessors' valuation in 1889.....	973,655
Actual value.....	5,841,930

*Causes of Indebtedness.*

Purchase money.....	58 per cent.
Permanent improvements.....	3 "
Purchase of stock.....	4 "
To meet personal obligations.....	1½ of 1 "
Sickness.....	¼ of 1 "
To invest in real estate.....	7 "
To invest in mercantile business.....	20 "
Unknown causes.....	6¼ "
Average rate of interest less than.....	7 "
Foreclosures from January 1, 1879, to January 1, 1890...	eight.

"Under the head of 'To Invest in Real Estate,' is considered money that has been placed in town or city property in Sarpy county, or used to purchase property outside of the county."

MONEY SLANG.—"The needful," "the wherewithal," "the actual," "the

boodle," "the stuff," "blunt," "tin," "brass," "chips," "boodle," "shekels," "simoleons," "dust," "stamps," "dollars," "chink," "brass," or "palm oil"—which last is such an obviously appropriate name for it that "shinplaster" seems feeble by comparison. It is all money, however, and therefore the root of some, if not all, of the evil in the world.

THE ECONOMIC REVIEW is the name of a new quarterly magazine that is to appear in England, under the auspices of the Oxford University branch of the Christian Social Union, and which is to be devoted to the consideration of economical and social questions, both in their wider aspects as theories and also practically and technically. That is, it will consider such questions not only as they bear upon social life as a whole, but also as they relate to special classes of men, or especial industries at one period or another. The price of subscription will probably be ten shillings, and subscribers or contributors are invited to apply to the Rev. J. Carter, Pusey House, Oxford.

ALBANY.—The large trust companies during the past few days have withdrawn over \$500,000 in Government bonds which were on deposit in that department, and substituted therefor other classes of securities. This change was made by the companies in order that they might reap the benefits accruing from the advantages offered in the circular letter recently issued by Secretary Windom regarding bond offerings. There are still about \$1,000,000 of United States bonds on deposit in the bank department.

SILVER COINAGE.—Concerning the silver coinage under the new law, the *Financial Chronicle* says: "It is of importance to remark, in passing, that this silver bill brings into existence a new coin as well as a new note. That is to say, the coin, though precisely like the old standard dollar, has to go into a new account in the Treasurer's books, and stay in the Treasury until some holder of one of these new silver Treasury notes wants the notes redeemed in silver dollars. In August there were \$1,580,000 of these coins turned out of the mint, and the regular coinage of the standard silver dollars was stopped, the total of which has reached \$372,528,466. From this time until July 1, 1891, 2,000,000 ounces of the 4,500,000 ounces of bullion bought each month must be put into these coins. A hundred years hence how comical our financial arrangements will look to our successors. Here is a little nest of dollars all by itself; when completed it will be the out-turn of the mint for ten and a half months, and is likely to reach about \$25,000,000. We already have in the Treasury 314,500,000 of substantially the same dollars, with only 58,000,000 now in circulation. It does seem to our simple mind as if the old stock would have done the work."

COUNTERFEIT THOUSAND DOLLAR BILLS.—The secret service is considerably annoyed just at present regarding a new counterfeit \$1,000 bill, which is so admirably executed that half a dozen specimens have actually been passed on one bank. It turned up for the first time only the other day in Boston, where a woman went into the shop of Jordan, Marsh & Co. and purchased a valuable shawl, tendering in payment a United States Treasury note for \$1,000. The clerk took the bill and kept the customer waiting several minutes for her change. When he returned with it she expressed anger, and demanded to know what the matter had been. The clerk owned that he had stepped over to a bank near by to have the bill tested, whereat the woman declared that she would not take the shawl, and flounced out. Subsequently she came back, said she had thought better of it, took the shawl, paid for it with the \$1,000 note, and went away with her purchase and her change. All this was a very clever performance, for, as a matter of fact, the first bill offered was a perfectly good one, while the note actually given in payment on the second occasion was not the same at all, as the clerk was intended to suppose, but a forged imitation of like issue. Not only is an unknown number of these dangerous counterfeits now in circulation, but the plates are in existence somewhere, all ready to strike off millions in currency of large denomination.

A NEW COUNTERFEIT.—Chief James J. Brooks, of the Secret Service of the United States Treasury at Washington, has issued a circular to the agents of the various divisions, informing them that a dangerous counterfeit of the \$2 silver certificate has been discovered. This counterfeit has a small round pink seal and signa-



ture of W. S. Rosecrans, Register. No closer imitation of a genuine United States note has appeared for years. The paper has no distributed fiber and no parallel silk thread. In the counterfeit a few hairs of General Hancock's mustache curl upward, while in the genuine the whole mustache is slightly drooping. In the words "Register of the Treasury" in the counterfeit the "i" in "Register" is not dotted, neither is there a period after the word "Treasury." In the genuine the "i" is dotted and a period follows the word "Treasury." So dangerous is the character of this counterfeit that Chief Brooks advises the utmost care in accepting all \$2 silver certificates, check letter "C," bearing a small pink seal and the name of C. N. Jordan as Treasurer of the United States. The former counterfeits of the \$2 silver certificates, of which many have been put in circulation, and which is very poor, bore the check letter B. The latest has the letter C.

SEATTLE.—A few days ago there appeared in this column a list of the various banks in this city and their capitalization. As appeared, the aggregate capital is \$5,255,000. This, as was stated, represents by no means the magnitude and importance of Seattle banking institutions. In addition to this immediate capital two or three of the banks have associate banks in neighboring towns, which they control. The capital stock of the associate banks of the Seattle National alone amounts to \$900,000, making the entire capital stock of this institution directly and indirectly brought to bear in this city's finances \$1,150,000. In addition to this, the officers of the bank are interested in other financial institutions, with an aggregate capital of about \$3,500,000, thus bringing indirectly a capital of over \$4,500,000 in this city. This is only one out of several cases of this kind. A person well versed in financial affairs said to-day: "Probably there is no other city in the United States with a population of not over 45,000 that has so many solid banking houses as has Seattle. The most important feature in estimating a city's banking importance is the amount of deposits. Here in Seattle the deposits aggregate about \$8,000,000, an increase of over \$2,000,000 in the past seven months."—*The Seattle Press*.

AN ENGLISH BANK IN CHICAGO.—One of the largest banks in Great Britain is going to establish a branch in the United States, at Chicago. From here will be directed the agencies to be opened in various other cities in the country. Messrs. Kitson and Vaudrey have given a geneneral prospectus of their plans: "The corporation, which we have concluded to establish here, will be a branch of the Lancashire Trust and Mortgage Insurance Corporation (Limited). Our head office is at No. 6 St. James Square, Manchester. Our authorized capital is \$5,000,000, of which \$1,875,000 has been subscribed. Mr. Kitson is the auditor of the company and Mr. Vaudrv its solicitor. We are in reality the first branch of the Manchester and Liverpool District Banking Company (Limited), and we shall be able to put upon the Chicago market an enormous amount of money. The nature of our transactions will be the doing of a promoting and guarantee business, meaning the purchase of bonds and the floating of enterprises in the English market. We have appointed Messrs. Drummond and Buchanan as the managers of the American branch, and our office will be temporarily in the Royal Insurance Building. It is intended to issue a limited amount of guaranteed 7 per cent. stock in Chicago, simply for the purpose of having a local representation upon our advisory board. Our business will be the guaranteeing the holders of mortgages, bonds and other securities against loss of principal and interest, and for the promoting and issuing the capital of railroads, industrial and other enterprises." The entry of the English corporation into the western metropolis is due to the efforts of C. S. Drummond and R. S. Buchanan, the former a nephew of the president of the Bank of Montreal, and well known in London banking circles, and the latter lately connected with the Canadian Bank of Commerce and the American Exchange National Bank, of Chicago.



## CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from September No., page 234.)

	Bank and Place.	Elected.	In place of.
N. Y. CITY...	Chemical National Bank.	J. A. Roosevelt, <i>V. P.</i> ....	.....
ALA....	First Nat. Bank, Demopolis...	J. Marx, <i>V. P.</i> .....	.....
COL....	First National Bank, Salida.	E. B. Jones, <i>P.</i> .....	L. W. Craig.
		J. B. Bowne, <i>V. P.</i> .....	E. B. Jones.
CONN...	First Nat. Bank, New Haven..	Fred. B. Bunnell, <i>Cas.</i> ...	Wm. Moulthrop.
GA....	Merchants Nat. Bank, Macon..	W. T. Johnston, <i>Cas.</i> ....	L. P. Hillyer.
IOWA...	First N. Bank, New Hampton..	Tim Donovan, <i>Cas.</i> .....	Sam. J. Kenyon.
KAN....	First Nat. Bank, Anthony.....	O. F. Casteen, <i>Cas.</i> .....	.....
"	First National Bank, Chanute..	D. M. Kennedy, <i>Cas.</i> .....	R. L. May.
"	First National Bank, Herington.	J. L. Thompson, <i>V. P.</i> ..	.....
"	Farmers & Merch. B., Hill City.	W. G. Palmanteer, <i>P.</i> ....	J. C. Sturtevant.
"	First N. Bank, Independence..	G. L. Remington, <i>Cas.</i> ..	J. H. Spencer.
"	First National Bank, Jetmore.	O. C. Ewart, <i>P.</i> .....	C. F. M. Niles.
		C. E. Wilson, <i>Cas.</i> .....	J. P. Atkin.
KY....	State National Bank, Maysville.	Wm. H. Cox, <i>P.</i> .....	John T. Wilson.
		John Piles, <i>V. P.</i> .....	Wm. H. Cox.
LA.....	Germania N. B., New Orleans.	J. C. Denis, <i>P.</i> .....	T. Prudhomme.
ME....	Farmers Nat. Bank, Houlton..	John P. Donworth, <i>V. P.</i>	.....
MASS...	National Union Bank, Boston..	Chas. W. Gulliver, <i>Cas.</i> ...	A. Trowbridge.
"	Worcester Safe Dep. & T. Co., Worcester.	Geo. S. Barton, <i>P.</i> .....	Geo. M. Rice.
MICH...	Coldwater Nat. B., Coldwater.	L. A. Jackson, <i>Cas.</i> .....	.....
"	First National Bank, St. Ignace.	E. H. Hotchkiss, <i>Cas.</i> ...	E. L. Durgin.
MINN...	Bank of Heron Lake, Heron Lake.	T. A. Dieson, <i>P.</i> .....	A. A. Beebe.
"	Northwestern Nat. Bank, Minneapolis.	L. B. Lerud, <i>Cas.</i> .....	T. E. Hills.
"	Seven Corners Bank, St. Paul.	C. P. Jaffray, <i>Ass't Cas.</i>	.....
		Wm. Banholzer, <i>P.</i> .....	R. M. Newport.
		W. D. Coberly, <i>P.</i> .....	W. H. Bohart.
MO....	First National Bank, Cameron.	H. S. Beery, <i>V. P.</i> .....	W. D. Coberly.
"	Bank of Hannibal, Hannibal.	A. R. Bradley, <i>Cas.</i> .....	J. C. Bohart.
"	First National Bank, Hopkins.	B. B. Beery, <i>Ass't Cas.</i> ...	A. R. Bradley.
		Geo. D. Biggs, <i>Cas.</i> .....	C. S. Warner.
		C. A. Wolfers, <i>Ass't Cas.</i>	.....
NEB....	City National Bank, Hastings.	E. M. Morsman, <i>P.</i> .....	H. Bostwick.
"	First National Bank, Hastings.	G. J. Evans, <i>V. P.</i> .....	C. N. Dilworth.
"	First National Bank, West Point.	A. W. Jones, <i>Cas.</i> .....	J. M. Ferguson.
		O. Oliver, <i>V. P.</i> .....	Geo. H. Pratt.
		Geo. H. Pratt, <i>Cas.</i> .....	Jas. N. Clarke.
		J. C. Crawford, <i>P.</i> .....	E. K. Valentine.
		W. E. Krause, <i>V. P.</i> .....	J. C. Crawford.
N. J....	Citizens National Bank, Englewood.	Chas. B. Platt, <i>V. P.</i> ..	.....
"	Second Nat. Bank, Red Bank..	F. H. Hoffman, <i>Cas.</i> ....	R. H. Rochester.
"	First Nat. Bank, Washington..	Harry Edwards, <i>Ass't Cas.</i>	.....
		Wm. S. Rittenhouse, <i>Cas.</i>	Louis J. Hann.
N. MEX.	Albuquerque N. B. Albuquerque.	A. C. Briggs, <i>Ass't Cas.</i> ...	.....
"	First Nat. Bank, Albuquerque..	H. S. Beattie, <i>Ass't Cas.</i> ..	A. C. Briggs.
N. Y...	Catskill Savings Bank, Catskill.	Joseph Hallock, <i>P.</i> .....	Rufus H. King.*
"	Vilas Nat. Bank, Plattsburgh..	Henry Orris, <i>V. P.</i> .....	Nathan Lapham.
"	Nat. Bank of Rondout, Rondout.	Abm. Hasbrouck, <i>P.</i> .....	Geo. H. Sharpe.
		J. E. Ostrander, <i>V. P.</i> ...	Abm. Hasbrouck.
N. C...	First National Bank, Gastonia.	G. W. Ragan, <i>V. P.</i> .....	.....
		J. D. Moore, <i>Ass't Cas.</i> ...	.....
OHIO...	Third National Bank, Dayton.	Chas. Rench, <i>Cas.</i> .....	Chas. E. Drury.
		Chas. J. Moore, <i>Ass't Cas.</i>	Chas. Rench.
ORE....	First Bank of Joseph, Joseph...	J. D. McCully, <i>Cas.</i> .....	W. A. Leslie.*
PA. ....	First National Bank, Claysville.	John Thompson, <i>V. P.</i> ...	.....
		H. H. Miller, <i>Cas.</i> .....	.....

\* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
PA. ....	First National Bank, McKeesport.	James S. Kuhn, <i>P.</i> .....	H. B. Sinclair.
" ..	First National Bank, Orwigsburg.	Homer C. Stewart, <i>Cas.</i> ..	James S. Kuhn.
" ..	The Investment Co., Phila. . .	H. S. Albright, <i>V. P.</i> ....	.....
" ..	Traders Nat. Bank, Scranton	Geo. W. Garrett, <i>Cas.</i> ....	.....
TENN...	First National Bank, Gallatin.	John R. Leisenring, <i>A. Cas.</i>	.....
		Henry M. Hoyt, Jr., <i>P.</i> ...	Wm. Brockie.*
		W. W. Watson, <i>V. P.</i> ....	.....
		R. Beebe, <i>V. P.</i> .....	D. F. Barry.
		D. F. Barry, <i>Cas.</i> .....	W. R. French.
		Wm. Hall, <i>Ass't Cas.</i> ....	.....
TEXAS..	First National Bank, Elgin....	C. A. King, <i>V. P.</i> .....	.....
" ..	First N. Bank, Nacogdoches...	J. E. Mayfield, <i>V. P.</i> .....	.....
" ..	First National Bank, Quanah..	John R. Good, <i>Ass't Cas.</i>	.....
" ..	Bell County National Bank, Temple.	A. F. Bentley, <i>V. P.</i> .....	.....
" ..	First National Bank, Terrell.	Fred. L. McDowell, <i>A. C.</i>	.....
" ..	City Nat. Bank, Wichita Falls.	Matthew Cartwright, <i>P.</i> ..	J. C. Russell.
" ..		M. W. Raley, <i>V. P.</i> .....	.....
" ..		B. L. Gill, <i>Cas.</i> .....	M. W. Raley.
UTAH..	Commercial National Bank, Salt Lake City.	R. D. Bumpass, <i>Cas.</i> ...	.....
		Geo. M. Downey, <i>P.</i> .....	H. G. Balch.
		W. P. Noble, <i>V. P.</i> .....	Geo. M. Downey.
WASH..	First National Bank, Aberdeen.	Thos. J. Marsh, <i>ad V. P.</i> ..	.....
" ..	Hoquiam Nat. Bank, Hoquiam.	Geo. W. E. Griffith, <i>P.</i> ...	.....
VA. ....	Merchants & Mechanics S. B., Norfolk.	John A. Taft, <i>V. P.</i> .....	.....
		Geo. H. Emerson, <i>V. P.</i> ...	.....
" ..	First Nat. Bank, Suffolk.....	Wm. S. Butt, <i>P.</i> .....	J. R. Spratley.
W. VA..	First Nat. Bank, Parkersburg..	C. C. Pearson, <i>V. P.</i> ....	.....
		W. Armstrong, <i>Ass't Cas.</i>	.....

## NEW BANKS, BANKERS, AND SAVINGS BANKS.

(Monthly List, continued from September No., page 236.)

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
ALA....	Geneva.....	Planters Bank.....	Fourth National Bank.
	\$25,000	Jas. J. Johnson, <i>P.</i>	Geo. H. Malone, <i>Cas.</i>
ARK....	Huntsville. ....	Madison Co. Bank .....	.....
	\$10,000	A. A. Brodie, <i>P.</i>	L. T. Preston, <i>Cas.</i>
		W. T. Brooks, <i>V. P.</i>	.....
COL. . .	Fort Morgan... ..	State B. of Fort Morgan..	.....
	\$30,000	Arthur Hotchkiss, <i>P.</i>	John T. Ross, <i>Cas.</i>
		John M. Wallace, <i>V. P.</i>	.....
" ..	Monte Vista....	State Bank.....	Chase National Bank.
	\$30,000	J. D. Maben, <i>P.</i>	E. M. Perdue, <i>Cas.</i>
		L. B. Farrar, <i>V. P.</i>	.....
" ..	Telluride.....	First National Bank. ....	.....
	\$50,000	Wm. Story, <i>P.</i>	.....
D. C....	Washington....	Lewis G. Tewksbury & Co.	Manhattan Co. Bank.
			W. B. Hibbs, <i>Mgr.</i>
FLA....	Jacksonville....	Home Investment Co....	Holland Trust Co.
			L. R. Benjamin, <i>Cas.</i>
GA.....	Butler.....	Butler State Bank.....	Hanover National Bank.
		J. W. McCrary, <i>P.</i>	Elliott Dunn, <i>Cas.</i>
		S. J. Marshall, <i>V. P.</i>	.....
" ..	Fort Gaines:...	Bank of Fort Gaines.....	National Park Bank.
	\$50,000	C. V. Morris, <i>P.</i>	J. E. Paullin, <i>Cas.</i>
ILL....	Good Hope....	Bank of Good Hope. ....	.....
	\$20,000	(Cummings, Ward & Co.)	.....
" ..	Grant Park....	Citizens Bank.....	Chase National Bank.
	\$10,000	Hamilton K. Wheeler, <i>P.</i>	Lester W. Wheeler, <i>Cas.</i>
" ..	Richmond.....	Bank of Richmond.....	Hanover National Bank.
		Geo. McConnell, <i>P.</i>	John W. Haythorn, <i>Cas.</i>
		John McConnell, <i>V. P.</i>	.....

\* Deceased.

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
IND.....	Goshen.....	Wildens Bank.....	.....
		Abram F. Wilden, <i>P.</i>	Silas P. Wilden, <i>Cas.</i>
	• .. Odon.....	Odon Exchange Bank. ...	Western National Bank.
		\$25,000 Howard Crooke, <i>P.</i>	G. T. Mulford, <i>Cas.</i>
		F. E. Davis, <i>V. P.</i>	Harry H. Crooke, <i>Ass't Cas.</i>
IOWA...	Charter Oak...	Farmers State Bank.....	Importers & Traders Nat. Bank.
		\$25,000 R. C. A. Flournoy, <i>P.</i>	D. O. Johnson, <i>Cas.</i>
		C. T. Marshall, <i>V. P.</i>	.....
	• .. Lester.....	Bank of Lester.....	.....
		(Parker, Richards & Co.)	F. B. Parker, <i>Cas.</i>
MICH...	Reed City.....	First National Bank. ....	Tradesmen's National Bank.
		\$50,000 L. K. Parkhurst, <i>P.</i>	J. W. Parkhurst, <i>Cas.</i>
MINN...	Browersville....	Bank of Browersville....	Importers & Traders Nat. Bank.
			Henry Thien, <i>Cas.</i>
	• .. Duluth.....	Marine National Bank....	.....
		\$250,000 Jacob R. Myers, <i>P.</i>	Wilmot Saeger, <i>Cas.</i>
	• .. Lakefield.....	Jackson County Bank. . .	.....
		A. L. Ward, <i>P.</i>	M. H. Evans, <i>Cas.</i>
		H. J. Hollister, <i>V. P.</i>	.....
Miss....	Gloster.....	Bank of Gloster.....	.....
		\$40,000 Geo. H. Barney, Sr., <i>P.</i>	Lee B. Robinson, <i>Cas.</i>
			E. S. Atkinson, <i>Ass't Cas.</i>
	• .. Winona.....	Citizens Bank. ....	National Park Bank.
		\$50,000 Jas. C. Purnell, <i>P.</i>	Frank Hawkins, Jr., <i>Cas.</i>
		Thos. H. Somerville, <i>V. P.</i>	.....
MO.....	Joplin.....	Joplin National Bank....	.....
		\$150,000 Henry L. Newman, <i>P.</i>	Arthur H. Waite, <i>Cas.</i>
NEB....	Dixon.....	Dixon Bank.....	National Bank of Deposit.
		\$10,000 H. H. Clark, <i>P.</i>	Curtis Stimson, <i>Cas.</i>
N. Y....	Canastota.....	First National Bank. ....	.....
		\$50,000 LeGrand Colton, <i>P.</i>	J. C. Rasbach, <i>Cas.</i>
		E. N. Bruce, <i>V. P.</i>	.....
	• .. Cold Spring....	Nat. Bank of Cold Spring.	Lincoln National Bank.
		\$50,000 Daniel Butterfield, <i>P.</i>	D. W. Harkness, <i>Cas.</i>
		I. G. Southard, <i>V. P.</i>	F. R. Amerman, <i>Ass't Cas.</i>
ORE....	Sheridan.....	Bank of Sheridan.....	Hanover National Bank.
		L. H. Reeves, <i>P.</i>	C. Baldrige, <i>Cas.</i>
PA.....	Carlisle.....	Merchants Nat. Bank....	.....
		\$100,000 Geo. W. Neidich, <i>P.</i>	.....
		James W. Eckels, <i>V. P.</i>	.....
	• .. Girardville.....	First National Bank.....	.....
		\$50,000 E. C. Wagner, <i>P.</i>	J. H. Babb, <i>Cas.</i>
S. C....	Greenville.....	American Bank.....	.....
		Henry Briggs, <i>P.</i>	Walter L. Gassaway, <i>Cas.</i>
		R. E. Allen, <i>V. P.</i>	.....
TENN..	Chattanooga...	Chattanooga Ware'h'use & B'k'g Co.	Hanover National Bank.
		Samuel J. Dunn, <i>P.</i>	John R. Wallace, <i>Cas.</i>
		Samuel A. Russell, <i>V. P.</i>	.....
	• .. Morristown....	Merchants Bank.....	Chase National Bank.
		\$60,000 Jas. A. Corriger, <i>P.</i>	Wm. K. Blair, <i>Cas.</i>
		Robert L. Gaut, <i>V. P.</i>	.....
TEXAS..	Aransas Pass...	First National Bank.....	.....
		\$60,000	J. M. Hoopes, <i>Cas.</i>
	• .. Corpus Christi.	Corpus Christi Nat. B'k..	.....
		\$100,000 David Hirsch, <i>P.</i>	Thos. Hickey, <i>Cas.</i>
	• .. Dallas.....	Ninth National Bank....	.....
		\$300,000	T. J. Woods, Jr., <i>Cas.</i>
	• .. Graham.....	Beckham National Bank.	.....
		\$100,000 Wm. P. Beckham, <i>P.</i>	Edmund B. Norman, <i>Cas.</i>
		R. F. Arnold, <i>V. P.</i>	J. M. Norman, <i>Ass't Cas.</i>
	• .. Paris.....	City National Bank.....	Hanover National Bank.
		\$100,000 Frank FitzHugh, <i>P.</i>	Thos. J. Record, <i>Cas.</i>
		Wm. E. Dailey, <i>V. P.</i>	S. W. Dickson, <i>Ass't Cas.</i>
VA.....	Lynchburgh....	Lynchburgh Tr. & S'v B.	.....
		\$100,000 Jas. R. Gilliam, <i>P.</i>	Edgar P. Miller, <i>Cas.</i>
		Jas. T. Williams, <i>V. P.</i>	.....
WASH..	Spokane Falls...	Pacific Bank.....	.....
		\$300,000 S. S. Glidden, <i>P.</i>	O. F. Hall, <i>Cas.</i>
		D. P. Jenkins, <i>V. P.</i>	.....

<i>State. Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
WASH. Whatcom.....	Whatcom County Bank..	Hanover National Bank.
\$30,000	Frank Hense, <i>P.</i>	Robt. G. Deathe, <i>Cas.</i>
	Chas. Erickson, <i>V. P.</i>	E. L. Bickford, <i>Ass't Cas.</i>
W. VA. Charleston.....	Citizens National Bank..	.....
\$125,000	Neil Robinson, <i>P.</i>	J. E. Rollins, <i>Cas.</i>
	W. A. MacCorkle, <i>V. P.</i>	
Wis.... Waupaca .....	Nat. Bank of Waupaca..	Chemical National Bank.
\$50,000	R. N. Roberts, <i>P.</i>	W. B. Baker, <i>Cas.</i>
	T. L. Jeffers, <i>V. P.</i>	
" .. Waupaca .....	Waupaca Co. Nat. Bank.	.....
\$50,000	Chas. Churchill, <i>P.</i>	M. F. Skinner, <i>Cas.</i>
	Richard Lea, <i>V. P.</i>	
NOVA S. Lunenburg.....	Peoples Bank of Halifax.	Bank of N. Y., N. B. A. G. N. C. Hawkins, <i>Agent.</i>

## CHANGES, DISSOLUTIONS, ETC.

(Continued from September No., page 230.)

- N. Y. CITY..... Henry T. Godet & Co. reported suspended.
- COL.... Monte Vista. .. Bank of Commerce, now State Bank, incorporated.
- DAK. S. Pierre..... Traders Bank has closed.
- ILL.... Chicago..... Oakland Bank (Johnston, Peters & Co.) reported suspended.
- IND .... La Fayette..... La Fayette National Bank has gone into voluntary liquidation.
- IND. T.. Guthrie..... Capitol City Bank reported suspended.
- IOWA... Early..... Bank of Early, now Early State Bank, same officers.
- " .. Forest City .... City Bank (Secors, Law & Plummer), now Plummer, Secors & Hanson, proprietors.
- ME. .... Bowdoinham. . National Village Bank has gone into voluntary liquidation.
- MASS... Boston..... Emery & Hodges, now Emery & Tucker, same correspondents.
- " .. " .. R. Gardner Chase & Co. reported failed.
- MICH... Decatur. .... First National Bank expired by limitation.
- " .. Ionia..... Page, Bates & Co. succeeded by W. C. Page & Co., same correspondents.
- " .. Marquette. .... Campbell & Wilkinson, now Jas. M. Wilkinson.
- " .. Reed City. .... L. K. Parkhurst & Co., now First National Bank.
- " .. Sand Beach.... Huron County Bank (Noble & Wagner), now A. E. Case & Co., proprietors.
- MISS... Winona. .... Purnell & Hawkins, now Citizens Bank, same correspondents.
- MO.... Aurora..... Citizens Bank has been succeeded by First National Bank, same officers and correspondents.
- NEB.... Bassett. .... Rock County Exchange Bank has gone out of business.
- " .. Creighton. .... McCarn Bros. reported in the hands of a receiver.
- " .. Hastings..... City National Bank has resumed business.
- N. Y.... Canastota. .... Canastota National Bank has gone into voluntary liquidation.
- TENN... Jackson..... Bank of Madison reported suspended.
- WASH.. Aberdeen..... Bank of Grays Harbor, now First National Bank.
- W. VA.. Charleston .... Citizens Bank has been succeeded by the Citizens Nat. Bank.
- Wis.... Waupaca. .... City Bank (R. N. Roberts & Co.) is now the National Bank of Waupaca.
- " .. " .. Waupaca Bank (E. Coolidge & Co.) reported assigned.

## APPLICATIONS FOR NATIONAL BANKS.

The following *applications* for authority to organize *National Banks* have been filed with the Comptroller of the Currency during September, 1890.

- DAK. S. Custer..... First National Bank, by D. Carrigan and associates.  
 D. C... Washington.... Ohio National Bank, by John O. Johnson and associates.  
 IDAHO.. Wallace..... Coeur d'Alene National Bank, by D. F. Sherman, Portland, Oregon, and associates.  
 ILL..... Aurora ..... German-American National Bank, by John Plain and associates.  
     "    Lanark..... First National Bank, by C. W. Frank and associates.  
 IND.... La Fayette..... Commercial National Bank, by Curtis E. Wells and associates.  
     "    "    ..... Merchants' National Bank, by James Murdock and associates.  
 IOWA... Sac City..... First National Bank, by H. H. Allison and associates.  
 KAN.... Kansas City... Armourdale National Bank, by J. R. Quarles (Armourdale P. O.) and associates.  
 KY. ... Hickman ..... Farmers and Merchants' National Bank, by Henry Buchanan and associates.  
     "    .. Richmond..... Richmond National Bank, by J. E. Greenleaf and associates.  
 ME..... Farmington.... First National Bank, by F. G. Butler and associates.  
 MASS... Boston..... National Collection Bank, by Morse, Haynes & Wensley, No. 10 Wall St., New York, and associates.  
     "    .. Reading..... First National Bank, by H. C. Buck, at 85 Water St., Boston, and associates.  
 MICH... Menominee .... Lumbermen's National Bank, by M. S. Harmon and associates.  
 MO..... Chillicothe.... Farmers and Merchants' National Bank, by John M. Voris and associates.  
 N. Y. ... Dansville ..... Merchants and Farmers' National Bank, by E. N. Parmelee and associates.  
     "    .. Earlville..... First National Bank, by C. L. Cotton and associates.  
 OHIO... Ashtabula. .... Marine National Bank, by James H. Hoyt, Perry Payne Building, Cleveland, Ohio, and associates.  
 PA. .... Bangor..... Merchants' National Bank, by Andrew Eyer and associates.  
     "    .. Carlisle..... Merchants' National Bank, by James W. Eckels and associates.  
     "    .. Waynesboro... People's National Bank, by W. T. Omwake and associates.  
 TENN .. Union City.... Farmers and Merchants' National Bank, by J. T. Walker and associates.  
 TEXAS.. Eagle Pass..... First National Bank, by F. V. Blesse and associates.  
 UTAH .. Logan..... First National Bank, by N. C. Morrill, Ness City, Kans., and associates.  
     "    .. Park City..... First National Bank, by L. L. Bailey, Ouray, Colo., and associates.  
     "    .. Provo City..... National Bank of Commerce, by C. S. Thompson and associates.  
 WIS.... Milwaukee..... Merchants' National Bank, by R. Nunnemacher and associates.  
     "    .. Oshkosh..... National Union Bank, by Morris Jones and associates.

## OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

*(Monthly List, continued from September No., page 237.)*

<i>No</i>	<i>Name and Place.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
4411	City National Bank..... Paris, Texas.		Thos. J. Record,	\$100,000
4412	Citizens National Bank..... Charleston, W. Va.	Neil Robinson,	J. E. Rollins,	125,000
4413	First National Bank..... Reed City, Mich.	L. K. Parkhurst,	J. W. Parkhurst,	50,000
4414	Waupaca Co. National Bank... Waupaca, Wis.	Chas. Churchill,	L. H. Pelton,	50,000
4415	Ninth National Bank..... Dallas, Texas.		T. J. Woods, Jr.,	300,000
4416	National Bank of Cold Spring.. Cold Spring, N. Y.	Daniel Butterfield,	D. W. Harkness,	50,000
4417	First National Bank..... Telluride, Col.	Wm. Story,		50,000
4418	Beckham National Bank..... Graham, Texas.	Wm. P. Beckham,	E. B. Norman,	100,000
4419	First National Bank..... Canastota, N. Y.	LeGrand Colton,	J. C. Rasbach,	50,000
4420	Union National Bank..... Atlantic City, N. J.	Allen B. Endicott,	J. G. Hammer,	100,000
4421	Marine National Bank... Duluth, Minn.	Jacob R. Myers,	Wilmot Saeger,	250,000
4422	First National Bank..... Girardville, Pa.	E. C. Wagner,	J. H. Babb,	50,000
4423	Corpus Christi National Bank . Corpus Christi, Texas.	David Hirsch,	Thos. Hickey,	100,000
4424	National Bank of Waupaca... Waupaca, Texas.	R. N. Roberts,	W. B. Baker,	50,000
4425	Joplin National Bank..... Joplin, Mo.	Henry L. Newman,	Arthur H. Waite,	150,000

**DEATHS.**

ALLEN.—On August 26, aged fifty-one years, JOHN R. ALLEN, of the firm of Crothers, Allen & Co., proprietors of the Merchants Exchange Bank, Sparta, Ill.

BROCKIE.—On September 12, aged fifty-five years, WM. BROCKIE, President of the Investment Co., Philadelphia, Pa.

CASTREE.—On September 11, aged eighty years, JOHN CASTREE, President of the Irving Savings Institution, New York City, N. Y.

GODDARD.—On September 18, aged sixty-three years, JOSEPH WARREN GODDARD, Vice-President of Greenwich Savings Bank, New York City, N. Y.

HENRY.—On August 31, aged sixty-three years, T. CHARLTON HENRY, President of the Savings Fund Society of Germantown, Philadelphia, Pa.

HIGGINS.—On September 8, aged ninety-one years, JUDIAH HIGGINS, President of Hunterdon County National Bank, Flemington, N. J.

KING.—On September 13, aged seventy years, RUFUS H. KING, President of Catskill Savings Bank, Catskill, N. Y.

LESLIE.—On September 19, aged thirty-one years, W. A. LESLIE, Cashier of the First Bank of Joseph, Joseph, Ore.

NUTTMAN.—On September 6, aged seventy-four years, JOSEPH DAYTON NUTTMAN, of the firm of Nuttman & Co., Fort Wayne, Ind.

# FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, SEPTEMBER, 1890.

Opening, Highest, Lowest and Closing Prices of Stocks and Bonds in September.							
GOVERNMENTS.	Interest Periods.	Open- ing.	High- est.	Low- est.	Clos- ing.		
4½s, 1891.... reg.	Mar.	103½	104½	103½	103½		
4s, 1891.... coup.	Jan.	104½	104½	103½	103½		
4s, 1907.... reg.	Quarterly	125½	125½	122½	122½		
4s, 1907.... coup.	Feb.	125½	125½	119½	119½		
6s, cur'cy, 1895, reg.	Jan.	113½	114	113½	114		
6s, cur'cy, 1896, reg.	Jan.	116	117	116	116		
6s, cur'cy, 1897, reg.	July	118½	120	118½	119		
6s, cur'cy, 1898, reg.		121½	122½	121½	122		
6s, cur'cy, 1899, reg.		124	125	124	125		
RAILROAD STOCKS.				Open- ing.	High- est.	Low- est.	Clos- ing.
Atlantic & Pacific.....		6½	6½	5½	—	—	—
Canadian Pacific.....		54½	55½	53½	53½	—	—
Central of N. J.....		22½	22½	20	20	—	—
Ches. & Ohio.....	1st pref.	60½	61	55	55	—	—
Chic. & Alton.....		—	—	—	—	—	—
Chic., E. & Q.....	pref.	102½	102½	94½	94½	—	—
Chic. & East'n.....		45	45½	42	42	—	—
Chic., M. & St. P.....		72½	72½	64½	64½	—	—
Chic., Do.....	pref.	110½	110½	106½	106½	—	—
Chic. & N. W.....		86½	86½	79½	79½	—	—
Chic., R. I. & P.....		—	—	—	—	—	—
Chic., St. L. & P.....	pref.	31½	31½	29	29	—	—
Chic., St. P., M. & O.....		—	—	—	—	—	—
Do.....	pref.	—	—	—	—	—	—
RAILROAD STOCKS.				Open- ing.	High- est.	Low- est.	Clos- ing.
C. C., C. & St. L.....		71¾	71¾	65	65	—	—
Col. Coal & Iron.....		51¼	51¼	44	44	—	—
Col., H. Valley & Tol.....		32¾	32¾	28	28	—	—
Del. & Hudson.....		163	163	154¾	154¾	—	—
Del., Lack. & W.....		145½	148½	140½	140½	—	—
Den. & Rio Grande.....	pref.	217½	217½	18¼	18¼	—	—
Do.....		61¾	61¾	55	55	—	—
East Tenn. V & G.....	1st pref.	9¼	9¾	8¾	8¾	—	—
Do.....	2d pref.	23	23	21	21	—	—
Evansville & T. H.....		120¼	120¼	115	115	—	—
Illinois Central.....		111	111	104	104	—	—
Lake Erie and Western.....		17¾	17¾	15	15	—	—
Do.....	pref.	63¼	63¼	57¾	57¾	—	—
Lake Shore.....		108¾	108¾	91¾	91¾	—	—
Long Island.....		89¾	89¾	83	83	—	—
Louisville and Nashville.....		46	46	41½	41½	—	—
Louisville, N. Alb. & Chic.....		108	108	104	104	—	—
Manhattan Consol.....		—	—	—	—	—	—
Memphis & Charleston.....		—	—	—	—	—	—
Michigan Central.....		—	—	—	—	—	—
Mil., L. S. & W.....	pref.	109¼	111¾	85	85	—	—
Do.....		—	—	—	—	—	—
Minn. & St. Louis.....		—	—	—	—	—	—
Mo., Kan. & Texas.....		—	—	—	—	—	—
Missouri Pacific.....	pref.	72½	72½	66½	66½	—	—
Nash., C. & St. L.....		107¼	107¼	104	104	—	—
N. Y. C. & Hudson.....		107¼	107¼	104	104	—	—
N. Y. C. & St. L.....	pref.	26½	26½	24½	24½	—	—
N. Y., L. E. & W.....		48	48	42½	42½	—	—
Do.....	pref.	197½	197½	17½	17½	—	—
N. Y. & New Eng.....		—	—	—	—	—	—
N. Y., Ont. & W.....		—	—	—	—	—	—
N. Y., Sus. & W.....	pref.	—	—	—	—	—	—
Do.....		—	—	—	—	—	—
Norfolk & Western.....	pref.	64½	64½	61	61	—	—
Do.....		—	—	—	—	—	—
MISCELLANEOUS.				Open- ing.	High- est.	Low- est.	Clos- ing.
Northern Pacific.....		34½	34½	29	29	—	—
Do.....	pref.	83	83	74½	74½	—	—
Ohio & Mississippi.....		26¼	26¼	24	24	—	—
Ohio Southern.....		—	—	—	—	—	—
Oregon Impt.....		—	—	—	—	—	—
Oregon R. & N.....		99	99	95½	95½	—	—
Oregon Short Line.....		43	43	33	33	—	—
Oregon & Trans-Con.....		—	—	—	—	—	—
Pacific Mail.....		45½	45½	40	40	—	—
Peoria, Decatur & Evansville.....		19½	19½	19	19	—	—
Philadelphia & Reading.....		43½	43½	39¾	39¾	—	—
Pullman Palace Car Co.....		216	222	210	222	—	—
Rich. & W. P. Term.....		21¼	21¼	18½	18½	—	—
Rome, W. & Ogd.....		—	—	—	—	—	—
St. Louis, A. & T. H.....		—	—	—	—	—	—
Do.....	pref.	—	—	—	—	—	—
St. Louis & San Francisco.....		—	—	—	—	—	—
Do.....	1st pref.	—	—	—	—	—	—
Do.....		—	—	—	—	—	—
St. Paul & Duluth.....		—	—	—	—	—	—
Do.....	pref.	—	—	—	—	—	—
St. Paul, M. & M.....		—	—	—	—	—	—
Southern Pacific Co.....		30¾	30¾	28	28	—	—
Sugar Refineries.....		82¾	82¾	71½	71½	—	—
Texas & Pacific.....		20½	20½	17½	17½	—	—
Union Pacific.....		62½	62½	54½	54½	—	—
Wabash, St. Louis & Pacific.....		12¼	12¼	10½	10½	—	—
Do.....	pref.	26½	26½	22½	22½	—	—
Wisconsin Central.....		26¾	26¾	21½	21½	—	—
MISCELLANEOUS.				Open- ing.	High- est.	Low- est.	Clos- ing.
Am. Cotton Oil Trust.....		27½	27½	20¾	20¾	—	—
Nat. Lead Trust.....		22¾	22¾	19¾	19¾	—	—
Tenn. Coal & Iron.....		—	—	—	—	—	—
Express-Adams.....		—	—	—	—	—	—
American.....		153	153	150	150	—	—
United States.....		117	117	110	110	—	—
Wells-Fargo.....		72	72	65	65	—	—
Western Union.....		143½	143½	140	140	—	—
Wheel. & Lake E.....		84¾	84¾	82	82	—	—
Do.....		38½	38½	34	34	—	—

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BUSINESS IN WALL STREET AND OUTSIDE.

One of the most noteworthy characteristics of modern business is the lack of sobriety in the judgments of men. They see things in a greatly exaggerated form. The consequence is that business is subject to more violent changes than would be the case if men reasoned more wisely. It is true that the purposes of a class are best served by these oscillations. The speculator would not thrive if business remained on the same level. Not when the winds blow lightly, but amid the storms, does he flourish. If trade continued in an even, uniform way, he would perish. But this is not true of other men. They count on the gains of regular business; not those which may come from accident or speculation. They are interested in maintaining a healthy condition of business; they ought, therefore, to minimize all those reasonings, hopes, and fears which have a strong tendency to produce the opposite effect.

At the present time in Wall Street the Bears, as they are called, or the fearful and desponding class, have control of the market, who seem to think that the bottom has fallen out of things, or will at an early day. Consequently, prices are sagging downward with almost unvarying uniformity. Occasionally, there are spurts in the market, but not much is gained. When these people are asked when the end will come, they shake their heads in an ominous way, conveying the impression that it is a long way off. If, however, they were required to give reasons for their conduct, they



would in many cases be sorely puzzled. At the present time it is true that one can discover a cause for depression in railroad stocks in the smaller quantity of grains and other products than was produced last year. Nevertheless the crops are large, and the transportation companies have a great business before them. New developments are occurring everywhere, giving rise to new tonnage, and thus the diminution of farm freights will be largely made up by other additions. Even this cause, therefore, ought not to effect, very seriously, a decline in railroad shares.

Another cause can always be raised, their mismanagement, but there are no special evidences of this at the present time. We are not aware that any railroad, or series of railroads, have lately been subjected to special criticism, unless it be the Illinois Central. But the old board was re-elected at their annual meeting a few days ago; six per cent. dividends or higher have been regularly paid; and surely these are no indications that the road is in a bad way. As for the other great systems, they are making their usual dividends, and there is no reason for supposing that these will be diminished; so really, when the situation is seen with a clear eye, there are no reasons for the lack of confidence which prevails in some quarters. Yet its absence no one can question. There is an impression, though, that those who have been manufacturing fears for the public will turn around at no distant day, and that the market will then improve as quickly as it declined.

Another cause ascribed by some persons for this state of things is the drop in the price of silver. It was confidently predicted that if the silver bill was passed, thereby increasing to a considerable extent the monetary resources of the country, business would be favorably affected. The bill has been passed, and while it is true that the price of silver has greatly declined of late, the currency has been augmented, and consequently there is no reason for ascribing the present decline in prices to silver. The only sufferers are the producers of silver, and the speculators in silver certificates.

The most remarkable thing about this decline to our mind is, that there are so many persons who are supposed to be thinking men, and who certainly have been successful in business judging by the wealth they possess, who live and trade on the fears of others, and do so little thinking for themselves. Either fear or hope issuing from nothing particularly, is a dangerous basis for business. Combined with reason they are most helpful, but otherwise they are likely to lead to disaster. Never before in the history of business has there been so little thinking seemingly by business men. They look at the newspapers, read of the rise or decline in the prices of stocks, find out what the temper of the market is, as they say, and forthwith make their calculations.

What the reasons are for the advance or decline they do not care to investigate. What the worth of a stock really is troubles them as little. What they wish to know is whether the temper existing in the market is of a kind to be utilized for money-making. The great thought in purchasing is whether they can get an advance, or, if they have sold short, whether they can buy ultimately at a lower price. These conditions in business are all hazardous, all uncertain, and all unnatural. Possibly there may be more pleasure in speculating than in doing business in regular ways, but this we do not believe.

While Wall Street is in this depressed condition, the country outside is for the most part prosperous. It is unquestionably true that the new tariff is stimulating production in many ways; indeed, it is likely to stimulate excessively in several directions. The papers announce every day the organization of new enterprises; this means the employment of more men, the building of more mills, more machinery, increased transportation, and a general development. Thus, for the present, there will certainly be better times. Every tariff ever enacted has at least had a temporary effect of this kind, and there is no reason to suppose that this will operate differently. Whether it will prove a wise measure in the end is quite another question; but for some years, surely, it will stimulate the productive energies of the country.

So, too, the farmers will get better prices for their products than they did last year; and while they have less to sell, they may get a sufficient advance in many cases to overcome the loss in production. Within a few weeks the price of grain especially has advanced, and this is of a direct benefit to them. We are utterly unable to see, therefore, why the feeling of despondency should exist anywhere. Our country is increasing rapidly in population, and new developments are noticeable in many places. This means more business and increased prosperity. It is true that failures occur, and some of these are very large. As business is becoming consolidated, it must happen that failures among large concerns will make a deeper impression than the failure of smaller concerns. But one of the peculiarities of these large failures is that the amount lost is by no means so great in proportion as among smaller concerns. We think the statistics clearly show this. If, then, Wall Street prefers to live under a cloud, let no one imagine that it extends further, for it does not.

## A REVIEW OF FINANCE AND BUSINESS.

## THE FIRST MONTH UNDER THE NEW TARIFF.

The first month under the new Tariff law has come and gone, and business has not yet adapted itself fully to the changed conditions brought about thereby. At first there was a disposition among speculators to boom prices, on the strength of a vague belief in "a higher range of values for everything." On this assumption, some of the speculative markets, especially those for farm products, were bulled during the early part of the month, and until the panic in silver struck them and knocked the bottom temporarily out of these, as well as of the stock market. This came just when everybody was expecting to see a sort of magic lantern advance along the whole line of both merchandise and securities. Not only did the Bear speculators get off the short side of all these markets, but they went long, as the Bulls in silver and stocks had done when the Silver Bill became a law. But the speculators were not alone in this marking up business. Merchants and manufacturers throughout the country began sending out circulars and notices that they had advanced prices on account of the Tariff law, even on goods whose duty had been reduced thereby. But while these sellers, who were already loaded up for Bull markets and an active demand for everything, piped, the public refused to dance. Buyers stubbornly held off, where they, too, had not already anticipated their wants, and the Tariff boom was postponed.

## LIQUIDATION OF THE SILVER SPECULATION.

In the meantime, the Bulls in silver and stocks, who had been loaded since the passage of the silver law, could not hold any longer, having exhausted their resources in bridging over their financial necessities during the panic in the money market in September, in the expectation that the Tariff boom would bring in the public and let them out. When the public, therefore, did not come to them, they had to go to the public, or to stronger capitalists than they, who could and would take their load. Foreign markets, which had been looked to for passive if not active support, were loaded up too, especially with silver and American securities, in expectation of Bull markets here for both commodities and investments. This was particularly true of London, and when the tight money market there, early the present month, compelled her speculators to liquidate, they had no other place to unload on but New York. Hence the load of both European and American speculators was thrown on the New York market, and down

went silver and stocks together until the former nearly touched the lowest point of a year ago, namely, 96, and stocks, to the lowest point generally of this year, as well as of 1889, and nearly as low as in 1888. After these "higher range value" Bulls in stocks and silver had liquidated on the break in the latter, to nearly par, there was a little reaction toward the close of the month. At this time of writing, the weak spots in the market for stocks are yet sufficiently plentiful to drag down the whole list again, though silver still manages to hold its 3 per cent. recovery. Thus has collapsed one of the great schemes of the late Congress to help business, by fiat or artificial means, which is the usual result of financial legislation. It now remains to be seen whether the companion of this scheme, the Tariff law, will also prove a boomerang instead of a boom to those who have believed in it, and loaded up with merchandise, both manufactured and raw, imported and domestic, and are still waiting for that "higher range of values" in staples of commerce for which their brother silver Bulls waited too long and in vain.

#### A COLLAPSE OF THE TARIFF BOOM

may be avoided in the grain and allied markets by reason of short crops of most farm products this year. But even with that fact now established beyond question, on everything but hay and cotton, there has been a very perceptible wane in the spirit of this speculation and a weakening in the faith in the "higher range of values for everything" that has shaken the confidence even of the Bulls in breadstuffs, notwithstanding we are admitted to have nearly 100 millions of bushels less wheat than last year, over 500 millions of bushels less corn, and 200 millions of bushels less oats, or not over 400 millions of wheat, 1,600 millions of corn, and 500 millions of oats. Even these markets, in face of this strong statistical position, have shown decided symptoms of relapse during this first month under the new Tariff, although, in the nature of things, it is not yet time for liquidation in these markets. It is true that breadstuffs first advanced when stocks did, and on the same basis—silver. But subsequent damage to these crops enabled that silver advance to be held not only, but further increased, on the shortage of the supply, which has since been mostly sustained, while railway shares have been correspondingly depressed by this same crop shortage and consequent reduced tonnage for the coming year. It is for this reason, therefore, that the collapse in stocks may not extend to breadstuffs, notwithstanding the decline in silver from the highest point, \$1.21, to the lowest point, \$1.03, was equal to 15 cents per bushel against our wheat, and in favor of those of Russia and India, in the markets of Europe.

## CONDITION OF THE DRY GOODS TRADE.

But the case is not so strong for manufactured, and particularly dry goods, that have been bought and are held for the advance that is asked but has not yet been obtained under the new Tariff. Especially is the position of imported goods weak from a statistical point of view with enormous stocks, after a season of the heaviest imports on record, until the dry goods warehouses of New York were never so crowded as during the past month. Goods of domestic manufacture are not in so heavy supply, yet large, and in many lines there are big accumulations waiting for a market. Already, some of the largest auction sales of textiles ever made in this country are being held, and auction sales are always a sign of slow sales, large stocks, and bad prices. This, on the heels of a large fall trade, is not a hopeful circumstance. It is true that, so far, these sales are confined to lines of goods that have not been the ruling fashion the past year, such as silks. Yet, when such staple goods as those are forced to the auction house in the largest quantities ever known, it will be strange if many more weak spots in specialties and fancy goods are not found after the holidays, if not before. These silk sales, too, are of domestic, not foreign goods over imported. But there has been a heavy fall trade in seasonable goods that ought to prevent a collapse in the favorite staples.

Whether other than textile manufactures are in any better shape is not certain. There has been a heavy advance in leather the past few months, partly from too low and abnormal prices of hides and leather previously, but largely by speculation on this "higher range of values" idea. Still the shoe trade has not yet responded, and it does not follow that it will, in any corresponding degree, notwithstanding the enhanced cost of raw material; for shoes had been previously over-produced at old prices, and these old stocks may supply the demand until some badly loaded up firms with high cost leather have to liquidate too. How many more trades are in this condition, only time and developments that will bring their condition to the surface, will tell. But it is safe to say that it is true to a greater or less extent of every class of goods on which the Tariff was raised enough to induce speculation, or over-production, or buying for higher prices. That higher prices will come eventually on goods thus affected goes without saying. But when this advance has been over-anticipated by manufacturers or merchants who are too weak financially to hold their load till increased supplies of goods are reduced to a normal level again by consumption, there may be even lower than old prices before higher, as was the case with silver and stocks.

## OUR FOREIGN TRADE AND STOCKS OF IMPORTED GOODS.

The following will show the condition of markets for imported goods generally. Our imports and exports for the month of September have in this respect a peculiar interest. They cover foreign trade for the last full month before the new Tariff went into effect, when the movements of merchandise were unusually heavy to anticipate the proposed duties. In consequence the imports were almost as large as they were in July, when the effort to anticipate the Tariff bill begun swelled a movement otherwise the largest of the year. With that exception the September imports were the largest in the history of the country. Only once in 1880 did the imports reach 74 millions in a month, and only one month in 1872 did they exceed 70 millions. In 1889 the maximum was less than 72 millions in July, but this year the returns were nearly 72 millions in April, over 70 millions in May, over 75 millions in June, 77½ millions in July, and almost 76 millions in September. Judging from the great increase at New York the past month, it is possible that the October returns may prove the largest ever known, while there has never been another twelve-month in the history of the country in which the value of imports was as large as in the last, ending September, namely, \$813,451,714. The value was almost 90 millions smaller in 1882, and 171 millions smaller in 1873. After the past month, it is likely that the movement will be materially reduced. Taking imports and exports together, the aggregate of foreign commerce for the twelve months ending with September was \$1,673,583,172 against \$1,539,222,140 in the previous year. The largest aggregate in any previous fiscal year was \$1,547,020,316 in the year 1883.

## THE STOCK MARKET AND ITS WEAK SPOTS.

Next to silver, the biggest and worst fly in the Bull's ointment has been the Sugar Trust Stock, that, like other evil birds, has come home to roost on the Stock Exchange, in just retribution for ever admitting the shares of such an outlawed, secret and unscrupulous conspiracy, against the public which is compelled to consume its products, or is tempted to invest in its stocks in the vain hope of sharing its illy-gotten gains.

The street has been flooded with rumors about a statement that is soon to be made by the trustees, showing that the plant is worth \$25,000,000, and the quick assets \$11,000,000, or \$36,000,000 in all, being 72 per cent. of the capital of \$50,000,000. But there is no authority given for any of these figures. On the other hand it is common report that the certificates were originally issued to the owners of the various refineries which went into the Trust at

the rate of \$3.50 for \$1 of the estimated value of the refineries, which would make the total estimated value of the plant, say \$16,000,000 or \$17,000,000. These latter figures are much nearer the truth, and yet too high. The writer was informed by one of the oldest outside refiners in the country, at the time of the organization of the Trust, that the first cost of the plants put into it might have been \$20,000,000, but that much of this represented old and worthless machinery (except for old iron) used in the early history of sugar refining, which had been since displaced by new methods and machines. Yet all this old iron was capitalized at its full first cost, and then multiplied by three to swell its watered stock on which to tax the public. Union Pacific and the Grangers were the next weakest spots on the poor crops, and the renewal by the Chicago and Omaha roads of their war on that company to compel it to divide its traffic pro rata instead of giving it to the Northwestern under an alliance with the Vanderbilt roads. But this seems to be only a part of a gigantic fight for the control of the Transcontinental lines by the Vanderbilts on the one side, the Atchison on the other, and Gould between.

The *Chicago Tribune* of October 23 said the gentlemen who control the management of the Atchison, Topeka & Santa Fe Railway system, Mr. Magoun and Mr. Baring, who have just returned from a trip to Europe, find their policy in danger of miscarrying, and that the Vanderbilt combination has been gaining ground. The great objective point towards which both parties had been steering was the control of the Southern Pacific system. Each party has been laboring for several months to induce the Southern Pacific magnate, Mr. Huntington, to take sides. Mr. Huntington has been wavering, and the Vanderbilt people are now said to be negotiating with Leland Stanford and other large holders of Southern Pacific stock to secure possession of their holdings, with fair chances of success. Mr. Huntington admits that if the Vanderbilts and Drexel, Morgan & Co. syndicate secure this stock, they will be able to control the Southern Pacific system. Such a result would place the Northwestern Union Pacific combination in a position to defy all competition. That the Sante Fe managers have become alarmed, is shown by the fact that they have hastily called a meeting of the Board of Directors, and President Manvel has gone to Boston to participate in the proceedings. It is not unlikely that the policy of the company will be changed, and that the Sante Fe syndicate will decide to join the Vanderbilt combination as a matter of self-preservation, and this is no doubt the object that the latter is trying to gain.

On the 28th of October the following appeared in the *Post* of this city: Mr. J. Pierpont Morgan, accompanied by other capitalists,

started on a Western tour yesterday afternoon. They will be joined at Cincinnati by President Ingalls, of the "Big Four," and President Manvel, of the Atchison, and will continue their journey southwesterly. It is understood that at St. Louis they will meet Mr. Jay Gould and Mr. C. P. Huntington, and that the journey is taken with a view to the harmonizing of the Vanderbilt-Gould-Atchison-Huntington interests, in respect to the proposed transcontinental trunk line via Southern Pacific from ocean to ocean.

#### THE CONDITION OF THE READING AND THE COAL TRADE.

As the condition of the two Reading companies is a good index of the coal trade generally, we give its statement issued at the close of October: In the ten months to September 30 the Reading Railroad and the Reading Coal and Iron Company had together earned \$77,996 over their other fixed charges, and leaving that sum nominally applicable to payment of interest on the \$23,941,247 of first preference incomes, or, say, 32-100 of 1 per cent. After these first incomes there are \$16,165,853 of second incomes, and \$18,575,639 of third incomes, and after these, \$39,480,000 of stock. The first preference incomes are quoted at 64¼, the second incomes at 44¾, the thirds at 36½, and the stock at 37¾, ½. In view of these prices and earnings, it is surprising that the Reading pool should be able to find even a Vanderbilt to take its load off its shoulders, as was rumored during the month, even at a very low figure, which the pool was obliged to accept because of its inability to borrow money longer to carry it. Yet there were circumstances that gave this report coloring of truth, together with a revival of the old South Pennsylvania project. It would seem that the Vanderbilts want the railroad earth, if all the reports of the month are true. Yet the coal agents met and put up the price 10 cents a ton at close of month, and fixed production as if there was no Interstate law.

#### THE MONEY MARKET

has subsided into its normal state and position in the financial world the past month, after the prominence it had in September. The London and European money markets have been the center of interest this month, though our bank statement has shown such radical and unexpected changes as under other conditions would have caused alarm if no more. As it was, it made the weak holders of stocks shake, and encouraged the Bears to jump on the market with renewed confidence, while the surplus reserve of the banks has been nearly exhausted at times, notwithstanding the large gains at the close of last month. Yet the market has worked comparatively easy during most of the month, in face of the stringency during its first half in London and European



money centers generally. But since the middle of the month the latter have gradually worked easier without anybody seeming to understand exactly why, and our market has sympathized, ceasing to be a factor in the markets again for the time being. Since the middle of the month a more steady and healthy gain in the reserve has followed a better condition of the banks, which are already feeling a marked increase in the amount of currency returning from the country, due to the fact noted in our last, that the holding back of their crops by the farmers, for higher prices, in which they still believe, is requiring not only less currency than usual to move the crops, but is not using it so long, as is shown by the light movement to the seaboard and small stocks at all our ports of all kinds of grain, as well as at all interior points of accumulation. Chicago and Boston, however, have been working closer the last week of the month for some unexplained reason, and as a consequence, have been sellers here of stocks, causing renewed weakness at the close.

#### EFFECT OF DECLINE IN SILVER ON BREADSTUFFS.

How much the late decline in silver is destined to affect the price of wheat and our other export cereals and products is yet to be seen. So far it has not appeared to be a factor, although it was the chief one in the advance last spring, before the crop damage came to be the greater. The latter has since overshadowed the former, until it seems to be forgotten, both here and in London, where it first bulled the wheat market when the Silver Bill showed its strength in the last Congress. Late foreign crop estimates, as well as that of the Cincinnati *Price Current*, raise the estimates of other wheat-growing countries more than enough to make good our crop deficit compared with a year ago. If this be true, then Europe will be less dependent upon us this year, rather than more than last, for her breadstuffs. With this decline in silver she can now buy in those countries with which her exchanges are made in silver, as well as on the last crop; and as stated above, 15c. per bushel cheaper than on this crop, when silver was at the top. Our surplus for export, however, is smaller than a year ago, and we may be able to hold up prices on our reduced supplies, in spite of the decline in silver. But while this is true of our markets, it is not of those of competing export countries in Europe, Asia and South America, where exchanges are made with the importing countries of Europe in silver. One of the first effects of the break in silver was to open the dead-lock in Russian and Indian exchange that had been caused by the advance in silver, until the shipments from those countries had fallen to the lowest point in years, which started more liberal shipments from those countries. Yet the later returns of the crops of

those countries have been reduced on account of crop damage, until now the European markets are working slowly up to ours because of smaller offerings from those countries again. Notwithstanding all this our export outlook is not very bright except on cotton. Of almost everything else we are shipping less than a year ago, and bid fair to keep behind last year's record, though provisions are going out on old contracts at lower prices quite freely yet.

#### CONDITION OF THE IRON TRADE.

The *Daily Commercial Bulletin* of this city of October 29th thus describes the condition of the steel rail and iron trade:

It transpires that last week's meeting of steel rail manufacturers was decidedly inharmonious. In point of fact, indications are strong that the combination is completely disjointed, and that there is now no restriction upon the amount of rails any manufacturer may sell, nor any limits as to price. As natural, in the event of a rupture of this character, there is virtually a scramble for any business that may be in sight, and the matter of price would seem to be a secondary consideration to securing orders. Just how low prices have been driven cannot be ascertained, as all sellers are more than usually uncommunicative. It is learned, however, that orders have been taken for at least 15,000 tons for 1891 delivery at prices which will not net over \$29,000 at the mill, and there were rumors of even lower figures having been accepted, not only on distant future deliveries, but on a lot of 3,000 tons for delivery within 60 days. Whether the existing condition of affairs will continue for any considerable period is uncertain, but some well-informed authorities predict a vigorous warfare for a time, and a healing of differences later on. The demoralization in the rail branch has more or less effect upon other departments of the steel trade, and prices are greatly unsettled, with billets, slabs, rods, etc., relatively lower, if anything, than rails. The cause for the existing state of affairs may be traced to the simple fact that the productive capacity of the large steel establishments has reached proportions so far in excess of the outlet for the various products, and the ambition of manufacturers reached the stage where "combination" for mutual welfare is practically out of the question, for the time being at least. The market for crude materials used in the manufacture of steel is more or less affected by the circumstances outlined above, and prices are difficult to quote with any degree of accuracy. Other varieties of crude material do not appear to be affected. The varieties employed in ordinary mill work and pipe making (gray forge, etc.,) seem to fairly hold their own at \$15 to \$15.50, whilst high grade foundry iron is still noticeably firm and the lower grades of foundry pig steady.

This is not the improved condition of this great industry that has been talked of.

#### THE COTTON AND PETROLEUM TRADES.

The Bulls who have been trying to get cotton up on prophecies of frost, have started a little too late in the season, as the frosts have to do much damage, and the market has ruled dull, though shorts have covered to some extent. But estimates of the

crop are now increasing and prices receding, with bad reports of trade abroad and less inquiry for export. The general conditions of the petroleum industry are anything but favorable either to speculation or to lower prices. The visible supply of Pennsylvania oil is steadily declining, and October will show a reduction of from 150,000 to 200,000 barrels in net stocks. The foreign demand is good, and the exports from the Atlantic ports since January 1 show an increase of 7,598,000 gallons over last year same time, having been 530,265,000 gallons. The receipts from the wells from the Parkersburg and Maxburg districts northward, from January 1 to date, were 24,370,000 barrels, increase 5,283,000 barrels; shipments, 26,071,000 barrels; increase, 1,464,000 barrels over a year ago.

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THE MINOR MARKETS have shown a little more animation early in the month on the Tariff stimulus, and cooler weather and demand for fall and winter goods. Yet these requirements were not large, but of a hand-to-mouth order, and business is now rather on the decline than otherwise, except the holiday trade, which is now beginning to be more active. Ocean freights have strengthened a trifle, and vessels are not begging for grain for ballast just now. But still rates East are unremunerative, though the passenger business is still as good for the season as the freight is bad. The outlook is not for anything like good, east-bound freight business on this crop, either for the ocean steamers or trunk line roads, yet the latter have a more diversified traffic than the Grangers, and are therefore doing better.

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### RELATIVE PRICES OF SILVER AND WHEAT.

Allusions have been made from time to time in the money articles of this MAGAZINE, to the close relations existing between the prices of silver and of wheat during the last decade, covering the period of unprecedented depression in both. For the purpose of showing the closeness of these relations more fully, I have compiled, and present herewith in tabular form, a statement and comparison of our production and exports of wheat and flour, and of the prices of wheat and silver since 1873. To make this appear more clearly, I have divided this time into periods of six years; the first, to cover the last six years before the resumption of specie payments; the second, the six years following the resumption of the gold basis of values, and before the abnormal decline in silver; and the third, the period of lowest prices but once on record, for both silver and wheat. The last period, however, is not yet complete by one year. But the same relation of values of

these staples of export has been preserved until recently. For the purpose of this article, the statement and comparison are sufficiently complete to establish this relation beyond question, and to afford a basis for calculation for the future. It is as follows:

Years.	Wheat Crop, Bushels.	Years.	Exports Wheat and Flr reduced to equal bush. Fiscal y'rs June 30.	Av'g Value per bush.		Ratio Value Silver in Ounces to an Ounce of Gold.
				Wheat Alone.	Wheat and Flour.	
1873.....	281,254,700	1873-4	91,510,398	\$1.42.8	\$1.42.8	15.92
1874.....	309,102,700	1874-5	72,912,817	1.12.4	1.14.3	16.17
1875.....	292,136,000	1875-6	74,750,682	1.24.1	1.24.2	16.59
1876.....	289,356,500	1876-7	57,043,936	1.16.9	1.20.6	17.88
1877.....	364,174,146	1877-8	92,141,626	1.33.8	1.32.3	17.22
1878.....	420,122,400	1878-9	147,687,649	1.06.8	1.08.5	17.94
Total 6 y'rs Average.	1,956,166,446 326,027,741	Total, 6 y'rs. Average..	536,047,108 89,341,185	..... 1.21.6	..... 1.22.7	101.72 16.95
1879.....	448,756,630	1879-80	180,304,176	1.24.3	1.25.3	18.40
1880.....	498,549,868	1880-1	186,321,514	1.11.3	1.14.1	18.05
1881.....	383,280,090	1881-2	121,892,389	1.18.5	1.22.4	18.16
1882.....	504,185,470	1882-3	147,811,316	1.12.6	1.18.2	18.19
1883.....	421,086,160	1883-4	111,534,182	1.06.6	1.13.1	18.64
1884.....	512,765,000	1884-5	132,570,366	.86.2	.94.4	18.57
Total 6 y'rs Average.	2,768,623,218 461,437,203	Total, 6 y'rs. Average..	880,433,943 146,738,991	..... 1.11.8	..... 1.15.1	110.01 18.33
1885.....	357,112,000	1885-6	94,565,793	.87.0	.90.6	19.41
1886.....	457,218,000	1886-7	153,804,970	.89.0	.92.8	20.78
1887.....	450,329,000	1887-8	119,625,344	.85.3	.92.8	21.18
1888.....	415,868,000	1888-9	88,600,743	.89.7	.98.1	21.95
1889.....	490,560,000	1889-90	109,430,407	.83.2	.93.5	22.10
Total 5 y'rs Average.	2,177,087,000 435,417,400	Total, 5 y'rs. Average..	566,027,317 113,205,463	..... .87.0	..... .93.9	105.46 21.09

The period of greatest production, as shown in the accompanying table, from 1879 and 1884 inclusive, it will be noted, was not that of the lowest prices. The decline in values of wheat in 1884 to 86.2, export value, as against an average of 111.8 for the six years of which it was one, and the continued depression in 1885, notwithstanding the short crop in America (the smallest since 1876), discouraged American producers, and, as will be noticed, reduced production for the last four years—1886 and 1889 inclusive—notwithstanding population and of course home requirements were rising rapidly. It will be seen that the lowest prices were not during the years of largest export, and some other cause than over-production would seem therefore to exist for the phenomenally low values of the last five years—1885 and 1889 inclusive.

As the wheat bought with silver, in India, competed with

wheat bought on the gold basis in America during the period named, of greatest depression in price of silver bullion, and as America was compelled to sell her surplus, it would seem as if America's wheat crop had for years been marketed on a silver basis.

Not only the stuff exported, but the value of the wheat and flour consumed at home being fixed on the export basis, was also sold on the silver basis of value; and not only all of America's production, but the wheat grown in Europe, particularly Western Europe, was depressed by the volume of low-priced Indian and American wheat, below the cost of production, and at an immense annual loss to the agricultural interests of the civilized world. The same effect upon values by the decline in silver which attach to India is to some extent seen in Russia, where silver is the money of the common people.

The export value of wheat, as given in the table submitted, is arrived at by dividing the export value in dollars by the number of bushels shipped from all ports. This, when the output from the Pacific coast is large, and ocean freights thence to Europe are high—brings the average export price *below* the value of wheat for export from the Atlantic ports. Italy, which was a very large producer of rice before silver declined, has suffered as much from this cause as the producers of wheat, her market being flooded with Calcutta rice, bought on a silver basis and sold in competition with that grown in Italy on the gold standard, to the destruction of her market for export and for consumption at home.

In his "Recent Economic Changes," David Wells estimates that about 1,000,000,000 people have been brought into communication with the outside world by railroads within the past ten years, during which time they have been coining the world's annual production of silver for the increased requirements of the commerce of those silver standard countries, which we have been supplying with cheap silver while they have been underselling us in the gold standard markets of the world, on our farm products.

In view of the foregoing facts and figures, it would seem that the unprecedented depression in agricultural products the world over, during the last six years, has been due to the decline in silver, owing to demonetization abroad and increased production here, rather than to overproduction of those products or their under consumption. It would also appear that while monometalism is the standard for a consuming country, whose interest is always to buy cheap, it kills the producing country, in Europe as well as here. In speaking of this relation of silver to the price of our farm products with a prominent grain merchant in this city, he told the writer that there was no question that the price of our wheat

went below \$1 in 1885, and had staid there since, because of the decline in silver, until this year, it has risen with silver above \$1 again for the first time in six years. In conclusion, said he, "This worship of the modern golden calf of consuming Europe by producing America, is costing this country, and saving them, over \$500,000,000 annually."

H. A. PIERCE.

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### FINANCIAL FACTS AND OPINIONS.

*The Decline in the Price of Silver.*—The course of the silver market is very disappointing to the producers, and all other friends of silver. It was predicted, during the early speculation in silver, that the price was advancing so rapidly that a reaction would probably follow, but not so far as it has already gone. The papers published in the chief silver-producing centers do not hesitate to express their disappointment over the decline. Many reasons have been ascribed, some of which we think are fanciful. One of them is that the speculators in silver had very narrow margins, and having been pressed for payment were obliged to sell, and the market having been broken no stopping place can be found. Others maintain that the leading exporters in American products are behind the movement, in order to purchase at more favorable rates. The existence of one cause, however, cannot be denied, the increase in silver production. When the last silver bill was enacted it was admitted that the future value of the metal would depend, to a considerable extent, on the production of the mines. It was also admitted that an increase in its price would stimulate production. This effect has unquestionably happened. The increase in production is very considerable, so that silver is accumulating in this country. Even the remedy proposed by Senator Voorhees, the additional purchase by the Government of ten millions of silver, would hardly produce the effect desired, for if the surplus now in the market was out of the way, and the price of silver advanced, production would be further stimulated, not only in this country, but everywhere, which, in turn, would threaten the price of the metal. Nothing less, therefore, than some agreement by several of the nations of the world for the greatly enlarged use of silver will prove a sufficient remedy, unless such a use for silver can be found outside the monetary world. Remove from the market the existing surplus, and within a year a very considerable surplus will accumulate; and, even if it did not, but only a small one, the value of silver would be affected. In short, if it was seen that a market did not exist for all the silver produced its price would fall. This is simply the application of a familiar principle to sil-

ver. The existence of a small surplus in any kind of commodities will often greatly affect their price. Again, if the removal of this small surplus of silver from the market would have the effect of enhancing the price of silver to a very considerable degree, and the silver producers were confident of maintaining its value in the future, why not organize and form a company to purchase this surplus, and thus remove it from the market? The story is told by Mill, in his "Political Economy," of the destruction of a portion of a spice crop by the owners in order to maintain the value of the remainder; and if the silver producers were confident that, by the removal of the surplus now existing from the market, its price would rise to a parity with gold, or nearly so, and remain at that point permanently, they could well afford to buy the few millions of silver in the market and throw it into the sea, if there was no other way of putting it where it would not disturb the market. It would not be a very costly thing for the Government to buy the present surplus and test the efficacy of the plan proposed, but we have no faith that it would yield any permanent result. So long as there is an accumulation beyond the ordinary demand, no matter how slight that may be, its value will be seriously affected. This result we have seen again and again with respect to other commodities whenever a surplus, however small, has existed.

Since writing this paragraph, the Director of the Mint has issued a statement in which the causes that are affecting the price of silver are thus stated :

In regard to the recent decline in the price of silver, the causes which have operated to produce it are so apparent that they need only be stated that their full force may be measured. In the first place the visible stock of silver in New York has not sensibly decreased, notwithstanding the purchase by the Government of 12,276,478 ounces of silver since August 13. This large and undiminished stock is a standing menace to the price of silver, and has of itself been sufficient to shake public confidence in silver. If the large Western refineries had allowed their product to take its usual course, that is, offered it for sale to the Government at current prices and sold the remainder abroad, this stock would not have accumulated; but, in the hopes of realizing a larger profit, they held their silver for months prior to the passage of the new law, or deposited it in New York for certificates, and the result has been the accumulation of a visible stock of such magnitude as to depreciate the price. It is very unfortunate that this stock was allowed to accumulate, and especially that certificates were allowed to be issued on it and guaranteed by a National bank and listed on the Stock Exchange to be dealt in on margins as other stocks. It has made a football of silver, to be kicked around at the pleasure of bulls and bears. In my judgment there should be a law enacted against dealing in money metals on margins.

The usual demand for silver for export has almost entirely ceased. Not only is this the case, but large quantities of foreign silver have been shipped to the United States. This is shown conclusively by the fact

that the imports of silver into the United States from May 1 to September 30 of the present year have exceeded the exports by \$4,925,175, while for the corresponding period of last year the exports of silver exceeded the imports by \$5,948,990—a difference of \$10,872,165. This accounts for the fact that while the Government has purchased an amount equal to the current production of our mines, the stock has not diminished. During the same period the shipments of silver to India have not sensibly decreased, although latterly they have been below the usual amount. Hence the supply for India has been obtained in Europe, or at least elsewhere than the United States. So, too, in regard to the natural movement of silver to China, Japan and the Straits from San Francisco. Not one ounce of silver bullion has been shipped to the Orient from San Francisco since May 1 of this year, while over \$4,000,000 worth was shipped during the same period of last year. These facts, of themselves, are sufficient to account for the decline which has taken place.

*End of the National Bank System.*—The last report of the public debt shows that there are less than six hundred millions of four per cent. bonds left, which are the only ones that can serve as a foundation for continuing much longer the National bank system. Even these, at the present rate of extinguishing the debt, will be discharged before the close of the century. Assuming that the present tariff will have the effect of diminishing the National revenues, and that Congress will continue in its prodigal policy of spending the public money, this amount of the National indebtedness will be extinguished at an early day. What, then, is to form the basis of the National bank system? Three or four bills are pending which seek to re-establish it on a more permanent basis. We suppose that the Comptroller of the Currency will devote a portion of his next report to this subject. The outcome of the matter may be the continuance of the system without bonds, for it is very certain that the people generally are opposed to a National bank circulation. The banks themselves seem to have abandoned all hope of maintaining it. Possibly they may conclude to abandon the system altogether, and reorganize under State laws. This may be the reason for their manifesting so little interest in the legislation now pending.

*The Silver Notes.*—It was supposed that the new silver act provided for increasing the currency to the amount disbursed in legal tender notes for the silver bullion purchased. The second section is the following:

“That the Treasury notes issued in accordance with the provisions of this Act shall be redeemable on demand in coin at the Treasury of the United States, and when so redeemed may be reissued, but no greater or less amount of such notes shall be outstanding at any time than the cost of the silver bullion and the standard silver dollars coined therefrom then held in the Treasury, purchased by such notes.”

This provision was intended to limit the outstanding notes to



the purchase value of the silver held in the Treasury. The third section of the Act, however, provides as follows:

"That the Secretary of the Treasury shall each month coin two million ounces of the silver bullion purchased under the provisions of this Act into standard silver dollars until the first day of July, 1891, and after that time he shall coin of the silver bullion purchased under the provisions of this Act as much as may be necessary to provide for the redemption of the Treasury notes herein provided for, and any gain or seigniorage arising from such coinage shall be accounted for and paid into the Treasury."

The question has been asked, What is to be done with this coinage? If the coin is to be used for the redemption of outstanding notes, and these notes may be reissued, what is to prevent the increase of the monthly circulation by the amount of notes issued plus the coinage of 2,000,000 ounces per month? Notes to the amount of the coinage value of 2,000,000 ounces of silver—say, \$2,300,000—could be presented for redemption every month in silver coin, and these notes under the Act would have to be reissued. The escape from this situation is found in the provision that "no greater or less amount of such notes shall be outstanding at any time than the cost of the silver bullion and the standard silver dollars coined therefrom then held in the Treasury, purchased by such notes." The language, it is true, might be interpreted to mean that the outstanding notes should equal the cost of the silver bullion when first bought, plus the coined dollars, but the meaning of the second section is clear enough; and the debates on the bill in its passage through Congress show beyond all question that the extent of the inflation should be limited by this provision.

*New National Banks.*—The increase in the number of National banks for the twelve months ending September 30 is the largest witnessed in any twelve months since 1865, and is even larger than for the twelve months ending last May. The figures for that period of twelve months were 282 new institutions, with an aggregate capital of \$31,765,000. The figures for the twelve months just closed are 296 institutions, with an aggregate capital of \$34,595,000. The increase continues to be mostly in the growing regions of the Southwest and Northwest. New England, with her institutions already established, reports only eight new banks, with a capital of \$625,000. The five new States of North Dakota, South Dakota, Wyoming, Montana and Washington, with their much smaller population and resources, report thirty-one new banks, with an aggregate capital of \$3,200,000. Even more remarkable is the gain in some of the States of the Southwest. Missouri and Texas report respectively twenty new banks, with a capital of \$4,400,000, and sixty-three new banks, with a capital of \$6,290,000. Kansas,

Nebraska, Kentucky and Tennessee also show large gains. The figures will probably be even better for the twelve months ending October 31, when Comptroller Lacey closes his annual report. He can well felicitate himself upon a steady growth of the banking system under his prudent management, in spite of decidedly adverse conditions in the legislative branch of the Government. The number of new banks in each State, with the aggregate capitalization by States for the twelve months ending September 30, is set forth below:

State.	No. of Banks.	Capital.	State.	No. of Banks.	Capital.
Alabama.....	6	\$400,000	Missouri.....	20	\$4,400,000
Arizona.....	1	50,000	Montana.....	5	950,000
Arkansas.....	1	50,000	Nebraska.....	19	1,675,000
Colorado.....	7	1,950,000	New Jersey.....	7	400,000
North Dakota.....	4	450,000	New York.....	8	1,000,000
South Dakota.....	4	225,000	North Carolina.....	2	150,000
District Columbia....	3	600,000	Ohio.....	13	1,670,000
Florida.....	2	150,000	Oregon.....	6	425,000
Georgia.....	2	150,000	Oklahoma Territory..	3	200,000
Illinois.....	8	625,000	Pennsylvania.....	24	2,175,000
Indiana.....	3	450,000	Tennessee.....	6	1,250,000
Indian Territory.....	2	150,000	Texas.....	63	6,200,000
Iowa.....	8	750,000	Utah Territory.....	2	700,000
Kansas.....	6	1,400,000	Vermont.....	3	175,000
Kentucky.....	7	960,000	Virginia.....	2	100,000
Louisiana.....	4	650,000	West Virginia.....	1	125,000
Maine.....	2	100,000	Washington.....	16	1,450,000
Maryland.....	7	750,000	Wisconsin.....	9	625,000
Massachusetts.....	3	350,000	Wyoming.....	2	125,000
Michigan.....	3	200,000			
Minnesota.....	2	300,000	Total.....	296	\$34,595,000

**Coinage Statistics.**—The director of the mint estimates the total amount of gold coin in the United States at \$633,118,735, against \$622,009,063 on January 1, 1890. The full legal tender silver coin is estimated at \$377,628,266, against \$349,938,001 on January 1, and the subsidiary silver coin at \$76,875,555, against \$76,824,228 on January 1. The total stock of gold and silver coin is \$1,087,622,556, against \$1,048,771,292 at the beginning of the year. The total coinage during September was 8,768,092 pieces, of a value of \$4,865,369. The gold coinage, almost entirely of double eagles, was \$1,614,162, and the silver coinage was \$3,050,000 in standard dollars and \$131,495 in dimes. The total purchases of silver to-day under the new Silver Act were 225,000 ounces, out of 375,000 ounces which were offered. The prices paid were \$1.139 for 25,000 ounces, and \$1.1395 for 200,000 ounces.

**Interest Rates.**—Notwithstanding the decline in the rate of interest on investments during the last twenty years, it is quite probable that a further decline will be experienced. There are times when the use of money for commercial purposes commands a high figure; but investments of a permanent character, on the best security, can be effected at low rates, and their tendency is unques-

tionably in a downward direction. There is a vast amount of wealth in the country seeking permanent investment, with the best security, and the quantity is constantly increasing. The fall in the rate of interest has been universal. The average rate of interest earned by the Massachusetts savings banks in 1877 was 6 and 8-10 per cent. This has now fallen one-third, or to 4 and 8-10 per cent. During the same period the net average interest earnings of twenty representative life insurance companies fell from 5 and 6-10 per cent. to 4 and 6-10 per cent. Every year a large amount of bonds belonging to these companies, which bear 6, 7 and 8 per cent. interest, have been redeemed or funded in securities which pay not much more than half these rates. The Government borrowed a small amount of money early in 1861 at 12 per cent. interest, and offers for a small amount more were made varying from 15 to 36 per cent. At the premium which the National bonds command, the Government rate for borrowing is less than 3 per cent. Massachusetts made a 3 per cent. loan last year which nets the investor only 2 and 5-8 per cent., while mortgages on the best property in Boston and New York can be placed at 4 per cent., though 6 per cent. was paid only a few years ago. In other large cities the decline in similar kinds of property is equally great. In Europe the same conditions of credit exist. Three years ago Germany converted her  $3\frac{1}{2}$  per cent. indebtedness into 3 per cent., while Great Britain a few months ago refunded a large amount of 3 per cent. consols at  $2\frac{1}{4}$  per cent., with a reduction to  $2\frac{1}{2}$  after a few years. Thus the rates of interest on first-class securities and high credits are steadily diminishing. This is due to two reasons: first, the small amount of such loans either by States or individuals, and the large amount of capital seeking such investments. The States having the highest credit borrow the least, and the same is true with respect to individuals. On property of a more questionable character and in ordinary commercial credits, in which the risk remains quite the same as it always has been, the old rates prevail, and are not likely to be changed. In other words, wherever there is a hazard in lending, people are demanding just as much for their money as they ever did, but if a loan is exceptionally good, the amount of capital desirous of employment in this manner is so large that the rate of interest has fallen to a low point.

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*Redemption of the Four-and-a-Half per Cents.*—The Secretary of the Treasury has issued another order for continuing the redemption of  $4\frac{1}{2}$  per cent bonds, which is indefinite both in time and amount. The singular thing is that while the full amount of interest is to be paid which the bonds can ever draw, their

redemption is very slow. One would suppose that, as the holders can get no more by waiting, they would be eager to avail themselves of the offer. Probably the reason for the delay in presenting them is that they are pledged for various purposes and cannot be readily withdrawn. If the offer should continue for a considerable length of time, it is probable that the owners would seek to obtain control of them, and present them for redemption.

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*The Demand for Small Notes.*—Every year the same complaint is made of a deficiency in the quantity of small notes issued by the Treasury Department. More than sixty millions have been issued within a month, yet the facilities of the Bureau of Engraving and Printing have proved inadequate. If they were adequate, the new Silver Bill would have brought more relief. The cramped facilities of the Bureau compelled Secretary Windom to have the first notes issued in denominations of \$100 and \$1,000, in order to print enough to comply with the law. The larger the denomination, of course, the fewer are the notes required to complete the amount. The \$10 notes are now delivered to the Department at the rate of \$250,000 per day.

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*The Silver Dollar Fund.*—Secretary Windom has authorized the transfer to the standard silver dollar fund of the dollars coined under the new Silver Act, and Treasurer Huston has been able to pay out \$3,000,000 of the certificates issued under the old law which have been printed and were held in the Treasury. The coins were useless, under the present interpretation of the new Silver Act, and their transfer to the old silver fund, in place of bullion which had not been coined, enables the Department to release just so many certificates. Treasurer Huston would not issue these certificates until the Secretary had authorized the transfer, because he felt that he ought not to issue them without coined dollars behind them. The certificates themselves declare on their face "that there has been deposited in the Treasury of the United States — silver dollars, payable to bearer on demand." The bullion held under the old law has now been reduced to \$1,045,586. The Treasurer has been obliged to cut off the exchange of large notes through the Sub-Treasury at New York. The same arrangements, however, regarding the prompt transmission of money from here to the banks in the interior, at the low rates fixed by contract with the United States Express Company last year, are still in force when there is any money to transmit. If the Secretary permits the prompt issue of the certificates under the old silver law, and the issue of the small denominations under the new Act soon begins, the existing situation will probably improve.

*Recoinage of Fractional Silver.*—One of the achievements of the last session was the enactment of two bills which authorized the discontinuance of useless coins, and the adoption of new designs for the others. The coinage of the one and three dollar gold pieces, and the three cent nickel piece, will immediately cease. The adoption of new designs will come afterward. One of the bills to be urged at the next session will relate to the recoinage of the fractional silver in the Treasury which is too much worn for circulation. It is estimated that there are about eighteen millions of it, and it is supposed that the shrinkage in the process of recoinage would be about ten per cent. Congress is reluctant to add this burden to the expenditures now authorized. That body would have acted more wisely in authorizing smaller expenditures, and thus have rendered the way easy for the enactment of the needful legislation on this subject, for the practical effect would be to put in use eighteen millions of money which is now of no use whatever.

*Western Farm Mortgages.*—It is reported that a considerable number of the Western farm mortgage companies have formed a syndicate, which is known as The Syndicate Lands Company, possessing a capital of ten millions, for the purpose of taking over all the lands to which they have acquired titles lying west of range fifteen west of the sixth principal meridian, at a maximum valuation of \$5 per acre, the incumbrances against such lands becoming *quasi* obligations of the company, and the equity to stand as partial payment on subscription to stock. Whilst the scheme is favorably received by the land companies, the prospects for floating it successfully are by no means hopeful. Recent experiences have made Eastern capitalists and European investors very conservative in dealing with new Western land ventures, and it will require greater temptations than our present agricultural prospects, to induce free settling up of large tracts of country with the drawback of previous disappointments attached to them. There is a pleasant contrast between the condition of things in Western Kansas and the Eastern and Central divisions. In the latter the Registers of Deeds have furnished returns from twenty-one counties, showing all farm mortgages recorded and released in 1890. These are given in detail by our contemporary, the *American Wool Reporter*, and from them it is seen that whilst new mortgages numbered 4,061, aggregating \$3,720,807, the number of those released was 5,896, aggregating \$4,484,273. This is a reduction in farm indebtedness of \$763,466 this year in twenty-one counties; and as these are well distributed, it may be taken as average experiences, which would indicate a reduction for the two divisions of nearly \$3,000,000 since the beginning of the year.

*European Dependence on American Products.*—In a recent number of the *New York Tribune* the following figures were produced to show the dependence of Europe on this country for the necessities of life and industry:

	<i>Great Britain.</i>	<i>Germany.</i>	<i>France.</i>	<i>Other Countries.</i>
Cotton.....	\$148,297,771	\$41,623,227	\$24,354,656	\$32,338,865
Provisions.....	115,679,140	10,342,545	3,406,159	18,413,045
Breadstuffs.....	90,655,079	4,864,004	6,810,147	15,769,585
Petroleum.....	9,698,488	8,808,544	5,465,072	10,676,334
Tobacco.....	8,922,472	4,818,525	1,477,974	5,505,333
Naval stores, etc.....	9,601,682	2,255,609	.....	2,453,724
Leather.....	8,717,431	2,394,549	.....	1,408,412
Copper.....	6,618,007	130,192	762,126	733,215
Machinery.....	4,058,537	1,304,858	598,496	984,321
Fur and hops.....	5,136,199	519,431	.....	.....
Boards.....	2,230,283	291,324	138,630	918,632
Total.....	\$409,615,089	\$75,252,808	\$43,013,260	\$89,201,366

European purchases of food from this country amounted to \$265,939,704 in value, of which \$147,840,889 was of provisions and \$118,098,815 of breadstuffs. Wheat and flour cover eighty millions and corn thirty-eight. Cattle covered nearly thirty millions, beef products twenty-eight, hog products nearly seventy-three, and dairy products over ten millions.

*Sugar Imports.*—The new Tariff bill aims at the reduction in the revenue in two ways. First, by enlarging the free list; and second, by increasing the duties on other commodities, for the purpose of stimulating their production at home, and thus diminishing their importation. The chief article added to the free list is sugar, the aggregate value of which imported into the United States during the last fiscal year was over \$100,000,000. The importations from Germany were 15.9 per cent., while nearly 40 per cent. came from Cuba. The following table gives the value and percentage of nearly all the sugar imported into the United States during the last fiscal year:

<i>Countries.</i>	<i>Values.</i>	<i>Per Cent.</i>
Austria-Hungary.....	\$1,578,494	1.56
Brazil.....	1,659,251	1.64
Danish West Indies.....	490,284	.48
Germany.....	16,098,224	15.90
Great Britain and Ireland.....	931,676	.92
British West Indies.....	8,910,130	8.80
British Guiana.....	4,325,370	4.27
Hawaiian Islands.....	11,559,142	11.42
Dutch East Indies.....	2,722,320	2.69
San Domingo.....	1,715,460	1.70
Cuba.....	39,099,670	38.61
Porto Rico.....	3,861,247	3.81
Philippine Islands.....	6,817,866	6.73

The aggregate value of the importations, including the 1.47 per cent. from countries not named in the list, was \$101,263,327. If the United States attempts negotiations to make the interchange of commodities between this country and the Southern Republics

and tributary countries more free than it is now, a lively competition may set in to promote exports. This is the hope on which the amendment to the tariff bill prepared by Senator Aldrich, of Rhode Island, is based. If Spain cares anything at all for the prosperity of her Cuban daughter, she must place the Cuban sugar producers upon an equality with those of Germany, the British West Indies and the East Indies. It may require some sacrifice of internal revenue for her to do this. She already imposes a duty of \$1 per ton on all articles exported from Cuba, and after January 1, 1891, it is proposed to impose a duty of ten cents per 100 kilos on centrifugal sugar in addition to the existing duty. This is equivalent to about  $4\frac{1}{2}$  cents per 100 pounds—not a heavy imposition, but enough possibly to seriously handicap the Cuban producer in competition with wide-awake rivals. This, moreover, is not the end of local exactions. An expert in the sugar business figures that the sum of \$30,000, representing the value of 3,000 hogsheads of sugar and 1,000 hogsheads of molasses, is subject to internal charges to the amount of \$6,824. Of this sum, \$3,162 goes into the State Treasury, \$612 is applied for municipal purposes, \$2,990 is paid on damage dues, and \$60 is the extra charge for railroad tariffs. Some of these charges are evidently only the equivalent of State and municipal taxes upon property in the United States, but the proportion of more than one-fifth of the total value of the production as the share of the State is a heavy burden for the Cuban producers to carry. Unless they receive some relief from the Government, they may find themselves driven from the markets of the world by the producers of countries less heavily burdened with obligations to the central powers.

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*In Buenos Ayres* there are 257 British and 402 German houses. The British capital is estimated at £24,392,400, and that of the Germans at £3,322,134. The Italian population is greater than the native, and there are 7,720 Italian firms carrying on business in the Argentine Republic with a capital of £30,116,946, while the native "Argentine" business firms number only 1,357, with a capital of £48,353,310. The number of Spanish merchants in the republic is 2,223, with a capital of £6,568,128. The United States is represented by twenty-six firms, with a capital of £437,980. Ranged as to the amount of capital, the Argentines come first, then the Italians, and then the English. As to numbers, the Italians come first, then the Spanish, the Argentines, the Germans and the English.

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*American Railways and the British Farmers.*—Mr. J. S. Jeans has contributed an article to the *Nineteenth Century* on the above subject, of unusual interest. He contrasts the transportation charges on the American and British railways for transporting

grain and other products, and proves conclusively how much larger has been the decline on this side of the sea than on the other. He contends that a reduction in the transportation rate would greatly increase the volume of traffic, and the railroad companies, therefore, would be able to save themselves from the loss which otherwise would be incurred. He furthermore says that in consequence of reducing the rates in the United States, the railroad companies have effected large economies which otherwise would not have been introduced. One of these is the construction of cars of much larger capacity than were formerly in use. In 1888 the American railways had a larger volume of traffic than all the railways in Europe, including those in Russia. Their tonnage was about six times that carried by the French, three times that by the German railways, and at least ten times that by the Russian railways. They carried about ten tons per head of population, as compared with seven tons per head in Great Britain, four in Germany, and three in France.

This enormous development of traffic has naturally benefited the community as a whole, even if the cheap rates at which it was carried have temporarily lowered the net receipts of the railways. That this latter result has occurred is not to be denied. The dividends paid have become more attenuated every year. In 1872 the average percentage of net earnings on capital expenditure was rather over five per cent.; in 1888, the return, similarly ascertained and expressed, was only about 3.1 per cent. But it is not a little remarkable that some of the leading railways, with the lowest rate of freight, have had the highest rates of dividend. The most important railway system, not in the United States alone, but in the whole world, is that known as the Pennsylvania Railway. This wonderful fabric, with some 4,000 miles of line, had in 1887 a gross income of £23,300,000, carried 113½ million tons of traffic, and over 74 millions of passengers. And yet the company were content with an average rate of 34*d.* per ton per mile, and an average profit of 10*d.* per ton per mile, which is approximately less than one-third the average freight rate charged in the United Kingdom, and less than one-fifth the average profit charged on British railways per ton per mile. Did the company in consequence go into liquidation? Not a bit of it. They paid a five per cent. dividend all round and carried £330,000 to the credit of profit and loss. The experience of the Pennsylvania has been that of other companies, only "writ large." If the unremunerative and recently constructed lines in the West and South are eliminated, and if the group of States in which the traffic has been matured are alone considered, such as the Central and Eastern States, it will be found that the average net receipts from American railways are sufficient to pay quite as high dividends as are paid by the average of the railways of the United Kingdom. This fact is clear and sufficient proof that, in the United States at any rate, high railway charges are not necessarily a correlative of high prosperity, although that appears to be a not uncommon view of the case in the United Kingdom.

*Africa as a Source of Gold.*—A great deal of English money has been spent in South Africa to develop its gold mines. There is a large amount of gold in that quarter, but the conditions for



mining are not favorable. Occasionally, rich finds are made, enough to stimulate those who are operating, and to tempt others into the fields. On the whole, however, the quantity of gold obtained has not been sufficient to remunerate the capital expended in a satisfactory manner. An Australian writer, who has visited that country, and studied them with care, says:

On the Rand alone there is more machinery than in the whole of Queensland, the country is easily worked, labor is cheap (so the Africander says), water plentiful. The batteries are up; yet the returns for the year are, South Africa (the whole of it), £1,200,000 odd, Queensland; £2,700,000 odd, leaving out the rest of Australia. . . . This machinery is on the ground, the best of the reefs are right on the surface, but the quantity of gold to represent all this money and machinery is not forthcoming.

He also added with respect to placer or alluvial mines, viz.:

Pilgrim's Rest is the only placer yet discovered in South Africa worthy of the name of an alluvial diggings. There is no doubt that a very considerable amount of gold was got there in the early days, and many men are reported to have left with sums varying from £5,000 to £12,000, and nuggets up to as much as 213 oz. were found. There is very little doing in the district now, however, and the alluvial gold got is next to nothing. A little bit of gully raking, similar to Teetulpa, South Australia, is going on in different parts of the country, but it really amounts to very little, and unless there are richer deposits further north, South Africa as a field for alluvial may be considered a failure.

The *Financial and Mining Record*, commenting on the above, adds: "It is to be admitted, however, these African mines have been exploited under one greater drawback than has attended Australian mining; that is, the enormous cost of carriage from the coast. One thing is certain, before the Transvaal mines can be made a lasting and extensive center of gold supply, there must be railway connection between them and the coast, as also with the African coal fields that have been found, so that the large bodies of low grade ore which seem to exist in the Rand and its dependencies may be profitably worked. This, however, is promised within the next eighteen months."

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*Organization and Reorganization of Industrial Enterprises.—*

It has been maintained of late years that great companies were desirable because they could manufacture at less cost than smaller ones. The destruction of the small independent producer has been regretted, but the compensating feature has been the purchase of things at a lower cost to the consumer. The most marked feature of the new organizations is their excessive capitalization. Evidently the thought of the schemers is to grab the present profits, sell out, and thus consign to others the work of production and meditation. In various quarters of the country lands have been purchased, enterprises started, and sales have soon followed at greatly increased valuations. The last purchaser in a

speculation of this kind never hesitates to buy, however great may have been the advance paid, if he thinks he can do the same thing in turn, and at an early date. Another feature in floating these bubbles is that, whenever possible, the aid of highly reputable houses is sought. It is by no means a pleasant thing to read of some of the companies and persons now engaged in these enterprises of selling heavily inflated stocks which are not likely to pay, or only small profits. Houses which a few years ago would not have thought of doing such things are engaged in them. Of course, they are paid large percentages, but in the end the houses which remain true to their principles and refrain from lessening their reputation by engaging in such questionable business are likely to gain far more. What will be the effect of these organizations on such a highly inflated basis over others organized with much smaller capital? They must be content with smaller profits and dividends, or must seek to earn as large dividends as formerly by cutting down the remuneration paid to labor. Suppose that a new crop of industrial organizations shall be grown, based on no larger capital than is needful for conducting the business with the greatest success; then the other concerns, having a much larger capital, must either cut down the wages of labor, or make smaller dividends, or end in bankruptcy. In that event, a reorganization will again occur on a lower basis, and nearer the original. This has been the history of many railroad enterprises having an inflated or excessive capital, and we are inclined to believe that the stockholders in these highly inflated industrial concerns may look forward to a similar result. This may not be a very cheerful prospect for them, but not a few, we fear, will see it.

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#### SHOULD THE SUB-TREASURY BE ABOLISHED?

In the last number of the *MAGAZINE* was a paragraph in which we ventured to repeat what has been said many times before, that the abolition of the Sub-Treasury system, and the putting of the Government deposits in the banks, would afford no relief to the country in a time of unusual monetary stringency. The *New York Indicator*, whose opinions we always value, seemed to think that we had greatly strayed from the truth of the matter. This question of Sub-Treasury or no Sub-Treasury is a very old question, on which people have differed ever since it was founded, and we presume they always will. We cannot, however, see how any relief, of a permanent kind, can be obtained by the abolition of the system. As we said in the last number, if the public money is all put in the banks they will not keep it, but use it just as they use the moneys of other depositors. Or if they could not use it,

they would not have it, for certainly they would not care to have a useless deposit. Now, if all of the Government's millions are put into the banks from time to time, as they are paid into the Treasury, and loaned out as speedily as possible, where is the relief on which to fall back in a time of monetary pressure like that which has existed in New York for the last two or three months? One reply is, that if all the money was in circulation, or in the banks, there would be no monetary stringency. But this view we believe to be without any rational foundation. Have we not seen, again and again, that the amount of money in the country, however large it may be, has become accommodated to the business? If the amount was doubled within the next five or ten years prices would advance, the money would be distributed among the banks and the people, and when the autumn came around there would be no larger reserve, perhaps, than exists at the present time, and there would be a repetition of the same trouble. In fact, the lower the rates for money the more anxious the banks would be to lend out every cent in order to increase their gains. So we should find exactly the same state of things existing that we do at the present—a lack of money for special purposes. The abolition, therefore, of the Sub-Treasury system, and the putting of the public money in the banks, will not help us in the least in that regard. If, indeed, it could be kept there as a reserve, then we are quite willing to admit that it would be a good thing, but there is no reason for supposing that this would be the case. What is needed is a reserve somewhere, and for aught we see, the Government might just as well keep it as the banks; in other words, nothing would be gained by transferring it from the Sub-Treasury to the banking institutions.

The true policy for the Government, we contend, is to pay its bills promptly, and to expend its surplus in discharging its permanent indebtedness; then there would be no surplus to wrangle over. The Government's business is such that it can calculate with exactness the amount of its expenditures; consequently only a very little money ever need be kept in the Treasury. The existence of the Sub-Treasury system by no means compels the keeping of so much money by the Government; this is simply a policy, and not a law. Let the Government pay its bills promptly, and spend the rest of its money in the ways indicated, and the bottom will be knocked out of the argument for abolishing the Sub-Treasury, for the simple reason that there would be no money left in the case of such an abolition to be put in the banks, or anywhere else. The question is certainly a very important one—the providing of a reserve for special occasions. The National banking system provides for such a need, but the system lacks flexibility. The banks regard the reserve as too fixed. The remedy it seems to us, is to change

the policy with regard to the bank reserve; to exercise more freedom in the use of it; and if this will not afford sufficient relief, then a way must be found either for increasing that reserve or for creating another.

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### THE BANK OF NAPLES, ITS HISTORY AND ORGANIZATION.\*

The Bank of Naples is an economic "monstrosity," if this word be taken in its true meaning. A patrimony of over ten million dollars that is nobody's property, annual profits of almost two millions that no one can claim, a huge administration, a formidable power placed not in the hands of an impersonal being, a corporation, but in the hands of an abstraction, if we may venture so to speak, these are the most striking points of a credit institution now unique in its way. It offers also many other things worthy of note.

We have in France such moral entities as, for example and without going far to seek, the five classes of the Institute. Each of them has a considerable patrimony. The interest on it must be employed either in accordance with the donor's express stipulation or at the will of the academicians. But the proprietorship of this patrimony, or at least the right to its fruits, belongs to real beings, just as its management rests with definitely determined persons. To speak more precisely, if we suppose a forced liquidation of the Institute's property, we should know to whom would return the care of what the generosity of the dead has bequeathed it.

The Bank of Naples is differently constituted. If a liquidation should occur—and this is not a merely theoretical hypothesis—it would be absolutely impossible to proceed to the division of its immense fortune with even any appearance of equity or right, except the right of the lion, for it is not difficult already to-day to hear the murmured "*quia nominor leo*," which will to-morrow be cried aloud. It is hardly four months ago since the lion's claw left its imprint upon the bank. The dissolution by decree of the General Council is and can be only the prelude to a confiscation, however disguised that may be. The economic conditions of southern Italy, of ten millions of human beings, will be upset by it. Is not this a subject of study interesting enough to apologize for our setting before the eyes of the thoughtful public the elements of the impending trial?

From the infinitely higher point of view of economic science,

\* Translated from the French of the Viscount Combes de Lestrade by O. A. Bierstadt.

this study is infinitely more interesting. The history of the Bank of Naples is the recapitulation of the history of banks. There is no branch of banking industry which it has not operated. There is no method of operation which it has not employed. To write its history—and such is not our pretension—would be to write that of the institutions of credit from the Middle Ages to—not to our time, for it has let itself be far surpassed but to the middle of this century.

Why has it not been written? Because everything is difficult to him who attempts it.

Even its name. We translate the words "*Banco di Napoli*" by "Bank of Naples," and this is an unavoidable mistake. The existing opposition, the almost open war between the "*Banco*" and the new "*Banks*" are there to inform us of it. *Banco* is the bench that lenders and discounters occupied in olden times. Because *Banco* has been made into *Banca*, while the lender has been made into the banker, this changes nothing in the real character of the Banco. In this difference of words we find again the proof that the Neapolitan institution cannot be compared with the present banks. Its different name gives us a hint of the peculiarities we shall find in studying this company without stockholders, this enormous wealth without owner, whose managers come from impersonal bodies.

We shall consider it only down to 1883. With unprecedented severity the Government of Rome has just dealt a blow to the Council of the Banco di Napoli. The semi-official newspapers have been more than cruel towards the latter. To study its management would be to take part in a contest, the results of which will be immense. We shall not do this, and only down to the abolition of the forced currency shall we follow the vicissitudes undergone by the ancestor of all the banks of Europe, the model of all the banks of Italy.

## I.

The Banco di Napoli is indeed the oldest of the financial establishments now in existence. The London Bank dates from 1694, that of Vienna was founded in 1703. The banks, of which the Bank of Naples is at once the heir and the continuation, were instituted in part in 1539. It must yield precedence to the Monte Vecchio of Venice, to the Bank of St. George of Genoa, which went back to the twelfth century, to the Bank of Barcelona, created in 1349. These three institutions became extinct after a long and prosperous life.

Don Pedro de Toledo, in 1539, published one of those ordinances against the Jews, which we are so accustomed to finding in the archives. As much to allow of their expulsion, without too much

injury to the needs of the population, as to offer to the latter a less burdensome credit, there was opened in the Strada della Selice a Mont de Piété, the first in southern Italy.

It has been sought to give the honor of this institution to St. Gaetano di Tiene, aided by the resources of his friend and penitent, the Count of Oppido. The Theatin monks declare that this is one of the best established titles of their founder's glory. The documents preserved in the archives do not at all confirm this tradition. According to them there were two pious Neapolitan citizens, Aurelio Paparo and Leonardo de Palma, who with their money redeemed in 1539 all the pledges held by the Jews, and opened the Mont de Piété of the Strada della Selice. The two philanthropists selected a place near the Ghetto, in order not to disturb Neapolitan habits, and, as may be remarked in all similar much more religious than commercial establishments, money was lent at first without interest. At Freising, in Bavaria, from 1198, at Salins from 1350, at London from 1361, when Bishop Michael left for this purpose 1,000 gold marcs to the treasury of the chapter, loans were made either without interest or at an extremely low rate. In Italy, too, money was lent gratuitously. Barnaby instituted the Mont de Piété of Perugia in 1462, that of Orvieto in 1464. Rome, also, at the initiative of John Calvo, had its own in 1439, and it was evidently when reassured by its example with regard to the orthodoxy of the institution, that the two Neapolitan citizens founded the house which was later to know such brilliant fortunes.

They were assisted by other pious persons. The Mont, having removed to the Foundling Asylum, where it secured the use of some small enough rooms, was supported and managed by a brotherhood of four persons: the two founders, a notary, and the Jesuit Salmeron. Voluntary gifts were not wanting. In 1570 it was able to lend 20,000 ducats. In 1577, 28,600, and in 1583, 65,000.\*

This prosperity allowed of developing the work, and this development was effected as much upon its pious side as upon its commercial side. Operations were no longer limited merely to lending money to the poor; orphan girls were given dowries; men imprisoned for debt were released; slaves captured by the Barbary pirates were ransomed. About 1573, deposits payable on demand were accepted. The Mont became a real bank of circulation. The business rapidly increased, and it had to settle in a more spacious and independent fashion in the palace of the Dukes of Andria, not far from that San Giacomo street, where we find it to-day. A little later it was able to build a palace for itself.

Money was no longer loaned without interest except to the

\* The ducat is worth about \$0.85. But the *relative* value of the money must be taken into account.

amount of ten ducats. From the profits on larger loans a considerable sum was taken for good works. The rest went to swell the fortune of the institution and rapidly increased it, for in 1634 its own income amounted to 45,000 ducats. In 1785, shortly before the great crisis, notwithstanding all the new branches and the necessity of sustaining them, 700,000 ducats were reserved for gratuitous loans for periods of three years.

This prosperity of the Mont de Piété did not prevent the rise of other establishments, not rivals exactly, but sharing with it in the work of helping the poor.

In 1563, the Mount of the Poor was founded in a very touching manner by a benevolent man, whose name has not come down to us. He was a lawyer, and passing by the bars of that gloomy Vicaria prison of lugubrious memory, he noticed a prisoner's hand holding out to him through an air-hole a ragged coat, and heard his voice asking in exchange for it the loan of a few carlines, for want of which he was in prison.

The lawyer gave the money and refused the coat. Soon afterwards he instituted a brotherhood and founded an establishment expressly for prisoners. The brotherhood collected money and the establishment lent it out. Each of the nine quarters of Naples furnished a director, chosen from among its most honorable citizens.

They sent out collectors, dressed like penitents, to hold out a contribution-box to the passers-by.

In 1585, in the king's name, the viceroy sanctioned their statutes, and they built a house in the dependencies of St. George's Church.

As the Mont de Piété loaned only up to ten ducats without asking interest, the Mount of the Poor fixed upon the figure of five ducats, above which it expected some return from its capital. Its prosperity came speedily. In 1602 the members of the brotherhood were exempted from all donations, and the honor of belonging to it became hereditary.

When deposits began to be received the neighborhood of the courts caused all the judicial deposits to flow to the Mount of the Poor.

The certificates of deposit that it delivered bore the words, "Fa fede," and from them are derived those "fedi di credito,"\* which so long remained the only instrument of circulation. Finally these certificates of deposit were admitted to the clerks' offices, and every time litigants were requested to deposit some money, the deposit was made in the Mount of the Poor, the conditions of repayment being mentioned upon the receipt.

\* Our letters of credit hardly correspond to the "fedi di credito," and we beg leave to use, without translating it, the name of the only instrument of credit that Naples knew during three centuries.

A royal decree of December 22, 1622, declared it a public bank. While preserving its autonomy, which it did not lose until 1800, it enlarged its sphere of action sufficiently to enable it, in 1750, to devote 180,000 ducats to gratuitous loans.

The pious brotherhood of the Annunziata had, as we have seen, lent to the Mont de Piété room enough for a beginning. Its directors were struck by the extension which their charitable enterprise received from the annexation of a loan bank, and, without losing sight of their original purpose, they opened, in 1587, the Bank of the Annunziata or *Ave gratia plena*. We find it almost always designated by the initials of this last title, A. G. P.

Almost immediately the Hospital for Incurables imitated the example, and in 1589 opened a bank under the name of St. Mary of the People. Dissensions ensued, and the two institutions were separated. Until 1806 St. Mary of the People had its own existence, seeing its prosperity assured by the monopoly of the financial operations of the municipality.\*

The Bank of the Holy Ghost was likewise founded by a pious fraternity. In 1590 it began as a deposit bank, with a guarantee capital of 18,000 ducats. In 1629 it became, by viceroyal ordinance, a bank for loans upon pledges, with a capital of 40,000 ducats.

Three gentlemen of Anjou, Jean Dottens, Guillaume Bourguignon and Jean Léons, had, in 1270, established a hospital for pilgrims and soldiers. After varying fortunes the San Eligio Hospital fell little by little into a decline. Its managers thought they saw a remedy in the operations that were enriching the rival fraternities. We find some deposit receipts of the San Eligio Bank dated 1592, without being able to fix the exact date of the transformation of our compatriots' work.

Don John of Austria, in memory of his never-to-be-forgotten victory of Lepanto, had founded a hospital dedicated to Our Lady of Victory. The Church of San Giacomo, built in 1540 by Pedro de Toledo, and destined for the Spaniards, became the chapel of this hospital, which gradually assumed its name. The pious work did not escape the contagion of example, and became a bank, the San Giacomo Bank. It is supposed to have begun in 1589. Not so old as its competitors, it has had the fortune of seeming to survive them. Just as when two rivers uniting, a geographical injustice may bestow upon the stream they form the name of the less important, so the Neapolitans have always called by the name of the San Giacomo Bank the strong credit institution into which merged the different banks founded by the piety of their ancestors.

If we add the Bank of the Savior, a mere speculation founded

\* Although it is absolutely wrong to claim that it was an appendage of the municipality.



in 1640, we see that at this date Naples possessed seven banks, whose common character was :

"A capital furnished by benevolence and increased by the profits; an independent administration; gratuity of loans up to a certain amount; the absence of any owner or stockholder able to claim either the capital or its profits." All seven had for their object the lending of money upon pledges and the care of deposits, which made their fortune, and which we will now consider.

## II.

It was entitled "apodeictic care," from the Greek *Αποδείκτιχος*, "demonstrative"; this word was selected as expressing better the very clear way in which the accounts of the deposits were kept rather than the nature of the accounts. The banks made no innovation in adding this care of deposits to their loan offices. For a long time before the bankers had been receiving deposits and acting as the cashiers of their customers, to whom, moreover, they rendered many other good offices. In turn money changers and merchandise brokers, they were also and above all notaries. The transactions taking place through their agency were written up in their books, both in consequence of the profit they drew from the brokerage and to prove the payments they made from the money deposited with them. These writings were considered proofs, and for a very long time the Neapolitans wanted no more regular ones.

An edict of Queen Joanna, of March 18, 1496, released from all taxation the operations carried on through their intervention. It may be imagined whether this easy and lucrative profession was likely to tempt ambitious men. Many black sheep got into the flock, and the corporation was about to bear the blame for the doings of the new comers, when the Emperor Charles V. regulated the profession by a pragmatic of June 18, 1549.

He first subjected them to a guarantee of 100,000 ducats, and further declared that any banker behindhand six days in restoring a deposit or paying a just debt should be liable, after a delay of six days more, to the penalty of death and to be outlawed. They had the liberty of taking vigorous measures towards their colleagues, but they must pay a fine of 100 ounces of gold, if their signature was not honored. This last provision is of the reign of Philip II.

These severities, the subsequent increase of the guarantee to 150,000 ducats, an attempt, unsuccessful though it was, to grant a banking monopoly to four bankers, and chiefly the competition of the public banks, brought about a decadence of the bankers. It was hard for them to struggle against institutions whose capital required no remuneration, whose management was gratuitous, and

for which the viceroyal government was as prodigal of favors as it later became of severities. In 1604 we find the last certificate of deposit signed by a private banker.

The banks of Naples were not, it is well to remember, deposit banks. The often quoted anecdote of the Bank of Amsterdam, keeping for centuries the same money and returning the same coins that a fire had blackened some two hundred years before, could not have happened in Naples. They were absolutely banks of circulation. Created for the purpose of putting down usury, they were obliged to make use of the funds brought them. The right they had to do so may be proved in ten different ways, all quite irrefutable. The *fedi di credito* were and still are drawn up in such a manner that doubt is impossible. They do not say, "X. has deposited," but "X. is given a credit of —."

The object of the banks is therefore evident: first, to keep the specie brought them for bonds redeemable at sight, then to mobilize this specie by accepting these bonds in payment, by exchanging them for other bonds and maintaining a register of the transactions of which they were the money; finally, to loan and carry on banking both with this specie and with their own resources.

The restriction of the operations to lending money upon pledges could not, indeed, be long kept up. An edict of the viceroy, Count of Lemos, of April 27, 1612, released the banks from it. They frequently became the executors of important legacies bequeathed for some pious purpose, especially for those *marriage legacies*\* so common in Italy.

The instrument most in use, which still continues to render the greatest services, was the "*fedi di credito*," the letter of credit. We shall see its modifications. In the beginning it was a paper proving that X. was the bank's creditor to the amount of —. It was transferable by indorsement, and—this is the reason of its success—the indorsement might mention the motive determining it. In this way the "*fede*" formed a real contract, always kept in the bank's archives, releasing the parties from drawing up any troublesome and difficult document.

At the bank was kept the "*Madrefede*," a real current account, in which a credit was made by the payment either of "*fedi*" or coin, the debit by the delivery of "*fedi di credito*," or the payment of checks called noted policies.†

The advantage of the letter of credit over the bank note arises from the mention of names upon the paper, which prevents its counterfeiting and loss, and from the privilege given indorsers to write on it the conditions of the payment they are making. This

\* *Ligati de matrimonio.*

† *Polizze notale.*

privilege was coupled with the obligation for the bank to see that the conditions were fulfilled. A notary public, attached to the bank and called the Pandectary, was intrusted, upon his responsibility, with the duty of assuring himself of the fact, and the "fede" was only paid after his approval.

This personal character of the "fedi," and the ease with which a counterfeiter could be detected, prevented nearly all counterfeiting. As far as the materials are concerned, counterfeiting would have been very easy. The paper, ink, and stamp had nothing particular about them, or which could not be easily imitated. Not until about 1750, after more than a century and a half, did the banks have some plates engraved and carefully kept for their "fedi di credito." The establishments of charitable origin must have found an obstacle to their prosperity in the ecclesiastical law prohibiting the lending of money on interest. They eluded it at first with adroitness, and violated it afterwards with effrontery. We notice a loan of 772 ducats, authorized "at a rate equal to that paid by the borrower on a debt that he wishes to settle by means of this loan."

Thus, little by little, getting around the precepts of the Church, and later breaking through the rule that prohibited any issue of "fedi di credito" which should not be preceded by the paying in of their value, the banks lost the excessive circumspection of their beginning. Wisely managed, in a position to be well acquainted with their customers, they went into operations not so safe materially, but which helped in an equal degree their own development and the interests of Neapolitan commerce. Excepting their original peculiarities, they acted quite like modern banks. We shall see them meeting a formidable enemy, the viceregal power, which seems to have aided in their growth only in the same way that the fisherman of the fable let the fish grow.

[TO BE CONTINUED.]

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#### THE LARGEST LANDED PROPRIETOR.

The Czar of Russia is the largest landed proprietor in the world. He has one estate covering over a hundred million acres, that is to say, a quantity of land whose area is more than three times that of England. Another of his estates is twice the size of Scotland. The entire landed estate of the Czar consists of more than a million square miles (United Kingdom area 120,832 square miles) of cultivated land and forests, besides his gold and other mines in Siberia, and produces a vast revenue, the actual amount of which is not known, as no reference to the Czar's private property is made in the budgets or finance accounts of the Russian Empire. The Duke of Sutherland, the largest British land-owner, only possesses about 2,164 square miles of land in the United Kingdom, or 1,385,000 acres, and about half a million acres of land in America. The Union Bank of Australia has acquired possession of 7,870,825 acres of land in that continent, which probably makes it the second landed proprietor in the world.

## TAXATION OF NATIONAL BANK SHARES.

U. S. CIRCUIT COURT, E. D. OF VIRGINIA.

*The National Bank of Virginia v. The City of Richmond et al.*

The shares of a bank cannot be assessed and taxed *in solido* against the bank. If taxed at all, they must be listed in the name of the shareholder.

BOND, J.—On July 17, 1889, the defendant, Cunningham, who was the Collector of Taxes for the city of Richmond, presented to the Merchants' National Bank of Virginia, located at Richmond, a bill of taxes assessed upon the shares of stock of that association, of which the following is a copy:

(Ward 3.)

THE MERCHANTS' NATIONAL BANK.

TO CITY OF RICHMOND.....DR.

Tax on shares of stock.....	\$255,000
Less value of real estate.....	53,942

\$201,058 at 1.40—\$2,814.81

With a request that the same be promptly paid to avoid a penalty of five per cent. imposed by the ordinances of that city upon delinquent taxpayers.

A similar bill for taxes to the amount of \$2,324 was presented to the National Bank of Virginia, as a tax on its shares of stock, which were valued at \$216,000, with a deduction of \$50,000 for real estate held by the bank.

After the presentation of these bills by the collector, the corporations whose shares had been assessed for the payment of the tax, filed separate bills of complaint in this court to enjoin the collector from proceeding to collect the same from the bank. A temporary injunction was issued, and now the matter having been finally heard upon their answers and exhibits and arguments of counsel, it is to be determined whether the temporary injunction shall be dissolved or made permanent.

The power to tax National bank shares is given by section 5,219 of Revised Statutes, which declares that nothing in the law of the United States respecting National banks shall prevent all the shares in any (such) association from being included in the valuation of the personal property of the owner or holder of such shares, in assessing taxes imposed by authority of the State within which the association is located.

The tax in these cases is assessed upon all the shares issued by the association *in solido* against the association and the cashier is required by the collector to pay it, or be subject to a penalty.

In the case of the First National Bank of Richmond, tried in this court a short time ago, the record in which case has gone to the Supreme Court, it was held by the District Judge that such an assessment of tax on the whole of the shares of a bank, at their market value, was nothing else than an assessment of the capital stock of the bank, and was not authorized by the act of Congress, and that to tax the shares of the bank at all, they must be listed in the name of the shareholder.

Any other view of the law than this would work a grievous wrong to the shareholders of National banks.

By the law of Virginia, every person assessed for a tax upon his personal property has a right to deduct from the valuation the amount of his indebtedness, so that he may be charged only with taxes on what he owns when a balance is struck between him and his creditors.

To assess the bank on all its shares, *in solido*, is to prevent entirely a shareholder therein from this benevolent and just provision of the law.

Since the decision in the case of the National Bank of Richmond, prompted by a desire to remedy this difficulty, the General Assembly of Virginia, by act approved January 27, 1890, provided

AN ACT to legalize and confirm certain taxes imposed by the city of Richmond for the year 1889, upon all the shares of stock issued by State and National banks located in said city.

(1.) Be it enacted by the General Assembly of Virginia, That the assessments for taxes imposed by the city of Richmond for the year eighteen hundred and eighty-nine upon all shares of stock issued by State and National banks located in said city, and required by said city to be paid by the cashier of each bank, respectively, are hereby legalized and confirmed, subject to the right of the shareholders or their personal representatives of stock issued by the National or State banks, which were located in said city during the year eighteen hundred and eighty-nine, to claim a deduction from or cancellation of such assessment as provided for in the next section.

(2.) Within five days from the passage of this act the Collector of City Taxes of said city shall notify the cashiers of each of said banks that at the office of such collector, the said collector will be in attendance at his office for three weeks subsequent to the service of said notice, and will hear any applications that may be made to him for the purpose of deducting from the assessment aforesaid any amount which any shareholder of any one or more of said banks, or any representative of such shareholder, by reason of the indebtedness of said shareholder, would have been entitled to deduct from the aggregate value of his shares of stock, had such amount been invested in other moneyed capital.

(3.) During the time above named the cashiers of any of said banks, or any holder of any shares of stock issued by any of such banks assessed as above stated, or any one representing any such shareholder, may appear before such collector and make application to have a deduction made as above stated. The collector shall have power to administer an oath to the applicant, and after an examination of him upon the material facts of such application, shall grant such deduction; provided the shareholder has made no deduction on account of his indebtedness from his other personal property. Or if the said collector shall be satisfied from the evidence before him, or otherwise, that any such shareholder paid a municipal or county tax for the year eighteen hundred and eighty-nine upon his shares of stock in any other county, city or town of this State, he shall deduct from said assessment an amount equal to the tax charged in said assessment upon the shares of the stock so held by such person.

(4.) After the expiration of the time allowed for hearing the applications above mentioned, the said collector shall amend the tax bill now held against each cashier, as above mentioned, by deducting therefrom the aggregate of such deductions as may be allowed to the stockholders of the bank of which he is cashier. After each of said tax bills has been so amended, so far as required by reason of any such deductions, the collector shall present the same for payment to the cashier against whom

it is assessed, and if the same be not paid within ten days from said presentation, the same shall then become a delinquent tax due said city and liable to the imposition of such penalties, and to be enforced as other delinquent taxes due said city.

(5.) This act shall be in force from its passage.

It seems from this statute that the State still adhering to the right to assess the tax on all the shares of a banking association to the association, has directed the collector to notify the cashier of such bank that he will be ready at a certain time and place to make any deduction from the assessment which any shareholder may show he is entitled to, and that he will amend any bill against any cashier as he may be advised after such showing. But this does not avoid the difficulty; for even if it were the duty of the cashier, which it is not, to notify the stockholders that the bank has been assessed for a tax upon its whole shares at a certain valuation, it would be impossible for him without great difficulty to apportion its amount among the shareholders. The taxes of the city of Richmond are higher than they are in the lesser towns of the State, and a shareholder in Danville is not liable for as much tax as a shareholder in Richmond, nor is his tax payable to the same municipality. While the cashier can be required to collect and pay the tax, he cannot be required to ascertain its amount. This is the duty of those appointed to assess and levy the tax in accordance with the law of Virginia.

It was in view of this that Congress provided (Revised Statutes, 5,210) that every National bank should keep at all times a full and correct list of the names and residences of all the shareholders of the association and the number of shares held by each—to be open to the inspection of all the shareholders, and the officers authorized to assess taxes under State authority. The last clause would be useless if the State officers were permitted to discover the number of shares the bank had issued and then assess the tax on them *in solido* against the bank at market value. The method of assessment of this tax was illegal in the first instance and void, and no act of the General Assembly can validate it.

The case of *Supervisors v. Stanley*, 105 U. S. 305, which has been urged in argument in support of the validating act above quoted, is not in point. There it appears the assessment was against the stockholders.

We think the injunction heretofore granted should be made perpetual, and it is so ordered.

HUGH L. BOND, Circuit Judge.

HUGHES, District Judge, concurred.



## INSPECTION OF BANK BOOKS.

## SUPREME COURT OF ALABAMA.

*Winter v. Baldwin, et al.*

Code Ala. 1886, § 1,677, which provides that stockholders of all private corporations have the right to access to, and inspection and examination of, the books, records, and papers of the corporation, at all reasonable and proper times, applies to National banks located within the State; and *mandamus* will lie against the officer having custody of the books to enforce the right.

The rights of stockholders conferred by the above statute are not curtailed by, nor is the statute in conflict with, Rev. St. U. S. § § 5,240, 5,241, which provide that National banks are subject to examination by an officer appointed by the Comptroller of the Treasury for that purpose, and that they shall not be subject to visitatorial powers other than those authorized by Congress, or vested in the courts of justice.

The appellant in this case filed his petition for *mandamus* against the First National Bank of Montgomery, and alleged that he was a stockholder in the said bank; that he had made application to A. M. Baldwin, cashier of the bank, to be allowed to inspect the books, records, and papers thereof, which was refused; and he prayed for the alternative writ of *mandamus* requiring and ordering the said First National Bank or its agents and officers to allow and permit him to make such examination at such times as may be reasonable and proper. The bank and its cashier each made a motion to quash the writ, on the ground that no *mandamus* can issue to a bank chartered under the laws of the United States, that the State statute under which this petition was filed does not apply to National banks, and other grounds unnecessary to be noticed. Upon the hearing of these motions the court quashed the writ, and this ruling of the court is assigned as error.

SOMERVILLE, J.—The statute declares the law of this State to be that “the stockholders of all private corporations have the right of access to, of inspection and examination of, the books, records, and papers of the corporation, at reasonable and proper times.” (Code 1886, § 1,677.) This statute is but a slight modification of the rule of the common law, and its construction is fully discussed in the case of *Foster v. White*, 86 Ala. 467, 6 South. Rep. 88. We there held that the purpose of the statute was to secure to the stockholder of every corporation the right generally to examine the books at all reasonable and proper times, and that, upon a denial to him of the exercise of this right, he was entitled to a *mandamus* upon an averment of facts which *prima facie* bring the applicant within the terms of the statute, and showing such denial. If the inspection is sought from improper motives, or for reasons which are insufficient to justify it, this was said to be a matter of defense not necessary to be negatived by the applicant, by way of anticipation, in his pleadings.

The present application is made by a stockholder in a National bank, and the main question raised is whether these institutions are entitled to the prerogative of being exempted from the operation of the above section of the Code. The decisions are numerous which hold that the States are restrained from legislating adversely to the interests of these banks, or discriminating unfavorably against them on the ground that they are authorized, constitutional agencies of the Federal Government, appropriately designed to aid in the administration of the fiscal operations of the Government. These decisions have reference chiefly

to State laws evincing unfriendly discrimination in the exercise of the taxing power, the tendency of which was often to cripple their influence, and even destroy their very existence. (*Pollard v. State*, 65 Ala. 628 ; *People v. Weaver*, 100 U. S. 539 ; *Cook, Stocks*, 2d Ed. § 571.) There is nothing of a hostile or discriminating character in the operation of the statute under consideration. Its purpose is to place all stock corporations on precisely the same footing ; to confer on the stockholders of each the right to know their financial condition ; to ascertain whether they are being honestly and profitably conducted, or otherwise ; and to keep a supervision over all the details of management which can in any way affect the value of the stock, including the good fame and financial integrity of the institution. The statute unquestionably applies to banks incorporated by the States. We see no reason why it should not also apply to National banks.

The principle is enunciated in general terms by the United States Supreme Court in *Waite v. Dowley*, 94 U. S. 527, as follows : " We have more than once held in this court," says Mr. Justice Miller, " that the National banks organized under the Acts of Congress are subject to State legislation, except where such legislation is in conflict with some Act of Congress, or where it tends to impair or destroy the utility of such banks as agents or instrumentalities of the United States, or interferes with the purposes of their creation." It was decided in that case that a statute of the State of Vermont was valid which required the cashiers of National banks in that State to transmit to clerks of the several towns a list of the shareholders, with the number of their shares, for the purpose of taxation. The same doctrine had, in effect, been previously announced in the case of *Bank v. Com.*, 9 Wall. 353, where a statute of the State of Kentucky required " the cashier of a bank whose stock is taxed to pay into the treasury the amount of the tax due. If not, he was to be held liable for the same, with twenty per cent. upon the amount." The tax itself was authorized by the Act of Congress, but the State law undertook to regulate the mode of its assessment and collection, by obliging the cashier to collect the tax out of the dividends, and pay it over to the State. The objection was taken that a State could not thus interfere with National banks by interposing such a duty on their officers ; but the United States Supreme Court held the law to be a valid exercise of State legislative power, and free from constitutional objection.

We can see nothing in the right conferred on a stockholder to inspect the books of a National bank which in any manner tends to impair or destroy the utility of such banks as fiscal agents of the Federal Government, or which interferes with the purposes for which they were created. Nor can we see anything in the laws of Congress which, even by implication, forbids the exercise of such a right by stockholders. These laws, it is true, authorize the appointment of bank examiners by the Comptroller of the Currency, and provide that these institutions shall not be subject to any visitorial powers other than those which are authorized by Congress, or " vested in the courts of justice." (Rev. St. U. S. § § 5,240, 5,241.) But these provisions were not intended, in our opinion, to curtail, or even to regulate, the rights of stockholders, or their relations towards the bank. An Act of Congress will not be construed to take away the jurisdiction of State courts, or to remove any favored persons or institutions from the equal operation of State laws, unless the purpose to accomplish this result is unambiguously expressed, or implied by necessary intendment. (*Cooke v. Bank*, 52 N. Y. 96.) It was accordingly held in *Bank v. Gunst*, 1 Abb. N. C. 292 (1876), that a National bank organized under the Act of Congress, which was



decided to be a foreign corporation, was subject to a general statute of New York requiring foreign corporations to give security for payment of costs before instituting a suit in a State court. That decision was made by the New York Superior Court, but no appeal was taken from it. (See, also, 2 Morse, Banks (3d Ed.), § 157, p. 1,294; Gould & T. Notes Rev. St. U. S. 961, 962.) We accordingly hold that a National bank is subject to the influence of section 1,677 of the Code of Alabama equally with all other corporations.

\* The writ, however, must issue against the cashier of the bank, or other officer having the custody of the books; and it does not run against the corporation as such, unless to compel the discharge of some corporate duty. The bank, in its corporate capacity, was not a proper party defendant to this proceeding. (Wood, Mand. 23, 29, 30; Mos. Mand. 199; *People v. Throop*, 12 Wend. 183; *People v. Mott*, 1 How. Pr. 247; Ang. & A. Corp. 11th Ed., § 707.)

Reversed and remanded.

Clopton, J., dissented, holding that section 1,677 of the Code was not intended and does not apply to associations incorporated under the National bank act of Congress; the relative right of the shareholders, and duties of the officers to them, not being proper subjects of State legislation.

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## FORGERY.

### SUPREME COURT OF GEORGIA.

#### *Georgia Railroad & Banking Co. v. Love & Good-Will Society.*

Where a bank pays money of a depositor to one who has forged his name, the bank knowing that such depositor cannot write, it is liable to him for the money so paid, though it relied on the forger's statement that he had authority to sign the depositor's name.

SIMMONS, J.—There was no error in refusing to grant a new trial in this case on the grounds stated in the motion. Anderson Minyard, as treasurer, deposited the money with the bank. Caesar Coleman forged Anderson Minyard's name to divers and sundry checks, which were paid to Coleman by the bank. The officers of the bank knew that Minyard, the treasurer, could not write, but accepted the statement of Coleman that he was authorized to sign Minyard's name, and paid the money when the checks were presented by Coleman. When a bank receives money on deposit from a person, it must be certain, when it pays it out, that it does so upon the depositor's order. It cannot avoid liability by showing that it acted in good faith, and that it believed, from inquiry of the person presenting the checks, that he was authorized to sign the name of the depositor to the same. Under the facts of this case, the signatures were forgeries, and the bank is liable for the money paid out thereon. The newly-discovered evidence could not possibly change the result, if a new trial were granted. Judgment affirmed.

## WAREHOUSEMAN'S RECEIPT.

SUPREME COURT OF RHODE ISLAND.

*Fifth Nat. Bank v. Providence Warehouse Co.*

A warehouseman, who gives a receipt for a specified number of cases of eggs, to be held subject to the order of a bank which he knows has advanced money to the depositor on the faith of the receipt, is not relieved from liability by the delivery of the eggs to the depositor without an order from the bank, and with full knowledge that they were covered by the receipt, though he has failed to distinguish them by any mark, and though he has kept other cases of the depositor's eggs subject to the bank's order.

The warehouseman's delivery of the eggs to the depositor without the bank's order was a conversion thereof to his own use, and the bank, as pledgee, can recover the amount of its loan with interest; the value of the property at the time of its conversion exceeding that amount.

STINESS, J.—Alverson, a produce dealer in Providence, borrowed of the plaintiff the sum of \$1,950 upon a warehouse receipt of the defendant, which read as follows:

" Providence Warehouse Co.

" Providence, Sept. 28, 1888.

" No. 5,175.

" Marks.

" Stored in Section B.

" Received on storage of C. F. Alverson & Co., subject to the order of the Fifth Nat. Bank, three hundred and ninety (390) cs. eggs. To be delivered according to the indorsement hereon, but only on the surrender and cancellation of this receipt, and on payment of the charge payable thereon.

" S. J. FOSTER, Mgr."

There were no distinguishing marks on the cases of eggs, and none noted in the margin of the receipt; but the eggs were placed by themselves in the defendant's loft. Alverson had other eggs in the warehouse, some of which may have been stored with these; but this lot was specially known to the manager and servants of the warehouse, from the fact that a portion of it got wet when the defendant was putting it into the warehouse. November 1, 1888, the defendant delivered these eggs to Alverson, describing them by the receipt number, 5,175, receiving the storage fees, and giving receipt therefor afterwards. The plaintiff sues to recover the value of the eggs. The defendant contends that, having kept other cases of Alverson's eggs, subject to the plaintiff's order, it had the right, in the absence of distinguishing marks, to deliver the eggs stored under this receipt, and hence is not liable for such delivery without the plaintiff's order. To support this proposition the defendant cites the following cases: *Dole v. Olmstead*, 36 Ill. 150, 41 Ill. 344; *Preston v. Witherspoon*, 109 Ind. 457, 9 N. E. Rep. 585; *Rice v. Nixon*, 97 Ind. 99; *Bank v. Wilder*, 34 Minn. 149, 24 N. W. Rep. 699. These are cases where grain was deposited, according to usage in common bulk, being necessarily indistinguishable; and the several depositors were held to be tenants in common of the common stock. Consequently, in the first case, loss by diminution or decay was to be borne *pro rata*; in the second, where there was a mingling with grain of the warehouseman, who was publicly selling and shipping from the common mass, an apparent ownership and authority to sell was conferred upon him, so that the depositor was estopped to assert title against an innocent purchaser in the usual course of business; in the third case, where the

warehouseman sold in the same manner, leaving enough to supply the depositor, the bailment continued, and the warehouseman was not liable for loss from an accidental fire, without negligence. These cases are, therefore, quite different from the case at bar, and depend upon very different considerations, aside from the different point involved. It is obvious that grain in an elevator is practically incapable of distinction, and can hardly be stored without commingling. But it is not so with merchandise packed in cases. (Jones, Pledges, § 308.) The warehouseman can place them in separate lots, or he can mark them with the number of the receipt. *Gardiner v. Suydam*, 7 N. Y. 357, cited by the defendant, was a suit in trover between two holders of receipts, which covered more flour than the depositor had in store, the defendant's receipt being prior in date. It was held, as there had been no delivery by separation, marks, or otherwise, the plaintiff showed no title to the specific property sued for; and, treating the receipts as agreements to deliver, the defendant had as good a right to the flour as the plaintiff. Judge Comstock, who was counsel for the respondent in that case, afterwards held in *Kimberly v. Patchin*, 19 N. Y. 330, also a suit in trover between purchasers from a depositor, upon a sale of grain, that separation from a mass, indistinguishable in quality or value, was not necessary to pass title, when the intention so to do is otherwise clearly manifested. Neither of these cases, though growing out of warehouse receipts, throw any light upon the liability of a warehouseman.

In the case before us the eggs were delivered without an order from the plaintiff, with full knowledge that they were covered by the receipt, which stipulated they were subject to the plaintiff's order. It is urged in justification that these eggs were out of cold storage, and other eggs were kept in cold storage to answer the receipt. To this the plaintiff replies that the eggs covered by this receipt were fall eggs, fresher than the others, and of greater value. However this may have been, we think it is clear that the plaintiff, under this receipt, has the right of a bailor, and is not bound to receive other property of this description in place of its own, when the bailee has intentionally delivered it to another. The transferee has the right to suppose that the described property is held subject to his order. How is he to know that the warehouseman has mingled it with other like property, so as to be indistinguishable from it, if such were the case? Surely the warehouseman is bound to some degree of care and responsibility to enable him to deliver what he receives. If it is enough that he deliver anything answering the same general description, a warehouse receipt is indeed a precarious security. The delivery to Alverson, who deposited the eggs, is no defense, since by its contract the defendant assumed the obligation to deliver only upon the order of the plaintiff, knowing from the course of business that the plaintiff had advanced money upon the receipt. The case, therefore, differs in this respect from *Parker v. Lombard*, 100 Mass. 405, cited by the defendant. That was a suit in trover by the holder of a receipt against the purchaser of a warehouse, who, without notice or knowledge of the receipt, and upon information given by his predecessor, had notified the apparent owners of the cotton to take it away. It was held that he was not liable to the plaintiffs for a conversion of the property. He had no contract with the plaintiff, and had been guilty of no negligence in trying to ascertain the ownership of the property. The case, however, is instructive, because it recognizes the rule that delivery to a wrong person is in itself a conversion by a bailee. Upon this point the opinion quotes the language of Mr. Justice Buller in *Syeds v. Hay*, 4 Term R. 260: "If one man, who is intrusted with the goods of another, put them into the hands of a third person, contrary to

orders, it is a conversion"—which is the claim of the plaintiff in the case at bar. *Bank v. Haselton*, 15 Lea 216, is nearer in point. There receipts had been given for iron, not identified, from which the warehouseman had allowed the depositor to take parts, and afterwards to restore the quantity taken. In a suit between the creditors of the depositor and the holders of the receipt, the latter claimed title to the whole, and the court allowed it upon the ground that, in effect, there had been an unauthorized loan of the iron, for which the receipt holders could have recovered the value, if it had not been replaced; having been replaced before the rights of others intervened, it inured to the benefit of the receipt holders, who had the right to ratify and adopt the unauthorized act. *Ferguson v. Bank*, 14 Bush 555, is an elaborately considered case, which, like most of the cases on warehouse receipts, involves the question of title in the holder of the receipt. There it was held that a receipt for a number of hams, procured by the owner, who had a larger number in store, without separation or distinguishing marks, carried no title for want of delivery. In criticising *Kimberly v. Patchin*, *supra*, the court suggested that, as the vendor in that case thought he was selling all, the near approach to the entire quantity may have influenced the court in holding the defendant liable for conversion. The case differs from the one before us. Here there is no question of delivery; the receipt was not for part of a larger bulk, but for a specific lot, deposited at the time of the receipt, by acceptance of the bill of lading and removal from the cars by the defendant to its warehouse. *Stewart v. Insurance Co.*, 9 Lea 104, is almost identical with the case at bar. These receipts were given for 40 bales of cotton, "Marks various," deliverable only upon the indorsement of the secretary of the Phoenix Insurance Company. Upon the failure of Vaughan, the depositor, the warehouseman notified the secretary that creditors of Vaughan were replevying the cotton then in store, and requested him to take 40 bales, to secure the company, or to defend the replevin suit. The secretary inquired if he had the same cotton that was on hand when the receipt was given, and, upon being informed by the warehouseman that he had not, the secretary declined to have anything to do with the matter. At the maturity of the note, for which the receipt was security, the company demanded the cotton, or its value, and then brought suit. The court held that the receipt was a contract, vesting the right to the particular 40 bales in the company. Parol testimony was offered to show that the receipt was not to cover any particular 40 bales, but that the warehouseman was to keep on hand as much as 40 bales of the same value, belonging to Vaughan, subject to the receipt. This evidence was rejected, upon the ground that its effect would be to show an independent, collateral agreement, contradictory of the written contract, since both contracts could not stand. The company therefore recovered the value of the cotton. So in *Hale v. Dock Co.*, 29 Wis. 482 it was held that a warehouse receipt was a contract, binding the receiptor to safely store and deliver the same goods to the holder of the receipt, except in those cases where there is some express agreement or known usage of trade which shows that the parties otherwise intended. Dixon, C. J., says: "The meaning of this [receipt] clearly is, that the same fifty-four barrels received in store, and described as 'mess pork,' are deliverable or to be delivered to the bearer of the receipt, on return of the same and payment of storage; and the warehouseman, not less than the ship-owner or carrier, is bound to deliver the identical goods received in fulfillment of his contract." Consequently the warehouseman, having delivered the same barrels which he received, was held not to be liable, although they did not in fact contain mess pork, but only salt; as he

acted in good faith, and was ignorant of the contents of the barrels. In *Goodwin v. Stannell*, 6 Cal. 541, the court held that the defendants, being warehousemen, and having given their storage receipt for a specific number of barrels of pork, could not set up the want of segregation to avert their liability; that by their receipt they charged themselves, and were estopped; that, if a warehouseman would protect himself from liability in such cases, he could do so by describing the goods as part of a larger lot, and unseparated, or in bulk with the goods of others, which would give notice to any transferee of the warehouse receipt of the condition of the goods, and enable him to use necessary diligence in obtaining the title to specific property. (See, also, *Lichtenhein v. Railroad Co.*, 11 Cush. 70.) We think the plaintiff's claim in this case, to hold the defendant responsible for the same goods covered by the receipt, is sustained both by principle and authority. The contract is a plain one, which must be answered according to its terms.

A question is made upon the measure of damages. The action is *assumpsit*, setting out that the defendant agreed to keep and deliver on the order of the plaintiff 390 cases of eggs; yet, unmindful of said promise, the defendant delivered the same to a person unauthorized by the plaintiff, whereby the plaintiff lost said eggs, and the defendant became liable to pay for the same on request. The suit is upon contract, and properly so, although the gist of the action is the wrongful delivery. Judge Cooley (Cooley, Torts, 91) lays down the rule that where a tort is a breach of duty arising out of a contract, the action may be in tort or for the breach of the contract. Taking the case of a common carrier as an illustration, he says: "Thus, for the breach of the general duty imposed by law because of the relation, one form of action may be brought, and for the breach of contract another form of action may be brought. Other bailees of property occupy a similar position; they assume certain duties in respect to the property by receiving it." As to the damages, the defendant contends that the plaintiff should have made demand for the eggs, and, having made none before suit, the measure of damages is the value of the eggs at the date of the suit, viz., March 11, 1889, at which time the eggs, if kept, would have spoiled. In action of tort the rule is that the plaintiff is entitled to the value of the property at the time of the conversion. It amounts to a conversion when one disposes of property of another without authority, or puts it out of his power to return it, or deals with it in a manner subversive of the dominion of the owner. (*Donahue v. Shippee*, 15 R. I. 453, 8 Atl. Rep. 541.) In such cases a demand is not necessary. When, therefore, the suit is in *assumpsit*, we see no reason for requiring a demand after proof of the fact of conversion, nor for making the rule of damages depend upon a demand. Both the breach of the contract and the conversion were complete upon the unauthorized delivery of the goods. (See Jones, Pledges, §§ 429, 574; *Lichtenhein v. Railroad Co.*, 11 Cush. 70; *Newcomb-Buchanan Co. v. Baskett*, 14 Bush 658; *Bank v. Boyce*, 78 Ky. 42.) The rule of damages should be substantially the same in either form of action. But in this case the plaintiff had only a special property in the eggs, as pledgee; and, delivery having been made to the pledgor, the measure of damages is the amount of the plaintiff's loan, with interest; it appearing in evidence that the value of the property at the time of the conversion exceeded that amount.

## TAXATION.

SUPREME COURT OF RHODE ISLAND.

*Mechanics' Sav. Bank v. Granger, City Treasurer.*

The reserved profits of a savings bank, whose charter empowers the directors by majority vote to "divide the whole property among the depositors in proportion to their respective interests therein," belong to the depositors, and cannot be taxed as the property of the bank.

Said bank is not prevented from prosecuting an action to recover taxes paid on its reserved profits under protest by Pub. St. R. I. c. 43, §§ 6, 7, which provide that whoever neglects to make return of his taxable property shall have no remedy if overtaxed, since the tax thereon was not an overtax, but a void tax.

DURFEE, C. J.—This action is brought to recover back the sum of \$7,109.63, paid by the plaintiff bank to the defendant, as collector of taxes of the city of Providence, under protest; said sum being the amount of a tax assessed against it by the city assessors at their last assessment. The bank is a savings bank incorporated to receive deposits of money, which it is required to use and improve to the best advantage, dividing the profits among the depositors, in just proportion, with such reasonable deductions as the management of its affairs may require; the principal of the deposits, with the assessed dividends thereon, being subject to withdrawal by the depositors at such times and in such manner as the bank may direct. The general management is conferred on a board of trustees, who, the treasurer excepted, are required to serve without compensation, and who may at any time, by a vote of a majority of this whole number, "divide the whole property among the depositors in proportion to their respective interests therein, upon giving three months' notice thereof." Said tax was assessed on personal estate in the keeping of the bank to the amount of \$459,800, consisting wholly of reserved profits. The claim of the bank is that, under its charter, said reserved profits belong to the depositors, and are taxable to them, not to the bank. The claim of the city is that said reserved profits are the personal estate of the bank, and are taxable to it as such, the depositors having no interest in it. We consider it settled by the carefully considered decision of this court in *Bank v. Mumford*, 4 R. I. 478, that the plaintiff bank is not taxable for said reserved profits if they belong, as matter of law, to the depositors. The plaintiff bank in that case was a bank of discount and circulation, and the court held that the reserved profits or surplus earnings belonged to the stockholders, and was taxable only to them. The act of January, A. D. 1855, under which the case was decided, does not differ in any particular material to the question from the statute now in force. In *Institution for Savings v. Gardiner*, 4 R. I. 484, the court held that a savings bank was not taxable for bank stocks in which it had invested its deposits for income, the stocks representing the deposits which were taxable to the depositors in the towns where they resided. The case is decisive of the case at bar, unless there is a distinction in respect of ownership between the reserved profits and the deposits. It seems to us that the same reasons that led the court to hold in *Bank v. Mumford*, *supra*, that the reserved profits of a bank of discount belong to its stockholders, would likewise lead to the conclusion that the reserved profits of a savings bank belong to its depositors. The reserved profits are a part of the earnings of the deposits, reserved for the purpose of facilitating the management of the

bank's affairs, and of imparting greater steadiness and security to its operators in periods of financial depression and disaster. There is no way in which the ownership of them can pass from the depositors to the bank under its charter by any legal transfer of title. It is true that the depositor, when he withdraws his deposits, cannot draw upon the reserve for his part, but he gets the benefit of it in the safety of his deposit, in an increase of dividend, and in freedom from fluctuations in the receipt of them. That he cannot withdraw any part of the reserve when he withdraws his deposit is owing to the terms under which, by force of the charter and by-laws, his deposits are given and received. The board of trustees may, however, as we have seen, vote to divide "the whole property among the depositors in proportion to their respective interests therein." In case of such a vote, the then depositors would get their proportionate shares of the reserve, if any there were, after repayment of their deposits in full, and neither bank nor trustees could retain a cent. This provision in itself shows conclusively that, in contemplation of law, the reserved profits belong to the depositors, not to the bank. And in further support of this view we refer to the reasonings of the courts in the following cases cited for the plaintiff: *Bank v. Nashua*, 46 N. H. 389; *Huntington v. Bank*, 96 U. S. 388; *Commissioners of Rice Co. v. Citizens' Nat. Bank*, 23 Minn. 280. The defendant contends that the plaintiff bank cannot maintain this action, because, as is admitted, it did not make any returns of its ratable property to the assessors, and the statute provides that whoever neglects to make such return shall have no remedy if overtaxed. Pub. St. R. I. c. 43, §§ 6, 7. The same defense was set up in *Bank v. Mumford*, *supra*; but in that case the court decided that, inasmuch as the bank was not liable to taxation for personal estate, the case was one, not of overtaxation merely, but of void taxation, and that the action would lie. For the same reason the defense cannot here prevail. Judgment for plaintiff for the amount of its claim.

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## LIABILITY OF A BANK FOR THE ACTS OF ITS OFFICERS.

SUPREME COURT OF NEW YORK, GENERAL TERM.

*Smith v. Anderson, et al.*

Where plaintiff delivered moneys to the president of a bank to be deposited therein, and the latter, without plaintiff's knowledge or consent, deposited them in his own name as her attorney, and afterwards unlawfully appropriated a large part thereof to his own use, the bank is liable, since it is chargeable with the knowledge possessed by its president.

CORLETT, J.—The First National Bank of Albion was organized and commenced business on the 22d day of December, 1863, at Albion in the county of Orleans. Roswell S. Burrows was its originator and first president. He died in March, 1879, leaving a will by which he appointed five persons his executors. Four qualified, including Albert S. Warner; one died; two appointed Warner in their place, they taking no active part; and at the time of the transactions hereafter mentioned Warner was practically the managing executor, and was also president of the bank. The bank continued business until the 22d day of August, 1884, when it closed its doors. Its president, Warner, absconded, and the defendant was appointed receiver. On the 15th day of March, 1884,

the American Loan & Trust Company of New York executed its check to the plaintiff for \$25,000, and delivered it to Isaac Signor, her attorney. The check was drawn on the Third National Bank of New York, and was afterwards indorsed by the plaintiff through Signor, her attorney, and by him delivered to Warner. Warner thereupon indorsed the check as follows: "Pay to G. L. Hutchins or order, for collection. A. S. WARNER, President." Hutchins was at that time cashier of the Third National Bank of New York, and Warner delivered the check to him. The Third National Bank was the correspondent of the First National Bank of Albion. On the 18th day of March, 1884, the First National Bank of Albion charged this \$25,000 to the Third National Bank in the following words: "Third National Bank of New York. Amount deposited by A. S. Warner, Pt., \$25,000.00." On the same day, the First National Bank entered upon its journal a credit in favor of the plaintiff, as follows, "Mary Burrows Smith, proceeds of loan, \$25,000.00." The First National Bank drew drafts on the Third National Bank on this deposit, of which \$9,448.48 were paid to the plaintiff, leaving a balance of \$15,551.52. Between the 25th day of March and the 13th day of August, 1884, the plaintiff delivered to Warner, for deposit in the First National Bank, in the aggregate, \$14,218.03. Warner, without the knowledge or consent of the plaintiff, deposited such moneys in the First National Bank, or with its New York correspondent, to the credit of the First National Bank, and entered the same upon the books of the First National Bank in his own name as attorney for the plaintiff. She did not know, until after the suspension of the bank, that the account stood in the name of Albert S. Warner as such attorney. Warner, from time to time, drew checks as attorney against this account up to the time of the suspension, when the account was closed and balanced on the books. Of this deposit the plaintiff received, for her own benefit, \$5,583.47, but the rest was not used for her benefit, or drawn with her knowledge or authority. This action was brought by the plaintiff to recover these balances. The answer admitted the formal allegations in the complaint, denied knowledge sufficient to form a belief as to the balance, and then alleged, upon information and belief, that the \$25,000 charged in the complaint was in fact a loan to Warner. Payment is not pleaded. The issues were referred; the referee made his report in September, 1889; found the facts above stated, and directed judgment for the plaintiff against the defendant. This appeal is from the judgment entered upon the report. In *Moore v. Trust Co.*, 115 N. Y. 65, 21 N. E. Rep. 681, it was decided, in substance, that the plaintiff borrowed the \$25,000 from the trust company. The question upon this appeal is whether, upon the facts found by the referee and the undisputed evidence, the defendant, as receiver, is liable. In *Holden v. Bank*, 72 N. Y. 286; *Village of Port Jervis v. Bank*, 96 N. Y. 550; *Cragie v. Hadley*, 99 N. Y. 131, 1 N. E. Rep. 537; *Bartow v. People*, 78 N. Y. 377; *Institute v. Bostwick*, 92 N. Y. 564; and *Fishkill Sav. Inst. v. National Bank*, 80 N. Y. 162, the principle was decided, on various facts, that, where a person occupying the position of Warner, the president, receives moneys which are deposited in the bank, his knowledge will be treated as that of the bank, and it is liable to the depositor, even though the president misappropriates the moneys. If Warner had converted the money without the bank having received it, or without credit being given on its books, it would not be liable. But when its president receives funds which go into the bank it is chargeable with all the knowledge possessed by him; otherwise those dealing with banks would be without remedy in case of fraud or misappropriation on the part of its president.



In the case at bar the plaintiff received credit on the books of the bank for \$25,000, and, except as to the amount received by her, the bank or its president had the benefit of the moneys. The \$14,218.03 were deposited in the bank. The fact that the president, without the knowledge or consent of the plaintiff, credited the money to himself as her attorney, and then misappropriated the funds, cannot be urged by the bank or its receiver as a defense, for the reasons above stated. If by such a form of entry the depositor, as against the bank, in case of improper entries by its president on its books, or a misappropriation by him of the moneys, could throw the loss upon the depositor, great mischief would result. The innocent depositor, instead of the bank, would lose the moneys misappropriated by its president. No authority has been cited by the learned counsel for the defendant in support of such a proposition. In the nature of things, the maxim must apply, that, where one of two innocent parties sustains a loss by the fraud of a third, it shall fall upon the one whose act has enabled the fraud to be committed. (*Moore v. Bank*, 55 N. Y. 41-47.) The bank created its president, and if, through his fraud, it, or a third person, must suffer, the maxim protects the customer. All the moneys having been deposited, payment is an affirmative defense. (*Seward v. Torrence*, 3 Hun. 220; *Brazill v. Isham*, 12 N. Y. 9; *McKyring v. Bull*, 16 N. Y. 297; *Kelsey v. Western*, 2 N. Y. 506; *Getman v. Bank*, 23 Hun. 498.) Beyond the amount admitted to have been received by the plaintiff, in the absence of the defense of payment, the claim that sufficient credit was not given would not seem to be available. But it does not satisfactorily appear from the whole case that the referee awarded too large a sum, on the assumption that the answer was sufficient. The deposits to the full amount having been proved, it devolved upon the defendant to show payment. The judgment must be affirmed.

Dwight, P. J., and Macomber, J., concur in result.

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## LEGAL MISCELLANY.

**NEGOTIABLE INSTRUMENT—PLEADING.**—Where, in a suit against an indorser of a bill of exchange, the complaint simply averred non-payment and notice, and notice was denied, a replication that defendant was the real debtor, "owing the debt represented by the bill of exchange, the consideration thereof being goods and merchandise sold by plaintiffs to defendant," is a departure, and a demurrer thereto was properly sustained. [*Bolling v. McKenzie*, Ala.]

**NEGOTIABLE INSTRUMENT.**—A note given to a township treasurer, in his individual name, by the purchaser of chattels sold for the collection of a drain tax, was void in his hands for irregularities in the assessment. Plaintiff, who was ignorant of the original consideration, received the note before maturity in exchange for certain drain orders, owned by him, upon taxes already collected: *Held*, that the mere fact that plaintiff was dealing with the township treasurer was not sufficient to put him upon inquiry, and his good faith was for the jury. [*Chapman v. Remington*, Mich.]

**NEGOTIABLE INSTRUMENT—INDORSEMENT.**—In this State, when a third person indorses a negotiable note before it is delivered to the payee, or indorsed by him, he is *prima facie* liable as a second indorser. But while, in such case, when a third person so indorses a note the lia-

bility is presumptively that of an indorser, it may be shown by parol evidence to be the liability of a joint maker, according to the intention of the parties as disclosed by the facts. [*Deering v. Creighton*, Oreg.]

**OFFICIAL BONDS—LIABILITY OF SURETY.**—Where a city treasurer lends corporate funds under the direction of the council, and takes therefor notes approved by the council, payable to himself, as treasurer, the interest collected by him on such notes is part of the city funds, for any misappropriation of which his bondsmen are liable. [*Hunt v. State*, Ind.]

**CONTRACTS—GAMBLING.**—Contracts between customers and commission merchants or stock speculators, which consist of bets and wagers on the future rise and fall in the price of petroleum, grain, provisions, and stocks, by means of purchases or sales which do not contemplate a delivery, followed by periodical settlements of differences between the agreed and the market prices, are within the purview of Gen. St. Ky., ch. 47, art. 1. [*Lyons v. Hodgen*, Ky.]

**FALSE REPRESENTATIONS—FRAUDULENT ISSUE OF STOCK.**—The fraudulent signing and issuing, by the president and treasurer, of certificates of stock in a foreign corporation, invalid by reason of acts and omissions of the officers, and marked "non-assessable," though nothing had been paid thereon, constitutes actionable false representations to a subsequent *bona fide* purchaser. [*Windram v. French*, Mass.]

**FRAUDS, STATUTE OF.**—The delivery and acceptance of a certificate, with plaintiff's name indorsed, showing that he is entitled to fifty shares of stock not yet issued, but held in pool, to be delivered on vote of the directors, or, after six months, on demand and presentation of the certificate, is sufficient to take the sale of plaintiff's interest out of the statute of frauds. [*Meehan v. Sharp*, Mass.]

**NEGOTIABLE INSTRUMENTS.**—In an action on a note by an assignee for value, the maker cannot avoid liability by setting up that the original holder, a corporation, had no authority to loan money, which was the consideration for the note. [*Brown v. United States Home & Dower Ass'n*, Ky.]

**NEGOTIABLE INSTRUMENTS.**—In an action against the acceptor of a draft, an answer alleging that defendant was an accommodation acceptor, and that the payee had released him from liability, without alleging any consideration for such release, does not state a good defense. [*Franklin Bank v. Severin*, Ind.]

**NEGOTIABLE INSTRUMENTS—PAYABLE IN BLANK.**—A promissory note, payable "to the order of ———," which was made and delivered for a valuable consideration, is, in legal effect, payable to bearer; and one who buys it from a lawful owner and holder, and afterwards fills the blank by writing his own name therein as payee, which he may lawfully do, is a "subsequent holder," within the meaning of the phrase as it is used in the act of Congress defining the jurisdiction of the Circuit Courts of the United States, and therefore not entitled to sue in this court upon such a note, the original holder and maker both being citizens of Oregon. [*Steel v. Rathbun*, U. S. C. C. Oreg.]

**OFFICE AND OFFICERS—BOND.**—Where a tax collector carries a balance due from him to the State over to the succeeding year, when he enters on a second term, with new sureties, and there is a deficit for such year, it will be considered a deficit for the preceding year to the extent of such balance; but where the accounts are balanced for such

succeeding year, and the collector's private funds are used to the amount of the balance brought forward, the sureties on his bond for the first term are not liable for any deficit that may thereafter occur. [*Newcomer v. State, Tex.*]

NEGOTIABLE INSTRUMENTS—GAMING.—A note given for a gambling debt, being only voidable, is good in the hands of an innocent indorsee for value before maturity. [*Thompson v. Samuels, Tex.*]

NEGOTIABLE INSTRUMENTS—PAROL EVIDENCE.—While parol testimony may not be received to contradict or vary the terms of a promissory note, yet the consideration for which it was given may be established by parol testimony. [*Walker v. Hagerty, Neb.*]

NEGOTIABLE INSTRUMENTS—PLEADING AND PROOF.—When the plaintiff's title to a note accrues through the indorsement of the payee's name by his alleged agent, the note is not admissible in evidence without proof of agent's authority to make the indorsement. [*Newton v. Principal, Mich.*]

PRINCIPAL AND SURETY—SET-OFF.—In an action against a surety, if the principal debtor be a party, and he be insolvent, the surety may set off against the debt sued on a debt due from the plaintiff to the principal debtor. [*Becker v. Northway, Minn.*]

NEGOTIABLE INSTRUMENT—ACCOMMODATION NOTES.—An accommodation note, before maturity, was deposited by the payee as collateral for his note to plaintiff, under an agreement that, if the principal note was not paid at maturity, the collateral note might be sold, and applied thereon. The principal note, after maturity, was reduced to a judgment providing for the sale of the collateral note on special execution. By mistake of the clerk a general instead of a special execution was issued. The note, then past due, was sold, and purchased by plaintiff: Held that, since the sale under a general instead of the special execution was by mistake of the clerk, there was not such voluntary waiver of plaintiff's claim to the note as a pledge as would divest his lien by virtue thereof, and make the note subject to equities existing in favor of the makers against the payee. [*Valley Nat. Bank v. Jackaway, Iowa.*]

BANKS AND BANKING—DEPOSIT OF COUNTY FUNDS.—The vice-president of a bank, having authority to transact its business, who has given bond in his official capacity, to secure a deposit of county funds, has the power to afterwards assign to the county treasurer notes belonging to the bank as additional security, though the bond alone may be ample. [*Richards v. Osceola Bank, Iowa.*]

CORPORATIONS—DIRECTOR.—A director of a private corporation is not legally entitled to compensation for services rendered in the performance of duties appertaining to his office, unless it is provided for by a resolution or by-law of the corporation, adopted prior to the time of the performance of the services; nor will the auditing and allowance of a claim for such services by the board of directors of the corporation, render it legally binding upon the corporation, in the absence of proof of such prior resolution or by-law. [*Wood v. Lost Lake & C. Manufg Co., Oreg.*]

PAYMENT—NEGOTIABLE PAPER.—Where the drawers of an order had funds in the hands of the drawee on its presentation, a waiver by the payees of a cash payment, and an acceptance of a bill of exchange instead, extinguishes the debt, though the exchange proves worthless. [*Loth v. Mothner, Ark.*]

## CALIFORNIA BANKS.

The following account of the banks in California is taken from the report of the Bank Commissioners, Messrs. A. W. Potts, A. Gerberding, and W. H. Knight.

There are now in California one hundred and sixty-three incorporated State banks, thirty-seven National banks, five agencies of foreign banks, and twenty-seven private banks, reporting to this commission, a total of two hundred and thirty-two, being thirteen more than exhibited in the report of 1889.

Of the State banks, thirty-seven are savings, and one hundred and twenty-six commercial, and while some institutions are doing what is termed a "mixed" business, there are a few whose names indicate a savings bank, though their business is entirely commercial.

The total banking capital employed is \$56,628,552 04, to which should be added \$21,903,887 38, now standing in surplus and reserve accounts.

As usual, the National banks have submitted their statements, thus enabling this commission to present a complete report of all the banking institutions of the State, with the exception of a few private banks, whose owners disclaim any pretensions to a banking business, and decline to report to this commission.

The report shows ten new savings banks incorporated and one retired, being a gain of nine; twelve new commercial banks incorporated, one changed from savings bank, and four retired, being a gain of nine; two new National banks, and a loss of seven private banks, being a net gain of thirteen, indicating a gain of a trifle over one new bank for each month in the year.

The comparative statements herewith are interesting, but in analyzing the fluctuations of the various items of "resources and liabilities," it is difficult, if not impossible, to correctly discover the true causes of the many changes. An increase in "due depositors" naturally indicates prosperity, increase in population, or in the producing and accumulating power of the masses; but, on the other hand, it may be largely the result of want of enterprise, and a miserly spirit pervading the community. Funds may be placed on deposit where safety is assured, and the depositor relieved of all care, to earn small returns; whereas they might, by investments requiring foresight, public spirit, and enterprise, yield larger incomes and develop the commonwealth, though requiring from the owners attention, labor, and greater risk. A decline in "money on hand" may indicate heavy exports, or that funds have been sent elsewhere, local affairs not offering commensurate inducements, or it may be caused by an active demand for money incident to brisk trade and prosperous times. Thus, most of the various changes are susceptible to different explanations, owing to the numberless causes producing but one of two effects, either increase or decrease. There is, however, one lamentable fact in our financial system, unmistakably evident, and liable at times to cause most serious demoralization, and possibly, with other unfortunate circumstances, to bring about a money panic. This is the annual withdrawal of millions of dollars from the ordinary financial channels for the payment of taxes in December of each year. This period, when there are, say, twelve millions of dollars hoarded in the State and county depositories, becomes a time of anxiety to bankers and general discomfort throughout the State, and some remedy should be found. If taxes were payable quarterly, or even monthly, the burden

would fall lightly upon taxpayers, and between each payment these funds would naturally drift back to the people, whence they came, and the consequent circulation would prevent any such annual congestion as now afflicts us. Another method might be to yield the entire treasury department of the State and counties to the banks under certain restrictions, thus avoiding expense, rendering losses impossible, and, above all things, keeping the immense volume of tax money in the regular commercial channels where it belongs. The subject is one of interest to all, and worthy of the attention of our wisest law makers.

Nearly all the new banking enterprises have obtained their authority from the State, in preference to adopting the National system, evidencing that for general business in California, the State laws are preferable to those of the Federal Government; but there exists between the two systems the most friendly relations, and the advocates of either gladly adopt the best features of both.

Private banks are decreasing, either retiring from business or incorporating under State laws.

The unfortunate failure of Belloc & Co., private bankers, last March, brought some censure to this board, by those ignorant of the law, which does not permit official examinations of private banks. While the law renders this board powerless to act in such cases, it is always willing to examine any private bank desiring its services, for the reason that such action could only assist the entire banking system of the State, for whose welfare this board is created.

The general condition of the banks under the jurisdiction of this commission is most excellent, and there are at present few institutions whose management is subject to criticism, or whose business does not yield proper returns to those interested. There have been but two failures during the year, one State bank and one private bank.

The unhealthy effects of the real estate inflation have been nearly overcome, and it is a most remarkable experience that the short period of three years should revive general prosperity, after the undue land excitement had so banefully affected all interests.

This splendid condition is due mainly to the wonderfully recuperative powers of our State, largely aided by those bankers whose conservative ideas prevailed, and who foresaw disastrous results in time to prepare for a crisis which, by this very preparation, was avoided.

In the few instances where circumstances demanded action on the part of the Commissioners, they have deemed it preferable to act the part of healer, rather than that of executioner, and with the aid of those interested have corrected abuses and inaugurated new methods, thus avoiding possible losses to depositors, and the attendant misfortunes incident to enforced retirement.

In previous reports many suggestions have been made regarding defects in the banking laws, and some of these expressions have taken the form of amendments, so that the present law is, in the main, quite satisfactory; but there now appears to be a necessity for some action in regard to the legal requirements of capital to be paid up.

The term "bank" should be a synonym for financial strength, and the elements of this are ample capital, together with integrity and ability on the part of the management.

While the law is, perhaps, powerless to provide the integrity and ability, it should insist upon requisite capital, and it is suggested that a statute be enacted fixing the minimum amount of cash capital required before any corporation, person, or association can engage in the banking business, the amount to vary with localities.

If in large cities at least \$100,000 cash capital were required, and in

smaller communities smaller amounts, but in no case less than say \$25,000, it would prevent undertakings that were not strictly legitimate and seeking the public confidence in good faith.

The same statute should forbid the use of the word "bank," or any equivalent term, by corporations, persons, or associations not having the required cash capital, or not doing a legitimate banking business; and especially should the law prohibit the publication or the announcement to the public, by advertisement or in any form whatever, of a larger amount of capital stock than the actual amount paid up in cash, or of reserves in excess of existing amounts.

Licenses to conduct the business of banking have been demanded and received under the law, the Commissioners being powerless to refuse them, where the amount of capital stock paid up was merely nominal, in fact, infinitesimal, and these concerns most loudly proclaim their authorized capital.

It is also observed that the name "bank," with more or less elaboration, is occasionally used by pawnbrokers and others having no claim to the title.

Some banks, under the authorized name of savings banks, are doing an exclusively commercial business; and as there is a distinct legal and business difference between these two classes of banks, the practice should be discontinued, as it causes more or less misapprehension.

There is no occasion to criticise the action of established banks that have ample capital, although their authorized capital is in excess of amounts actually paid up, for the incorporation for a larger amount of capital than is required upon organization is a reasonable allowance for the growth of business, and affords proper facilities for enlargement, both as to funds and shareholders, whenever the success of the undertaking warrants expansion.

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### AN INTERESTING LESSON IN FINANCE.

Readers of money articles often stumble over bits of polyglot slang which neither Webster nor Johnson can help them to understand. If they ask their broker he will turn them off in a very unregenerate spirit with "Oh, it's only some foreign rot." Thus the polyglot word goes on for months or years unexplained until it becomes acclimatized and acquires a local meaning of its own. *Cedula* is one of the latest of those Capel Court importations. It is the Spanish term for a deed or certificate, and the form of finance it represents had been largely developed not only in Spain, but in Austria and other parts of Southern Europe, before it was transplanted to the River Plate, where it has blossomed into a cosmopolitan security. Its working may be best illustrated by analogy. Suppose that before Irish landlords were reformed nearly out of existence they had had no obliging insurance companies to cover their estates with mortgages for them, that there had been little money in the country to lend them, and few people disposed to trust them with it—that would have been somewhat like the plight the Argentine landowners were in ten or fifteen years ago. The lowest rate of interest they could borrow at was one per cent. per month, and a hard-fisted lender could easily reconcile it to his conscience to ask a monthly two per cent. In those days a man might own leagues of pampa and have difficulty in getting credit for a suit of clothes. This was a financial absurdity which had to be cured before the country could hope to

advance. The State was asked to devise a remedy, and it did so. It had no money itself, but it was quite willing to indorse bills for land-owners or any one else whose vote was straight and on the right side. A well-conditioned Argentine will always back a bill for a friend, or even for a passing acquaintance. It is one of the ordinary courtesies of the country which the Government could least of all afford to treat with disrespect.

The State said accordingly to the men of many leagues but no money : " I will start a mortgage bank for you. It will have no capital, so that nobody can lose anything by it ; but it will have the prestige of a State bank, and unwary capitalists may be tempted to lend to it who would not take your signature for a tenth of the amount. The bank will value your land, make all the legal arrangements, and take from you a mortgage of your property, giving you in exchange its own bond for an equal amount. With the latter you can go out into the street and sell it to Dick, Tom, or Harry for whatever it will fetch. *Vice versa*, should you ever wish to pay off your loan"—not a custom of the country, though occasionally heard of—"all you will have to do will be to go into the street again, buy back bonds of the same class and amount, and present them to the bank in settlement of your mortgage." Such is the whole process of floating and redeeming Cédulas. They belong to the lace department of the Argentine stock market, and since they began to be manufactured on a large scale, they have acquired such a gossamer lightness of texture that a five-pound note will kick the beam against a hundred dollars of them, and for twenty pounds you can almost make yourself a Cédula millionaire. It was suggested at one time to have them printed on tissue paper, in order to reduce the expense of postage from Buenos Ayres to Europe, which was becoming a rather heavy item in their cost of importation, but the "crash" caused that ingenious idea to be deferred. In spite of the difficulties of postage and registration, Cédulas branded with two-thirds of the letters of the alphabet now circulate on every European bourse of any pretensions. London, Paris, Berlin, Frankfort, Amsterdam, Antwerp, Bordeaux, and every other synagogue of Mammon has its Cédula fetish or rag baby, which, after the manner of fetishes, gets vigorously knocked about now and then by its worshippers.

Up to about 1887 it was possible to follow the issues of the two Cédula banks—the National and Provincial—with comparative certainty. Together they hardly reached a hundred million dollars, and the bonds could still be sold in Buenos Ayres at a not very serious discount. The Provincial Mortgage Bank had not much more than seventy-eight million dollars out, while the National Bank was still four million dollars short of its first authorized issue of twenty millions. It was from 1887 onwards that the Cédula balloon swelled and soared away into the clouds. A market had been found in Europe capable of absorbing the new kind of paper in unlimited quantities ; all that the issuing banks had to do was to maintain the supply—a task in which neither of them was remiss. The Provincial Bank, in 1887, created two new series, K and L, and ran them up to twenty-seven million dollars each. After allowing for repayments, it increased its circulation in that year by over forty-three million dollars net. In the same year the National Bank was working off its B's and C's to the extent of over fourteen million dollars each, making a net increase for the year, after repayments, of twenty-eight million dollars. Then came 1888, the climax of the Cédula boom, when the Provincial Bank literally strewed the streets with its certificates of indebtedness. It shipped them to Europe in reams, and within the twelve months got rid of nearly seventy million dollars

of them. These were the M's and N's now at over sixty per cent. discount.

Counting off drawn bonds and cancellations, the net increase of Provincials in the year 1888 was about forty-four million dollars. Meanwhile the National Bank had started on its D's and E's—twenty million dollars each authorized and practically all issued within the year. About the same time it committed the grave mistake of opening a gold series A. From the Argentine point of view the great advantage of the Cédulas lay in their being payable in paper. While they retained that distinctive quality they could never cause fatal financial trouble to the Republic, in so far as there was practically no check on the manufacture of fresh paper to keep them going. The larger the quantity, the lower, of course, they would fall in value, but that was a matter between buyer and seller. It made no difference, too, whether the holders were at home or abroad; they had equally to take their risk of the paper, and if they wanted gold they must convert at the current exchange of the day. The issuing banks could not under any circumstances be asked for anything but paper in payment of interest or redemption, and in Argentina paper money is the easiest crop to grow as well as the most prolific. The moment, however, that they meddled with gold bonds the Cédula banks abandoned their coign of vantage, and took on themselves all the risks of foreign exchange which they had at first cleverly transferred to the Cédula holders. Though the National Bank has only twenty million dollars of gold bonds out, and the Provincial not more, perhaps, than six or seven millions, these small quantities will give greater trouble in the future than all the paper Cédulas put together. With the gold premium at two hundred, as we had it the other day, and may have it again more than once before the crisis is over, each gold Cédula counts three for paper ones. It takes three dollars in paper to pay for every dollar of interest and redemption falling due on it. Therefore, the eighteen million dollars of gold Cédulas (A's) which the National Bank floated in 1888 imposed fully as heavy a liability on it as the thirty-eight million dollars of paper Cédulas added in the same year to its indebtedness.

For a long while Cédulas were little better than playthings on the London Stock Exchange. While they were at comparatively high prices nobody paid much attention to them. They were peddled out in two or three thousand dollar lots to small investors, who looked only at the eight per cent. interest they carried, and had no suspicion what eight per cent. in paper might shrink to in gold. While this kind of buying was in progress, the gold premium was seldom over thirty per cent., and occasionally it promised to run off altogether. Argentine trade was prosperous, the exports which draw gold to the country were healthy, and the flood of imports which forces gold out was only beginning. Government loans were treading fast on each other's heels, much to the satisfaction of Barings and the other high financiers who pocketed four or five per cent. commissions on business which then was as simple as the turning of a tap. Each loan involved a certain amount of gold going out to Buenos Ayres, or, what was practically the same thing, gave Buenos Ayres the power to draw on London for so much sterling exchange. But when the Government borrowing had to be drawn in, when the Argentines doubled or trebled their imports from Europe, while their exports grew very slowly if at all, then the relations between paper and gold underwent a disagreeable change. The gold premium rushed up from 30 per cent. to 80, then to 120, and by rapid jumps to over 200. The change was painfully brought home to the Cédula holders in the form of lower and lower returns on their quarterly coupons. At



first the River Plate banks had given about three shillings on the dollar for them. As the gold premium rose they lowered their price to half-a-crown, two shillings, and finally to eighteenpence.

The practical distinction between hard and soft money was by this time being burned into many minds which hitherto had scoffed at currency discussions as a metaphysical waste of time. If those Cedula coupons—that is, the tickets for their quarterly interest—had been payable in gold, the Cedula banks would have had to restrict the output two years ago. Even the quantities they had out at the end of 1887—say a hundred and sixty million dollars—would have been more than they could take care of on a gold basis. The interest and sinking fund charges, averaging nine per cent., would have required nearly fifteen million dollars, or three millions sterling per annum. That would have been double the charge on the sterling debt of the Government, and a drain of gold so severe would have quickly brought about a check. But payments in paper could be carried on smoothly and pleasantly so long as the printing machine was well oiled. The Cedula banks could never be at the slightest loss to meet old obligations, while they had a perfectly free hand to create new ones. A fatal facility of borrowing inherent in the system now led everybody astray—the manufacturers of Cédulas by encouraging them to go on increasing the supply, and the buyers by tempting them with lower and lower prices to maintain the demand. For speculators, and even for the less cautious class of investors, there is nothing so dangerous as sheer cheapness. It is when a stock or share begins to be spoken of in the market as “dirt cheap,” or as being at a “rubbish price,” that a quiet man should give it the widest berth. At the moment when it passes the dividing line between investment and gambling, the volume of business in it will somehow increase enormously. Jobbers, scalpers, plungers, punters, and the whole army of speculators, down to the seediest camp followers, all go for it then. In their own terse vernacular they simply “go for a turn,” purposely dismissing from their minds any thought of intrinsic merit or demerit. If it drops a point to-day, it will be bought on the off chance of a half-point recovery to-morrow, and *vice versa*, if it shoots up a point it will be sold on an equally vague prospect of reaction.

This psychological moment may be said to have happened with Cédulas early in 1888. All through 1887 the manufacture of them had been growing too rapidly, but still it remained within bounds of reason and safety. The land boom had not yet become an absolute mania, and the properties mortgaged to the Cédulas might still have shown on the whole a fair margin of security. In 1888 the devil's dance began, and a gambling frenzy seemed to seize the country. Every kind of property, real and unreal, was run up to fabulous prices. Paper money had to be made to enable lunatic buyers to pay those crazy prices, and the only question was who would buy the paper. John Bull, with his usual forty-horse power simplicity as an investor, said he would. Each new series of Cédulas caught a gudgeon, merely because of its being four or five points cheaper than its immediate predecessors. The gudgeon reasoned with himself that the whole crowd would ultimately rise or fall together, and that the lower down one got in, the safer he would be. It was not only fools or verdant amateurs who used this kind of logic. Many of the sharpest men in the city were caught by it. Jones, knowing that his friend Robinson was deep in K's at 60, would think it very smart to wade into M's at 50, Brown would in due time follow with N's at 40, and Smith would have the laugh on the whole of them when he began buying P's at 25. For the present we stop at P's. They are the lowest depth in the alphabet that Provincials have yet reached, but we might

have got down to Z if President Celman had not forced the game indiscreetly. P's, however, were made a very large tap—seventy million dollars—and there may be a good deal of profit in seventy million dollars, even when boiled down to twenty-five per cent. of its nominal strength.

Cedulas, as they now stand, are the most curious gamble that has ever been imported from abroad. "Eries," in their Gould and Fisk days, were sportive enough; but the Argentine mortgage bonds dance to a much livelier tune. They exhibit in a tenfold degree the same elements of delightful uncertainty, and the same serio-comic mixture of business and blind-man's-buff which tantalized the American market twenty years ago. In those days no one who bought or sold "Eries" had the faintest conception of their intrinsic value. He could not by any possible diligence of searching find out what quantity of them was in existence. Human imagination could not have guessed what they represented, or where it was, or who was the real owner of it. Thousands of certificates might have been forged, as possibly they were, and kept in circulation for months without any one being a bit the wiser. They were traded in simply as "rubbish," and rubbish in Capel Court has no family history. You might as well ask a stray mongrel in the street for its pedigree as a "rubbish stock" for its antecedents. Not one in ten of the early purchasers of Cedulas knew even the meaning of the name. Few had the shadow of an idea of the legal status of the security. Fewer still had made any inquiry as to what responsibility it carried, where the responsibility rested, or how it could, if necessary, be enforced. The verbal interpretation of the bonds was often in dispute, and for a long while city editors warmly discussed whether or not they enjoyed any State guarantee. Fortunately that last point has been settled satisfactorily, and is one of the few features about Cedulas which can be explicitly defined. It has, like everything else, been more or less misunderstood even by city oracles; but the essential facts are simple and beyond dispute.

The National and Provincial Mortgage Banks are both distinct automatic corporations. That is so expressed in their fundamental statutes and in the laws of Congress constituting them. It is so understood by their own officials, as well as by the leading financial authorities at Buenos Ayres. They are both State institutions, and every mortgage bond they issue has a State guarantee—Nationals, that of the National Government, and Provincials, that of the Provincial Government of Buenos Ayres. In the case of Nationals, the guarantee was distinctly and clearly expressed from the beginning, both on the statute book and on the bond, while any doubt there may have been as to Provincials was removed by a declaratory clause in a recent Act of Congress. Legally, Cedulas are as sound securities of their kind as can be made, and one of the bogeys which accelerated their fall may therefore be dismissed. But risks enough remain to keep holders nervous. The most serious one is the possibility of unlimited manufacture. Healthy forms of credit are all subject to self-acting checks, but the Cedula business has few, if any. A borrower must generally negotiate his own paper, but the Cedula bank has not even that trouble. It is only an intermediary between borrowers and lenders. The former have property they wish to raise money on, the bank values it and offers its bonds for fifty per cent. of the valuation, taking in return a mortgage with the usual covenants. The mortgagee has to sell the bonds of the bank in the open market at his own risk, but as a compensation for that drawback he can at any time buy back bonds of the same series, and pay off his mortgage with them. For early mortgagees buying back is now a lucrative operation, Cedulas

which they may have sold at par being to-day purchasable in Buenos Ayres at 60 to 70.

The Cedula banks could, without any trouble to themselves, but with a great deal of risk which they did not think of, go on issuing their mortgage bonds so long as mortgagors would take them. In the course of fair business, mortgagors would have stopped taking them when the over-supply became so great as to prevent their realizing them in the market, except at a ruinous discount. That stage would have been reached long ago had not the land boom come in so opportunely to counteract the decline in the value of paper money, Cedulas included. What if Cedulas dropped on the Bolsa to 60, when the property they were borrowed on rose, perhaps, to 500? At 100 it would have been good only for a loan of 50; at 500 it became good for a loan of 250. After allowing for a loss of 40 per cent. on the proceeds of Cedulas, there was still 190 to be got for the property as against 100 before the boom. Great possibilities were soon discovered in that innocent-looking equation. The more that Cedulas depreciated through over-supply, and the greater the discount the mortgagor had to submit to in selling them, the more compensation was needed in valuing the land. There can be no doubt of its having been "valued up" in the most brazen-faced way by both banks, merely to maintain the outflow of Cedulas, and thereby to keep the land boom going.

The land valuations of the past two years—made, be it observed, by State officials, but often in their own interest or that of other State officials—are, generally speaking, fictitious. In thousands of cases they have been absolutely fraudulent, the value put on the property being three or four times what it would have fetched at a *bona-fide* sale, even during the height of the boom. In the same proportion as the land values were inflated, so must have been the Cedulas issued against them. The discount to which the latter fell in Buenos Ayres—say forty or fifty per cent. on an average—but faintly indicated the amount of gas in the mortgage. Of the hundred and fifty million dollars of Cedulas issued by the Provincial Bank since the end of 1887, and the fifty million dollars issued by the National Bank, anything from a half to three-fourths may bear the taint of over-valuation. This of itself would have justified a considerable discount on them, even had they represented honest dollars. But as a further aggravation of their original sin, they have also the taint of bad money, the paper currency, that most of them are payable in, being as artificial as the land values they were based on. It fluctuates even more violently, and gives to Cedulas their finishing touch as a wild cat security. Free land, free banks, free Cedulas, were the three steps by which the Argentines arrived the other day at free fighting in the streets of Buenos Ayres. The sequel was perfectly natural in such a country. Elsewhere it might have stopped at plain bankruptcy, but plain bankruptcy is much too prosaic for a Spanish American. He would rather die fighting in the streets than face a meeting of his creditors. But the creditors are there all the same. The estate, too, is in a sorry mess, and twenty shillings in the pound is only to be got out of it by the most skillful management.

## THE BERLIN BOURSE.

Berlin is the most progressive city in Europe and it resembles Chicago more than London or Paris. Its population, which nineteen years ago was 100,000 and twenty years ago 500,000, is now about 1,500,000, or very nearly as large as New York City. It has of late confessedly been in every respect the leading city in Germany, but not many years ago Frankfort-on-the-Main surpassed Berlin in financial influence. Stock Exchange business everywhere is relatively a modern development, but in Germany it is more so than in France and England. As late as 1820 the Frankfort Bourse was a mere name, a shadowy existence, and its transactions, which mostly took place on the street, were solely in bills of exchange. At this time State and corporate issues were unknown in Germany, but they soon thereafter came into vogue, beginning in 1820 with an issue of bonds by Austria, followed say in 1830 by numerous German States, all of these obligations coming out through Frankfort banking houses. Frankfort, in which was the parent house of the Rothschilds, gained great prestige through the operations of this powerful family. Then Berlin was not thought of as a financial center. It was the Franco-Prussian War which consolidated the independent States of Germany into a strong centralized monarchy that destroyed the power of Frankfort and created that of Berlin. Frankfort still was geographically the center of Europe, but Berlin was politically and financially to become the center of the German Empire, by the side of which Frankfort was to become subordinate in every respect. The Bourse in Frankfort occupied its first building in 1843 and its present fine edifice in 1873. The wealth of Frankfort per capita must be greater than that of any city in Europe, and considerable of it was derived from fortunate as well as brave investments in United States bonds, made when London and Paris capitalists distrusted the power of the North. The Berlin Bourse completed in 1863 its present imposing habitation, the first large building in Berlin built of stone. It is 260 feet long and 200 wide, in the Renaissance style, the principal facade facing Burgstrasse and the river Spree. Its main hall is the largest in Berlin, 221x72 feet, and its ceiling is handsomely frescoed. The necessity for a large meeting place is apparent when it is remembered that the daily attendance averages from 3,000 to 4,000, far beyond that of any other market place in the world.

The Berlin Bourse in its formation, customs and management, though closely resembling the other German Bourses, is radically different from London, Paris and New York. Bourse buildings in most continental cities belong to the municipality, but that of Berlin belongs to the Corporation der Kaufmannschaft, corresponding to our Chamber of Commerce. This corporation has about 2,000 members, and is managed by a governing committee called Die Aeltesten der Kaufmannschaft, literally the "Oldest of the Merchants," who practically directed the administration of the Bourse.

The first noticeable characteristic of the Berlin Bourse is the existence of a body of varying number, now about eighty, of sworn brokers, who are appointed by the "Oldest of the Merchants." These members of the Bourse, who hold their appointment during life or good behavior, are selected for the purpose of making official quotations. They must be of irreproachable character, and possess accurate knowledge of the

particular security, or group of securities, in which they are appointed to deal and to quote.

They are required to do a strictly commission business, and must remain on the spot or with the group to which they are assigned. They can only trade in those shares or transactions in which they are appointed, and the number assigned to any given stock or group of stocks is determined by the Oldest of the Merchants in accordance with the supposed public requirements. They alone can register quotations; it matters not how much may be done by the unsworn brokers, who, of course, constitute the vast majority. The idea is to give absolute integrity to all quotations and to shut out fictitious, or what we call "wash" sales, and also to prevent nominal or deceptive quotations of closing bids and offers. If one of these sworn brokers is to be necessarily absent, permission must be obtained from the Oldest of the Merchants, who appoint a substitute. The hours of open Bourse are from 12 to 2, the building being closed up at 3. At 2 o'clock the sworn brokers repair to their room, where they compare notes and make provisional closings, which must be ratified by one of the Bourse Commissioners ("Boersen Kommissarien"). If the brokers agree their quotations stand, but otherwise the Commissioners decide. The quotation lists of European exchange are far less satisfactory than the American. Here we give in orderly succession all transactions, both as to price and quantity. There they note at most only the opening, highest, lowest and closing prices, with no record of the quantity dealt in. Thus the public are denied a very proper kind of information, for one naturally wishes to know whether fluctuations were produced by heavy or light transactions.

The official list of quotations in Berlin has some cabalistic letters attached to the final figures. There is "bz." (bezahlt), which means "paid"; "G." (Geld), which here means "bid"; and "B." (Brief), which here means "asked." When sales are made and more wanted at the price, the quotation has "bz. G." suffixed; when sales are made and more is offered without takers at the price "bz. B." is suffixed. These sworn brokers have great power, because they receive orders both to buy and to sell from other brokers, who as a rule intrust to them all orders in inactive shares and bonds, and it thus often devolves upon them to pair off purchases and sales. The fact is, however, that Berlin sworn brokers bear a very high reputation, and their integrity of dealing or greater conscientiousness has been another reason why the Berlin Bourse is preferred to the Frankfort Bourse by out-of-town dealers. One peculiar fact is that they get a commission both from buyer and seller for their negotiations. There is no fixed commission law in Berlin, though custom soon comes to establish one taking into account the nature and volume of the business. There are about one thousand different securities dealt in on the Bourse, and of these sixty or seventy are active. When any security becomes active it is put on the list of those dealt in "for the end account," *i. e.*, for delivery at the end of the current month; the ordinarily slow or inactive securities are dealt in for cash, *i. e.*, for delivery the next day.

It is in these speculative securities that the majority of frequenters of the Bourse are interested, and though official quotations of these may only be made by the sworn brokers, the bulk of the transactions are made by the general membership of unsworn brokers in what is more nearly an open market, as in our American exchanges. The courts of Germany hold legally valid all time transactions unless it can be directly proven that both parties agreed that only differences should be collected. In order to facilitate settlements, the Berlin Bourse, in common with

other European stock exchanges, has a clearing house. Sheets containing the names of all members are sent to all, and one for each security dealt in. Any member having transactions with a fellow member, two days before the end of the current month makes up a statement of the quantity of a security he has going to or coming from each member, and any business done during the two intervening days is for the account of the following month. A settling price is established, and all clearances are made on that basis; any differences between that price and the price in the original transactions is settled direct between the contracting parties. The best clearing house plan for stock exchange transactions ever devised is that now employed in the Consolidated Exchange of New York. To still further facilitate the settlements in Berlin, ten years ago a contract was entered into with a German bank, the Berliner Kassen-Verein, whereby the latter institution undertakes to receive from members of the clearing house all moneys they are to pay on securities they are to deliver, and, per contra, if a member has money or securities coming to him he gets it on them from the bank. This bank holds securities, too, as it does cash, to be drawn out by check. A white check for any described security on deposit authorizes the bank to deliver them to bearer; a red check requires identification of the bearer as the person named in the order check.

Almost any person of age, who is of good character, can be admitted to membership in the Bourse. Those who are ineligible are minors, persons not enjoying full civil rights, those who are incapacitated by mental weakness or spendthrift habits rendering them irresponsible, those who are involved in bankruptcy proceedings or who have been adjudged as fraudulent bankrupts. There is, of course, no value to memberships, for they are like those in the London Stock Exchange—not transferable. The dues are regulated by the Oldest of the Merchants, and visitors to the gallery are required to pay a small fee. One portion of the floor space is set aside for the members who deal in the corn market, but they are subject to their own regulations.

In the administration of the Bourse there are several commissions. For example, there is the Boersen Commissariat, which corresponds to the Floor Committee of the American Exchanges. They are selected by the Oldest of the Merchants, and upon them devolve the duty of preserving order and decorum. Any one of them may cause the ejection of a member for violation of the rules. He must then make, in writing, a report of the circumstances to the President of the Oldest of the Merchants. At least one of them must approve of the final quotations made up by the sworn brokers before they can be given out or published in the quotation list. Subject to the approval of the Oldest of the Merchants, the Bourse Commissioners determine what new securities may be quoted on the official list. There are quotations on the Exchange list of securities not listed, but no sworn broker may deal in them. The Bourse Commissioners may at their pleasure admit to this unofficial list any securities except such as have less than one million marks (\$250,000) nominal capital. When any new security is regularly placed on the Bourse the Oldest of the Merchants select one or more sworn brokers to attend to its quotation.

There is another committee, the "Sachsverständigen Commission," or Expert Commission, composed of 20 members. Of these, six must be members of the Chamber of Commerce, the remaining fourteen being elected from the membership of the Bourse (which, as stated, has four times the number of members of the Chamber of Commerce). This committee corresponds to an Arbitration Committee in an American Exchange. Disputes between members are settled, and no attor-

neys, written statements or oaths are admissible. Everything is on honor, and when a decision is rendered, though the committee may decline to render one, both parties must abide by it or be excluded from further business on the Bourse. Subject to ratification of the "Oldest of the Merchants," they establish and introduce new rules or modifications or abolition of old rules, and their power extends to all questions as to what constitutes a "good delivery" of any securities dealt in or tendency on the Bourse. Reviewing the subject, in a word, it may be said that the chief peculiarity of the Berlin Bourse is its method of obtaining *bona fide* quotations, and in this respect it is vastly superior to London. The mode of doing it there is for the young men who represent Wettenhall—the publisher of the Exchange List—to go, just before the close of business, to some jobber in certain stocks and ask him to note down on a card his estimate of prices. This card is then usually shown for correction to others, if there are any present who deal in the same stocks. The last person thus has an opportunity to color the final quotation to suit his own purposes. The American plan of an auction, where bids and offers are publicly made on the floor, leaves no room for doubt, and is better than either the German or English plan as applied to active stocks. But no plan can be better or more carefully devised to insure the honest quotation of a large number of inactive securities than that now in vogue in Berlin, and no one who is familiar with that institution can fail to respect it as a most systematically and honestly conducted financial mart.—GEORGE RUTLEDGE GIBSON in the *New York Journal of Finance*.

## ECONOMIC NOTES

### THE COUNTRY'S WEALTH.

The *World* has obtained from the Treasurer of each State the value of property as assessed for taxation. The Census Office in 1886 made a report of its exhaustive and laborious inquiry into the proportions existing in each State between taxed property and actual wealth, which ranges between 25 per cent. in Illinois and 68 in Wyoming. The *World's* report shows an increase in taxable property of \$6,963,000,000 and an increase in actual wealth of \$18,162,000,000 since 1880. The total wealth is \$61,459,000,000, exclusive of the public property and \$3,093,000,000 property invested and owned abroad. The assessed value of taxed property and our actual wealth at different decades has been :

	<i>Assessed value.</i>	<i>Actual wealth.</i>
1850.....	\$5,287,613,148	\$13,652,499,739
1860.....	12,084,500,005	31,201,310,676
1870.....	11,342,789,366	30,068,518,507
1880.....	16,902,993,543	43,642,000,000
1889.....	23,719,000,000	61,459,000,000

The wealth of the United States now exceeds the total wealth of the whole world at any time previous to the middle of the eighteenth century, and the amount invested abroad is alone equal to the national wealth of Portugal and Denmark. The total wealth of only five nations is equal to the mere increase of the United States in the past nine years.

### GOLD IN CHINA.

The *Hu Pao*, native Chinese paper, states: "We have now flourishing copper mines in Yunnan, silver mines at Mao-lang, gold mines at Moh-ho, and coal mines at K'aip-ing. There is also much gold buried in the earth in the southwest parts of Iliasutai, Mongolia, the territory of the Sain Noin Khalkhas. But the Government is so afraid of dis-

order arising from the flocking of adventurers to the mines if they were opened that it keeps a cordon of twenty-two *kaluns*, or barracks, to prevent their access to this El Dorado, and a Mongol *djassak*, or head of a tribe or banner, is held personally responsible for their protection. The general at Sanhsing, in Kirin, has reported to the Provincial Government that a man was recently arrested for unlawfully digging for gold. On examination he stated that in the summer of last year he and four others went to work at the gold diggings in the Eastern Hills. While they were there a patrol came to the place, and the officer in command of it promised not to interfere with the miners if they would pay him eight ounces of gold dust. This amount they duly handed to one of the soldiers. The officer, his lieutenant, and the men implicated strenuously deny this statement; but the memorialists, who appear to believe in the truth of it, request that they may be regularly placed on their trial."

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## INQUIRIES OF CORRESPONDENTS.

ADDRESSED TO THE EDITOR OF THE BANKER'S MAGAZINE.

IS THIS INSTRUMENT ENTITLED TO GRACE IN PENNSYLVANIA?

Cincinnati, Ohio, Aug. 1, 1890.

\$3.500.

Five days after date pay to the order of John Brown Three Thousand Five Hundred Dollars, value received, and charge the same to account of

To Sixth National Bank,	}	(Signed)	JAMES MOORE.
Harrisburgh, Pa.		(Indorsed)	JOHN BROWN.

Pay John Jones, Cashier,  
or order for collection for Fourth National Bank, Cincinnati, Ohio.

WILLIAM AMES, Cashier.

REPLY.—The following reply is the opinion of the counsel of the bank which received the above instrument for collection. This subject has been very fully considered in *Harrison v. Nicolle Nat. Bank* (41 Minn. 489), in which the court said that *Champion v. Gordon* and *In re Brown* were strongly opposed to most of the authorities.

The question whether an order on a bank for payment of money payable on a date named subsequent to the date of the order, or payable so many days after date, is a check or a bill, has been variously decided in other States. The weight of authority seems to be that it is entitled to grace as a bill. (2 Dan. on Neg. Inst., 1873; Morse on Banking, 264.)

In Pennsylvania it has been held that an ordinary printed check, in which was inserted only a subsequent date for payment, was equivalent to a post-dated check, and not entitled to grace. (*Champion v. Gordon*, 70 Pa., St. R. 474, decided 1872.) That case, however, was decided on the "custom" of Philadelphia banks so to treat it, as a check; and it was further said that a bill may be drawn on a bank as on an individual. It was also asserted that "the ordinary form of a bill of exchange, payable at a future day, is at so many days' or months' notice after sight. An order so drawn, whether upon a banker or any other person, ought to be regarded as a bill, with all the privileges and liabilities which by the law merchant are incident to a bill. (See also *Lawson v. Richards*, 6 Phila. R. 179.)



This, of course, is a *dictum* and not a decision; but, so far as it goes, it distinguishes between an instrument in form a check but payable *five days after date*, and one in form a check but payable on a date named, subsequent to its date; making the former a *bill*, and the latter equivalent to a post-dated check. In Rhode Island (4 R. I. 30, *Bank v. Wheaton*), a check payable ninety days after date was, however, held a post-dated *check*, the time of payment being ascertainable from the paper itself; and it was said that the only requisite of a check is that it must be drawn on a *banker*.

One Act of March 30, 1875, allows grace on negotiable instruments, "Excepting . . . checks drawn upon banks or bankers, whether payable upon presentation or upon some day or time subsequent to the date of issue." This act may be said to be declaratory of the law as declared in *Champion v. Gordon*.

I think it probable, however, that it would be held to include a "check" (*i. e.*, the ordinary printed bank check, presumptively a check and so intended) whether made payable on a subsequent day named, or five days after date; but I think that an instrument in all respects a bill of exchange would not, as matter of law, be held a check simply because drawn on a banker.

Sterling exchange has ranged during October at from 4.84¼ @ 4.87½ for bankers' sight, and 4.80¼ @ 4.82¼ for 60 days. Paris—Francs, 5.21¼ @ 5.18¼ for sight, and 5.23¼ @ 5.21¾ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.80½ @ 4.81; bankers' sterling, sight, 4.84¼ @ 4.85¼; cable transfers, 4.85½ @ 4.86. Paris—Bankers', 60 days, 5.23¼ @ 5.23¾; sight, 5.20¾ @ 5.20. Antwerp—Commercial, 60 days, 5.26¼ @ 5.25¾. Reichmarks (4)—bankers', 60 days, 94¾ @ 94½; sight, 95¼ @ 95¾. Guilders—bankers', 60 days, 40 @ 40 1-16; sight, 40¼ @ 40 5-16.

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	Oct. 6.	Oct. 13.	Oct. 20.	Oct. 27.
Discounts.....	6½ @ 7	6½ @ 7½	7 @ 8	7 @ 8
Call Loans.....	7 @ 4	4½ @ 3	5 @ 3	6 @ 3
Treasury balances, coin.....	\$150,677,803	\$147,509,603	\$146,395,000	\$146,365,271
Do. do. currency.....	5,706,691	5,782,627	5,929,134	5,735,604

The reports of the New York Clearing-house returns compare as follows:

1890.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.	Surplus.
Oct. 4...	\$401,838,800	\$93,798,300	\$20,966,900	\$413,016,000	\$3,507,600	\$11,511,300
" 11...	406,792,000	85,080,500	19,760,300	406,742,300	3,523,900	3,155,225
" 18...	406,082,500	80,342,800	20,187,400	403,517,700	3,521,400	*349,225
" 25...	402,166,000	78,353,800	21,212,800	398,765,900	3,499,800	*124,875

\*Deficiency.

The Boston bank statement is as follows:

1890.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.
Oct. 4.....	\$153,692,100	\$10,384,200	\$4,398,800	\$132,659,600	\$3,253,400
" 11.....	154,122,500	10,198,300	4,263,800	134,269,400	3,216,100
" 18.....	155,286,500	9,819,000	4,174,000	134,591,900	3,233,700
" 25.....	156,036,500	9,712,200	4,713,800	134,101,600	3,243,900

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1890.	Loans.	Reserves.	Deposits.	Circulation.
Oct. 4.....	\$98,026,000	\$24,442,000	\$94,983,000	\$2,134,000
" 11.....	98,326,000	23,794,000	95,246,000	2,138,000
" 18.....	97,119,000	24,127,000	94,734,000	2,138,000
" 25.....	96,837,000	24,939,000	94,298,000	2,129,000

## BANKING AND FINANCIAL ITEMS.

NEW YORK.—At the annual meeting of the Clearing House Association, held recently, Frederick D. Tappen, president of the Gallatin National Bank, was re-elected chairman and Allen S. Appgar, secretary. The Clearing House Committee, the most important of the standing committees, consists of William A. Nash, Richard Hamilton, Edward H. Perkins, Jr., J. Edward Simmons and Henry W. Cannon. The annual report showed exchanges \$37,660,686,571 and balances \$1,753,040,145. The average daily exchanges were \$123,074,139 and balances \$5,728,889. The association is composed of sixty-four members, besides the Sub-Treasury. The National banks number forty-four and the State banks twenty. There are thirty banks in the city that are not members of the association, but clear through members. Of these only four are National banks.

NEW YORK CITY.—Henry W. Cannon, president of the Chase National Bank, has been appointed Aqueduct Commissioner, to fill the vacancy caused by the death of Mr. Howe. Like his predecessor, Mr. Cannon is a Republican, as the law requires him to be. Of this appointment the *New York Tribune* said: Mayor Grant has made one appointment which those who have the least confidence in his political sagacity and his fitness for a high municipal office cannot fail to commend heartily. The selection of Mr. Henry W. Cannon as Mr. Howe's successor in the Aqueduct Commission is altogether admirable. The Mayor was obliged to name a Republican, and it is a credit to him and must be a satisfaction to the community that he has chosen one of Mr. Cannon's caliber and standing. The ex-Controller of the Currency and president of the Chase National Bank is eminently fitted for the duties of his new office. The city is to be congratulated on this appointment. The other newspapers commended the appointment quite as heartily, and with reason, for it is an ideal appointment. Desirable as the office is, however, in many respects, we are sure that Mr. Cannon would not have been tempted by it if it meant a less zealous and effective administration of the affairs of his bank. The Chase has become one of the large banks of the city, and is highly prosperous—the result chiefly of Mr. Cannon's intelligent and unwearying devotion to the institution. Nothing has been permitted to come between the bank and himself that will lessen his efficiency, and we are sure that nothing ever will. A little diversion of this kind, however, is often a good thing for one, beside proving his willingness to render a highly useful public service.

DETROIT.—If it is any comfort to a person to deposit savings in a bank furnished and fitted in a style of luxurious splendor, the depositors of the State Savings Bank, which occupies the major portion of the ground floor of the Hammond building, must experience a good deal of satisfaction as they put away dollars for a rainy day. It is difficult to believe that handsomer office rooms for the purpose designed are to be found, and it would not be too sweeping to assert that they are the finest banking apartments in the United States. What with the combination of marble, fine woods and metals, it forms a whole that is a revelation in office furnishing. The latest and most improved style of counters run all around the main room, the savings business being transacted on the right and commercial on the left. In the rear are elegantly fitted rooms for the officers and directors. The decorations of walls and ceilings are rich and very tasteful. The phenomenal increase in the business of the State Savings Bank—their deposits being over \$2,000,000, or five times greater than in 1885—made it necessary to secure more commodious quarters, and the present elegant location is the result of the enterprise of the managers. The solidity of the institution is apparent when the names of the directorate are scanned. They are as follows: R. A. Alger, J. K. Burnham, W. C. Colburn, C. L. Freer, Frank J. Hecker, H. B. Ledyard, Hugh McMillan, W. C. McMillan, R. S. Mason, H. C. Parke, George H. Russel, Henry Russel, Charles Stinchfield, M. S. Smith. Geo. H. Russel is president, M. S. Smith, vice-president, and R. S. Mason, cashier. The cash capital is \$200,000, surplus \$50,000; making a guarantee fund for depositors of \$450,000. A branch of the State Savings Bank is conducted at

the exposition, in the main building, near the entrance, and for the convenience of parties wishing to make remittances, direct from the grounds, drafts on New York or Chicago may be purchased at the branch.—*Detroit Free Press.*

MINNEAPOLIS.—The Metropolitan Bank, of Minneapolis, has increased its capital stock from \$100,000 to \$150,000, and its surplus from \$10,000 to \$15,000. Undivided profits, amounting to \$10,000, have been announced. This increase was voted at a stockholders' meeting on Monday, Sept. 15, and by the following Saturday the additional stock was all paid in. The bank began business May 4, 1889. J. T. Wyman is president, and C. E. Braden, cashier.

BROOKLYN.—A new trust company, the Hamilton, will, it is announced, commence business in Brooklyn at the beginning of the new year. The office which has been selected and for which overtures are now being made is next door to the Brooklyn Trust Company, at the corner of Montague and Clinton streets. A list of incorporators is being made out and already are subscriptions to the capital stock being solicited, and, so it is said, being liberally responded to by Brooklyn capitalists. Alonzo T. Pouch, the Standard Oil Company capitalist, a large real estate owner in Brooklyn and a director in the Kings County Trust Company and stockholder in the new Citizens' Loan & Trust Company, is one of the gentlemen whose name is heard in connection with the matter. Another is Cyrus E. Staples, the broker. William Berri and Harlan P. Halsey are also named. The latter, it is said, is very actively interested, and has personally obtained many of the subscriptions. The capital stock of the Hamilton will be \$500,000. Under the banking law it cannot be less, and it is the intention of the men interested to start in with a paid-in surplus of \$250,000. The formation of the company will be advertised within the next fortnight, and by December 1 application will be made to the Superintendent of Banking for a charter, which is now being prepared by a well-known firm of lawyers. It is thought that this will be granted, and that the company will open for business by January 1.

BOSTON.—The Maverick National Bank of Boston has increased its surplus to \$800,000. Mr. Asa P. Potter is the efficient president and Joseph W. Work the cashier of this well-known institution.

FORT WAYNE, IND.—The Fort Wayne *Daily Gazette* contains an elaborate and deserving sketch of Mr. J. D. Nuttman, from which we make the following extract: In 1861 Mr. Nuttman disposed of his business in Decatur, returned to Fort Wayne and engaged in a private banking business. This was the time of the breaking out of the civil war. Mr. Nuttman was loyally devoted to the cause of the nation, and immediately upon the passage of the National Banking Law, in company with Judge Samuel Hanna he founded the First National Bank. The application for a charter for this Fort Wayne bank was No. 6 on the list but owing to some delay at the department in Washington its charter, when granted, was No. 11. Still it was the first National bank for the State of Indiana. Mr. Nuttman was made president of the bank and Judge Hanna vice-president, with W. B. Fisher, nephew of Mrs. Nuttman, and now of New York City, as cashier. Mr. Nuttman continued in this position, giving his time and energies to the successful establishment and development of this institution. Just before the expiration of its first charter he sold his interest therein and established the private banking house of Nuttman & Co. In this he associated with himself his son, J. D. Nuttman, Jr., who died shortly afterward, and Mr. Oliver S. Hanna, a grandson of his old friend Judge Hanna, and husband of his youngest daughter, Ellen Nuttman. Mr. Nuttman never gave much of his personal attention to his private bank. He seemed to feel when he left the First National, that his active business life was over, and after the death of his son the entire conduct of the business was left in the hands of Mr. Hanna, and we understand that Mr. Nuttman contemplated that this enterprise shall be continued as usual and without interruption, a course which the financial and business ability of Mr. Hanna makes entirely practicable. Those who have been brought into most intimate contact with the deceased, unite in describing him as a man of the strictest business integrity, unflinching in the assertion of his rights, but just as exact in discharging his obligations to others—a man whose word was always as good as his bond.

PORTLAND, OREGON.—A new plan of doing a banking business was inaugurated

some time ago by the Conservative Real Estate & Trust Company of Portland, Oregon, and is proving to be quite a success. The entire capital of the firm is invested in city real estate, and each depositor receives a deed for real estate valued at the amount of his deposit. Only time deposits are accepted. The depositor receives six per cent. for one year, seven per cent. for two years, and eight per cent. for three year deposits. The profits arising from the increase in value of the real estate is divided between the depositor and the bank. Thus the depositor not only gets a good round interest on his money, but also receives a part of the profits of the business.

**DIXON, NEB.**—The Dixon Bank has just commenced business here with \$10,000 paid up capital. H. H. Clark is president, and C. Stimson, cashier. Mr. Clark is also president of the Coleridge, Neb., State Bank, and it is mainly due to his enterprise, ably seconded by cashier Stimson, that the new town will now have a solid banking institution.—*Denver Financial News*.

**REDEMPTION OF BONDS.**—The Secretary of the Treasury on the 9th of October issued the following circular: In pursuance of the authority contained in section 2 of the act of March 3, 1881, public notice is hereby given that until further notice the bonds of the 4½ per cent. loan of 1891, acts of July 14, 1870, and Jan. 20, 1871, will be redeemed with interest to Aug. 31, 1891, on presentation at the Treasury Department in the city of Washington, D. C. Bonds forwarded for redemption should be addressed to the "Secretary of the Treasury, Division of Loans, etc., Washington D. C." and the registered bonds should be assigned to the "Secretary of the Treasury for redemption." Assignments must be dated and properly acknowledged as prescribed in the note printed on the back of each bond. Where checks in payment are desired in favor of any one but the payee the bonds should be assigned to the "Secretary of the Treasury for redemption for account of" (here insert the name of the person or persons to whose order the check should be made payable).

**PHILADELPHIA.**—During the month, Philadelphia has lost one of its best known bankers, Stephen A. Caldwell, president of the Fidelity Insurance, Trust and Safe Deposit Company. He was a native of Newburyport, Mass., where he was born on September 19, 1822. He came to this city in 1841, and entered the counting-room of David S. Brown & Co. In 1848 he became associated with Benjamin T. Tredick and Samuel E. Stokes, and commenced the dry goods commission business as the firm of Tredick, Stokes & Co., which continued until 1865, and was continued by the firm of Stokes, Caldwell & Co. This firm remained in business until 1879, and was dissolved by the death of Mr. Stokes. When the Fidelity Insurance, Trust and Safe Deposit Company was organized in 1866, Mr. Caldwell became one of its directors and vice-presidents, and upon the death of its president, Nathaniel M. Brown, in 1875, he was chosen his successor. The company prospered greatly under Mr. Caldwell's management, and is now known as one of the most substantial institutions of its kind in the world. During the bankruptcy of the Reading Railroad, Mr. Caldwell was one of its receivers, and after the dissolution of the receivership he was made a director and continued on the board until last April, when he resigned to make room for A. A. McLeod, at that time general manager of the road. Mr. Caldwell was a director of the First National Bank, and was interested in a number of large enterprises. He was also a member of the Union League, and served one year as its secretary, and for eight years as a director.

**CONCORD, N. H.**—Returns made to the Bank Commissioners for the year ending Sept. 30, 1890, show an unprecedented gain in the savings banks deposits of the State, the actual increase since 1889 being \$8,426,428. This does not include the savings deposits in the trust companies, which aggregate over \$1,000,000. The total savings deposits in savings banks and trust companies will reach nearly \$67,000,000, while the total accumulation, viz., deposits of guarantee fund, surplus, etc., will amount to almost \$73,000,000. There are 72 savings banks in the State, 1 State bank, and 10 trust companies.

**COUNTERFEITING RARE COINS.**—Recent discoveries indicate that a regularly organized gang of counterfeiters have been at work for years building up fortunes by manufacturing base coins, more particularly copies of rare coins, plate, and

other curios. It has been discovered that some of these counterfeits have been manufactured in the neighborhood of Toronto, and a large proportion of them have been expressed to the United States from Oakville and other small stations in the county of Peel. The investigation has been conducted secretly for six months, but, as yet, the counterfeiters have not been run to earth. When the first counterfeit was discovered, it created a good deal of excitement among dealers in old coins, and the Numismatists' Association of the United States started the secret service on an investigation that has so far resulted in the discovery of most extensive counterfeiting, both in the States and in Canada. It will be remembered that the one-dollar issue of 1804 was recalled, and but four were left in circulation. Each of these coins is now valued by numismatists at \$500, and it was a counterfeit of one of these that led to the first discovery. A dealer in Philadelphia, named Hazeltine, every year holds an auction sale of old coins, and among the packages offered for sale was found a one-dollar coin, apparently of the 1804 issue. The coin, however, appeared to be too new for such an old date, and the alloy had a different appearance to the genuine article. Among those who attended the sale was Colonel London Snowden, director of the Philadelphia mint, and upon a close examination he pronounced the coin to be a swindle. During the ensuing investigation, the officers succeeded in locating several of the bogus mints in the State of Louisiana, and among the stuff seized were many bogus productions of old curios.

AN "HONEST FARMER."—The following story has been telegraphed from Birmingham, Ala.: Asa Hughes owned a farm of 160 acres in Cahaba valley, which was about as poor as land can be to grow vegetation of any kind. Last year, when he called at the tax assessor's office to give in his taxes he remarked: 'We air 'guine ter have er boom over our way. Yes, land's gone up since last year. I'll have ter go up on my land this time I reckon. You see I'm honest, and I allus put it down fur just what it's wuth. If more folks would be honest we might not have such big taxes ter pay. I ain't gwine ter cheat ther State and county outin nary cent if I knows it. Put my land down at \$10 an acre this time. Considering ther boom I guess that's 'bout what it 'ud bring.' The assessor was pleased to meet such an honest man, and the farm was assessed at \$10 per acre. A week later Mr. Hughes called at the local office of the Corbin Banking Company and wanted to borrow \$800 on his farm. The tax books were examined, and when the agent saw that Mr. Hughes owned 160 acres of land assessed at \$10 an acre the loan was made without delay. As soon as he obtained the money honest Farmer Hughes hurried home, packed up, and with his family moved to Texas. The Corbin Banking Company now own a farm in Cahaba valley which they cannot sell at one dollar per acre.

PECUNIARY CONDITION OF COLORED FOLKS IN THE STATES.—A correspondent of the Chicago *Inter-Ocean*, who has been gathering statistics regarding the pecuniary condition of the 11,000,000 colored people in this country, says they own property worth in the aggregate more than \$263,000,000. Of this amount \$16,310,441 is church property. Their wealth is chiefly found in the following States: Alabama, \$9,200,125; Arkansas, \$8,010,315; California, \$4,006,209; Colorado, \$3,100,472; Delaware, \$1,200,179; District of Columbia, \$5,300,033; Florida, \$7,900,040; Georgia, \$10,415,330; Iowa, \$2,500,372; Illinois, \$8,300,511; Indiana, \$4,004,113; Kansas, \$3,500,222; Kentucky, \$5,900,000; Louisiana, \$18,100,528; Mississippi, \$13,400,213; Missouri, \$6,600,340; Maryland, \$8,900,735; Minnesota, \$1,001,236; Michigan, \$4,800,000; New Jersey, \$3,300,185; New York, \$17,400,756; North Carolina, \$11,010,652; Nebraska, \$2,500,000; Massachusetts, \$9,004,122; Ohio, \$7,800,325; Rhode Island, \$3,400,000; Pennsylvania, \$15,300,648; South Carolina, \$12,500,000; Texas, \$18,010,545; Tennessee, \$10,400,211; Vermont, \$1,010,371; West Virginia, \$5,006,721; Washington, \$1,575,000; Virginia, \$4,900,000.

PREPAYMENTS OF INTEREST.—The total prepayments of interest by the Treasury on the 4 per cent. bonds and the currency sixes under the offers of September 6 and 15 respectively were \$12,009,951. Of the above amount there was paid at Washington \$4,025,719, and at New York, \$6,401,885. The rest was paid at Boston, Philadelphia, Baltimore, Cincinnati, Chicago, St. Louis, New Orleans and San Francisco. About \$11,000,000 remains uncalled for, but will be paid as it falls due.

**THE LARGEST CHECK EVER DRAWN.**—A minor controversy has arisen about the "largest check" that ever was written. It was announced that to the check drawn the other day by the Great Indian Peninsular Railway Company on the London and County Bank for £1,250,000 belongs the distinction. It was at the same time stated that one drawn by Vanderbilt for \$700,000 had hitherto headed the list. The statement, however, is inaccurate, says *The Bullionist*. At least four of the London clearing banks have paid checks for considerably over £2,000,000 on more than one occasion. A few years ago the Manchester Ship Canal Company, when buying out the Bridgewater Trustees, drew one check for £1,750,000 on Glyn & Co., and this document can still be seen at the offices of the Ship Canal Company, Deansgate, Manchester, where it is framed as a curiosity. A check for an enormous amount passed through the "house" in 1879 or 1880. The amount was upward of £3,250,000, and was in settlement of an arbitration award. When the Alabama claim was settled, and the Halifax fisheries question was decided, large amounts of money changed hands.—*Pall Mall Gazette*.

**HOW A GOOD SALE WAS MADE.**—The *Kansas Financier*, published in Topeka, prints the following in a recent number: "The Farmers' Loan & Trust Company", of Anthony, Kan., has finally succumbed to the inevitable, and made an assignment for the benefit of its creditors. This company did more to destroy the legitimate business of making mortgage loans than any other one. It had not been doing business long until it was classed by competitors as a wildcat scheme organized to make a large commission account, to be divided among its stockholders without special regard to its security holders and patrons. It loaned money regardless of apparent security. As best illustrating its methods the following story is current, which has been told as an actual occurrence. A party known locally in Anthony (where the company had its main office) as a speculator and trader in all sorts of real estate went to various companies bidding for a loan on certain property to get as large a loan as possible. The Farmers' Loan & Trust Company offered him a loan much in excess of any other company's offer. He accepted their terms, made his application, note and mortgage, which represented more than the actual value of the property, took the check for the proceeds of his note, went to the bank, drew the money, and, returning to the office with the money secure in his pocket, said to the managers, "Well, gentlemen, I am through now; where shall I leave the key?" He considered he had made a good sale.

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## DEATHS.

**BAIRD.**—On October 6, aged fifty-nine years, PRENTISS C. BAIRD, President of Lee National Bank, Lee, Mass.

**BILLINGS.**—On September 30, aged sixty-seven years, FREDERICK BILLINGS, President of Woodstock National Bank, Woodstock, Vt.

**CALDWELL.**—On October 17, aged sixty-eight years, STEPHEN A. CALDWELL, President of the Fidelity Insurance, Trust and Safe Deposit Co., Philadelphia, Pa.

**JEWETT.**—On October 27, aged fifty-five years, JOHN L. JEWETT, President of Irving National Bank, New York City, N. Y.

**RODGERS.**—On September 18, GEO. T. RODGERS, Cashier of First National Bank, Lamar, Mo.

**RUTHERFORD.**—On September 2, aged seventy-four years, ABNER RUTHERFORD, President of Hummelstown National Bank, Hummelstown, Pa.

## NEW BANKS, BANKERS. AND SAVINGS BANKS

*(Monthly List, continued from October No., page 317.)*

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N.Y. Correspondent.</i>
N. Y. CITY.....		Real Estate L. & T. Co. Henry C. Swords, <i>P.</i> Henry W. Reighley, <i>Sec.</i> Her. H. Canmann, <i>V. P.</i>	
ALA....	Birmingham....	South Side Savings Bank. \$25,000 Wm. Hood, <i>P.</i> L. A. May, <i>Cas.</i> Jack W. Johnson, <i>V. P.</i>	Southern National Bank.
ARIZ....	Tucson.....	Arizona National Bank... \$50,000 B. M. Jacobs, <i>P.</i> M. P. Freeman, <i>Cas.</i> Samuel Hughes, <i>V. P.</i>	Chemical National Bank.
ARK....	Jonesboro.....	Craighead County Bank. \$50,000 J. H. Kitchens, Jr., <i>P.</i> Henry T. Smith, <i>Cas.</i> Z. T. Matthews, <i>V. P.</i>	Hanover National Bank.
CAL....	Bakersfield. ....	Bank of Bakersfield. .... S. W. Webb, <i>P.</i> Julius J. Mack, <i>Cas.</i>	
DAK. N.	Cogswell.....	Bishop, Montgomery & Co. .... \$15,000 Geo. S. Bishop, <i>P.</i> E. S. Bishop, <i>V. P.</i>	
"	S.. Custer City ....	First National Bank..... \$50,000 Denis Carrigan, <i>P.</i> Wm. F. Hanley, <i>Cas.</i>	
FLA....	Brooksville.....	Brooksville State Bank... \$15,000 R. B. McConnell, <i>P.</i> Wm. A. Jones, <i>Cas.</i> W. S. Jennings, <i>V. P.</i>	National Park Bank.
"	.. Marianna .....	W. J. Daniels & Co..... Wm. J. Daniels, <i>P.</i> Wm. H. Milton, Jr., <i>Cas.</i>	Fourth National Bank.
GA....	Americus .....	Bank of Sumter .....	Chase National Bank.
"	.. Atlanta.....	T. N. Hawkes, <i>P.</i> W. C. Furlow, <i>Cas.</i> O. A. Coleman, <i>V. P.</i> Fulton Loan & B'k'ng Co. .... Joel Hurt, <i>P.</i> Chas. K. Maddax, <i>Cas.</i> W. T. Gentry, <i>V. P.</i>	
"	.. Talbottom. ....	Peoples Bank..... \$30,000 Geo. H. Estes, <i>P.</i>	Bank of North America. Chas. W. Kimbrough, <i>Cas.</i> G. W. Ticknor, <i>Ass't Cas.</i>
"	.. Valdosta.....	First National Bank..... \$50,000 S. L. Hayes, <i>P.</i> H. C. Briggs, <i>Cas.</i> D. C. Ashley, <i>V. P.</i>	Chase National Bank.
IDAHO..	Kendrick.....	Bank of Kendrick. .... \$12,457 J. M. Walker, <i>P.</i> Ramsay M. Walker, <i>Cas.</i>	Chemical National Bank.
ILL....	Anna .....	First National Bank. .... \$50,000 Chas. M. Willard, <i>P.</i> Harlan P. Tuthill, <i>Cas.</i>	
"	.. Lockport.....	Exch. B'k of Lockport... Chas. H. Bacon, <i>P.</i> Andrew H. Butler, <i>Cas.</i>	
"	.. Peoria .....	Peoria Sav., L. & Tr. Co.. \$100,000 Martin Kingman, <i>P.</i> Chas. T. Heald, <i>Cas.</i> A. S. Oakford, <i>V. P.</i>	
"	.. Vienna.....	First National Bank..... \$50,000 P. T. Chapman, <i>P.</i> D. W. Whittenberg, <i>Cas.</i> J. Throgmorton, <i>V. P.</i> Jno. B. Jackson, <i>Ass't Cas.</i>	Chemical National Bank.
IOWA...	Adel.....	Dallas Co. Bank..... W. H. Brenton, <i>P.</i> D. S. Shull, <i>Cas.</i> Chas. R. Brenton, <i>V. P.</i> C. E. Brenton, <i>Ass't Cas.</i>	Importers & Traders Nat. Bank.
"	.. Akron.....	Akron Savings Bank .... \$20,000 R. D. Clark, <i>P.</i> Herman J. Thode, <i>Cas.</i> Wm. Tremaine, <i>V. P.</i> E. A. Peters, <i>Ass't Cas.</i>	Chemical National Bank.
"	.. New London...	New London B'k'ng Co.. \$12,000 J. E. Peterson, <i>P.</i> Wm. W. Lee, <i>Cas.</i> Saml. Heiser, <i>V. P.</i>	Hanover National Bank.

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
IOWA...	Northwood ....	Northwood Banking Co. \$50,000 K. Cleophas, <i>P.</i> J. H. Willing, <i>V. P.</i>	United States National Bank. Dow Simmonds, <i>Cas.</i>
" ..	Osceola.....	Iowa Stats Bank..... \$50,000 John W. Hood, <i>P.</i> C. T. Haskins, <i>V. P.</i>	Hanover National Bank. Frank W. Haskins, <i>Cas.</i>
" ..	Sac City.....	First Nat. Bank..... \$50,000 D. E. Hallett, <i>P.</i>	..... H. H. Allison, <i>Cas.</i>
" ..	Sioux City.....	Nat. Bank of Sioux City. \$1,000,000 W. E. Higman, <i>P.</i>	National Park Bank. C. Q. Chandler, <i>Cas.</i> C. B. French, <i>Ass't Cas.</i>
KAN....	Hartford.....	I. A. Taylor..... \$10,000 Isaac A. Taylor, <i>P.</i>	Hanover National Bank. Robt. T. Snediker, <i>Cas.</i> Wm. D. Taylor, <i>Ass't Cas.</i>
KY. . .	Richmond.....	Richmond Nat. Bank.... \$200,000 J. W. Caperton, <i>P.</i>	..... J. E. Greenleaf, <i>Cas.</i>
ME....	Portland.....	Chapman Banking Co...	Brown Bros.
MICH...	Battle Creek...	Farmers & Mech. Bank..	Mercantile National Bank. Wm. J. Smith, <i>Cas.</i>
" ..	Decatur.....	First State Bank..... \$15,000 Alexander B. Copley, <i>P.</i> Thos. Browning, <i>V. P.</i>	Continental National Bank. Alva H. Huycie, <i>Cas.</i>
" ..	Menominee.. .	Lumbermens Nat. Bank. \$100,000 Augustus A. Carpenter, <i>P.</i> John W. Wells, <i>V. P.</i>	..... M. S. Harmon, <i>Cas.</i>
" ..	Port Huron....	First Nat. Exchange B'k. \$135,000 Henry Howard, <i>P.</i> James Goulden, <i>V. P.</i>	Hanover National Bank. Hartson G. Barnum, <i>Cas.</i> James Bradley, <i>Ass't Cas.</i>
" ..	Whitehall.....	Whitehall State Sav. B'k. \$25,000 Isaac M. Weston, <i>P.</i> H. E. Staples, <i>V. P.</i>	Chase National Bank. S. H. Lasley, <i>Cas.</i>
MINN...	Hinckley.....	Pine County Bank..... \$5,000 Wm. H. Grant, Jr., <i>P.</i>	National Bank of Republic. O. Ostmark, <i>Cas.</i>
" ..	Rice.....	Benton County Bank.... Chas. M. Hertig, <i>P.</i>	..... Oliver H. Havill, <i>Cas.</i>
MO....	Braymer.....	Farmers & Traders Bank. \$20,000 Henry Eichler, <i>P.</i> T. H. Ingersall, <i>V. P.</i>	..... Robt. J. Murphy, <i>Cas.</i>
" ..	Carthage.....	Central National Bank. \$100,000 Amos H. Coffee, <i>P.</i> J. P. Newell, <i>V. P.</i>	Hanover National Bank. John E. Lang, <i>Cas.</i>
" ..	Doniphan.....	Ripley County Bank..... \$10,000 R. C. Harrett, <i>P.</i>	..... Chas. C. Chandler, <i>Cas.</i>
" ..	Fulton.....	Home Savings Bank..... Jno. T. Brown, <i>P.</i>	United States National Bank. Jas. A. Leavell, <i>Cas.</i> Aug. Hockoday, <i>Ass't Cas.</i>
" ..	Walnut Grove..	Bank of Walnut Grove . \$5,000 Benton G. Acuff, <i>P.</i> Andrew J. McLemore, <i>V. P.</i>	..... John S. McLemore, <i>Cas.</i>
MONT .	Great Falls....	Merchants National B'k. \$100,000 Will Hanks, <i>P.</i>	..... Geo. A. Wells, <i>Cas.</i>
NEB....	Lincoln.....	Columbia National Bank. \$250,000 John B. Wright, <i>P.</i> T. E. Sanders, <i>V. P.</i>	Chase National Bank. John H. McClay, <i>Cas.</i>
OHIO...	Cleveland.....	Columbia Sav. & L. Co. \$50,000 Hubbard Cooke, <i>P.</i> W. J. Hayes, <i>V. P.</i>	Lincoln National Bank. Chas. G. Barkwill, <i>Cas.</i>
" ..	Columbus.....	Nat. Bank of Columbus.. \$300,000 Wm. Monypenny, <i>P.</i> Edward T. Mithoff, <i>V. P.</i>	Central National Bank. Theo. P. Gordon, <i>Cas.</i>
" ..	Holgate.....	Holgate Commercial B'k.. \$10,000	Hanover National Bank. Fred. H. Voigt, <i>Cas.</i>
ORE....	East Portland..	Citizens Bank..... \$25,000 Joseph H. Lambert, <i>P.</i> Cyrus Buckman, <i>V. P.</i>	Chase National Bank. Albert W. Lambert, <i>Cas.</i> W. Z. Buffington, <i>Ass't Cas.</i>
" ..	East Portland..	East Portland Sav. Bank. \$50,000 John Myers, <i>P.</i>	Hanover National Bank. Fred. C. Austin, <i>Cas.</i>



<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
PA.....	Darby....	First National Bank.....	.....
	\$50,000	W. L. Verlenden, <i>P.</i>	Wm. L. Buck, <i>Cas.</i>
• ..	Waynesboro....	Peoples National Bank..	Chase National Bank.
	\$50,000	Daniel Hoover, <i>P.</i>	Jacob H. Stoner, <i>Cas.</i>
		W. T. Omwake, <i>V. P.</i>	
TENN..	Chattanooga....	Continental Nat. Bank..	Continental National Bank.
	\$300,000	Clifford D. Beebe, <i>P.</i>	Jeffray D. Lindseey, <i>Cas.</i>
		C. H. Hensel, <i>V. P.</i>	
		N. A. Fuller, <i>ad V. P.</i>	
• ..	Memphis.....	Union Savings Bank....	Western National Bank.
	\$50,000	Geo. Arnold, <i>P.</i>	John I. Dunn, <i>Cas.</i>
• ..	Union City.....	Farm. & Merch. Nat. B..	National Bank of Republic.
	\$100,000	R. W. Fowlkes, <i>P.</i>	John T. Walker, <i>Cas.</i>
		W. Askins, <i>V. P.</i>	
TEXAS..	Denison.....	National B'nk of Denison.	Hanover National Bank.
	\$200,000	C. S. Cobb, <i>P.</i>	N. S. Ernst, <i>Cas.</i>
		D. O. Fisher, <i>V. P.</i>	
• ..	Eagle Pass.....	First National Bank.....	Importers & Traders Nat. Bank.
	\$50,000		Frederick V. Blesse, <i>Cas.</i>
• ..	Grape Vine.....	Newell Porter & Co.....	Kountze Bros.
		Newell Porter, <i>P.</i>	Geo. W. Hayward, <i>Cas.</i>
• ..	Hamilton.....	Hamilton National Bank.	Hanover National Bank.
	\$50,000	Geo. F. Perry, <i>P.</i>	Edward A. Perry, <i>Cas.</i>
		John S. Spurlin, <i>V. P.</i>	
• ..	Houston.....	Mechanics Bank.....	Southern National Bank.
	\$31,000	Wm. T. Cumming, <i>P.</i>	Ollie Tilford, <i>Cas.</i>
• ..	Palestine.....	Palestine National Bank.	Bank of New York N. B. A.
	\$50,000	J. W. Ozment, <i>P.</i>	John A. Davis, <i>Cas.</i>
		John R. Hearne, <i>V. P.</i>	
UTAH..	Nanti.....	Nanti City Savings Bank.	.....
	\$25,000	Luther T. Tuttle, <i>P.</i>	Albert Smith, <i>Cas.</i>
		H. J. Christinson, <i>V. P.</i>	
• ..	Salt Lake City.	Bank of Commerce.....	National Bank of Republic.
	\$100,000	Boyd Park, <i>P.</i>	S. F. Walker, <i>Cas.</i>
		Wm. W. Chisholm, <i>V. P.</i>	S. H. Fields, Jr., <i>Ass't Cas.</i>
VA.....	Lawrenceville..	Bank of Lawrenceville...	Hanover National Bank.
	\$96,000	Edward Dromgoole, <i>P.</i>	Chas. E. May, <i>Cas.</i>
		Robt. Turnbull, <i>V. P.</i>	
• ..	Roanoke.....	State Savings Bank.....	Seaboard National Bank.
	\$50,000	F. A. Barnes, <i>P.</i>	H. G. Cole, <i>Cas.</i>
		C. O. Leary, <i>V. P.</i>	
WASH..	Centralia.....	First National Bank.....	.....
	\$50,000	Allen J. Miller, <i>P.</i>	Frank Hense, <i>Cas.</i>
• ..	Hoquiam.....	First National Bank.....	.....
	\$50,000	Franklin D. Arnold, <i>P.</i>	Harry W. Smith, <i>Cas.</i>
• ..	Puyallup.....	Bank of Puyallup.....	Mercantile National Bank.
	\$60,000	A. C. Campbell, <i>P.</i>	Saml. B. Dusenberre, <i>Cas.</i>
		Willis Boatman, <i>V. P.</i>	
• ..	Tacoma.....	Nat. Bank of Republic...	.....
	\$200,000	Harry M. Ball, <i>P.</i>	Henry S. Martin, <i>Cas.</i>
WIS....	Shell Lake.....	Shell Lake Sav. Bank. ..	Mercantile National Bank.
	\$30,000	A. C. Probert, <i>P.</i>	Benton W. Barnes, <i>Cas.</i>
		Edwin Probert, <i>V. P.</i>	
ONT....	Watford.....	Thomas & Kenward.	.....

## CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from October No., page 315.)

<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
N. Y. CITY. Irving National Bank.....	Chas. H. Fancher, <i>P.</i> .....	John L. Jewett.*
• .. Nat. Bank of Republic.....	W. B.T. Keyser, <i>ad. A.C.</i> .....	.....
ALA.... Bank of Athens, Athens.....	Eugene E. Rives, <i>Cas.</i> .....	.....
COL.... First National Bank, Denver...	C. H. Rose, <i>ad. A. Cas.</i> ...	H. N. Otis.
• .. First National Bank, Telluride.	Chas. L. Hyde, <i>Cas.</i> .....	.....
CONN... Colchester Sav. Bank,	A. A. Baker, <i>P.</i> .....	S. C. Gillette.
Colchester.	P. R. Strong, <i>V. P.</i> .....	Wm. H. Hayward.
• .. United States Bank,*	H. L. Bunce, <i>V. P.</i> .....	.....
Hartford.	H. M. Clark, <i>Cas.</i> .....	H. L. Bunce.
• .. Chelsea Sav. Bank, Norwich...	F. G. Sexton, <i>Ass't Cas.</i> ...	.....
ILL.... Gammon & Newton, Batavia	Edward Harland, <i>P.</i> .....	Henry Bill.
• .. Peoples Bank, Braceville.....	D. B. Andrus, <i>Cas.</i> .....	N. S. Young.
• .. City National Bank, Cairo.....	T. M. Jones, <i>Cas.</i> .....	A. A. Wetmore.
• .. First National Bank, Freeport...	Jno. S. Aisthorpe, <i>A. Cas.</i> .....	.....
• .. Nat. Bank of Monmouth,	A. Bidwell, <i>Ass't Cas.</i> .....	.....
Monmouth.	Wm. Hanna, <i>V. P.</i> ... ..	.....
• .. First National Bank, Quincy...	E. D. Brady, <i>Ass't Cas.</i> ...	.....
• .. Streator Nat. Bank, Streator...	H. A. Williamson, <i>V. P.</i> ...	Jas. D. Morgan.
• .. First National Bank, Urbana...	Harry W. Lukins, <i>A. Cas.</i> .....	.....
IND.... Marion Bank, Marion.....	A. F. Fay, <i>Cas.</i> .....	P. E. Burke.
• .. First National Bank,	Geo. Webster, Jr., <i>Cas.</i> ...	Joel G. Sayre.
North Manchester.	Ruskin Arnold, <i>Cas.</i> .....	.....
IOWA... Council Bluffs Sav. Bank,	Thomson Arnold, <i>A. Cas.</i> ...	Ruskin Arnold.
Council Bluffs.	Aug. Beresheim, <i>Cas.</i> ....	A. W. Riekman.
• .. First National Bank,	Geo. P. Sanford, <i>P.</i> .....	J. F. Evans.
Council Bluffs.	S. Farnsworth, <i>V. P.</i> .....	G. W. Lininger.
• .. Capital City St. B., Des Moines.	A. W. Riekman, <i>Cas.</i> .....	S. Farnsworth.
• .. German Bank,	A. T. Rice, <i>Ass't Cas.</i> ...	.....
Dubuque.	J. A. McKinney, <i>Cas.</i> .....	Geo. W. Baker.
• .. Second Nat. Bank, Dubuque...	Jas. Beach, <i>Act'g P.</i> .....	.....
• .. First Nat. Bank, Fort Dodge...	Chas. Sass, <i>Cas.</i> .....	P. J. Lee.
• .. Farmers & Merchants Bank,	Herman Eschen, <i>Ass't C.</i> .....	.....
Hamburg.	S. T. Meserve, <i>P.</i> .....	Leander Blanden.
• .. Security State Bank, Hartley...	J. P. Beach, <i>P.</i> .....	S. Holmes.
• .. Exchange Bank, Lime Springs.	S. Holmes, <i>V. P.</i> .....	.....
• .. First National Bank,	C. D. Butterfield, <i>Cas.</i> ....	J. P. Beach.
Missouri Valley.	O. Evans, <i>P.</i> .....	Wm. S. Fuller.
• .. Worth Co. State Bank,	John Stomsen, <i>Cas.</i> .....	D. V. Reed.
Northwood.	L. M. Kellogg, <i>P.</i> .....	O. B. Dutton.
• .. Nat. Bank of Commerce,	Jno. S. McGavren, <i>Cas.</i> ...	Jay G. Dutton.
Hutchinson.	B. H. Beckett, <i>P.</i> .....	.....
• .. Exchange Bank, Kansas City...	Wm. F. Andrews, <i>V. P.</i> ...	.....
• .. First National Bank, Winfield.	Henry T. Toye, <i>Cas.</i> .....	.....
KY.... Union Nat. Bank, Louisville...	W. V. Andrews, <i>Ass't C.</i> .....	.....
• .. First National Bank,	W. T. Atkinson, <i>P.</i> .....	Geo. W. Hardy.
Middlesborough.	N. G. Hollister, <i>Cas.</i> .....	W. T. Atkinson.
• .. Richmond Nat. B'k, Richmond.	A. A. Lovelace, <i>Cas.</i> .....	A. W. Little.
MD.... Savings B'k of Somerset Co.,	Henry E. Kibbe, <i>Ass't C.</i> .....	.....
Princess Anne.	L. O. Cox, <i>Cas.</i> .....	W. P. Fredericks.*
MASS... Lee National Bank, Lee.....	Theodore Harris, <i>P.</i> .....	M. C. Alford.
MICH... Pontiac Nat. Bank, Pontiac....	C. M. Woodbury, <i>V. P.</i> ...	C. M. Sandifer.
	A. O. Hodges, <i>Ass't Cas.</i> ...	W. J. Kinnaid.
	C. B. French, Jr., <i>A. Cas.</i> .....	.....
	Thos. J. Dixon, <i>P.</i> .....	L. Woolford.
	C. C. Benton, <i>P.</i> .....	P. C. Baird.*
	Albe Lull, <i>Cas.</i> .....	Henry J. Gerls.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
MINN...	Marine National Bank, Duluth.	W. M. Osborne, <i>V. P.</i> ....	.....
" ..	Bank of Long Prairie, } Long Prairie. }	Lucas Kells, <i>P.</i> .....	.....
" ..	Mill Lacs Co. Bank, } Princeton. }	Wm. E. Lee, <i>Cas.</i> .....	.....
" ..	Mill Lacs Co. Bank, } Princeton. }	R. H. Harkens, <i>Ass't Cas.</i> .....	.....
" ..	Mill Lacs Co. Bank, } Princeton. }	Frank Hense, <i>P.</i> .....	Chas. Erickson.
" ..	Mill Lacs Co. Bank, } Princeton. }	S. S. Peterson, <i>Cas.</i> .....	Frank Hense.
MO....	Wheeler Sav. Bank, Brookfield.	E. M. Lomax, <i>Cas.</i> .....	Thos. Flood.
" ..	Joplin National Bank, Joplin..	Edward D. Porter, <i>V. P.</i> ..	.....
" ..	First Nat'l Bank, King City....	D. Bonham, <i>V. P.</i> .....	.....
" ..	First National Bank, Lamar....	C. S. Jones, <i>Cas.</i> .....	Geo. T. Rodgers.
MONT...	First National Bank, Miles City.	H. B. Wiley, <i>Cas.</i> .....	E. B. Weirick.
NEB....	Security National Bank, } Grand Island. }	A. S. Vest, <i>Cas.</i> .....	J. M. Marsh.
" ..	Security National Bank, } Grand Island. }	W. S. Dickson, <i>Ass. Cas.</i> A. S. Vest.	.....
" ..	First Bank of Miller, Miller....	W. C. Tillson, <i>P.</i> .....	.....
N. J....	Hunterdon Co. Nat. Bank, } Flemington. }	John W. Priestley, <i>P.</i> .....	Judiah Higgins.*
" ..	Hunterdon Co. Nat. Bank, } Flemington. }	John Shields, <i>V. P.</i> .....	.....
N. Y...	Brooklyn Bank, } Brooklyn. }	Henry E. Hutchinson, <i>P.</i> E. Lewis, Jr.	.....
" ..	Brooklyn Bank, } Brooklyn. }	Thos. M. Halsey, <i>Cas.</i> ....	H. E. Hutchinson.
OHIO...	City National Bank, Akron....	A. M. Cole, <i>P.</i> .....	John B. Woods.
" ..	Farmers Nat. Bank, Mansfield..	Edward Remy, <i>Cas.</i> .....	.....
" ..	B'k of Marysville, } Marysville. }	Nathan Howard, <i>P.</i> .....	.....
" ..	B'k of Marysville, } Marysville. }	R. M. Henderson, <i>V. P.</i> ..	.....
" ..	B'k of Marysville, } Marysville. }	Walter C. Fullington, <i>Cas.</i> .....	.....
" ..	B'k of Marysville, } Marysville. }	J. S. Wilkins, <i>Ass't Cas.</i> .....	.....
" ..	Peoples National Bank, } Wapakoneta. }	Francis J. McFarland, <i>P.</i> Francis Fritsch.	.....
" ..	Peoples National Bank, } Wapakoneta. }	Lewis Wisener, <i>Cas.</i> .....	F. J. McFarland.
ORE....	Arlington Nat. Bank, Arlington.	H. T. Hawson, <i>Ass't Cas.</i> .....	.....
" ..	Astoria National Bank, Astoria.	John Hobson, <i>V. P.</i> .....	.....
PA....	Farm. Nat. B. of Bucks Co., } Bristol. }	Benj. J. Taylor, <i>V. P.</i> ..	.....
" ..	Butler Co. Nat. Bank, Butler..	Joseph Hartman, <i>P.</i> .....	R. B. Taylor.
" ..	First Nat. Bank, Pen Argyl....	J. H. Werner, <i>V. P.</i> .....	.....
" ..	Fidelity Ins., Tr. & S. Dep. Co. } Philadelphia. }	John B. Gest, <i>P.</i> .....	S. A. Caldwell.*
" ..	Fidelity Ins., Tr. & S. Dep. Co. } Philadelphia. }	Robt. Patterson, <i>V. P.</i> ....	John B. Gest.
" ..	Fidelity Ins., Tr. & S. Dep. Co. } Philadelphia. }	Chas. Atherton, <i>Treas.</i> ...	Robt. Patterson.
S. C....	Nat. Bank of Laurens, } Laurens. }	Jno. A. Barksdale, <i>Cas.</i> ...	W. A. Watts.
" ..	Nat. Bank of Laurens, } Laurens. }	C. W. Tune, <i>Ass't Cas.</i> ...	J. A. Barksdale.
TENN ..	Chattanooga S. B., Chattan'ga.	E. R. Crutcher, <i>Cas.</i> .....	Jno. C. Bowyer.
" ..	State National Bank, } Knoxville. }	Jerome Templeton, <i>V. P.</i> S. T. Harris.	.....
" ..	State National Bank, } Knoxville. }	John L. Boyd, <i>Act'g Cas.</i> ..	.....
TEXAS..	First Nat. Bank, Aransas Pass..	R. H. Wood, <i>P.</i> .....	.....
" ..	Ninth National Bank, } Dallas. }	J. J. Carter, <i>P.</i> .....	.....
" ..	Ninth National Bank, } Dallas. }	R. B. Godley, <i>V. P.</i> .....	.....
" ..	Ninth National Bank, } Dallas. }	C. B. Jones, <i>Ass't Cas.</i> ..	.....
" ..	First National Bank, Graham..	S. R. Crawford, <i>Cas.</i> .....	Wm. R. Houston.
" ..	First National Bank, } Yoakum. }	Alex. May, <i>V. P.</i> .....	.....
" ..	First National Bank, } Yoakum. }	Jim Blanks, <i>Cas.</i> .....	W. O. Richardson.
VT....	Woodstock Nat. B., Woodstock.	F. N. Billings, <i>P.</i> .....	Fred. Billings.*
VA....	Citizens Bank, Roanoke.....	H. M. Dickinson, <i>Cas.</i> ....	John Ott.
" ..	Citizens Bank, Roanoke.....	A. A. Phillips, <i>P.</i> .....	John F. Gowey.
WASH..	First National Bank, } Olympia. }	L. W. Ostrander, <i>Cas.</i> ....	A. A. Phillips.
" ..	First National Bank, } Olympia. }	Henry P. Lee, <i>Ass't Cas.</i> ..	.....
" ..	Port Townsend Nat. Bank, } Port Townsend. }	J. S. Fennimore, <i>Cas.</i> ....	W. A. Wilcox.
" ..	Port Townsend Nat. Bank, } Port Townsend. }	E. N. Onimette, <i>P.</i> .....	E. L. Scarritt.*
Wis....	German-Amer. B., Pt. Wash'gt'n.	Joseph Boehmer, <i>P.</i> .....	A. Halter.

\* Deceased.

## OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

*(Monthly List, continued from October No., page 319.)*

No.	Name and Place.	President.	Cashier.	Capital.
4426	National Bank of Republic..... Tacoma, Wash.	Harry M. Ball,	Henry S. Martin,	\$200,000
4427	First National Bank..... Hoquiam, Wash.	Franklin D. Arnold,	Harry W. Smith,	50,000
4428	First National Bank..... Darby, Pa.	W. L. Verlenden,	Wm. L. Buck,	50,000
4429	First National Bank..... Valdosta, Ga.	S. L. Hayes,	H. C. Briggs,	50,000
4430	Richmond National Bank..... Richmond, Ky.	J. W. Caperton,	J. E. Greenleaf,	200,000
4431	National Bank of Sioux City.... Sioux City, Iowa.	W. E. Higman,	C. Q. Chandler,	1,000,000
4432	American National Bank..... Salt Lake City, Utah.	James H. Bacon,	Frank L. Holland,	250,000
4433	First National Bank..... Vienna, Ill.	P. T. Chapman,	Daniel W. Whittenberg,	50,000
4434	Merchants National Bank..... Great Falls, Mont.	Will Hanks,	Geo. A. Wells,	100,000
4435	Columbia National Bank..... Lincoln, Neb.	John B. Wright,	John H. McClay,	250,000
4436	Palestine National Bank..... Palestine, Texas.	J. W. Ozment,	Jno. A. Davis,	50,000
4437	Greeley National Bank..... Greeley, Col.		Chas. H. Wheeler,	50,000
4438	First National Bank..... Aransas Pass, Texas.	R. H. Wood,	J. M. Hoopes,	60,000
4439	First National Bank..... Centralia, Wash.	Allen J. Miller,	Frank Hense,	50,000
4440	Arizona National Bank..... Tucson, Ariz.	B. M. Jacobs,	M. P. Freeman,	50,000
4441	Central National Bank..... Carthage, Mo.	Amos H. Coffee,	John E. Lang,	100,000
4442	Farmers & Merchants Nat. Bank. Union City, Tenn.	R. W. Fowlkes,	John T. Walker,	100,000
4443	National Bank of Columbus.... Columbus, O.	Wm. Monypenny,	Theodore P. Gordon,	300,000
4444	Merchants National Bank..... Carlisle, Pa.	Geo. W. Neidick,	T. J. Parmley,	100,000
4445	Peoples National Bank..... Waynesboro, Pa.	Daniel Hoover,	J. H. Stoner,	50,000
4446	First National Exchange Bank.. Port Huron, Mich.	Henry Howard,	Hartson G. Barnum,	135,000
4447	National Bank of Denison..... Denison, Texas.	C. S. Cobb,	N. S. Ernst,	200,000
4448	First National Bank..... Custer City, S. Dak.	Denis Carrigan,	Wm. F. Hanley,	50,000
4449	First National Bank..... Anna, Ill.	Chas. M. Willard,	Harlan P. Tuthill,	50,000
4450	First National Bank..... Sac City, Iowa.	D. E. Hallett,	H. H. Allison,	50,000
4451	Hamilton National Bank..... Hamilton, Texas.	Geo. F. Perry,	E. A. Perry,	50,000

The National Bank of Waupaca (4424) Waupaca, Texas, as reported last month should be National Bank of Waupaca, Waupaca, Wis.

## CHANGES, DISSOLUTIONS, ETC.

*(Continued from October No., page 317.)*

- ARIZ.. Tucson..... Santa Cruz Valley Bank is now the Arizona National Bank.
- COL... Telluride ..... San Miguel Valley Bank is now the First National Bank.
- DAK. S. Aberdeen..... F. B. Hagerty & Co. reported assigned.
- FLA.... St. Augustine.. St. John's Co. Savings Bank and Real Estate Exchange is reported in the hands of a receiver.
- ILL.... Lockport..... Bank of Lockport, E. Gabrielson & Co., proprietors, has been succeeded by the Exchange Bank of Lockport.
- IOWA... Akron..... Bank of Akron succeeded by Akron Savings Bank, same correspondents.
- .. Northwood..... Northwood Bank (R. P. Johnson & Co.) has been succeeded by the Northwood Banking Co., same correspondents.
  - .. Northwood.... Worth County Bank has been incorporated as the Worth County State Bank.
  - .. Orange City... Bank of Northwestern Iowa has been succeeded by the Northwestern State Bank.
- KAN.... Kingman..... The Kingman National Bank is insolvent, and has been placed in the hands of a receiver.
- .. Kinsley..... Edwards County Bank reported failed.
  - .. Meade..... First National Bank reported suspended.
  - .. " ..... Meade County National Bank has gone into voluntary liquidation and succeeded by the Meade County Bank, same officers and correspondents.
- KY..... Richmond ..... First National Bank has expired by limitation, and succeeded by the Richmond National Bank, same officers and correspondents.
- .. Stanford..... Lincoln National Bank has gone into voluntary liquidation.
- MICH... Decatur. .... First National Bank has been succeeded by First State Bank.
- .. Flint..... Flint National Bank will shortly become the First National Bank.
  - .. Port Huron.... First National Bank has expired by limitation and succeeded by the First National Exchange Bank, same officers.
  - .. Whitehall. .... First National Bank has gone into voluntary liquidation and succeeded by the Whitehall State Savings Bank, same officers and correspondents.
- MINN... Long Prairie... Bank of Long Prairie has been incorporated, same correspondents.
- NEB.... Armada..... Name of town changed to Miller.
- .. Oxford..... Oxford State Bank has retired from business.
- OHIO.. Marysville. .... Bank of Marysville (Fullington & Phellis) has been incorporated.
- .. So. Charleston. Farmers National Bank has gone into voluntary liquidation.
- TEXAS.. Graham. .... W. C. Beckham & Sons have been succeeded by the Beckham National Bank.
- .. Hamilton..... Geo. F. Perry, now Hamilton National Bank.
- WASH.. Puyallup ..... Farmers Bank and Stewart & Masterson have been succeeded by the Bank of Puyallup.



## APPLICATIONS FOR NATIONAL BANKS.

The following *applications* for authority to organize *National Banks* have been filed with the Comptroller of the Currency during October, 1890.

- N. Y. CITY..... Columbus National Bank, by William F. Foster, Riverside and 102d Street, New York, N. Y., and associates.
- ALA.... Uniontown.... First National Bank, by M. L. & C. Ernst and associates.
- COL.... La Junta..... First National Bank, by T. M. Dickey and associates.
- FLA.... Tampa..... National Bank of Florida, by A. A. Parker, Taveras, Fla., and associates.
- IDAHO.. Caldwell..... First National Bank, by B. F. White, Dillon, Montana, and associates.
- ILL.... Chicago..... Globe National Bank, by W. W. Bell and associates.
- " .. Marion..... First National Bank, by J. W. Westbrook and associates.
- " .. Streator..... Central National Bank, by Geo. L. Richards and associates.
- " .. " .. City National Bank, by Walter Reeves and associates.
- KY..... Fulton..... First National Bank, by C. E. Rice and associates.
- MD.... Baltimore..... American National Bank, by Joshua Horner, Jr., and associates.
- MO.... Kansas City... Metropolitan National Bank, by Richard W. Hocker and associates.
- " .. Kansas City... Missouri National Bank, by D. V. Reiger and associates.
- " .. Webb City.... First National Bank, by J. H. Royer and associates.
- NEB.... Hartington .... First National Bank, by F. M. Dorsey, of Sioux City, Ia., and associates.
- N. MEX. Socorro..... Socorro National Bank, by John H. Sniffen and associates.
- N. Y. .. Ticonderoga... First National Bank, by Mr. Hack and associates.
- " .. Walton..... First National Bank, by G. O. Mead and associates.
- N. C... Hickory..... First National Bank, by G. W. Ragan, Gastonia, N. C., and associates.
- OHIO... Sweden..... Marine National Bank, by H. S. Sherman, Cleveland, Ohio, and associates.
- OKLA... Oklahoma City. Oklahoma National Bank, by L. A. Gilbert and associates.
- ORE.... Albina ..... First National Bank, by Chas. D. Francis, Fairhaven, Wash., and associates.
- " .. Athena..... First National Bank, by D. P. Thompson and associates.
- PA..... Philadelphia... Broad Street National Bank, by W. C. Wood and associates.
- " .. Connellsville... Second National Bank, by Joseph R. Stauffer and associates.
- " .. Dushore..... First National Bank, by M. D. Swarts and associates.
- " .. Johnsborough.. Johnsborough National Bank, by George B. Lindsay, of Chester, Pa., and associates.
- TENN... Bristol..... Dominion National Bank, by H. E. McCoy and associates.
- " .. Chattanooga... People's National Bank, by Jno. B. Nicklin, Cashier People's Bank, Chattanooga, and associates.
- TEXAS.. Jacksboro..... First National Bank, by J. R. Hoxie, Fort Worth, Texas, and associates.
- VA..... Buchanan..... First National Bank, by Mosby H. Payne, Lynchburg, Va., and associates.
- WYO... Newcastle..... First National Bank, by Meyer Frank and associates.
- " .. Sheridan..... First National Bank, by E. A. Whitney and associates.



THE  
BANKER'S MAGAZINE  
AND  
*Statistical Register.*

VOLUME XLV.

DECEMBER, 1890.

No. 6.

CONGRESS AND FINANCIAL LEGISLATION.

By the time this number reaches our readers Congress will be in session, considering once more questions of varying interest to the people. The short session is usually more economical than its predecessor; the shorter space of time for maturing measures usually results in less extravagant expenditures. Again, it is believed that the lesson of the late elections will not be wholly lost on Congress, and that the thoughtless and reckless legislation of the last session will not be continued during the brief life left of that body.

We suppose that the silver question will be opened for further consideration. It was hoped by many that the enactment of the bill of last session, if not final, would at least be sufficient to satisfy the silver interests for several years. Having proved a failure, it is maintained that nothing remains to be done except to adopt a free silver coinage law. There are two ways of looking at this matter. One way is, if the bill enacted last session, from which so much was expected, has proved a failure, that even a free coinage bill will not accomplish what its authors so much desire. The other way is, if that measure has proved so fruitless, it shows all the more clearly that only a free coinage law, which so many of the supporters of that law desire, is the true remedy. It is certain, therefore, that the silver question will come to the front; and it is quite probable that the discussion will be more heated than ever before, for we do not believe that the country



will yield to the enactment of a free silver coinage measure without a severe contest. The consequence of such a measure is so grave, and so apparent, that its adoption can only come after a prolonged controversy. We are inclined to believe, indeed, that the session will prove too short to enact a bill of this kind, in view of the strong opposition which it will receive.

The debtor class will doubtless favor such a measure, and especially the western farmers who have mortgaged their farms. Many of them, as we all know, regard a large issue of money as the best mode of relief. Of course, a bankruptcy law is one way of accomplishing this end, but that is not so popular as the dilution of the currency. Then, too, people recall the good war times when money was plentiful and prices were high, and they desire, if possible, a repetition of those days; and seem to think that the most needful thing to bring them back is to flood the country with paper money. A great deal might be said on this subject, but two or three points will be noticed.

The first is, that the farmers doubtless need some relief, and ought to have it. They should remember, however, that the borrowing of money, with many of them at least, was voluntary, while others were unduly persuaded, and borrowed, believing that with better houses, farming implements, stock, and the like, they could easily repay with interest. So they plunged into debt. They have often paid too much in the way of interest, commissions, and other expenses; their indebtedness in many cases is a very discouraging burden to them; and the hope is dark enough of extricating themselves from it. So, then, relief must be administered, and if it is not, bankruptcy is sure to follow; indeed, mortgaged lands are now passing into the possession of creditors, and a feeling of despondency prevails. Of course, this is not so everywhere, and there has been a great deal of misrepresentation on the subject; but it must be admitted that the farmer has become seriously burdened, and relief must be afforded to him. A bankruptcy law is one mode of relief, but, as we have just said, it is not popular, and is becoming less so. It is not a pleasant thing for a man to be called a bankrupt; certainly, he much prefers, if this can be done, to have the course of the market changed, whereby he can get a higher price for his products, and this would doubtless happen from the flooding of the country with additional money. If the consequences of such a measure extended no further than to relieve the farmers all might rejoice, but such, unhappily, is not the case. One of the consequences, undoubtedly, would be that he would pay off his old debts and contract new ones, and when the reaction finally came, as it inevitably must from such an unnatural use of money, we fear that he would be more heavily indebted than ever, and, therefore, in a worse con-

dition than he was before. Again and again was the debtor class, during the war, advised to discharge their debts and contract no more, for a fall in prices would surely come, that the volume of money would inevitably shrink; but a repetition of this advice from every quarter proved unavailing; and we have not the slightest doubt that those who desire to borrow would be just as forgetful of the future as they were years ago. This is one of the reasons why the country should not launch into a wild scheme of money inflation. In the end, all classes, and especially debtors, would be worse off than they are now.

What, then, must be done for this debtor class? Evidently an arrangement must be made with those who have loaned them money. Lower rates of interest, the cutting down of the principal, extensions of time for payment, and the like. Creditors must conclude to do these things, or they will receive in the end still less. Nothing is to be gained by taking the land of the farmers by foreclosure or other legal process. Should this become general, the State Legislatures will surely enact relief laws of some kind, in consequence of which the creditors are likely to get less than they can now by voluntary settlement with their debtors.

Any one can clearly see that the real source of all this trouble is the incurring of indebtedness too rapidly, and without sufficient reason. This is the trouble in the financial world everywhere. The Argentine Republic is the most impressive witness of this truth. That country has done on a large scale just what the farmers in this have done on a smaller, and the consequences are precisely the same, and so will be the remedy. In all cases the creditor will get much less than he expected to receive.

There can be no law enacted against borrowing, and the penalty, which often is bankruptcy and ruin, must be paid by the debtor as well as by the creditor. A settlement is now in progress between debtors and creditors on a vast scale; a general liquidation; and which is the result of excessive borrowing.

So far as the banks are concerned, Congress is not likely to do any more for them than it did last session—nothing. They have ceased to be objects of popular regard, and especially in view of the few years of life left to them. They will live in their old way, and happily can do so without more legislation, though if Congress was so minded, laws could be enacted which would not only be helpful to them, but also to the people in prolonging their life, and by safely adding to the monetary circulation.

## THE DECLINE IN RAILROAD STOCKS.

For several months there has been a heavy decline in the value of railroad property. Some companies have suffered more than others, but nearly all have felt the downward tendency. There has been but little interruption in this course of the market. Many have believed that the Bears were having things quite their own way; but since the financial events of the last few days, the cause of the decline in railroad stocks has become more apparent. Foreign holders have been selling in order to obtain the funds wherewith to meet their obligations at home.

Another reason, however, is that, notwithstanding the development of our resources, railroad building has far surpassed the requirements of the country, and consequently the returns have been speedily declining. The following table shows clearly the decline in the returns on all the railroads in the United States during the last seven years:

	<i>Capital Stock.</i>	<i>Dividend Payments.</i>	<i>Ratio of Dividends to Stock. Per Cent.</i>
1883.....	\$3,708,000,000	\$102,000,000	2.75
1884.....	3,762,600,000	94,400,000	2.48
1885.....	3,817,700,000	77,600,000	2.02
1886.....	3,999,900,000	81,600,000	2.04
1887.....	4,191,000,000	91,500,000	2.18
1888.....	4,438,000,000	80,200,000	1.77
1889.....	4,495,000,000	81,200,000	1.77

Mr. Clews, from whose circular this table has been taken, accompanies it with the following remarks:

These figures show that the average ratio of dividend disbursements to stock outstanding on all the railroads of the United States has steadily fallen from 2.75 per cent. in 1883, and 2.48 per cent. in 1884, to 1.77 per cent. in each of the last two years. This important decrease in dividends is the more significant in face of the fact that, while the increase of capital stock during the seven years has been at the rate of only 21  $\frac{1}{4}$  per cent., there has been an increase of 54  $\frac{1}{2}$  per cent. in the tonnage of freight, and of 57  $\frac{1}{2}$  per cent. in the number of passengers carried, showing that relatively a much larger total of business is now being done, in proportion to capital employed, than seven years ago. This would warrant the expectation of better returns to stockholders; and yet the dividends actually show a large ratio of decrease. The cause of this anomaly may be attributed to an important increase in the ratio of expenses to earnings, the average rate for the four years 1884 to 1887 inclusive having been 64.65 per cent., while for the two last years the proportion has been 68.31 per cent.

The question may be asked, What is the cause of the decline in business? The reply has been given—railroads have been built in excess of their requirements. These extensions have been made in two ways: first by existing companies; and secondly by new companies. Many of the extensions by old companies are paying

but little or no profit, while not a few new companies are in bankruptcy or reorganizing. Our country is developing so rapidly that probably in a few years most of the extensions will prove profitable; in the meantime, the losses to investors will be very considerable, and which they must bear. They are awakening to this fact, and this discovery has been followed by heavy sales during the last few months.

These are the principal causes for the decline in this kind of property. The decline simply shows that the people have been investing many millions in ways that will not prove valuable for some years at least, and having learned this fact, they are realizing as much as they can from their investments. This happens to the world every now and then; it is no new experience; but it is a very costly one. One of the inevitable results is that, in consequence of the temporary sinking of so much money, there will be less for other improvements. All the capital of the world is always needed, and always used, and when it is sunk in an enterprise, of course it cannot be used for anything else. If the capital which has gone into so many of these railroad enterprises which are paying little or nothing had been expended in other and more profitable ways, the country would be in a flourishing condition; as it is, we must acquire a new supply before the country is likely to be visited with a high degree of prosperity.

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### THE BARING LOSSES.

The revelation of the misfortunes which have overtaken this great house was as unwelcome as it was unexpected. Yet the fact was well known two years ago, when the French Copper Syndicate collapsed, that the Barings were heavily interested in the speculation; and since then they have been engaged in one of the least defensible speculations of modern times. In truth, it has been known all along that the Barings were the chief English house engaged in floating South American securities. It has been well known, too, that speculation had gone to a wonderful height in that country. A State numbering hardly four millions of inhabitants had borrowed, in a few years, \$1,000,000,000; and all possessing the least knowledge of Argentine affairs believed that a reckoning day must come, in which some would be heavy losers. The history of borrowing in South America, except perhaps in Chili and Brazil, had been a very poor one. The record is like that of Turkey and Egypt, and other half civilized States. In every case, except those named, the South American States have defaulted in paying interest; and the principal has not been fully

paid. As the Argentine Republic was piling up indebtedness with unexampled rapidity, nothing was more certain than the collapse of public credit, and within a brief time. Indeed, the amount borrowed was so large in proportion to the resources of the country, that the end was sure to come all the sooner, and the losses be very great. Of course, every person who is engaged in such business expects to retire in due season, leaving the losses for others; and we suppose that the Barings expected to be just as smart as other people, and to be quite free from obligations when the shrinkage should come. Unhappily, they did not get out soon enough. What has often happened to others happened to them, the shrinkage came before they were ready, and is so serious that they may never be able to extricate themselves. The vast wealth of this house will probably be sacrificed in the venture, which at one time promised so much.

The disclosure does not end with them. A vast amount of British money has gone to the Argentine country, nor is there much prospect of recovering any considerable portion. Doubtless Argentine morality will prove to be of the same peculiar *genus* as exists in other South American countries; the people will be just as willing to repudiate their indebtedness, to effect a compromise, and pay something, as other South American countries have been. This means an enormous loss to the holders of Argentine securities. To save themselves they have been selling American securities for months; and this has been a large source of supply for the New York stock markets. Much of the selling ascribed to the Bears is clearly seen to have been by foreign holders, who were obliged to sacrifice their stocks. The question which is disturbing so many is, how many more houses are in the condition of the Barings, or how heavy must the shrinkage in South American securities and the like be, before the bottom is reached. This is the cloud now enveloping the financial world. Not until it clears away can we hope for better times.

It seems to us that we are passing through a period of general settlement, in which the losses are likely to be enormous. Yet the wealth which has gone to South America is not borrowed wealth, and the effect, therefore, will be very different from what it would be if the fact was otherwise. But the loss will react in many ways, retarding production and improvements in every direction.

One of the unpleasant thoughts always arising from an event of this kind is that the wealth thus lost has been used in ways that would have yielded permanent good. Doubtless the Argentine Republic has been somewhat benefited by the enormous sums expended in that country during the last few years; but how much greater might have been the benefit had this wealth been

expended in a more intelligent manner. The world is always making blunders of this kind, for which it pays heavily. Our country has had many a crash like this during the last fifty years, nor is the end yet.

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## A REVIEW OF FINANCE AND BUSINESS.

### THE BARING FAILURE.

November, 1890, will be remembered in the financial and commercial world as the date of the nearest approach to, or escape from, a general panic, the world has ever seen, or, during the nineteenth century at least. Rarely, if ever, has there been a failure of such magnitude as that of the Barings would have been, and, certainly, never were such heroic measures, on such an enormous scale, taken to avert a failure that would have affected every commercial and financial center of the globe, as were devised by the Bank of England, assisted by the great bankers and banks of London and Great Britain, and even by the Bank of France. It needs only the figures of the enormous liabilities of one of the greatest and hitherto most conservative exchange and banking houses in the world, that had to be provided for, in a brief space of time, to show the gravity and extent of the trouble which shook every Bourse of the old and the new world, of which London is the financial and commercial metropolis. When such a house became involved, and required the assistance of the Bank of England and that of other large financial concerns in England, and the Bank of France beside, with a guarantee fund of \$75,000,000 subscribed, it is no wonder that finance and commerce stood paralyzed in both hemispheres, while everybody asked, who can be solvent, and when and where will this financial earthquake end? To be prepared for more and worse, everybody took in every inch of financial and commercial sail that could be reefed, and held their breath, awaiting the climax. Probably there never was such a state of suspense in the business world as lasted for the week covering the exposure of the situation of, and the application of the remedy to, the affairs of this house. Had these negotiations failed, the worst would have been inevitable, and commercial credits, the world over, would have become involved with the house whose bills of exchange were used generally as a basis of financial and trade operations throughout the globe. Thanks to the Bank of England for its prompt and magnanimous action, and the support of the Bank of France, such a world-wide catastrophe was averted. It matters not whether the motive was self-preservation or the public welfare (it was doubtless both), the services rendered the

entire business world are such as to deserve the lasting gratitude of every nation to England, which thus demonstrated her right to be both its financial and commercial mistress by recognizing and discharging the obligations of such position. No other nation could have met such a responsibility and shouldered it, successfully, unless it may be France, which happened to be in the best financial position of any, because the collapse of the Panama Canal scheme and the Copper Syndicate, within the last two years, had compelled speculative liquidation in that country, and hence it was not caught with too much sheet to the wind when the liquidation in London began, last summer.

#### THE SOUTH AMERICAN SPECULATION.

Second only to the wonder that such a historic house for conservative management, soundness and ability, should so involve itself and its patrons in the wild-cat speculations in South America, which is little better than the famous South Sea Bubble and Tulip mania of a century ago, is the admiration of the ability, strength and courage of the Bank of England management in such a crisis, which, happily, its action alone has averted. That there are other and weak spots yet uncovered in Europe as well as on this side, is unquestioned; for liquidation has been by no means completed there or here; and there are vast amounts of other unsalable securities, beside South American, that must yet be marketed at some price. But, like those of the Barings, time has been secured in which to effect sales without immediately forcing them when there is no market for them. Hence, with more forbearance on the part of banks and money lenders, whose own interests will now forbid them to call in loans indiscriminately, houses that are solvent or have good assets, not marketable at the moment, need not go to the wall, except when they are too small to command support for the benefit of all. Where houses are inherently unsound from the late depreciation, or dry rot of long standing, they will, no doubt, be compelled to suspend, and this process will not be over in a day, or week, or month, after such a shrinkage in values as we have had in the past three months in many things, and in the past six weeks in everything; but the liquidation will be gradual, unless some great and now improbable calamity shall yet be developed, abroad or here. While such a recurrence would possibly prove the last straw on the financial camel's back, and reproduce the distress we have just escaped, in its acute form, or a still more aggravated one, it cannot be denied that there are fewer chances of such recurrences the longer they are escaped. For confidence improves with each day of delay, although the condition of weak concerns grows more strained the longer the suspense lasts, because the increased confidence is steadily bringing in

buyers for good securities, and if nothing serious occurs to shake it, the demand will gradually extend to those speculative securities and properties with future values, until the holders of now discredited and unsalable ones will be able to realize, and thus, gradually, relief will come to those who can hold on long enough. But failures will be plentiful as wrecks on the shore after a storm of such violence as has raged the past month on both sides of the Atlantic. Their effects, however, grow less and less with each day of general recovery in business, and already have ceased to move the speculative markets as much as they did, even before the panic in Wall Street and London had developed. This fact of itself shows the returning confidence, as people now only halt a moment on the announcement of a failure, to see if it is large enough to involve others, and if not, they immediately look around for something that has broken on the announcement, that can be bought cheap, for a rally after the scare is over. Thus each failure is soon forgotten instead of discounted over and over, as in the early days of the panic, when everybody wanted to sell everything for which there was a market, before it should go lower, and would only buy what and when they were compelled to, and in the smallest possible amounts. For these reasons it would seem that the worst is over, unless, as stated, some unforeseen and great calamity shall occur.

#### SALE OF OUR SECURITIES BY FOREIGN HOLDERS.

At the close of the month the renewal of the panic in Buenos Ayres caused some fear that this might start anew the selling of Argentines in London, and reopen the sore that caused the Baring trouble. But up to this writing it has not had as much effect as feared, though it did cause a failure in Antwerp, and start the selling here of American securities by London again; yet they were taken by the public, who have been buying here more freely for investment and paying for their purchases, since the heavy break in prices, to a point that our dividend-paying stocks are yielding a higher and tempting rate of interest while offering as safe an investment as can be found. Recent prices pay 6 to 8 per cent. return on the investment, even with the 3 to 8 per cent. recovery from the bottom, and far better than other equally salable investments. But the situation here seems sounder than in London, since the war between the Transcontinental railroads and the Grangers is in process of settlement, by the entry of Gould into the directory, or control of the lines which were the disturbing factors under their recent managements. Indeed, the panic here was aggravated by his withdrawing \$15,000,000 in ready money from the loan market, and at the same time letting the bottom out of the market



for his own stocks, until the owners of his rival lines were compelled to part with enough stock to give him control, or to share their management with him. This is now believed to have been accomplished, and the local cause of the late depreciation removed. The great showing of the Pennsylvania railroad, for the past month and year, also gave confidence in railroad properties for investment. But London is now, as it has been, the storm center, from which further trouble is most feared, and the weakness there is chiefly due to its heavy holdings of Argentines, which are believed to be in great part worthless, as everything possible has been bonded, and for every dollar that could be obtained thereon, throughout the Argentine States, not only on State, but provincial, municipal, water, sewer, railroad, street car, and internal improvement bonds, besides stocks of banks, corporations, ranches, and live stock; in fact, every conceivable kind of property has been sold to European investors for far more than their full value. That the principal of these debts will ever be paid, no one here believes, nor even that the interest can be long kept up under the state of anarchy that has existed there since, and even before the late revolution to depose an administration that had robbed the people until they could endure it no longer. That the debts of these States, and probably of other South American States, which are also held in Europe, will have to be readjusted on a greatly reduced basis is generally expected. Next to London, Berlin, and afterwards Paris, are the holders of these endless issues of bonds, and the two latter have not yet begun to liquidate, as the money stringency there was not so great as to force it, as in London, where it is by no means yet complete. Whether the late decline in these securities will approximate the scaling down of their debts that will have to be made, before the interest on them can be paid, now that no more bonds can be sold to meet interest obligations, is a question that is likely to be answered in the negative by the committee of bondholders appointed to investigate these issues, after the horse is out of the stable. Until, therefore, this debt is readjusted, the menace of a further liquidation and decline in South American securities must impend over the stock and money markets of Europe. While this state of things lasts, it is idle for this country, and especially the holders of its railway securities, to look to Europe for much support for the latter, or any speculative buying of our export staples in advance of her actual wants, much less for the millions of English capital that have been invested the last two years in American industrial enterprises by English syndicates, after being capitalized at two and three times the value, and of what new and improved plants can and will be built by American capital, to compete with them when times get better.

## FUTURE LIQUIDATION OF AMERICAN INDUSTRIAL STOCKS.

There has been no liquidation in England yet of these inflated industrial stocks, partly because there is no market for them, and partly because the time is not yet ripe in the general reduction or default of dividends, which have so far been paid, either out of the business or the proceeds of the original sale of these properties, which are still managed by their vendors, who have not unloaded the stock they took in part payment therefor. When this is accomplished, and unearned dividends are no longer paid, the English holders of these American industrial stocks will be seeking a market here for their securities at some price, as they are now for our railroad securities. The prospect of Jonathan getting much from John Bull, in the next few years, except what he must have to eat and raw material for his manufactures, is not very bright. Neither our stock or money markets can therefore rely upon Europe for much support in the near future, and the sooner we prepare to stand alone, except for such products as we can sell her, the less disappointment and reaction are likely to be experienced. Europe has all she will want to do financially to take care of herself and the countries of South America, for whose trade she has been bidding so high in the past ten years, that she is now compelled to pay for it the second time, in the readjustment of their debts upon a bankruptcy basis, which is likely to leave a balance on the wrong side of this South American trade account.

## THE GOLD DRAIN FROM EUROPE.

The returns show the drain of gold from the leading banks of Europe from June 19 to November 6 to have been \$67,000,000 or a decrease from 2,116,000,000 sterling to 2,103,000,000. This includes the Banks of England, Germany, France, Austria, Hungary, Netherlands and Belgium. This decrease of gold has been almost entirely in the three great banks of England, France and Germany, viz.: the Bank of England lost over £2,000,000, or \$10,000,000; Bank of France nearly £5,000,000, or \$25,000,000 and Bank of Germany nearly £7,000,000, or \$35,000,000. Where this vast amount of money has gone is difficult to say, but a large part has gone to South America, and lately the strain upon the Bank of England for further amounts to go there and to Spain, to support the credit of English enterprises in those countries, has aggravated the stringency. The fact that money has been much lower in Paris for months past than in London, has encouraged the belief that gold could be drawn from there to London, but the Bank of France which on the latter date held only 1,190,000,000 francs of gold, or \$239,000,000, against 1,316,700,000 francs, or \$363,000,000 at the end of June, refused to

sell any more gold, or part with it in loans or any other way, and the borrower there could get no specie but silver, of which the Bank of France holds about \$250,000,000.

#### EFFECT OF TARIFF AND IMPORTS ON PRICES.

As for our own position, it ought now to be pretty sound, where the silver and tariff booms have been liquidated, and there is less cause for apprehension where they have not, as in grain and imported goods in excess of demand, in anticipation of higher duties. The grain situation is strong on the short crops of this year, so that it will not feel the effect of the reaction in silver to about its original level, until a normal crop year. Hence that trade may be regarded as liquidated, notwithstanding prices have not declined with silver as they advanced with it. The excessive stocks of goods imported before the new tariff took effect are still largely on hand, and there has been less liquidation there, partly because time loans were secured from the banks on these goods that are not yet due, while the margin of profit in the higher tariff, over the cost of importation, makes them pretty safe property to hold until the glut of goods at the old tariff basis has been worked off. Outside of a considerable increase of "bargain sales" by retail dealers, to force holiday trade, rendered dull by the financial stringency, there has been but little liquidation by wholesale houses, and few auction sales. Yet there is no doubt a good deal more of it than is visible among retail traders, and especially small tradesmen who cannot get bank accommodation. The reduction in retail prices of dry goods generally, in the last two weeks of the month, seems to prove this conclusion to be correct.

#### EFFECTS OF STRINGENCY IN MONEY MARKET.

The effect of the stringency in the money market here, however, was probably greater in the grain and flour trade than in any other legitimate branch of business, and almost as severe as in stocks in Wall Street. The movement of stuff from the West is usually the largest in the year during November, just before the close of inland navigation, in anticipation of higher railroad freights thereafter, except on the opening of navigation in the spring, for the reverse reason; but this was brought almost to a standstill, as was the export movement from the seaboard, owing to the stringency on the other side, and the fear or inability to sell sterling exchange even at a drop to 4.72 to 4.75 for 60-day bills, from 4.77 to 4.80. For nearly a week in the middle of the month there was scarcely any new business done here or West, the stringency there being even worse than here. Ordinarily banks seek advances on bills of lading against stuff in transit by rail or lake, as the security of

the property in their possession, during transit and upon arrival, is of the best, in addition to that of the drawer and acceptor of the draft against the bill of lading. But the receivers of flour and grain found it so difficult for over a week to secure such accommodation from their banks, that as a rule they notified their millers and shippers in the West to neither draw drafts nor ship stuff until the money market eased up and the financial situation cleared, unless actually compelled, and then to leave a margin of \$1 per bbl., and the freight of 25 to 50c. on flour. Some houses even let drafts go back, while the western millers were in some cases obliged to force sales of flour held here at 50c. per bbl. under former prices to raise spot cash. Shippers of grain at the western lake ports, who are always able to sell wheat in New York at the market price here, or at cost, insurance and freight from lake ports, and draw sight drafts against bills of lading for shipments made, for several days offered their wheat here at 1 and finally  $1\frac{3}{4}$ c. under our market, to get cash on their western holdings, and the trade here were afraid or could not advance the money, without their usual bank accommodations. It will be seen, therefore, with no export outlet, and no new business from the West, that the breadstuffs trade was practically blockaded for a week. But after the Baring trouble and apprehension therefrom was removed, the movement started up again from the West, and exports were resumed, though on a small scale, though exchange was restored to its old figure, before the distrust of all foreign exchange houses was general, because of the trouble with the Barings, whose bills had been among the best sold here. This distrust, however, passed away as soon as the refusal of these houses to sell exchange was withdrawn. What was true of breadstuffs was in good part true of the whole export trade, and hence the clearances for the month will make a poorer showing than they otherwise would have done, as the break in prices would have stimulated the movement in most staples, had not the embargo in the sterling exchange market prevented it, and the advance in ocean freights, caused by the decline in products, absorbed the latter. The showing for October, however, was a slight increase over a year ago, in merchandise, while the shipments of gold and silver were very much less.

#### SILVER.

The money market here has been very irregular throughout the month, the rates running as high as 186 per cent. per annum in the panic, back to normal rates again at the close of the month. The banks have held their reserves at about the legal limit by reason of a heavy decrease in deposits and the free shipments to the country, chiefly to the South, to move cotton, early in the

month. But at the close, there is less prospect of further stringency from these causes so long as the banks continue to issue all the Clearing House certificates that are wanted, unless new complications should arise on the other side, or here in financial circles. The failure of the heavy banking house in Antwerp whose effect has not been seen at this writing, may be the beginning of liquidation on the continent, resulting from the Argentine collapse and renewal of panic in Buenos Ayres, that may extend to Berlin and Frankfort, if not to Paris. This of course, would renew the stringency here, and it is impossible to tell what a day may bring forth, yet it is certain that affairs are on a much more legitimate investment basis here than abroad, and that we will suffer less and less from this South American liquidation, the longer it continues.

The condition of the silver market has had little influence on prices the past month as the liquidation in that speculation was pretty well over in October, and after going below 100 it has rallied a few points above it with the stock market. The only thing new in this, is the talk of free coinage of silver in the next Congress, in which the farmers will have a stronger pull than in the last session, or larger purchases by the Government, and the prospect that China will become a much larger consumer of silver than hitherto. On this point the following dispatch was sent out from Washington the last of the month. The United States minister to China has informed the Department of State that the Canton dollars and parts of dollars made by order of the late Viceroy, Chang Chiktung, have been made a legal tender in all parts of China. He says the introduction of this coinage, unless tampered with, will undoubtedly work a financial revolution in China, and that it may possibly result in the establishment of a National bank, and become the basis of a paper currency. In another communication on this subject, the Minister says that the fact that the new Canton coinage is being gradually put in circulation is worthy of note, being the first serious attempt ever made in China to coin money, and also almost contemporaneous with the great appreciation of silver since the passage of the new Silver Bill by the American Congress.

Bearing upon this point the London *Economist* of some time since, published a letter from Ottomar Haupt, in which he estimated the annual absorption of silver at 4,500,000 kilos per year, of which he assumed that the industrial arts would require 550,000 kilos per year. In a recent letter he justifies his former estimate, and says India is taking her full share, while China is likely to eclipse all estimates of her consumption if the new dollar which she contemplates coining becomes a fact. Reports which reach him from Shanghai are so exaggerated as to the amount of the

issue of these new dragon dollars, that he dare not state them, but if they are one-half true, China will, within a few months, emit a coinage of \$100,000,000, or almost one and one-half times the amount of the white metal which the United States require for their standard dollars. At the same time Brazil, Spain, and Uruguay are increasing their demands for coinage purposes. He predicts that silver must and will go up sooner or later to about 129. the American parity, or, say, 59d. in London.

## FOREIGN COMMERCE.

Our foreign commerce for that month, and so far this fiscal year, is reported by the Government Bureau of Statistics as follows :

MONTH OF OCTOBER.			
<i>Exports.</i>	1890.	1889.	1888.
Merchandise.....	\$98,326,916	\$97,828,446	\$74,720,389
Gold.....	425,235	2,233,463	686,472
Silver.....	571,077	4,137,164	2,879,802
Total.....	\$99,323,228	\$104,199,073	\$78,286,663
<i>Imports.</i>	1890.	1889.	1888.
Merchandise.....	\$72,604,751	\$68,749,155	\$66,359,522
Gold.....	2,635,583	796,988	1,222,189
Silver...	2,586,004	1,654,359	2,092,772
Total.....	\$77,826,338	\$71,200,502	\$69,674,483
Excess Exports.....	21,496,890	32,998,573	8,612,180
JULY 1 TO OCTOBER 31.			
<i>Exports.</i>	1890.	1889.	1888.
Merchandise.....	\$277,653,985	\$274,807,329	\$218,581,324
Gold.....	14,702,712	8,225,005	5,030,879
Silver.....	7,772,396	13,606,468	10,860,636
Total.....	\$300,129,093	\$296,638,802	\$234,472,839
<i>Imports.</i>	1890.	1889.	1888.
Merchandise.....	\$287,303,483	\$259,289,659	\$238,328,861
Gold.....	6,973,284	4,560,938	3,052,434
Silver.....	8,141,320	6,337,643	5,846,768
Total.....	\$302,418,087	\$270,188,240	\$247,228,063
Excess exports.....	.....	26,450,562	.....
Excess imports.....	2,288,994	.....	12,755,234

The exports (exclusive of specie) from New York for the last week in the month were valued at \$8,631,554, against \$5,808,898 for the corresponding week in 1889, and \$6,253,974 in 1888. Since January 1 the exports aggregate \$318,838,764, against \$313,214,881 in 1889, and \$259,092,320 in 1888. But the average price of wheat exported from the United States for the four months previous to November 1, 1890, was 90 cents per bushel, and for the corresponding time in 1889 it was 84 cents, or 6 cents per bushel less than this year. The average price of corn exported for the three months previous to October 1 this year was 49¼ cents per bushel, against 43¼ cents for the corresponding time of last year.

Notwithstanding the paralysis in some legitimate branches of business during the panic week of the month, ending November 22,

the clearances of fifty-one cities were \$1,345,799,566, or an increase of nine per cent., and outside of New York of over sixteen per cent., due chiefly to the liquidation in speculation.

#### THE GENERAL SITUATION.

Outside these general influences which have controlled the markets for everything, and depressed them all more or less, there have been few and minor new conditions worthy of mention. The natural position of things has been of subordinate importance, and without effect, until the close, when everything rebounded on the relief of the money pressure, which had been the one controlling influence nearly the whole month. The rebound, however, was more of a speculative than legitimate reaction, on the covering of shorts, while buying for investment, outside of a few cheap dividend-paying stocks, has not yet absorbed all the holdings of Bull speculators that have been thrown over, or are waiting for a further rally, to be thrown on the market. Plenty of property will be found for sale by weakened holders, who have weathered the storm by throwing over part of their cargo to lighten their ships, which are still many of them waterlogged and laboring heavily to keep afloat. If this country gets over the effects of this panic in six months or a year, it will be fortunate. In the meantime the late enormous losses mean curtailment of expenses by all classes and restricted consumption of every kind of merchandise. As we go to press renewed failures among railroad construction and stock houses in Philadelphia and here are reported, and all the speculative markets were down again, and money and sterling exchange higher, the latter near the gold export point on the scarcity of commercial bills and the demand for exchange to pay for continued sales of our stocks by European markets.

H. A. PIERCE.

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*Post Office Savings Banks in Japan.*—The development of the system of post office savings banks in Japan during the past fourteen years has been remarkable. According to an article in a native journal, they were established by Government in 1875, with the object of encouraging thrift, and to collect the small sums scattered about in private keeping. At first they attracted so little attention that at the end of 1875 there were only 2,000 depositors, with 15,320 dols. lodged. Henceforth, however, the figures increased at a remarkable rate. In 1876 the deposits amounted to 41,845 dols.; in 1882, to 1,058,000 dols.; in 1885, to 9,050,000 dols.; and in 1889, to 20,451,000 dols. In Tokio the number of depositors is 356,000, and the amount of their deposits 10,400,000 dols. It is believed that the poorest people are not depositors, inasmuch as during the recent distress due to the comparative failure of the rice crop, the bulk of the deposits has undergone no diminution.

## FINANCIAL FACTS AND OPINIONS.

*Comptroller Lacey's Report.*—This has been received too late for an extended review until next month. A hasty glance, however, shows that the Comptroller has studied with great care the most important questions pertaining to the National banking law and its administration. The net increase in banks during the year, of two hundred and forty-eight, shows conclusively that the system is constantly growing in public favor, especially in the far Western States. Elsewhere will be found some extracts relating to National bank legislation and substitutes for money. The investigations of the Comptroller into the latter subject are very thorough, and exceedingly interesting; and his recommendations concerning legislation are worthy of careful consideration. Indeed, the entire report evinces a patient and thoughtful preparation, and a desire to contribute as much information as possible touching the highly important law which he administers.

*The New York Clearing House.*—The action of the New York Clearing House in offering to loan certificates to the banks needing them was very timely, and cannot be too highly commended. One of the mistakes often made in banking is to diminish loans at a time when they are most needed. The action of the National Bank of Commerce of New York shows a very clear knowledge of the situation and of the proper course to be pursued. The resolutions, which were offered by Mr. A. A. Low and seconded by J. Pierpont Morgan, are worth giving:

*Resolved,* That the directors of this bank desire to express their entire approval of the action of the Clearing House Association in so promptly providing for the issue of Clearing House certificates against satisfactory collateral.

*Resolved,* That the officers of this bank are directed to invite the consideration of the National and State banks associated as members of the Clearing House to a policy of forbearance in respect to all loans with parties in good standing, extending such indulgence as circumstances may warrant, to the end that all the banks and trust companies in the city may not be simultaneously calling on their customers for money at a moment when all are reluctant to lend.

In the opinion of this Board, expansion is the heroic remedy for present ills, rather than unceasing contraction—necessary alike for the promotion of confidence and the maintenance of the value of all assets in possession of our moneyed institutions.

*Resolved,* That in furtherance of the above, the officers be and are hereby directed to apply for Clearing House certificates to such an extent as may from time to time be deemed advisable.

Whenever a bank declines to loan at such a time, the depositor is sure to withdraw his deposit, thus the bank, while weakening



its customer by declining to assist him, is in turn weakened by the withdrawal of his deposits. This has been recently illustrated in New York City, for the decline in the amount of loans has been followed by the withdrawal of probably as large amount of deposits. The action, therefore, of the Clearing House, of supplying new means, whereby the banks can continue to make their loans as usual, and thus enable their customers to meet their obligations, shows a greater wisdom than was formerly manifested on such occasions.

*Credits.*—In a time like this bankers and other money lenders too often exercise excessive caution, even when having the means to lend. They perhaps go just as far in this direction as they may have gone in extending credits. It is the restriction of them, which in many cases could not be longer continued, that has revealed the unsoundness of many business operations. If persons had exercised half as much caution a few months or years ago as they are now exercising, the present state of things would not have happened. An unwise lending must be followed by a crash and excessive restrictions of credits. It would seem as though a lesson like this ought to be remembered longer, and that people would be more careful in investing their money and engaging in enterprises, but the world seems to learn very slowly. What has happened now has happened many times before, and we suppose that after a general recuperation has occurred that the old story will be repeated, and another era of reckless investing will take place. In short, the world seems to learn nothing from these experiences, and probably never will. Any one can clearly see that the present state of things is simply the inevitable and necessary consequence of unwise investing in the beginning.

*The Gold Scarcity.*—Recent events have once more clearly shown the scarcity of gold for the monetary uses of the world. The Bank of England has been obliged to borrow several millions from the Bank of France, and also from the Imperial Bank at Russia. The Berlin Bank, too, has been obliged to strengthen itself by obtaining more gold and by reducing its circulation. Again and again we have shown by just as clear evidence that the quantity of gold in the world is insufficient to form the sole metallic basis. This demand for more gold emphasizes with the utmost clearness the need of more silver. Whether it will have the effect to change the opinions of people remains to be seen. Of course, it is clear enough that a bi-metallic basis is accompanied with various evils, but these certainly are not so great as the suffering and disasters which are occasioned by an insufficiency in the money supply. What is unquestionably needed is an inter-

national agreement for the use of both metals, and if the recent disasters, which have overtaken the Barings and other great houses, should lead to a new movement for the larger use of both metals, the world would be better prepared for such untoward events in the future.

*New Hampshire Savings Banks.*—The returns made to the New Hampshire Bank Commissioners Sept. 30, 1890, are somewhat remarkable in the history of the savings institutions of that State. Not only does the actual increase in savings banks deposits amount to nearly \$8,500,000, but the savings deposits received in the trust companies would swell the total by \$1,000,000 more. There can be no doubt that the bulk of the money held by savings institutions of that State was contributed by small depositors, as out of the 145,000 depositors in these institutions nearly 110,000 had deposited \$500 or less. For this reason the growth of the savings institutions of the State is more interesting than any mere increase of corporations, as it represents a gradual bettering of the condition of the poorer people and wage earners of the State. That this growth has been wonderful no one can doubt. In 1860 the twenty-six banks then in existence had in deposits \$4,860,000; in 1870, forty-five banks held \$18,760,000; in 1880, sixty-seven banks had \$28,205,000; in the present year the seventy-two banks have over \$65,725,000, while the total accumulations, including guarantee fund and other items and surplus, amount to almost \$73,000,000. It is a peculiarity of the statistics that they show the most deposits in the towns where mill operatives are most numerous. The Manchester Bank of Manchester has \$5,942,000; the Amoskeag of Manchester, \$4,346,000; the County of Strafford of Dover, \$4,000,000; and so on.

*State Banking Associations.*—If the interest in the American Banking Association has somewhat declined of late years, it is certain that the desire among the State banks for association has increased, for associations are forming, especially in the Western States. Within a few months conventions have been held by the bankers in Michigan and Tennessee, and in both cases profitable meetings have been held. Our country is so large, and a general meeting is so costly in time and money, that State associations are likely to possess more interest. We have just been perusing the papers read at the Michigan convention, and are pleased with the thoughtfulness they reveal. The formation of these associations in every State is desirable, for many valuable results will come from them.

*Savings Banks and Their Depositors.*—One of the unfortunate incidents in the monetary affairs of the last few days has been the

run on some of the savings banks. In every case the banks were strong institutions, and well prepared for these unexpected demands. While the banks have not suffered, this cannot be said of their depositors. In the large cities especially they are often ignorant persons, and hearing some rumor concerning the bank in which their little gains are kept, become very anxious, and at once try to secure them. They do not try to find out whether there is any truth in the rumor or not, but proceed forthwith to withdraw their money. Most of the savings banks have a rule whereby they can withhold payments for a fixed time, but usually hesitate to apply it, fearing that depositors will regard this as an evidence of unsoundness. The entire difficulty springs out of the ignorance of depositors. There seems to be no cure for such events.

*Nickel Saving Stamp System.*—The Citizens' Savings Bank, of Detroit, has inaugurated the Nickel Saving Stamp system, which originated in Germany. It has been in operation in Detroit a little more than a year, and the experiment was begun by Mr. E. F. Mack, the cashier of the bank mentioned. The system in brief is simply this: a number of agencies exist in stores for the sale of five-cent stamps. The design departs far enough from that on the postage stamp to be wholly outside the pale of the postal law. Any person can buy these stamps. At the time of making the purchase a book is given to the buyer, on a page of which twenty stamps, or a dollar's worth, can be affixed. When a person has bought enough stamps to fill a page, he tears it out and presents it to an agent, who immediately sends it to the bank and gets an ordinary bank book, in which the depositor is credited with a dollar. The depositor continues to buy stamps as before, and when he has purchased a dollar's worth the operation is repeated. It was supposed that this system would be popular among the children, who would save their street railway fares, candy money and the like for the purpose of buying stamps, and the system seems to have been highly successful thus far in that city. It is said that no difficulty has been found in procuring agencies at a very small expense, as they attract trade to them. Of this system the *Detroit Free Press* says: Mr. Mack now has ninety-three agencies in Detroit. Fifteen Michigan towns outside of this city have agencies. Of these the one in Northville is the banner agency, it having sold 7,000 stamps in two months. The system has also been adopted by banks in San Francisco, Columbus, Ohio, Denver, Los Angeles, St. Paul and Louisville. In less than four months the Citizens' Savings Bank, of Detroit, has sold over 330,000 stamps, and has issued between 6,000 and 7,000 nickel savings books. It is believed that this nickel savings scheme benefits the bank using it in many ways.

In the first place it will educate young people into habits of saving and will make them depositors in banks. The bank which gets their custom in their youth is likely to retain it when they come to handle larger sums of money. The Citizens' Savings Bank received a call last week from a delighted parent. His son had been investing his spare money in the stamps and had a bank book, like the old man. The old man thought that he and his hopeful boy might as well keep their money in the same bank, and he withdrew a fat deposit from one bank and placed it in the Citizens' Savings Bank. Some careless young men buy a small number of stamps, less than twenty, become tired of saving, and throw their books one side. Many stamps will thus never be redeemed, and the bank is the clear gainer. The Citizens' Savings Bank has about \$2,500 collected in from sales of stamps which have not yet been presented for redemption or for deposit. Upon this, of course, no interest is paid. The bank adopting this system can easily induce drug stores to take the agencies for a slight consideration, because the system attracts people to their stores and thus improves the trade.

*Importations of Silver.*—Two of the unknown elements, which it was realized would affect the silver act, were the increased production, and importations. It was contended on the part of those who most favored the bill that for numerous reasons silver would not be imported to any considerable extent, but this, unhappily, has been contradicted by events. During the month of October for 1888 and 1889 the exports of silver averaged \$3,237,936, while the exports for last month were \$197,728. This is a great reduction. On the other hand, the importation of silver during the last month was \$994,460, while in October, 1888 and 1889 the imports averaged only \$190,278. The net result is that the October movement in this metal shows an excess of imports over exports of \$796,732, while the same month of the two last years' shows an excess of exports over imports averaging \$3,047,658. This change of movement foreshadows a yearly adverse balance of about \$30,000,000, as compared with the condition of things antecedent to the adoption of the Silver Act. That balance will have to be liquidated by increased exports either of products, or securities or gold, or of all three combined. If of products, then we are giving merchandise for mere currency instead of for other merchandise; if of securities, then we are borrowing, not buying, the silver upon which we are issuing our new silver notes; if of gold, then we are so far draining away the gold which is our sole dependence for keeping our silver currency from depreciation.

*Forgery.*—The forgeries perpetrated by the junior member of the firm of Mills, Robeson & Smith, of New York City, were not

particularly novel in their character, and could, of course, have been easily enough detected by the exercise of a little vigilance. As is well known, his forgeries consisted in buying a few shares of stocks, say eight shares, and then changing the certificate from eight into eighty and negotiating a loan of some bank or trust company. The following is a list of banking institutions at which loans were thus procured:

	<i>Real value.</i>	<i>Loan procured.</i>
Nassau National Bank of Brooklyn.....	\$2,800	\$25,000
Atlantic Trust Company.....	800	7,000
Central Trust Company.....	1,200	7,500
Mechanics' Bank.....	720	6,700
Lincoln Bank.....	720	6,600
United States Trust Company.....	800	6,500
Fourth National Bank.....	800	7,000
Phoenix National Bank.....	1,120	10,000
Leather Manufacturers' National Bank.....	1,500	5,000
Western National Bank.....	1,500	12,000
Washington Trust Company.....	720	6,000
Union Trust Company.....	720	6,500
American Loan and Trust Company.....	900	4,600
Russell Sage.....	1,040	9,000
Chemical Bank.....	1,000	15,000
Bank of the State of New York.....	1,500	13,500
Total.....	\$16,600	\$147,400

Had these banks before lending taken the pains to have had their certificates verified the forgery would have been apparent, or, to put the matter differently, had this practice prevailed among the banks, Mr. Smith would never have thought of engaging in such a forgery, as detection would have been certain. The question may be asked, Why did not the banks take this simple precaution? The answer is a very old one. Time is needful to adopt and execute checks against wrong doing, and business is conducted more slowly in consequence; and the banks, on the whole, prefer to take the risk involved in doing business more quickly. The National Government, for example, has the most elaborate system for receiving and paying money. A series of checks were adopted by Alexander Hamilton, and which have been continued, with few changes, to this day, and many complain of the elaborate red tape system which exists. Yet frauds would undoubtedly occur if a quicker and less elaborate system existed. The same is true with respect to banking. It would be easy enough to devise checks to guard against frauds, but business would in consequence be done more slowly and more expensively; and so the banks continue in their present ways, assuming the risks and bearing the losses whenever they occur as philosophically as possible.

*British South American Investments.*—In connection with the disclosure of the losses of the Barings, the following summary of British investments in South America, taken from the *Investor's*

*Monthly Manual*, is proof that something beside conservatism exists in Great Britain.

The unredeemed South American loans amount to £145,000,000, South American railroad investments to £58,000,000 and nitrate mines to £3,500,000. The South African mines represent £10,000,000 and trust companies £60,000,000. At the highest average point this year, the total value of these investments was £291,400,000; their value on October 31 had fallen to £233,600,000, a shrinkage of no less than £57,800,000 on the above groups alone. The following table shows the division of this:

	Highest value.	Value Oct. 31.	Shrinkage.
South American loans, &c....	£120,300,000	£101,500,000	£18,800,000
South American railroads....	66,700,000	56,800,000	9,900,000
Nitrate mines.....	5,400,000	2,600,000	2,800,000
South African mines.....	30,000,000	11,500,000	18,500,000
Trust companies.....	69,000,000	61,200,000	7,800,000
Total.....	£291,400,000	£233,600,000	£57,800,000

The South American figures are exclusive of investments in "cedulas" other than the 7 per cent. National cedulas, this being the only issue included in the *Manual*; but British "cedula" investments are estimated to exceed £100,000,000. The shrinkage in the value of these this year is probably not less than £30,000,000, so that the difference between the average highest and the latest reported prices of the securities reviewed above is but little short of £90,000,000.

*The Gold Fields of South Africa*, says the *London Times*, continue to disappoint the investing and financial world. For May last the ascertained produce of the Witwatersrand was 38,844 ounces of gold, worth about £150,000, which is only a trifle better than the corresponding return for May, 1889, although more and better crushing machinery has been set to work. That gold is still obtainable, although not at the fabulously great and increasing rate expected in the times of feverish speculation, is plain nevertheless. Of late, investors have been tempted to declare that there is neither wit nor water, to say nothing of gold, in the whole area, which is an exaggerated way of putting it. The process known as "picking out the eyes" of the mines went on more or less generally when the public were only too ready to believe in stupendous returns, however obtained. The tedious process of systematic development has now to be attended to, and within the year we may hope to see results more closely in accordance with the real riches of the Witwatersrand than have yet been obtained.

*India Trade and the Rise in Silver.*—The rise in silver has caused no little trouble in the Indian import trade. The native dealers in Calcutta have combined for the purpose of requiring European importers to reduce the price of goods ordered by the natives. It is said that the importers, unable to resist the demand, and knowing the weakness of the native dealers, and fearing that a worse state of things may happen if this was resisted, have yielded.

In a general way it may be said that the price of silver during the year has risen about 20 per cent., which means that the purchasing power of the rupee in Europe is 20 per cent. greater than it was at the beginning of the year; or, to put the matter in a somewhat different way, the pound sterling, which formerly exchanged for fifteen rupees, exchanges now for only twelve. The *London Statist* says: "It is matter for wonder that the disorganization of the Indian market is not greater than it is. We all recollect how the fall in prices in Europe for some years after 1873 caused widespread losses and much depression in nearly every department of business. Trade since then for the most part has accommodated itself to the new conditions; but even yet European agriculture has not recovered from the disarrangement. Now it is not to be supposed that India is better able to bear a great fall of prices than Europe was in the years that followed 1873. How, then, are we to account for the fact that as yet serious difficulties have not made themselves felt in the Indian market? One explanation put forward is that the fall has been gradual, that consequently it has been distributed over wide classes, and that individual traders, therefore, have not suffered very great loss. But the explanation will not bear careful consideration. The fall in prices in Europe in the years that followed 1873 was even more gradual than it has been recently in India; and yet, as already observed, there was an almost general disorganization of European trade."

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## THE BANK OF NAPLES, ITS HISTORY AND ORGANIZATION.\*

[CONTINUED.]

### III.

In 1678 we find the viceroy calling upon the Mount of the Poor for 6,000 ducats for the necessities of war. The amount was a very small one. As security or payment an offer was made of a part of the tax upon tobacco. Nevertheless, the bank refused the loan or the operation. The managers begged they might be allowed to decline the great advantage offered them, and they succeeded in avoiding it by appealing to the pious character of their institution.

Not until long afterwards, and when justified in appearance by extraordinary needs, did the viceroys dare to appropriate the capital of the banks. What in the beginning was an immense obstacle to their development was the absence of a commercial exchange, of relations with the other great markets of Europe. The Neapolitan

\* Translated from the French of the Viscount Combes de Lestrade by O. A. Bierstadt.

banks gained from this the opportunity of keeping their Neapolitan character intact, if it is correct to say that they have thus gained.

Although the viceroys did not venture to appropriate openly a portion of the banks' property, they endeavored to accomplish this by the most detestable of expedients, the debasement of the coinage, or, at least, an arbitrary change in its value.

The silver carlines of the time of Ferdinand the Catholic weighed  $81\frac{1}{2}$  grains, or 3 gr. 33. The viceroys reduced them to 56 grains, or 2 gr. 43, and, of course, required they should preserve the same purchasing power. The same likenesses and the same lettering were used. It was in vain, and merchants asked three new carlines for what they used to furnish for two of the old carlines. Then recourse was had to adulteration. In the alloy, lead, zinc, and tin were introduced. The workmen in the mint had to be discreet, under the most fearful penalties. It would have been necessary also to constrain to silence the jewelers and goldsmiths, so numerous and influential in the Italy of that time. The new coins fell into discredit, and naturally with some exaggeration. But the Government, notwithstanding, found in these practices the possibility of settling its debts with a profit of a third.

Cardinal Zapatta, lieutenant and captain-general, displayed rare skill in the happily lost art of the legal counterfeiter. He commenced by coining pieces of fifteen grains, which, preserving the ordinary weight, were of a much lower standard. That done, by an order to the cashiers of the banks, of February 25, 1621, he demanded that a careful examination should be made of the coins received in payment, and especially of the half-carlines or zanette. This order was followed by a pragmatic withdrawing from circulation all coins which, either in weight or standard, were not equal to the coins of the Emperor Charles V. Further (Art. 10), all coins escaping recoinage should have their value diminished in a proportion varying from 12 to 25 per cent.

Not only the arbitrary depreciation, but, above all, the complete demonetization of a large amount of specie before other specie was coined, engendered an immense crisis, and a panic came to make it worse. One citizen lost, perhaps, a quarter of his fortune, and another saw his hoarded coins transmuted into useless disks. All commodities increased in price to such an extent that the feeding of the public was compromised by it. The Neapolitan people caused their sad condition to be described to the king, and His Majesty recalled Cardinal Zapatta, who was succeeded by Antonio Alvarez de Toledo, Duke of Alva.

The banks, of course, were the victims hit the hardest by the Zapatta pragmatic. They had then a metallic reserve of 12,000,000 ducats, a third of which was in the half-carlines declared illegal, and the rest in the reduced coins.



The circulation was obviously equal. All the creditors demanded payment in coin conformable to the provisions of the pragmatic. Three reasons forbade the banks to satisfy them. First, these twelve millions, demonetized or reduced, worth only the weight of the metal, represented no more than eight or nine. Then it was inadmissible to pay over four grains or four pounds of gold to any one who had only deposited three a few weeks before. Finally, the new money, so urgently called for, was not yet in existence. The mint had not furnished it. If the creditors had consented, the banks could do but one thing, pay five of the old coins to those who had brought four, but the pragmatic opposed this.

So, when this decree appeared, all the banks suspended payment. This was not to Cardinal Zapatta's taste, and he ordered they should resume. He only allowed the banks to pay but two-thirds of the deposits, and that at the rate of five ducats a day. There was a want of materials, and this failure in disguise only postponed the embarrassments of the credit establishments. They were no longer able to meet their engagements and would have gone down, if the Government had not made over to their account a duty of a ducat upon every pipe of wine consumed or produced in the city or territory of Naples. This tax was farmed out for 46,430 ducats, which were thus distributed :

St. Mary of the People.....	18,434
San Eligio.....	15,457
The Holy Ghost.....	6,694
Mont de Piété.....	4,013
Mount of the Poor.....	1,686
San Giacomo.....	146

At the rate of six per cent., this was a capital of 773,871 ducats that was given to the Neapolitan institutions of credit. In return they agreed to pay within a fortnight 66 per cent. of their debts. As for the loss of 33 per cent. suffered by their creditors, it was left without indemnity. For a long time the banks did not know anything like their former prosperity. Gratuitous loans had to cease, loans on interest became rare, and transactions which this state of things caused to languish did not come to put an end to it. In 1629 loans upon pledges commenced to increase again. But in 1633 compensation was prohibited without its being seen that it tended to make good that want of specie whence proceeded so many evils. Three years later San Giacomo failed and agreed to pay its creditors 32 per cent.

An insurrection headed by Masaniello caused the failure of all the other banks, which had their coffers pillaged and their offices sacked by disorderly mobs. The revenue assigned upon the wines was no longer paid. The regular Government, by its requisitions, finished the work of the revolutionists. San Giacomo could only

pay 26 per cent. on the 32 per cent. remaining from its first failure. So the creditors had about 8 per cent.

Notwithstanding all, they prospered again. The monetary alterations that had been so fatal to them helped them in 1691. At that time the value of the coins was raised 20 per cent. The edict ordered that the resulting profit should go to the Government for the expenses of the new coinage. They managed to conceal a large part of their specie reserve, and, consequently, to avoid a portion of the payment. According to their statement, on January 9, 1691, the metallic reserve amounted to 4,574,000 ducats.

When Charles II. died, the ambitious designs given free rein by his death were a secret to nobody. A panic followed, and the Santissima Annunziata could not withstand it. It was the most carelessly managed bank. Of the double character, philanthropic and commercial, common to all the banks, it had chiefly kept in view the former. At the time the duty on wines was assigned, it had even neglected to ask for its portion of the indemnity. But, on the other hand, it supported 1,200 nuns and 5,000 nurses. The depositors had 49 per cent., the creditors an estate yielding an income of 64,000 ducats, the distribution of which is not yet finished.

The collapse of this establishment served as a pretext for an attempt at monopoly made by the viceroy de Haltham. He wanted to found a single bank upon the model of the Genoese Bank of St. George, having like it the privilege, among others, that its deposits should be not distrainable. The project fell through with the end of the viceregal Government and the installation of the Bourbons in Naples (1735).

#### IV.

If, from a political point of view, the Bourbons of Naples may be reproached with many things, if they may be accused of many faults which they have had to pay for dearly, it is only just to acknowledge that their kingdom was always administered with an enviable wisdom and broadness of view.

From their accession until the Revolution they let the banks accomplish their mission peacefully. The prohibition of compensation was, however, maintained, but it was always violated.

In 1777 the advocate Rossi proposed to King Ferdinand IV. the confiscation of the banks' property as in abeyance. Director Crisafulli made answer to this proposition, that the State had nothing to do with a fortune springing from private benevolence and increased by the profits on perfectly legitimate speculations.

The royal delegates, presided over by Lorenzo Paterno,\* rec-

\* Baron dei Manganelli, uncle and grandfather of the Princes of Manganelli and of Sperlinga, Duke del Palazzo.

ognized the justice of the argument, and the court, having supreme judgment on all financial questions, the chamber of Santa Clara rendered a verdict peremptorily rejecting the idea of appropriation.

In 1788 the banks had an income of 500,000 ducats, and distributed 100,000 of it in charity; 328,000 ducats were loaned upon pledges at 6 per cent., and 70,000 ducats were loaned gratuitously.

Notwithstanding all the prohibitory edicts, compensation between themselves amounted to 5½ million ducats. The circulation in "fedi di credito," checks, and orders reached 22 millions, or \$20,000,000.

If the difference between the value of money then and now be considered, if it be not forgotten that the Neapolitan banks concentrated their action in the single city of Naples, the enormous part will be understood that they took up in the business, in the life itself of the Neapolitans. It would not be a mistake to infer that during the period when they vegetated or disappeared, the economic existence of Naples was completely stopped.

#### V.

The preparations that Ferdinand IV. had to undertake to resist the revolution made it necessary for him to have recourse to the banks. His ministers, Acton and Corradini in particular, burdened them with pensions to be paid, and forced them to loans on little or no security. Inspired perhaps by the example of the assignats, they compelled the institutions to deliver to them "fedi di credito" without any preliminary payment, in spite of the strict rules laid down in their statutes.

In order to preserve their moral credit intact, the banks kept secret the spoliations from which they suffered. They set everything to work to swell the figure of the deposits they were receiving. At any price they must have money, so that the void produced by the State should not check their daily operations.

They borrowed. When the day of payment came, they sold pledges not redeemed. In a word we may say that they turned everything into cash. These expedients have never saved anybody, and they only succeeded in throwing the administrations into disorder. There were numerous robberies. The cashier of San Giacomo defaulted to the amount of 350,000 ducats, that of the Bank of the Savior for more than 200,000. It is plain that these were not merely accidental cases of dishonesty, such as are possible at any time, because the money was loaned out by the guilty cashiers without any security or formalities and was afterwards paid.

It was necessary to put a stop to this disorder.

By a law of October 3, 1794, Ferdinand IV. decreed a consolidation. The Neapolitan banks were formed into "il Banco Nazionale di Napoli," and the seven hitherto distinct establishments became only so many branch offices, with special names, for the greater convenience of the citizens.

The measure, excellent in itself, was rather late in coming. At the commands of the ministers, the banks had created an immense circulation (\$30,000,000 value of that time). Metallic money began to command a premium. The banks acknowledged their embarrassment, and the economic trouble went on increasing, until it reached its height on May 22, 1796, when a royal order decided that all the specie then in hand should be kept as intangible property, and the daily receipts should be alone used for payments and redemptions. Paper fell at once 80 per cent.

The Government consolidated, to some extent, the deposits not immediately payable, such as those belonging to wards, to impersonal companies, or coming from trusts. They were transformed into a credit upon the State giving two per cent. The depreciation was only imperceptibly checked. The catastrophe was approaching. On December 16, 1798, when the coming of the French armies compelled the court to fly to Sicily, the king seized all the specie left in the banks and carried it on board the fleet commanded by Nelson. It amounted to only two million ducats. In two years the specie reserve had been reduced 1,808,000 ducats.

The Parthenopæan Republic wished to pay the enormous debt that the banks had from their paper in circulation. It appropriated to it the property of the dynasty and succeeded in redeeming a small portion of it. The debt was not thereby diminished. It was absolutely necessary to furnish the population with an instrument of exchange. In spite of the constantly growing premium, and though understanding the danger, the banks issued small notes and issued all the more the greater the depreciation became. That is the difficulty in critical times, that they leave only a choice between what is bad and what is worse.

When Cardinal Ruffo and the Sanfedisti took Naples again, other troubles commenced. The cardinal confiscated all the deposits supposed to belong to republicans. He demanded the payment of debts of the State, that nobody had ever heard of, and the papers concerning which the Republic had burned, as he said.

A royal edict of May 8, 1800, decided that the bank paper should be paid at the current rate, with a loss of about eighty per cent., or should be used, at its face value, in the purchase of property of the domain. A period of four months was allowed for the operation, after which the debt was settled. Now, in

four months, it would have been necessary to apportion and sell at auction a large amount of property. This offer was so illusory that soon afterwards, on July 7, the king withdrew it.

This liquidation cost the Neapolitans 20,000,000 ducats, or about \$17,000,000.

It may be imagined how the banks went on after such a convulsion of credit and under the political circumstances of that time. They were only kept going thanks to the admirable generosity which is the great virtue of the Neapolitan patricians. Their directors furnished, from their own money, the necessary amounts, and thus enabled them humbly to live through the days of storm. We shall mention only one example to prove that the old and sound traditions had not been effaced. On December 24, 1803, a director of San Giacomo advanced 3,500 ducats to pay the employees. The coffers were empty, except that of the deposits, which the Council would not allow to be touched on account of the old statutes prohibiting any other use of apodeictic funds than loans upon pledges.

Just at this time San Giacomo received a favor which prepared for its being placed over its rivals. It was made "Court Bank," or "Bank of the State" we may say, and it was intrusted with all the financial business of the Government.

Minister Zurlo fell, having ruined the State and being himself ruined. Louis de Medici instituted a commission of apodeictic creditors, in order to ascertain some means of securing their claims. The arrival of Joseph Bonaparte put a premature end to his labors.

Joseph left only two banks in existence, San Giacomo as the "Court Bank," the others consolidated into a bank for private parties. Roederer suppressed the latter in 1808. Its fortune was reduced to 1,200,000 ducats.

## VI.

King Murat endeavored to import into Naples an imitation of the Bank of France, the capital of which was asked of stockholders that could not be found. In vain was the constitution modified of this "Bank of the Two Sicilies"; it never succeeded in replacing the Neapolitan banks, the victims of the Revolution.

When King Ferdinand returned to Naples, this bank was at the last gasp. Without any money in its possession, stripped of the property of the banks that it was continuing, its fortune divided between the domain, the sinking-fund which Murat had founded, and the ministry of finance, it was in no condition to settle its debts or pay its depositors.

Without capital, it lived upon credit, and its credit was wanting. The loss on paper was constantly increasing. The minds the

least given to fear foresaw a repetition of the failure of 1798. Ferdinand's wisdom, the skill of the minister Louis de Medici averted this catastrophe. A decree of December 5, 1815, ordered that payments to the State should be made in bank papers, and that these papers should be changed for specie in all the State's offices.

On October 1, 1816, all the property not alienated was returned to the bank\* and with it administrative autonomy. At the same time a decree of reorganization appeared. The bank was to be called Bank of the Two Sicilies and divided into two branches. One occupying the rooms of the old Mont de Piété was to be for private parties. The Court Bank was to be located in the San Giacomo building. The former adopted the old statutes of the Mont de Piété and preserved absolute independence. The second was in a sort of dependence by reason of its official functions, but this was largely atoned for by the improved credit which the royal guarantee gave it.

The bank's paper received the same privileges that had formerly put it in such high favor. The "fedi di credito" as well as the checks were exempt from all taxation. All declarations, agreements, and receipts mentioned in the indorsements had their full effect, although dispensed from registration, and were considered proof like legal documents.

In a regulation of 1817 we notice an article worthy of being mentioned on account of its singularity. After establishing a council of discount, formed of merchants, it stipulated that they should be jointly responsible for the payment of paper admitted to discount. The consequence may be imagined. The members of the committee refused all the paper offered, and three months later the regulation was rescinded.

In spite of some imperfections the bank rendered inestimable service, both as a State bank and as a private bank and Mont de Piété. Its system of keeping its books was of a very admirable simplicity. The use of the "Madrefedi," the habit of paying all the State's debts in checks, gave extreme simplicity and security to the operations. The conscientious author of the History of the Bank of Naples, Mr. Eugene Tortora, says about this with reason:

"The old attorney, on pay-day, had the checks all ready, and the payment consisted merely in distributing them to those who called for them and gave the necessary verbal proofs. There were no signatures to be given, no money to count, no writing to be done, no frauds to be feared. The check was good only for the real creditor."

\* This proves abundantly that the "Banco di Napoli" was the direct successor of the Neapolitan banks.

It may assuredly be thought that the bank was too obliging towards the State, that it served it while neglecting its private customers ; but could it have offered the latter its large means, if its official character had not given it such resources that its metallic reserve amounted to \$50,000,000 ?

Little by little its organization was completed. A discount fund was formed with a million ducats lent by the State and two millions and a half of the bank's fortune. The rate of loans on pledges was reduced to six per cent., and loans were made also on dry goods and metals other than the precious metals. The archives were established, and formed not only a unique collection of financial documents, but also a source that almost all the native Neapolitans have been obliged to refer to in order to find the titles of their property.

The Revolution of 1820 disturbed operations. The return of absolute monarchy gave back to the public its confidence and to the bank its prosperity.

The apodeictic deposits reached \$20,000,000. Sicily, that treasure of the Neapolitan monarchy, that incomparable jewel of Italy, saw its commerce developed sufficiently to make necessary the establishment of branches at Palermo and Messina (1843). At Palermo a Court Bank was founded, which was to have charge of the island's finances and to issue "fedi di credito." Clearing between the bank and its branches was allowed and regulated.

When the Revolution of 1848 occurred, and for months Sicily was withdrawn from the Neapolitan domination, the two branches on the island lived a separate and rather unfortunate existence. They had a metallic reserve of only 3,800,000 ducats, when Ferdinand's power was again established. Gen. Filangieri, Prince of Satriano, proposed to grant them independence, and August 15, 1850, the Bank of the Two Sicilies left to the "Bank beyond the Straits of Messina" the monopoly of Sicilian business, and thenceforth took care of the continent only, establishing agencies in manufacturing or commercial cities, but keeping up close relations with the insular bank, to the greatest profit of commerce.

## VII.

Francis II. was dethroned, and a new Government came into power. The Bourbons had found the bank crushed, had given it back its fortune, and had let it once more conquer its credit and prosperity. We may repeat that the profit derived by the Court Bank from its public functions compensated a hundred times for the harm done it perhaps by its necessary dependence.

The new state of things was in the beginning unfortunate for the bank. From \$16,400,000 in 1859 the metallic reserve fell to \$6,000,000 in October of 1861. The circulation dropped from

\$31,000,000 to \$18,000,000. Receipts were no longer coming in, and there was a flood of requests for loans.

The very peculiar character of the Bank of Naples, a pious foundation, did not permit it to use the means customary with other banks. It could not defend its specie reserve by raising the rate of discount or examining paper more closely without failing in its duty, without losing sight of the object for which it was founded. Its managers were bold enough to hold out to the end, to contract credit only so far as the resources made inevitable, and thus they enabled Neapolitan commerce to wait for better times.

These difficulties were increased by others. Neapolitan Government securities, before the fall of the Bourbons, went up to 120, which, we may say in passing, is too often forgotten by the writers who copy Mr. Gladstone.

The bank had advanced  $\frac{3}{4}$  to borrowers upon the deposit of securities, or 90 per cent., and the price, after the new Government came in, was 60. Fortunately there was great confidence in a more peaceful future, and the bank, by allowing its debtors to pay up in small sums on account, found it necessary but in a few cases to sell the securities and take action against the personal property of the borrowers.

The dictatorial Government, however, notwithstanding its reassuring declarations, showed itself the bank's worst enemy. It imposed upon it enormous loans on chimerical securities and brought it to the verge of a failure by prohibiting the receipt of its paper in the Government offices. Fortunately the order was revoked.

From the progress of democratic ideas proceeded another peril for an establishment that prided itself upon its philanthropic purpose. During a long period—and people murmur because it is not over—the principle was laid down, that the bank ought to discount the paper of the most needy, and not of the most solvent. There was not a co-operative company rushed into existence and managed heaven knows how, which did not imagine it had the right to overwhelm the bank with its paper. The Council resisted these pretensions as well as it could, but too often it yielded to them. Its members are sometimes politicians, and it is hard to have the courage to make people dissatisfied.

To the bank is due the easy passage from the old money to the decimal money. Later, in 1862, it established a savings bank with a capital of \$30,450, of which \$16,000 came from Victor Emmanuel's liberality. It took the new institution under its wing, and thanks to its credit enabled it to prosper with a capital quite out of proportion to its needs. In 1864 the fusion became complete.



But, a year earlier, the Bank of Naples had entered a new stage of its history, that which now threatens to come to a violent end.

At the suggestion of Jean Manna, King Victor Emmanuel signed, on April 27, 1863, a decree, of which the preamble is very interesting. It proves, indeed, the direct and uninterrupted filiation joining the "Banco di Napoli" to the pious institutions of the end of the sixteenth century, and it recognizes its independence, which is now brought into question.

"Victor Emmanuel II., etc.

"Whereas the banks (*i banchi*) of Naples, which were in the beginning *Monts de Piété* where private parties deposited their money, have been diverted from their primitive institution in becoming a part of the Government administration, etc.

"Whereas, by the application of the new regulations for keeping the State's accounts, the operations of the Court Bank and its responsibilities for the account of the State have ceased from January 1, 1862,\* etc.

"Wishing to restore to the bank its true character of a public establishment, in which the Government should not interfere otherwise than for the purpose of supervision, etc., etc.

"We decree :

"Art. 1.—The Bank of Naples shall cease to depend upon the Ministry of Finance, and shall be, like any other public institution of credit, under the supervision of the Ministry of Agriculture, Industry, and Commerce, etc., etc."

The bank preserved its statutes and regulations. It was managed by a General Council and a Council of Administration.

One of the great difficulties was the mode of electing the former. Everywhere else it is the owners of the capital that elect the directors. But here there are no owners.

Minister Jean Manna had studied this question. The appointment of the General Council, he said, should belong to those having interests in the bank, to those having money there. But the depositors, in exchange for their deposits, received "*fedi di credito*," which were worth money, and they were no more interested in the good management of the institution than the other people to whom they had passed on these papers. Where, then, were the interested persons to be found? Rather, where were they not to be found? The entire public had its prosperity linked with that of the bank, since all received or might receive their payments in "*fedi di credito*." The Council General, equivalent to a general meeting of the stockholders, was therefore composed as follows :

1. The mayor of Naples :

\* Decree of November 7, 1861.

2. The president of the Chamber of Commerce;
3. The president of the Tribunal of Commerce;
4. Four members elected by the Chamber of Commerce;
5. Four members elected by the Provincial Council;
6. Four by the Municipal Council;
7. Two elected by the Chamber of Advocates.

The Council of Administration was formed by the director general and two general inspectors appointed by the king and two members delegated by the General Council.

The bank's independence was soon after put to the proof. In constituting the discount fund in 1818, the Government had, as we have seen, advanced a million. The Ministry of Finance, in September, 1863, put forth a claim for a portion of the bank's funds, considering this million as making a sort of limited partnership.

The General Council offered to pay the difference between this amount and the total of all those for which the bank was a creditor towards the treasury. It supported its position first by a phrase in the contract of the loan (June 24, 1818), where the ministry said: "When once the advance is refunded, there shall be no further participation in any decline," and also by the preamble of the decree of April 27, 1863: "Whereas, except in the liquidation of accounts, the Government has no longer any interest in the business of discount."

The Minister of Finance, Mr. Minghetti, tacitly acknowledged these reasons to be well founded, and the claim was forgotten. Soon afterwards, however, the grave question of taxation came up.

It was desired to subject the bank to the mortmain tax upon all its property. To this it replied that its property had in no sense that character of inalienability which explains the severity of the treasury towards the property justly called in mortmain. It was, however, merely a loss of money to be avoided. On the contrary, if the treasury had persisted in exacting registration taxes upon the contracts contained in the indorsements of the "*fedi di credito*," that would have been the suppression of these instruments of credit.

After much controversy it was agreed:

1. That the bank should pay a subscription of 1.50 per thousand livres of average circulation.
2. The indorsements forming contracts should bear a movable stamp of 0.50.
- 3 (a). The offices of the bank used as Monts de Piété should be exempt from all taxation.
- (b) The capital employed in the said Monts de Piété should pay  $\frac{1}{2}$  per cent. on the annual income.

(c) The remainder of the property should pay the mortmain tax or 4 per cent. on the income.

The bank had scarcely finished the establishment of the Land Credit as its annex, when the discussions came up with the National Bank of the Kingdom of Italy, which are still going on, and which, one might think, would go on forever, if the last measure of severity striking the old institution did not seem to foreshadow an end, the nature of which may be imagined.

In 1861, at the time the National Bank was founded, the Government's intention was announced of intrusting to it the monopoly of discount operations. The Bank of Naples protested, being energetically supported by public opinion. It may be said that the Government gave way. The National Bank had to be satisfied with the help that the Banco could not refuse it, in the southern provinces of course. It attacked its rival in every way, buying up all the paper in Sicily, and presenting it for redemption when the rarity of the decimal coins was most embarrassing to the offices of Naples. The authorities had to interfere, and an agreement was signed. The National Bank was continually violating the spirit of it, and the Bank of Naples had to stop clearing with the Bank of Sicily, after the National Bank, in five days, had presented at Palermo apodeictic paper to the amount of \$2,000,000, announcing that it would soon demand the redemption of \$3,400,000 more.

The economic condition of Italy was not calculated to offer to the "Banco" a compensation for the losses inflicted upon it by these doings. On May 1, 1866, the forced currency was decreed, to be suppressed, in appearance at least, in 1883.

[TO BE CONTINUED.]

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#### THE ONE POUND NOTE.

In a work on the history of the "One Pound Note," by Mr. William Baird, which recently obtained a prize from the Institute of Bankers in Scotland, the author shows how the one pound note took its rise in the present form in 1765. Before that date there were one pound notes with optional clauses, giving an option to the banks to pay twenty shillings on demand, or one pound and sixpence at the end of six months. There were also notes for smaller denominations—for sums as low as five shillings and half a crown. Although the three large Edinburgh banks never abused their issues, abuses to a very large extent crept in under the wings of some public and a great many private banks in Scotland. These became so flagrant that an Act of Parliament was passed in 1765, forbidding the issue of notes of a lower denomination than twenty shillings, and prohibiting the optional clause. It is shown how the one pound note, established by this act, has rendered important service to Scotland, being capable of doing the work of a sovereign and enabling the banks to open branches in every town, and thus give banking facilities to a wide clientele.—*Finance Union*.

## SET-OFF OF DEBT DUE FROM THE DEPOSITOR.

## COURT OF APPEALS OF KENTUCKY.

*Kentucky Flour Co.'s Assignee v. Merchants' National Bank.*

A bank has the equitable right to set off, against deposits made with it by an insolvent before making an assignment for the benefit of creditors, a debt due to it from the insolvent which at the time of the assignment was not yet due.

HOLT, J.—The Kentucky Flour Company, on June 15, 1888, made a general assignment for the benefit of its creditors. Among them was the appellee, the Merchants' National Bank, to the amount of nearly \$30,000. It had in its hands at the time, arising from cash deposits made by the flour company, on and before the day of the assignment, and from commercial paper left by it with the bank for collection, \$3,433.79; and the assignee sues to recover this sum. The bank claims the right to credit it upon its debt. The facts above stated appear from the petition. It is by no means certain whether, upon its averments, the debt owing to the bank should be considered as having been due, or not due, at the time of the assignment. We will, however, with a view to a full consideration of the question, but with some doubt, assume, as contended by the appellant's counsel, that the petition shows it had not then matured. The lower court dismissed the petition upon demurrer.

The question before us is whether a bank can apply deposits, made with it by one who subsequently makes an assignment for the benefit of his creditors, as a credit upon a debt owing to it by the insolvent, but which had not matured at the time of the assignment. Courts of equity in this State applied the doctrine of equitable set-off prior to the existence of our statute. It was found to be necessary to complete justice in cases where some fact existed impairing the efficacy of the legal remedy. Grounds must exist for its application, and insolvency has long been recognized as one of them. It is urged that equality among creditors is equity, and that to allow the bank to apply the deposit upon the indebtedness to it would defeat an equitable distribution of the insolvent's estate. It is true that equality in such a case is the policy of the law, but it would be inequitable to extend it so far as to disregard existing equities. It would be unconscientious for an insolvent to coerce the payment of his claim from one to whom he is indebted in a larger sum, although the debt of the latter might not be due. The insolvent should not, *ex æquo et bono*, have such a right. In the case of *Chenault v. Bush*, 84 Ky. 528, 2 S. W. Rep. 160, two parties executed a joint obligation. Before its maturity, one of them made an assignment for the benefit of his creditors. After the assignment the other joint obligor paid the entire debt. In an action against him by the assignee upon a note executed by him to the assignor, it was held that he could set off one-half the joint debt paid by him. Here the claim of the party asking the set-off had not matured at the time of the assignment. A right of set-off would, however, have existed as against the assignor in the event of no assignment; and the assignee merely took the estate, for the benefit of the creditors, subject to all existing equities and discounts. He is not an assignee for value, but a volunteer, and any claim of the insolvent upon a party coming to his hands is subject to the same right of set-off which would have existed against it if no assignment had been made.

It is contended, however, that a bank stands in a different attitude from a mere individual, because its depositor would have the right to check out his deposit at any time prior to the assignment, and the bank would have no right to refuse it upon the ground that he was owing it an unmatured debt. If this be so—and it doubtless would be in case checks were given to third parties—yet we fail to see how it can affect the question here, inasmuch as the money was not withdrawn from the bank. It is true this seems to have been the ground upon which the case of *Beckwith v. Bank*, 9 N. Y. 211, was determined; but the opinion in that case is meager in argument, and, so far as reason is given, it is unsatisfactory. In the case of *Jordan v. Bank*, 74 N. Y. 467, cited by counsel, no ground for equitable set-off was presented. The opinion expressly says so. It is unquestionably the law that, as between individuals, the right of equitable set-off exists, although the debt had not matured at the time of the insolvency. Ordinarily, of course, a debt not due cannot be set off against one already due. To allow it would be to change the contract, and advance the time of payment. But where the party asserting the due debt is a non-resident or becomes insolvent, then either of these conditions, *ipso facto*, gives to the other party the right of equitable set-off, although his debt had not matured when his debtor became insolvent, or the condition arose giving the right of equitable set-off. In the application of the rule there should be no difference between an individual and a bank. There is no ground for a distinction. The bank is merely a debtor to its depositor. It is true the debt is payable on demand, but if the money be not withdrawn, and the depositor becomes insolvent, the right of equitable set-off exists, just as in case of co-existing demands between individuals; and, in case the depositor assigns for the benefit of his creditors, his assignee takes the estate subject to any equities which existed against the assignor at the time of the assignment.

It is said, however, that such a rule will lead to inequitable preferences, and, in effect, destroy the efficacy of what is generally known as the "Statute of 1856," relative to a preference of a creditor. We think the alarm of counsel is groundless. If a deposit were made with a bank in contemplation of insolvency, and with a design to prefer it, those being the grounds upon which that statute declares the entire estate of the debtor, including that transferred, shall inure for the benefit of his creditors generally, a state of case would be presented not now before us. We cannot presume this is such a case, because here the company was evidently engaged in a considerable business, having numerous transactions with its bank, and the deposit in question is a comparatively small one. This question is not presented by the petition, and it would be improper, therefore, to intimate any opinion as to it. Judgment affirmed.



## COLLECTIONS.

CIRCUIT COURT OF U. S., SOUTHERN DISTRICT OF OHIO.

*First National Bank of Wellston v. Armstrong.*

Checks and drafts sent from one bank to another were indorsed "for collection," and credited "subject to payment," according to the dealings between the banks. Part of them were paid to the receiver of the latter bank after its failure, and the balance were credited to it by the payors. *Held*, that the amount paid the receiver should be accounted for as a trust fund, but the balance as a general debt.

Under Rev. St. U. S. § 5,136, providing that no banking association shall transact any business except such as is incidental and necessarily preliminary to its organization, until it has been authorized by the Comptroller to commence the business of banking, correspondence between one bank and the person who became the president of a bank afterwards formed cannot constitute an agreement controlling the business between the banks, but may be referred to, in connection with other evidence, to show what was their understanding.

SAGE, J.—This cause was submitted to the court upon an agreed statement of facts, from which it appears that on the 17th day of June, 1887, the complainant mailed at Wellston, Jackson county, Ohio, to the Fidelity National Bank at Cincinnati, checks and sight drafts on various banks other than the Fidelity, to the amount of \$2,229.01. Each of said checks and drafts was indorsed as follows:

"Pay Fidelity National Bank of Cincinnati, Ohio, or order, for collection for First National Bank of Wellston, Ohio.

"J. H. SELLERS, Jr., Cashier."

At the same time the complainant so charged the Fidelity Bank with the remittance, which was received by the Fidelity Bank on the 18th of June, and acknowledged by postal, mailed on the evening of that day, as follows:

"THE FIDELITY NATIONAL BANK.

"CINCINNATI, June 18, 1887.

"In reply to yours of the seventeenth, we credit, subject to payment, \$2,229.01.

AMMI BALDWIN, Cashier."

On the same day credit was given accordingly by the Fidelity Bank to complainant. On the 18th day of June, 1887, the complainant mailed to the Fidelity National Bank the further sum of \$3,284.54 in checks and sight drafts on various banks other than the Fidelity, all of which were received by the Fidelity on the 20th of June, and receipt thereof acknowledged by postal of that date, signed by the cashier, and stating a credit, "subject to payment," of \$3,284.54. It further appears that such credit was on that day given by the Fidelity Bank to the complainant. Each of the checks and drafts composing said remittance of \$3,284.54 was indorsed by the complainant in the same form as the indorsements upon the checks and drafts remitted as first above. All the indorsements of both remittances were made by means of a stamp furnished by the Fidelity Bank to the complainant about the 1st of May, 1887, to be used by the complainant in indorsing commercial paper to the Fidelity for collection. The checks and drafts composing the last remittance were charged by the complainant to the Fidelity in the same manner as those composing the first remittance. It further appears from the agreed statement that Baldwin and Sellers were at the dates aforesaid cashiers of the Fidelity and of the Wellston Banks,

respectively; also, that on the 17th of June the Fidelity Bank was insolvent, and so continued, and on the 20th of June, 1887, at the close of business hours, a National bank inspector or examiner, under orders of the Comptroller of the Currency, and by authority of the statutes of the United States, took possession of the Fidelity Bank, and afterwards the defendant Armstrong was appointed, and now is, the receiver thereof. The total amount of commercial paper remitted by the complainant to defendant was \$5,513.55. Of this there was paid to the receiver, after the failure of the Fidelity Bank, the sum of \$3,336.40. The residue of said remittances—that is to say, the sum of \$2,177.15—was credited by various payors to the Fidelity Bank, and the Fidelity Bank had full benefit thereof in its accounts with the payors; but the money did not come into the hands of the receiver, and advice of the credits did not reach the Fidelity Bank until after the Government had taken possession. Attached to the answer of the defendant are copies of two letters which it is admitted were written and received. The first is dated at Cincinnati, September 16, 1886, and addressed to H. S. Willard, Wellston, Ohio. Mr. Willard was afterwards president of the complainant bank. This letter was written and signed by E. L. Harper as vice-president of the Fidelity Bank. It refers to a letter received from Willard, which is not in evidence, nor set forth in the agreed statement of facts. Harper writes as follows:

“We are in receipt of your esteemed favor, and, replying, have to say that we will credit sight items on any point in the United States where there are banks at par, and make collections on same points, which, when paid, will credit at par, allowing you two and a half per cent. on daily balances, calculated when monthly statements are rendered, and will remit for your credit to New York, against your balances, at any time you may desire, without charge, or will ship you currency; express charges at your cost.”

On the 25th of September, 1886, Willard, upon a letter-head of the Milton Furnace & Coal Company of Wellston, of which he was president, addressed a letter to Harper as vice-president, signing it “H. S. WILLARD, Pt.,” accepting the offer contained in Harper's letter of the 24th, above quoted. These letters were written, mailed, and received several days before the complainant bank received its certificate of authorization, which was issued and bears date October 6, 1886. The complainant and the Fidelity Bank did business with each other in the usual way, each remitting to the other checks and drafts for collection, all of which were charged and credited, respectively, as above stated. From and after about May 1, 1887, the balance was always in favor of the complainant, against which the complainant drew as occasion required, and sometimes ordered remittances made in exchange on New York. The complainant was allowed and received interest on the daily balances so in its favor at the rate of  $2\frac{1}{2}$  per cent.; settlement of such interest being made monthly. No part of the several sums above mentioned has been paid to the complainant, either by the receiver or by any other person. The prayer of the bill is that the court find that the complainant's claim for \$3,336.40, with interest from June 17, 1887, is a preferred claim against the estate in the hands of the receiver, and for a decree for its payment in full, and for general relief.

The claim of the defendant, that the various checks and drafts referred to and set forth in the bill were sent to the Fidelity Bank, and received by it, under and by virtue of the written agreement evidenced by the letters above quoted, is overcome by the fact that the last clause of section 5,136, Rev. St. U. S., which relates to the corporate powers of banking associations, provides that “no association shall transact any

business except such as is incidental and necessarily preliminary to its organization, until it has been authorized by the Comptroller of the Currency to commence the business of banking." (See *Armstrong v. Bank*, 38 Fed. Rep. 883.) That correspondence was, however, admitted in evidence, and may properly be referred to in connection with the evidence relating to the transaction of business between complainant and the Fidelity Bank, as a circumstance to aid in determining what was the actual understanding between them. It does not appear, however, that the complainants ever did draw against its remittances before the proceeds of collections were received by the Fidelity Bank, even if it be assumed that the understanding was in accordance with the terms stated in the correspondence. It is clear that the remittances were not sight items, within the true construction of that correspondence, nor within the understanding of the parties. Sight items on any point in the United States where there are banks, were, according to the correspondence, to be credited at par. Collections on same points were to be credited at par when paid. Every item in the remittance made by the complainant to the Fidelity Bank was indorsed as a collection, the indorsement being made by means of a stamp furnished by the Fidelity for that purpose. That the indorsement was restrictive, and that it did not pass title to the Fidelity Bank, is clear beyond doubt. That it was not at the time regarded by the Fidelity Bank as passing the title is also clear, both from the language of the postal acknowledgments of receipt of the remittances, and from the fact that the credit in every case was, in terms, "subject to payment." It was to the advantage of the Fidelity Bank that remittances should be for collection, and not as sight items, because the arrangement for interest to be paid by the Fidelity Bank, if it be assumed that it was as stated in the correspondence, was such that it would begin to run at once upon sight items, but would be postponed upon collections until receipt by the Fidelity of the proceeds. It may fairly be assumed that for this reason the Fidelity Bank furnished the stamp to be used by its correspondent in indorsing paper to be transmitted for collection.

The case of *First Nat. Bank of Elkhart v. Armstrong*, 39 Fed. Rep. 231, which was cited by counsel for the Government, is clearly distinguishable from this case. In that case the drafts were remitted to the Fidelity Bank "for collection" for the First National Bank of Elkhart, Ind., but each draft was, upon its receipt by the Fidelity Bank, credited to the First National Bank of Elkhart, Ind., as cash; and that, as had been agreed between said banks, gave to the Elkhart bank the right to draw upon the same as cash. Such had been the uniform custom and understanding of both banks. It was held by the court that, although it was also their uniform custom and understanding that, when any draft should be returned to the Fidelity Bank unpaid, it should be charged back to the Elkhart bank and returned to it, the title to the draft passed to the Fidelity Bank upon its being received and credited as cash, as above stated; or, in other words, that the indorsement for collection, under the special circumstances of that case, did not reserve to the Elkhart bank any title to the proceeds of the drafts. But here, even if we take the correspondence as the best evidence of what the arrangement really was (and this is adopting the view most strongly in favor of the receiver), we find that the remittances were for collection, that the credits were subject to receipt of proceeds, and that the contract was that they were to be credited at par when paid. The case of *Fifth Nat. Bank v. Armstrong*, 40 Fed. Rep. 46, is in point, and sustains the view which we take of this case. There the draft remitted was indorsed for collection for the claimant. It appears from the syllabus



that it was the practice of the Fidelity Bank, in its dealings with the claimant, to credit the latter on the date of the receipt of all drafts, checks, etc., sent for collection that were payable at sight or on demand, and the balance thus created was subject to be drawn on; but, if the paper was not paid, it was charged back to the claimant. On receipt of the draft in question in that case, the Fidelity Bank notified the claimant that it had been credited "subject to payment"; but the credit was not drawn against, nor were advances made on the faith of it. It was held that, the indorsement being restrictive, the Fidelity Bank acquired no title to the draft, and that, upon the insolvency of the Fidelity Bank before the receipt of the proceeds of the draft, the claimant was entitled to the proceeds against the receiver. In that case the credit was, as in this case, conditional, and not, as it was in the *Elkhart Case*, unconditional; and there was wanting the agreement which was found to exist in the *Elkhart Bank Case*, that the credit should be as cash, and that the Elkhart bank should have the right to draw upon the same as cash. In the case of *Commercial Nat. Bank v. Armstrong*, 39 Fed. Rep. 684, the Fidelity Bank addressed to the Commercial Bank a letter offering any one of four propositions: *First*, to collect all items at sight, and allow  $2\frac{1}{4}$  per cent. interest on daily balances, calculated monthly; and, *second*, to collect at par all points west of Pennsylvania, and remit the 1st, 11th, and 21st of each month. The other two propositions need not be stated. The Commercial Bank accepted the second proposition. The court said that the first proposition perhaps contemplated a creditor and debtor relation, but the second, third and fourth, upon their face, did not. But it is to be observed that, even upon the first proposition, the interest, by fair construction, was to be calculated from the date of the receipt of the proceeds, rather than from the date of the receipt of the draft or other paper. It is clear, therefore, that the ruling in the *Commercial Bank Case* is not in conflict with the conclusion in this case—that the relation of debtor and creditor did not arise upon receipt of the paper, but, in the true construction of the arrangement as it existed, was postponed until the receipt of the proceeds of collection. The case of *Manufacturers' Nat. Bank v. Continental Bank*, 148 Mass. 558, 20 N. E. Rep. 193, which was cited for the complainant, states very clearly the distinction upon which the conclusion in this case rests. In that case, checks and drafts were mailed to the Fidelity Bank, indorsed by stamp as follows: "Pay Fidelity National Bank of Cincinnati, Ohio, or order, for collection for Manufacturers' National Bank of Boston, Mass." The Fidelity Bank received the checks and drafts on June 20, 1887, and on that day mailed to the plaintiff a postal-card, signed by its cashier, stating in reply: "We credit, subject to payment, \$3,501.48." On the same day the Fidelity Bank credited the plaintiff the same amount, and mailed to the defendant, a national banking association located at St. Louis, the check in question, for \$1,900.66, on the German American Bank of St. Louis, the same being one of those received, and indorsed upon it, by stamp: "For collection for account of the Fidelity National Bank, June 20, 1887, Cincinnati, Ohio. AMMI BALDWIN, Cashier." The failure of the Fidelity Bank became known to the complainant on the morning of June 21, 1887, and to the defendant after the receipt of the check in question, but before it had credited it. The court held that in the transaction the plaintiff and the Fidelity Bank stood in the relation of principal and agent, and that their contract contained in their letter showed, first, an offer to the plaintiff, by the Fidelity Bank, of its "services for making collections in the West," and then a proposition to credit sight items at par, subject to payment, and to make collections, remitting weekly in New York exchange, without charge. The court say:

"This proposition was accepted by the plaintiff, and the Fidelity National Bank thereby became the plaintiff's agent to collect for it commercial paper. Under this arrangement the credit given for a check was merely provisional until the check was paid. It did not create a debt from the Fidelity National Bank to the plaintiff, and it did not change the ownership of the check. (*Levi v. Bank*, 5 Dill. 104; *Balbach v. Frelinghuysen*, 15 Fed. Rep. 675.) In that respect, their relations to each other were very different from those between a banker and a depositor when checks are received on deposit as cash, and an absolute right to draw against them is given. (*White v. Bank*, 102 U. S. 658; *Scott v. Bank*, 23 N. Y. 289; *Dickerson v. Wason*, 47 N. Y. 439; *Bank v. Loyd*, 90 N. Y. 530; *Ayres v. Bank*, 79 Mo. 421.)"

The liability of an indorser of commercial paper for the default of the payor, excepting in cases where the indorsement is "without recourse," not being affected by the fact that the transferee is also a purchaser for value, it was rightly held in *Elkhart Bank v. Armstrong*, cited above, that, where it appears from the evidence that the remittance was by agreement received as cash, credited as cash, and subject to check or to draft, the fact that the paper remitted was indorsed, "for collection," and the further fact that it was the understanding that, if not paid, the amount should be charged back to the sender, did not change the character of the transaction, although it did provide a short mode of adjustment between the parties. But here there was no agreement such as was shown in that case. On the other hand, not only was the indorsement "for collection," but the credit by the Fidelity Bank was, in terms, "subject to payment." This was clearly a provisional credit only. The title did not pass; and the proceeds of the collections which were received, not by the Fidelity Bank, but, after its failure, by the receiver, must be treated as trust funds in his hands, subject to the claim of the complainant, to whom they belong.

The decree will be in favor of the complainant, for the payment by the receiver of the sum of \$3,336.40, the proceeds of collections upon remittances made by the complainant to the Fidelity Bank, which were not received by the bank, but came into the receiver's hands after the failure of the bank. As to the residue, to wit, the sum of \$2,177.15, the decree will find that the complainant is a general creditor of the Fidelity Bank, and as such entitled to dividends. The costs will be taxed to the defendant.

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## USURY.

### SUPREME COURT OF NEBRASKA.

#### *Hall v. First National Bank of Fairfield.*

Where a National bank loans money at a usurious rate, which is included in the note, in an action to enforce the contract the interest is forfeited.

Where illegal interest has been charged, but not paid, an action cannot be maintained to recover it back.

Where payments are made generally to a National bank on a promissory note which includes unlawful interest, they will be applied on the principal.

If there is no evidence in the case presenting questions of fact, it is not error for the trial court to take it from the jury.

NORVAL, J.—The plaintiff in error brought this action against the defendant in error to recover the penalty under section 5,198 of the Revised Statutes of the United States, for knowingly receiving usurious interest. The answer denies all charges of usury. Upon the trial the court directed a verdict for the defendant.

A statement of the facts, as shown by the record, will be necessary to a correct understanding of the case. On June 1, 1886, the defendant bank commenced business, being the successor of the Fairfield Bank. The defendant purchased from the Fairfield Bank notes of the plaintiff aggregating \$3,300. On the 17th day of June, 1886, the plaintiff, being indebted to the defendant on said notes, and having made a sale of cattle to one John Lansing, drew two drafts on him—one for \$1,500 and the other for \$23.50, which were deposited in the defendant's bank to be applied, when paid, on his indebtedness. On July 3, 1886, these drafts were paid, and the whole amount was applied on plaintiff's notes. On August 3d the bank held, among others, the following notes against the plaintiff: One for \$32.75, dated January 28, 1886, due in sixty days, with 10 per cent. after maturity; one for \$1,000, dated January 28, 1886, due in 90 days, bearing 10 per cent. from maturity, with an indorsement, June 7th, for \$480.25, and interest paid to June 15th; and another for \$1,167, dated January 28, 1886, due June 12th, with interest from maturity at 10 per cent. The plaintiff testifies on direct examination that he paid on the notes, in addition to the drafts, \$519.75 on July 3d, and that on August 3d he gave to the defendant his note for \$730.66, and took up his three notes. The amount due July 3, 1886, on the three notes, including interest from maturity at 10 per cent., was as follows: On the \$32.75 note, \$33.46; on the \$1,000 note, after deducting the credit of \$480.25, the sum of \$532.62; and on the note for \$1,167, the sum of \$1,173.62—making in the aggregate \$1,739.70. The cash payment of \$519.75 which plaintiff claims to have made, the amount of the two drafts, and a note of \$730.66, make a total of \$2,773.91, or \$1,034.21 more than the total balance due upon the three notes taken up.

Counsel claim in the brief that this excess was usurious interest. There is, in the bill of exceptions, absolutely no testimony tending to show that, when the notes were given, the plaintiff contracted to pay usurious interest. Nor does the testimony disclose that the question of interest was ever mentioned by the parties. It does not appear that the plaintiff made any claim to the bank, before the bringing of this suit, that he had been charged more than the legal rate. It is indeed strange, that the plaintiff should have paid over \$1,000 as usurious interest, as he contends, without making complaint at the time. If this sum was paid as interest on these three notes, as the plaintiff claims, it makes the rate charged more than 150 per cent. per annum.

But counsel have overlooked the plaintiff's testimony on cross-examination. After considerable of an effort, the plaintiff was forced to admit that, when he gave the defendant his note of \$730.66 in settlement, the bank surrendered to him two other notes—one for \$71, the other for \$250. We are unable to compute the exact amount that was then due on these notes, because their dates, and the rate of interest they bore, are not in the record. Their amount without interest is \$321, which sum, added to the amount of the three notes before referred to, and surrendered at the same time, make \$2,060.70, or \$7.45 more than the aggregate amount of the drafts and the alleged payment of \$519.75. The defendant insists that there was also another note, of \$75, taken up at the same time. It also appears from the testimony of the plaintiff on cross-examination that, shortly after the settlement of August 3d, the plaintiff went to the bank, and informed Mr. Joslin, the cashier, that a mistake had been made in the amount of the note given in settlement, and that Mr. Joslin also denied that the plaintiff had made the cash payment of \$519.75. The testimony shows that this item was the real controversy between the parties, and is the cause of this litigation. It cannot be doubted that if by mistake a sum in excess of the legal rate is col-

lected by a National bank, it does not taint the transaction with usury. It is only where such a bank knowingly charges unlawful interest that it is liable for the penalties provided for in the Act of Congress. We are unable to discover any testimony which would have authorized a finding that the defendant had knowingly taken or received interest in excess of the legal rate. If this disputed item, \$519.75, was paid, as the plaintiff insists, then the note he gave the bank in settlement was for a sum greatly in excess of the amount due. If there is any usury in the transaction between the parties, it is in this note, which the defendant yet holds.

The plaintiff, however, insists that, if the notes were not wholly paid by the drafts and cash payment, these payments should have been applied to extinguish usurious interest, and that double the amount thereof would be recoverable. The case of *Davis v. Neligh*, 7 Neb. 78, is cited to sustain this position. That case holds that in the computation of interest, when partial payments are made, the payment is applied first to discharge the interest, and the surplus, if any, goes to reduce the principal. A different rule, however, obtains where a payment is made on a usurious loan. The law is not so inconsistent as to apply a payment on such a loan to the discharge of usurious interest, and at the same time exact as a penalty the forfeiture of double the amount. This, indeed, would be a reproach upon the law.

If it be conceded that the note given to the bank by the plaintiff at the time of settlement includes unlawful interest, can it be recovered, the entire note being unpaid? Section 5,198 of the Revised Statutes of the United States provides that "the taking, receiving, or reserving, or charging a rate of interest greater than is allowed by the preceding section, when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon. In case the greater rate of interest has been paid, the person by whom it has been paid, or his legal representatives, may recover back, in an action in the nature of an action of debt, twice the amount of the interest thus paid, from the association taking or receiving the same, provided such action is commenced within two years from the time the usurious transaction occurred." It is apparent that this section covers two classes of cases. The last clause provides that, when illegal interest has been paid to a National bank double the amount so paid may be recovered back, while under the first clause of the section, if usurious interest has been knowingly charged, but not paid, a recovery can only be had for the amount borrowed. In other words, when illegal interest has been added into the note, but not paid, it cannot be recovered in an action brought for that purpose. (*Brown v. Bank*, 72 Pa. St. 209.)

We have considered the case solely upon the plaintiff's own testimony, without taking into consideration the testimony of defense, which very much tended to explain the transaction of the parties. As there was no evidence in the case upon which the jury could have found for the plaintiff, it was not error for the trial court to take it from the jury. The first and second assignments of the petition of error relate to the exclusion of certain testimony; but, as these errors are not referred to in the brief filed, they must be considered waived. The judgment of the district court is affirmed. The other judges concur.

## INTEREST ON DEPOSITS.

COURT OF APPEALS OF KENTUCKY.

*Marion Nat. Bank v. Fidelity T. & S. V. Co.*

Where money is deposited in a bank under an agreement that it shall bear interest, to be credited to the depositor semi-annually, the statute of limitations will not begin to run against the depositor's right to recover such interest, until he has notice that it is no longer credited to him.

In an action against a bank for interest on a deposit, where the petition admits that payments have been made on account of such deposit, without itemizing them, it is error to give judgment for interest on the entire deposit, without taking an account of such payments.

HOLT, C. J.—Given, Jones & Co. made an assignment in 1868 to Isaac Caldwell for the benefit of their creditors. The trustee, by consent of all interested parties, had the right to, and did, select N. S. Ray, who had been a member of the insolvent firm, as his agent to attend to the trust business, and it is apparent that he, and not the trustee, mainly did so. An account, by way of general deposit of the trust funds in the name of the trustee, was opened with the Commercial Bank at Lebanon, Ky., prior to 1874; but during the last-named year it was emerged into the appellant, the Marion National Bank, with the same officers, and the trust deposit, then amounting to over \$11,000, was continued in it. They may therefore be regarded as the same bank as to the main question in this case. The bank paid 6 per cent. interest semi-annually on the fund, crediting it up to it on the 1st of July and 1st of January in each year, from the opening of the account with it until August, 1878. Ray was not only the agent of Caldwell as trustee, but he was also the cashier of the bank. At the time last named he ordered the clerk of the bank not to credit the fund, in future, with interest. It is not shown that the trustee knew of this direction, nor, indeed, that he knew the fund in bank had been bearing interest, further than this may be presumed from the length of time that it had been doing so, and the probability that the trustee would have made the fund profitable. When this direction was given, the fund on hand, including interest credits to that time, amounted to \$6,815.19. Ray died in March, 1885, and Caldwell in the November following. The bank, at different times after it ceased to credit the fund with interest, paid out upon the trustee's order a sum equal to the amount on deposit in August, 1878. The last payment was a remittance from the bank to the appellee of a certain sum as being the balance of the fund in its hands, and the appellee does not appear at that time to have been to any extent informed relative to the interest matter or its history. It brought this action on February 12, 1887, for the interest on the \$6,815.19 from August 1, 1878, up to October, 1886, allowance to be made in its calculation for the payments which had been made by the bank.

The principal question is as to the liability of the bank for interest. The petition avers that it was agreed between the trustee and the bank that the latter would pay 6 per cent. interest on the fund. The answer admits this, and that the interest was payable semi-annually, and to be credited to the trustee at the end of each six months, but then avers affirmatively that this was to continue only so long as was agreeable to both parties, and that prior to July, 1878, the bank did notify the trustee that it would not pay interest after said time, and that it and the trustee thereupon agreed it was then to cease. This statement is

altogether unsupported by evidence. By an amended answer the appellant appears to have virtually abandoned this ground, and avers that Ray was its cashier, and also the agent of the trustee, and that he directed interest to be paid to July 1, 1878, and not thereafter. The answer admitted an express contract to pay the interest, but pleaded the making of a subsequent one in avoidance. Were it needful, the admission is sustained by the conduct of the parties. The bank paid interest on the fund for years, and after it failed to credit it to the appellee it still, and all the time, had the use of the money, which is a fact suggestive for equitable consideration. The claim that the admitted contract to pay interest was terminated is not proven, and the burden of so showing rested upon the bank. Not only upon the pleadings, but looking also to the proven circumstances, it is liable for interest upon the fund; and it cannot escape this liability by a plea of limitation, because the interest was to be credited by it to the fund, thus becoming a part of the deposit, the bank being the holder of it subject to the depositor's call; and it does not appear that the trustee had any notice that credit was not being given for it. The lower court gave judgment for \$2,831.15, with interest from October 31, 1887. It is difficult to see how, from the record, it arrived at this particular sum. The case was not in condition, for the want of sufficient *data*, to render a judgment for any certain sum.

It is contended for the trustee that, as its petition avers the appellant had in its hands on August 1, 1878, the sum of \$6,815.19, interest should be allowed upon this sum up to the time of judgment, unless the bank shows the amounts and dates of the payments out of the fund; and that thus calculated the interest would amount to more than the court has allowed. The petition itself, however, admits payments were made, but does not give their dates or amounts. It says: "Said Marion National Bank, by reason of the premises, became, and is now, indebted to the assignee and trustee of Given, Jones & Co., and to this plaintiff, for interest on the sum of \$6,815.19 from the 1st day of August, 1878, up to the 1st day of October, 1886, subject to such credits as may appear for moneys properly paid out by said bank." The payments were made to the party, or upon the order of the party, who now seeks relief. It should be held to know of them; moreover, it is an admitted fact upon the pleadings that the bank had rendered to the trustee a statement of them. After the lower court had, by an opinion, held that the bank was liable for interest, but before it determined the amount, the bank offered to file an account purporting to show the amount of each payment and when made, and moved a reference to a commissioner to report the correct state of the account, and ascertain correctly the amount of the interest. The motion was overruled. The court correctly refused to let the account be filed, as it had not been referred to in the record by pleading or otherwise; but, by way of preventing a probable injustice being done, it should, even *sua sponte*, in case the parties failed to agree as to the amounts and dates of the payments, have ascertained them, and the interest due, through its commissioner, with orders to hear evidence relative thereto. We have looked to the account presented by the bank to see whether, upon its own proposed showing, the judgment can be upheld, but find that it cannot; and any judgment upon the record in its present condition must be largely the result of mere conjecture. The judgment is reversed, with directions to the lower court, in case the parties fail to agree, by pleading or otherwise, as to the dates and amounts of the payments, to ascertain the same and the interest due by its commissioner, and for further proceedings consistent with this opinion.

## SIGNATURE.

SUPREME COURT OF PENNSYLVANIA.

*Barclay v. Pursley.*

Parol evidence that a check given by an agent, and signed with his own name with the letters "Fr." added, was intended as his own obligation, and not that of his principal, does not vary the terms of the check or of the principal's written contract, in payment of which it was given, if that contract did not provide as to manner of payment.

"Fr." added to the signature to a check is meaningless in law.

Action by J. L. Barclay against David Pursley upon a check of which the following is a copy: "No. 907. Bellefonte, Pa., December 4, 1882. First National Bank of Bellefonte. May 10, 1883. Pay to J. L.

Barclay [Stamp] or order, four hundred dollars,  $400 \frac{x}{100}$ . DAVID PURSLEY, Fr." The court directed verdict for defendant, and plaintiff brings error.

GREEN, J.—When, on the trial, the plaintiff gave in evidence the check in suit, and rested, he was entitled to a verdict, in the absence of any defense. The addition of the letters "Fr." to the defendant's signature did not, of their own force, qualify his liability. Notwithstanding their presence, his obligation was direct, personal and absolute. In order to relieve himself of this liability, he offered, and was permitted to give verbal and written proof of the facts and circumstances attending the execution and delivery of the check. By means of these facts and circumstances, he sought to show that it was not intended, when he signed and issued the check, to impose a personal liability of his own, but of another person, for whom he was acting as agent. He testified that the check was given to pay the debt of his employer, John Ardell, Jr., due under a written contract for driving logs through the plaintiff's pool and dam. The written agreement was given in evidence, and various matters of fact, from which it was proposed to infer that the check was not intended as the check of Pursley, but of Pursley as the agent of Ardell. In this condition of things, the plaintiff offered to prove his version of the facts and circumstances attending the giving and acceptance of the check, and, especially, that he refused to receive it as an obligation of Ardell's; that the defendant thereupon gave him the check as his own check, saying he would be criminal if he did not pay it when due; and that in pursuance of this statement, and relying upon the instrument as the check of the defendant, he took it as part of the consideration of the agreement. This offer of testimony was rejected by the learned court below, and its rejection constitutes the only assignment of error in the case.

The chief objection to the admissibility of the testimony is that it is in contradiction of the written agreement and of the check sued on. It will be seen at once that it is an erroneous assumption to say that it is contrary to the agreement, since the agreement contains no provision as to the matter of payment, and payment under its terms might be made in any manner that the parties saw fit to agree upon. Of course, payment in money by Ardell to Barclay would be the legal inference from the mere language of the instrument. But certainly the parties might agree that payment should be made by a note of Ardell's, or by the note of a stranger, or by a check of either, or by some specific personal chat-

tel, or by any form of security mutually agreed upon; and such an arrangement would not be in the least degree obnoxious to the rule rejecting parol evidence contradictory of a written agreement.

Nor is the objection of any greater weight when applied to the check. This paper is not on its face the check of Ardell. On the contrary, it is the check of Pursley, and it requires parol evidence to show that it either is, in fact, or was intended to be, the check of Ardell; but the moment that proposition is stated it is proved beyond question that opposing parol testimony may be given to show that the check is what it purports to be, to wit, the check of Pursley. The letters "Fr." added to his name are, in legal contemplation, mere meaningless hieroglyphics. They do not, of their own force only, detract in any manner from Pursley's individual liability on the check. To produce such an effect parol evidence is indispensable; but, if that is so, it necessarily follows that opposing parol evidence is admissible to show that such an effect was not intended. In truth, the latter testimony is more in conformity with the legal meaning of the instrument than the former. This is especially so in view of the fact that Pursley, when he executed the written contract for Ardell, did so by signing Ardell's own name thus: "John Ardell, Jr., Pr. David Pursley For," — whereas when he signed the check he did so with his own name. This circumstance would be a strong corroboration of the plaintiff's offer of proof; but, in any view of the case, the burden of disproving the legal effect of the check by parol evidence rested upon, and was assumed by, the defendant, and the right to rebut such proof by other proof of the same character follows as a necessary consequence. Judgment reversed, and *venire de novo* awarded.

### LEGAL MISCELLANY.

**CORPORATION—STOCKHOLDERS.**—When a corporation, by virtue of its charter, pays for property purchased with its capital stock, such sale cannot be set aside, in the absence of fraud, on the ground that the value of such property was not equal to the value of the stock. [*Bickley v. Schlag*, N. J.]

**NEGOTIABLE INSTRUMENT—PLEADING.**—Where the defense set up in an answer to a complaint upon a promissory note is that the note was made by the defendant for the accommodation of the payee, proof that it was executed without any consideration is sufficient to establish such defense, and defeat a recovery as between the original parties. But evidence that the parties mutually agreed in writing, at the time of the execution of the note, that the maker should not be personally liable thereon, but that it should be paid out of the proceeds of other securities, is not admissible, under the answer to prove that the note was made for the accommodation of the payee. [*Lebanon Sav. Bank v. Penney*, Minn.]

**PRINCIPAL AND SURETY—CONTRIBUTION.**—The right of a surety to contribution against his co-surety is not defeated by his payment of the debt, since the right to contribution is based on such payment, and not on the original debt. [*Jackson v. Murray*, Tex.]

**NEGLIGENCE—EVIDENCE.**—The question was as to whether the defendant railway company or another railroad company is liable for the injuries complained of, and in order to prove that the defendant railway company was the party liable, the plaintiff, with the permission of the court, but over the objections and exceptions of the defendant, introduced parol evidence showing that certain time-checks were made out in the name of the defendant, although no evidence was intro-



duced tending to show that these time-checks were lost or destroyed, or that any search had ever been made for them, or that any notice had ever been given to either of the railroad companies, or to any one else, to produce them: *Held*, error. [*Chicago, K. & N. Ry. Co. v. Brown*, Kan.]

**NEGOTIABLE INSTRUMENT—PAROL EVIDENCE.**—In an action on a note, answers alleging that defendants were induced to sign it as sureties by false representations, made by the payee's agent, that the note was given for money to be borrowed by the maker to purchase cattle, and that the money should not be delivered to him until he had purchased the cattle, and executed a mortgage thereon to defendants, are not allowable, as they would destroy the written contract by parol evidence. [*Lanius v. Shuler*, Tex.]

**NEGOTIABLE INSTRUMENT—FRAUD.**—It is not necessary that the maker of notes, to entitle him to redress against a person who defrauded him into giving them, shall contest them before payment, in the hands of a presumably *bona fide* holder, though he may have had information from the person who defrauded him, or any other information short of a certainty touching the *bona fides* of the holder. [*Knight v. Linsey*, Mich.]

**NEGOTIABLE INSTRUMENT—PURCHASE OF NOTE AFTER MATURITY.**—Plaintiff made a loan of her own money, and took a note therefor payable to her son. He took it from her possession without her knowledge or consent, and sold it after maturity to an innocent third party for a valuable consideration: *Held*, that such assignee took the note subject to plaintiff's equitable title, and must return it to her. [*Merrell v. Springer*, Ind.]

**BANKS—TRUST.**—A person directed his bank to pay certain debts, which would mature during his absence, and give a check to cover the amount. The bank paid one creditor with a sight draft on its own correspondent, and failed before the draft was paid. A receiver was appointed, and plaintiff, holder of the draft, filed a bill to have the receiver declared a trustee of the assets for its benefit. *Held*, that a trust was not created by the mere revocable direction of the debtor, to which plaintiff was not a party. [*Louisville Banking Co. v. Paine*, Miss.]

**NEGOTIABLE INSTRUMENTS.**—The term "negotiable instrument" has a definite signification in the law merchant, and the meaning of the term has not been changed by the Code. A negotiable instrument is one that is simple, certain, and unconditional. [*Hegeler v. Comstock*, S. Dak.]

**NEGOTIABLE INSTRUMENT—ATTORNEY'S FEES.**—A stipulation in a note to pay "all costs for collecting the above, not less than ten per cent.," includes an attorney's fee for bringing suit. [*Williams v. Flowers*, Ala.]

**NEGOTIABLE INSTRUMENT—BILL OF EXCHANGE.**—An ordinary bill of exchange, negotiable as commercial paper, payable out of no particular fund, though drawn by a creditor upon his debtor, and delivered to his own creditor to be collected by him, and the proceeds applied to the claim of the latter creditor against the former, will not, while unaccepted, operate as an assignment, legal or equitable, of a debt due by account from the drawee of the bill to the drawee thereof. [*Baer v. English*, Ga.]

**NEGOTIABLE INSTRUMENT—BONA FIDE HOLDER.**—The fact that the payee of a negotiable note, at the time he negotiated it with plaintiff

bank, deposited collaterals to secure it, does not import notice to plaintiff of failure of consideration where plaintiff's president and cashier testify that they knew nothing of the consideration, except that it was given for some kind of property, and that the payee told them that the note was good. [*Harmon v. Hagerty*, Tenn.]

NEGOTIABLE INSTRUMENT—INDORSEMENT.—An indorsement in blank vests the legal title to a note in one who takes it as owner, and the note itself, in the absence of rebutting proof, is *prima facie* evidence of ownership. [*Lakeside Land Co. v. Drowgoole*, Ala.]

NEGOTIABLE INSTRUMENTS—INDORSER.—In case an accommodation acceptor and indorser of a piece of commercial paper acquiesced in its retention by a bank discounting it, notwithstanding it has been in part paid, and the payment of the remainder extended, for which extension a new note is furnished to the bank, such acceptor having also indorsed said time note jointly with another, he is bound on both, and the obligation is not restricted to the latter. [*Woods v. Halsey*, La.]

MORTGAGE—PARTNERSHIP.—Defendant, being indebted to plaintiff bank, executed to it a mortgage conditioned that, if he should pay unto the bank all promissory notes, checks, or bills of exchange "which have been or shall be at any time hereafter made, drawn, indorsed, or accepted by the said [defendant], and which have been or shall at any time be discounted by the said bank for his benefit, and shall pay all overdrafts made by him, and all balances of account, and all sums of money due or owing by him to the said bank upon any account whatever, then this conveyance shall be void": *Held*, not to cover the indebtedness of a firm of which defendant subsequently became a member. [*Bank of Buffalo v. Thompson*, N. Y.]

CONTRACT—USURY.—Mansf. Dig. Ark. § 4,732, makes a usurious loan absolutely void as to both principal and interest. Defendant executed a deed, absolute in form, to secure a loan. Afterwards he obtained a usurious loan from plaintiff, who at his request paid the original debt, and took a deed from the creditor as security. This deed being void because of the usury, the court below decreed that plaintiff should be subrogated to the rights of the original creditor, and ordered a foreclosure of the original mortgage: *Held*, error, since equity will not aid one who is compelled to prove an illegal contract in order to establish his claim. [*Nichols v. Tribble*, Ark.]

COUNTIES—DEPOSIT OF PUBLIC MONEYS.—No authority is given by chapter 189 of the Laws of 1889 to the board of county commissioners to designate a bank or banks for the deposit of the public moneys for a definite period of time; nor can the board make any order or make any contract with the depository that will prevent the designation of a different depository whenever the board in its discretion determines that the public interest will be best subserved by such a change. [*First Nat. Bank v. Peck*, Kan.]

PRINCIPAL AND AGENT—PAYMENT.—An agent to whom money is paid for his principal by mistake is not liable to the party paying it if he has paid it over to the principal before notice of the mistake, and that he is required not to pay it over. [*Shepard v. Sherin*, Minn.]

BANKS—OVERDRAFT.—Where a person who has overdrawn his account with a bank deposits therein money held by him, as treasurer of a school district, such deposit will constitute a payment of the overdraft, where it is made in his own name, and the bank acquiesces in his use of it as his own, and so treats it, though knowing that it is public money. [*Hale v. Richards*, Iowa, Ill.]

## REPORT OF THE UNITED STATES TREASURER.

The Treasurer of the United States, Hon. James N. Huston, has submitted to Secretary Windom the report on the operations and conditions of the Treasury for the fiscal year ended June 30. The net ordinary revenues amounted to \$403,080,982, a sum but twice exceeded in the history of the Government. The increase over the year before was \$16,030,923, of which \$11,725,191 came from internal revenue. The ordinary expenditures were \$297,736,436, an increase of \$15,739,871 over those of the year before.

The growth of the revenues was, therefore, a little greater than that of the expenditures, and there would have been a falling off in the latter but for the increase in pensions. The surplus revenues were \$105,344,496, of which \$20,304,224 was paid out in premiums on bonds purchased. According to the warrants, the receipts of the Post Office Department were \$61,016,041, and the expenditures \$67,011,263, an increase of between five and six millions on both sides.

## INCOME AND PAYMENTS.

At the close of business on June 30, 1889, there stood charged to the Treasurer, on the books of the department, the sum of \$673,399,118. To this were added the receipts of the year from the revenues and on account of the public debt, amounting in all to \$648,375,363, so that the aggregate for which he was accountable during the year was \$1,321,774,482. Of this he disbursed \$630,247,078 on warrant of the department, leaving \$691,527,403 in his charge on June 30, 1890. There were included in these accounts, however, upwards of \$28,000,000 on deposit with the States under an old law, besides nearly a million and a half of unavailable funds, for which the Treasurer was not responsible. The true amount for which he was accountable on June 30, 1889, was \$760,643,871, and \$757,915,078 a year later, against which he held a like amount of assets, consisting of gold, silver, paper currency, and deposits with National banks. The amount of gold in the Treasury increased during the year from \$303,387,719 to \$320,933,145, and the silver from \$315,160,779 to \$346,821,006.

Exclusive of amounts on deposit there was in the Treasury belonging to the Government on June 30, 1889, \$326,028,927, and on June 30, 1890, \$286,384,815, the amount of gold having increased about four millions, while the silver decreased nearly nine millions. The liabilities decreased during the year from \$127,931,880 to \$107,124,718, and the reserve, being the excess of assets over liabilities, ran down from \$198,097,047 to \$179,260,097.

## THE PUBLIC DEBT.

The total obligations of the Treasury on all accounts were \$1,810,678,475 on June 30, 1889, and \$1,722,240,163 on June 30, 1890. The debt less cash in the Treasury was \$1,050,034,603 on the former date and was \$964,325,084 on the latter. Not counting the certificates of deposit, the debt proper, in the shape of bonds and circulating notes, was reduced from \$1,250,043,136 to \$1,145,400,986. This was effected at a total cost of \$124,952,243 for principal and premiums. Nearly \$74,000,000 of 4 per cent. bonds and upwards of \$30,000,000 of 4½ per cents. were purchased.

Important changes took place in the circulating medium, but they

were of a more favorable character than those of the year before. There was a gain of \$15,000,000 in the stock of gold, an increase of \$43,000,000 in that of silver, and a contraction of \$26,000,000 in the volume of bank notes, resulting in a net increase of \$32,000,000 in the aggregate supply of money. The total stock, including certificates of deposit, as well as the gold, silver, and notes held in the Treasury for their redemption, is estimated to have increased from \$2,099,968,718 to \$2,170,107,136, and the actual circulation, being the stock less the amount in the Treasury, from \$1,387,551,835 to \$1,443,083,618. In round numbers the circulation on June 30, 1890, consisted of \$505,000,000 of gold and silver certificates, \$414,000,000 of silver and silver certificates, and \$523,000,000 of U. S. and National bank notes.

#### LEGAL TENDER SILVER.

Not much change has taken place in the movement of the United States notes. There was a decline of activity in the issue and redemption of gold certificates, with a net increase of only three and one-half millions in the amount outstanding. The absorption of legal tender silver into the circulation, in the form of the certificate of deposit, has been fully up to the means of the Treasury for supplying it. The fresh issues of certificates took up the year's coinage of standard silver dollars and three millions more. There was also an outflow of between two and three millions of fractional silver coins, which encourages the hope that, with good management, the Treasury in the course of a few years more may be relieved of the redundant stock of these coins for some time on hand.

Counterfeit notes, representing an aggregate value of \$8,479, were presented at the office, an increase of \$2,200 over the year before. There were rejected 3,846 spurious silver coins, of which the greater part were dollars. There was a decrease of less than three million dollars in the bonds held on deposit to secure National bank circulation. Seventy-three banks were discontinued as depositories and eight new ones were designated.

#### BANK NOTES REDEEMED.

The redemption of bank notes amounted to nearly \$70,000,000, a decrease of upwards of \$18,000,000 as compared with the year before. Owing chiefly to the lower prices ruling for bonds, the deposits for the retirement of National bank notes amounted to only \$11,000,000. The total amount of money received in these deposits to the 25th of July last was nearly \$479,000,000, of which \$404,000,000 was paid out in redemption of notes, and upwards of \$20,000,000 was refunded or transferred. The balance on hand, amounting to \$54,388,475, was deposited in the Treasury by the Treasurer's check.

The Treasurer suggests that, as he is a bonded officer, he should be allowed to select his own force of clerks without the restrictions of the civil service law, while that law might govern as regards dismissals.

Continued embarrassment has attended the work of supplying the country with paper currency, from delays and failures in filing the Treasurer's requisition for new notes. He argues that it is puerile to allow so small a difficulty as the printing of a few thousand sheets of paper to become an obstacle in the discharge of public business, and an annoyance to the people in their money matters. He suggests that greater flexibility might be given to the currency if gold certificates of the denominations of five and ten dollars were issued. He also urges the necessity of an appropriation for the transportation of United States paper currency to Washington for redemption, pointing out that since 1883, when the appropriation was stopped, most of the worn notes have

found their way to the sub-Treasury, where they have to be sorted out and forwarded to the Treasury, the expense being charged to another appropriation. With perhaps a trifling additional outlay, the people could be kept supplied, free of cost to them, with a good clean and fresh paper currency, thus greatly lessening the danger of counterfeiting. The laws and practice thereunder relating to abraded or otherwise uncurrent coins are referred to as possibly capable of amendment so as to extend to the metallic circulation.

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## REPORT OF THE COMPTROLLER OF THE CURRENCY.

The following extracts from the report of the Hon. Edward S. Lacey, Comptroller of the Currency, on amending the National Banking Law, and substitutes for money, will doubtless prove highly interesting to our readers. The late day of receiving the report is the only reason for not presenting other portions :

### AMENDMENTS TO PRESENT LAW.

In his report for 1889 the Comptroller called attention to the fact that the issuing of circulating notes by National banking associations was unprofitable. A majority of the banks are receiving no gain from this source, while many of them are suffering a slight loss. This results from the high rate of premium established in the market upon the bonds of the United States available for the purpose of securing note issues. He then used the following language :

In the opinion of the Comptroller the law governing National banks should be amended so as to produce the following modifications :

(1) The minimum deposit of bonds to secure circulation should be fixed at 10 per cent. of the capital stock in respect to all associations having a capital of \$300,000 or less, and for all banks having a greater capital a minimum deposit of \$30,000 in bonds should be required.

(2) Circulation should be issued to the par value of the bonds deposited.

(3) The semi-annual duty on circulation should be so reduced as to equal one-fourth of 1 per cent. per annum.

These recommendations are renewed at the present time, without modification, except as to the first proposition, which might be so changed as to fix the minimum of bond deposit at the nominal sum of \$1,000 for each association, without reference to the amount of its capital stock paid in.

The recommendations above quoted were made before the assembling of the present Congress, and prior to the passage of the act of July 14, 1890, providing for the monthly purchase of 4,500,000 ounces of silver bullion, and the issue of Treasury notes in payment therefor. The opinion had generally obtained that the amount of money then in circulation was insufficient, and it was presumed by the Comptroller that Congress would not favorably consider so radical a change as the reduction of the minimum bond deposit of each association to \$1,000, until some provision had been made for additional circulation of some character.

The passage of the bill above mentioned, authorizing the issue of notes in payment for silver bullion, is generally accepted as indicating

the adoption of a new and permanent policy on the part of the General Government, and as tantamount to a declaration that the National banks are not to be made use of in the immediate future to supply the country with the additional circulation required.

This opinion is strengthened by consideration of the fact that bills formulated with great care and early introduced in Congress, providing for an increased and permanent issue of National bank notes, have not been seriously considered in the congressional committees having jurisdiction of the subject matter.

Whatever may be thought as to the expediency of the course above indicated, it is the part of wisdom to promptly adjust matters to the new conditions. If it is true that bank notes are not now needed in providing the money supply necessary to the proper conduct of the business of the country, then there is no just reason for continuing the enforced issue required by existing laws. In recognition of this fact, a bill (S. 3,842) was reported to the Senate by Hon. John Sherman, from the Committee on Finance, on the 15th day of July last, reading as follows :

*Be it enacted, etc.,* That the compulsory requirement of deposits of United States bonds with the Treasurer of the United States by National banks is hereby limited in amount to one thousand dollars of bonds for each and every National bank : *Provided,* That the voluntary withdrawal of bonds for the retirement of National bank notes shall not exceed the sum of three million dollars in any one month : *And further provided,* That this act shall not apply to the deposit of bonds which may be required by the Secretary of the Treasury to secure deposits of public moneys in the National banks.

SEC. 2. That upon any deposit already or hereafter made, of any United States bonds bearing interest in the manner required by law, any National banking association making the same shall be entitled to receive from the Comptroller of the Currency circulating notes of different denominations in blank, registered and countersigned as provided by law, not exceeding in the whole amount the par value of the bonds deposited : *Provided,* That at no time shall the total amount of such notes issued to any such association exceed the amount at such time actually paid in of its capital stock.

SEC. 3. That all acts and parts of acts inconsistent with the provisions of this act be, and the same are hereby repealed.

It will be observed that the bill provides :

(1) That no association shall be required to maintain a bond deposit of more than \$1,000 to secure circulation.

(2) That every association may issue circulation equal to the par value of its bonds so deposited.

(3) That the monthly withdrawal of bonds under the act shall not exceed \$3,000,000 in the aggregate.

Under all the circumstances the Comptroller has no hesitation in earnestly recommending the passage of this bill.

It is a well-known fact that the circulation of National banks is in process of retirement. During the five years ended October 31, 1890, the aggregate of their circulation based upon deposit of United States bonds has been reduced from \$276,304,189 to \$124,958,736, showing a net decrease during the five years of \$151,345,453. The net average decrease for each of the past five years is \$30,269,090.

This is more significant when we take into account the fact that during this period there has been an average yearly increase of 168 in the number of National banks and an increase of 839 in the aggregate.

It is evident, therefore, that causes are in operation, which, unless removed, will in the near future reduce the circulation of National banks to the minimum requirements of the law.

On the 18th day of July, 1890, there were 3,484 National banks in operation having an outstanding circulation of \$126,323,880, secured by \$144,624,750 of United States bonds held in trust by the Treasurer of the United States. Of this bond deposit, \$44,241,452, representing circulation to the amount of \$39,817,307, was in excess of the minimum required, and hence subject to withdrawal at the pleasure of the banks. It is to be presumed that the managers of these associations are fully advised as to their interests, and that so fast as the advancing premium on bonds renders the issue of circulating notes possible only at a loss they will surrender their circulation and withdraw their bonds. This makes probable a steady withdrawal of bonds to the amount of \$44,241,452, and the permanent retirement of \$39,817,307 of circulating notes, unless some change in existing law affords relief.

It is difficult to understand how the present withdrawal of National bank notes can benefit any citizen of the United States. They are secured by a deposit of United States bonds, which are now owned by the banks, and pledged for the redemption of their notes. If the banks should withdraw these bonds they would still be held by some one who would receive the interest thereon, and no change of ownership would in any way relieve the Government from the payment of either principal or interest. On the other hand, it would appear from every point of view that an increase to par of circulation would result in benefit to every interest in any way affected.

Upon the basis of the bond deposit of July 18, 1890, the increase of note issues to par of bonds would enable the banks to immediately augment their circulation by the sum of \$14,462,475, without the purchase by them of another bond. This would increase the revenues of the General Government, under existing laws, \$144,624.75 per annum, that being the amount of the tax or duty upon the additional issue of notes, and no increased expenditure on its part would be caused thereby.

It would benefit the people by immediately increasing the amount of money in general circulation to the extent of \$14,462,475. This increase, equal to three months' purchase of silver bullion, would have been very effective in relieving the present monetary stringency if the bill under discussion had become a law during the first session of the present Congress.

It would have greatly facilitated the movement of crops for the current year and afforded relief to the general business of the country. Such an issue of bank notes would have been more marked and effective than the disbursement of a like sum of Treasury notes under the silver bullion act, for the reason that the bank notes would have been issued at once, at a time when greatly needed, and promptly distributed to about 3,500 banks located at various market towns and trade centers in every State and Territory, while the Treasury notes used in payment for silver bullion are issued in monthly installments, and go chiefly to large dealers in the city of New York, thus delaying their general distribution.

We can now consider the effect of that provision in the bill reducing to \$1,000 the minimum of bond deposit made to secure circulation by each association. As has been stated, the bonds held as security for circulation by all associations on July 18, 1890, aggregated \$144,624,750. Under the operations of existing law these holdings may be reduced to \$100,383,298, making a possible withdrawal of \$44,241,452.

It is pertinent to inquire as to the probable withdrawal of bonds under the operations of this bill if it should become a law, and the consequent decrease in circulating notes. It is ascertained that on July 18, 1890, there were 928 associations holding bonds in excess of the minimum requirement. Of the \$70,183,750 in bonds deposited by these 928 associations, \$44,241,452 was in excess of the minimum. If these 928 associations find it is for their interests to now maintain a deposit of bonds in excess of legal requirements, while they are entitled to only 90 per cent. of circulation, it seems certain that they will not withdraw bonds now pledged after the issue of circulation shall be increased to 100 per cent. of bonds. Therefore we are safe in estimating that the \$70,183,750 of note issues to which these 928 banks would be entitled under the Sherman bill upon bonds now on deposit would not be diminished, but might be increased.

In regard to the 2,556 associations which now maintain no larger bond deposit than is obligatory under existing laws, it may be said that their operations under the provision of the Sherman bill cannot be so definitely predicted. If we proceed upon the hypothesis that each would reduce the amount of its pledged bonds to the one thousand dollar minimum, we ascertain that their circulation would stand at \$2,556,000. If then the 928 associations in the first class should maintain a circulation of \$70,183,750 and the 2,556 associations in the second class should reduce their issues to the lowest possible point, to wit, \$2,556,000, the total circulation of all the associations would be \$72,739,750, which is \$53,584,130 less than the amount outstanding July 18, 1890. This sum may be considered as the maximum of contraction probable under present conditions in case the Sherman bill should become a law.

It must be remembered, however, that only \$3,000,000 of bonds can be withdrawn each month, so that the monthly contraction would in any event be limited to the latter amount and the retirement of the sum indicated would necessarily be distributed over a period of about two years. The possible contraction under existing law was \$39,817,307 at the date under consideration, while the maximum probable reduction under the Sherman bill is \$53,584,130. When we come to consider that under the proposed law the issue of circulation would be more profitable and the organization of new banks greatly increased, it seems probable that the retirement would not be permanently accelerated or increased thereby, while it is certain that the first effect would be to cause an expansion of nearly \$15,000,000.

Again, it is clear that the Secretary of the Treasury will, for most of the time during the next seventeen years, be a purchaser of United States bonds, for account of the sinking fund at least, and that therefore it is for the interest of the people whom he represents that the premium on these bonds should rule low. To this end it is important that the new associations, which are now being organized with greater rapidity than at any time for the past twenty-five years, should not be forced to appear in the bond market as unwilling purchasers in competition with the Secretary of the Treasury.

During the year ended October 31, 1890, there have been organized 307 new associations, and they have been obliged by law to purchase in the open market interest-bearing bonds of the United States of the par value of \$6,680,750 for deposit to secure notes for circulation, thus increasing the demand for these securities and adding in some degree to the premium paid by the Secretary of the Treasury upon all his purchases for the same period. If the Sherman bill had been in operation these purchases would have been only \$307,000 or \$6,373,750 less



than the amount above stated. Hence it seems certain that the proposed legislation would in this respect result in a saving to the people. So, from every point of view, the passage of the Sherman bill seems calculated to promote the welfare of both the banks and the people.

The Comptroller has deemed it proper to discuss this measure at considerable length, for the reason that no other legislation seems probable during the second session of the present Congress, and he deems it to be of very great importance that so much, at least, should be done for the relief of the associations under his official supervision.

He has not, however, in any degree modified his views as to the necessity for a reduction of the rate of duty imposed upon National bank currency. The imposition of such a tax cannot be successfully defended upon any ground. The necessities of the Government cannot be pleaded as an excuse, nor is it true that any ordinary deficit in revenues would justify the General Government in making the issue of circulation obligatory upon the banks, and then in taxing them for the involuntary exercise of a franchise which is without value.

It must be borne in mind that this duty was imposed at a time when the Government was engaged in a war of gigantic proportions, and that a very considerable profit on circulation was then realized by National banks. These conditions are now radically changed; profound peace has prevailed for twenty-five years, and the debt of the nation has long since ceased to be a burden. All other internal war taxes have been abolished, except those imposed upon spirits and tobacco, and these are retained only because they are generally regarded as penalties properly imposed upon the manufacture or sale of articles the use of which is deemed incompatible with the public good. To relieve the banks of this tax would indirectly benefit the public who deal with them, as it would reduce those expenditures that are necessarily taken into consideration in fixing rates of discount and exchange.

It is proper also to call attention to the fact that the banks are otherwise called upon to pay for the expenses attending the redemption of their notes by the Treasurer of the United States, for the engraving of the plates from which their notes are printed, and for the compensation of the entire corps of examiners, the assessments made upon the banks during the last fiscal year for the above purposes having aggregated \$269,516.10.

The above is in addition to the duty on circulation, which during the last fiscal year amounted to \$1,254,839.65. The entire sum received in taxes from these associations since the inauguration of the system is \$138,918,975.22.

The rate of duty above recommended, one-fourth of 1 per cent. per annum, would produce a sum more than sufficient to reimburse the Government for all expenditures on account of the banks, the entire salary list of clerks included.

#### SUBSTITUTES FOR MONEY.

In 1881, Hon. John Jay Knox, then Comptroller of the Currency, called upon all National banks to report their entire receipts and payments for two days designated, so classified as to separately show the amount of gold coin, silver coin, paper money, and checks and drafts, including clearing house certificates. The reports received in response to the call then made were compiled and tabulated, and published in his annual report for that year.

In 1871, at the request of the late President Garfield, the then Comptroller asked for a statement of the receipts of fifty-two National banks, and in his speech on resumption, delivered in the House of Representa-

tives on November 16, 1877, he indicates the location of the banks selected, and states the facts elicited, in the following language :

"In 1871, when I was chairman of the Committee on Banking and Currency, I asked the Comptroller of the Currency to issue an order, naming fifty-two banks which were to make an analysis of their receipts. I selected three groups. The first was the city banks. The second consisted of banks in cities of the size of Toledo and Dayton, in the State of Ohio. In the third group, if I may coin a word, I selected the 'country' banks, the smallest that could be found, at points away from railroads and telegraphs. The order was that those banks should analyze all their receipts for six consecutive days, putting into one list all that can be called cash, either coin, greenbacks, bank notes, or coupons, and into the other list all drafts, checks, or commercial bills. What was the result? During those six days, \$157,000,000 were received over the counters of the fifty-two banks; and of that amount \$19,370,000 (12 per cent. only) in cash, and 88 per cent., that vast amount representing every grade of business, was in checks, drafts, and commercial bills."

With this exception, no attempt had ever been made prior to 1881 to ascertain the extent of the use made of substitutes for money in banking operations in the United States. A proper solution of this question will greatly aid in any attempt which may be made to ascertain the amount of circulating medium necessary to the proper conduct of the business of the country. The gradual retirement of National bank notes has attracted public attention to this matter, and great prominence has been given to it in recent discussions in Congress and elsewhere.

Being profoundly impressed with the importance of the great interests involved, and desiring to assist so far as possible in the ascertainment of all facts necessary to a perfect understanding of the situation, the Comptroller deemed it best to again ask the associations under his supervision to carefully note and report their receipts for two days named. As a comparison with the results obtained in 1881 was important, it was thought best to select corresponding days in 1890. In the former year, June 30 and September 17 were designated; in 1890, July 1 and September 17. In the call for 1890, July 1 was substituted for June 30, for the reason that the latter date this year fell on Monday, which day of the week it was thought would not exhibit an average day's business.

The necessary communications were prepared on the 16th day of June last and mailed to 3,438 National banking associations, that being the number authorized to do business at that date. A blank form was furnished upon which the entire receipts for the day designated were to be entered and properly classified.

Reports were received from 3,364 National banks out of the 3,438 addressed, exhibiting their receipts for July 1, 1890.

Similar statements have come to hand from 3,474 associations out of 3,484 addressed, giving the same information as to the transactions of September 17, 1890.

On both these days, a few banks neglected to take the necessary precautions, and in these cases other near dates, which would represent an average day's business, were substituted. Several of the banks not reporting were recently organized and had not opened for business on the dates for which statements were required.

The total receipts of the 3,364 banks on July 1 last were \$421,824,726. Of this sum, \$3,726,605 was in gold coin, \$1,352,647 in silver coin, \$6,427,973 in gold Treasury certificates, \$6,442,638 in silver Treasury certificates, \$7,881,786 in legal tender Treasury notes, \$5,244,967 in National bank notes, \$520,000 in United States certificates of deposit for legal tender notes, \$189,408,708 in checks, drafts, certificates of deposit, and bills of

exchange, \$4,391,177 in clearing house certificates, \$194,290,203 in exchanges for clearing houses, and \$2,138,022 in miscellaneous items not classified.

Of the total receipts on that day, .89 per cent. was in gold coin, .32 per cent. in silver coin, 1.52 per cent. in gold certificates, 1.53 per cent. in silver certificates, 1.87 per cent. in legal tender notes, 1.25 per cent. in National bank notes, .12 per cent. in United States certificates of deposit for legal tender notes, 44.90 per cent. in checks, drafts, and bills of exchange, 1.04 per cent. in clearing house certificates, and 46.56 per cent. in exchanges for clearing houses, including miscellaneous items.

It will thus appear that of the total receipts, 7.50 per cent. was of coin and paper money, and the remainder, 92.50 per cent., consisted of checks, drafts, bills of exchange, etc., in which is included exchanges for the clearing houses, clearing house certificates, and miscellaneous items.

The total receipts for the 3,474 National banks on September 17 last is stated at \$327,278,251. Of this amount, \$3,702,772 was in gold coin, \$1,399,991 in silver coin, \$6,159,305 in gold Treasury certificates, \$5,908,714 in silver Treasury certificates, \$7,665,666 in legal tender Treasury notes, \$4,371,778 in National bank notes, \$105,000 in United States certificates of deposit for legal tender notes, \$168,803,756 in checks, drafts, and bills of exchange, \$2,428,834 in clearing house certificates, \$126,596,873 in exchanges for clearing houses, and \$135,562 in items not classified. The relative proportions of the several items is stated thus:

Gold coin, 1.13 per cent., silver coin, .43 per cent., gold certificates, 1.88 per cent., silver certificates, 1.81 per cent., legal tender notes, 2.34 per cent., National bank notes, 1.34 per cent., United States certificates for legal tender notes, .03 per cent., checks, drafts, and bills of exchange, 51.58 per cent., clearing house certificates, .74 per cent., and exchanges for clearing houses, including items not classified, 38.72 per cent.

By consolidating the several items into two classes, we find that 8.96 per cent. was in cash and 91.04 per cent. in checks, drafts and other substitutes for money.

## REPORT OF THE DIRECTOR OF THE MINT.

Hon. Edward O. Leech, the Director of the Mint, has submitted to the Secretary of the Treasury a report of the operations of the mints and assay offices for the fiscal year ended June 30, 1890.

The value of the gold received was \$49,228,823.56, of which \$30,474,900.25 was domestic bullion, \$7,990,706.22 foreign coin and bullion, \$655,474.96 light weight domestic gold coins, \$3,542,013.83 old plate, jewelry, etc., and \$6,565,728.30 redeposits.

The silver aggregated 37,438,788.17 standard ounces, of the coining value of \$43,565,135.15, of which \$37,736,902.64 was domestic bars, \$2,394,706.15 foreign silver bullion, \$1,229,784.75 foreign silver coins, \$594,883.74 uncurrent subsidiary coins, \$8,010.84 trade dollars, \$680,430.65 old plate, jewelry, etc., and \$920,416.38 redeposits.

The coinage was the largest in the history of the mint, aggregating 112,698,071 pieces, as follows:

	<i>Pieces.</i>	<i>Value.</i>
Gold .....	1,257,207	\$22,021,748 50
Silver dollars .....	35,923,816	35,923,816 00
Subsidiary silver .....	8,850,269	892,020 70
Minor coins .....	66,666,779	1,416,851 73
Total .....	112,698,071	\$60,254,436 93

The imports and exports of the precious metals during the fiscal year aggregated as follows :

	<i>Imports.</i>	<i>Exports.</i>	<i>Net Loss.</i>
Gold.....	\$13,097,146	\$17,350,193	\$4,253,047
Silver.....	27,524,147	36,069,602	8,545,455

The total amount of silver purchased during the fiscal year for the coinage of silver dollars was 30,912,111.17 standard ounces, costing \$26,899,326.33, an average of \$0.96,68 per fine ounce.

From the close of the fiscal year to August 13, the date the new silver act went into effect, the amount of silver purchased was 3,108,199.47 standard ounces, costing \$3,049,426.46.

The total purchases of silver for the coinage of silver dollars from March 1, 1878, to August 12, 1890, was 323,635,576.19 standard ounces, costing \$308,199,261.71, an average of \$1.05,8 per fine ounce.

The amount of silver bullion purchases under the act of July 14, 1890, which went into effect August 13th to October 31, has been 12,276,578.10 fine ounces, at a cost of \$14,038,168.82, an average of \$1.14,349 per fine ounce.

The seigniorage on the coinage of silver dollars during the year aggregated \$9,385,416.57, and on subsidiary silver \$1,649.80, a total of \$9,387,066.37.

The net profits on the coinage of silver during the twelve years ended June 30, 1890, including the balance in the coinage mints July 1, 1878, has been \$65,698,057.41.

The number of silver dollars distributed from the mints during the fiscal year was \$11,423,869.

The Director of the Mint estimates the stock of metallic money in the United states on July 1, 1890, to have been :

Gold.....	\$695,563,029
Silver.....	463,211,919
Total.....	\$1,158,774,948

The total amount of metallic and paper money in circulation, exclusive of the holdings of the Treasury, on June 30, 1890, was \$1,435,610,612, a per capita of \$22.09 against \$1,380,418,091 at the commencement of the fiscal year, an increase in circulation of \$55,192,521.

The number of silver dollars in circulation June 30, 1890, was 56,278,749, against 54,457,299 at the commencement of the year, while the number of silver dollars owned by the people, that is, silver dollars and silver certificates in actual circulation, aggregated \$353,834,987, against \$311,612,864 at the commencement of the fiscal year. The number of silver dollars owned by the Treasury June 30, 1890, was 15,591,479 against 21,889,786 on July 1, 1889.

The value of the precious metals used during the last year in the industrial arts in the United States was approximately :

Gold.....	\$16,697,000
Silver.....	8,767,000

of which \$9,686,827 gold, and \$7,297,933 silver, was domestic gold and silver bullion.

The product of gold from the mines of the United States during the calendar year 1889 was \$32,800,000; silver, 50,000,000 fine ounces, commercial value \$46,750,000, coining value, \$64,646,464. The product of the mines and smelters of the United States during the same year was :

	<i>Troy Ounces.</i>
Gold.....	2,527,892
Silver.....	60,236,469

Revised tables are presented, showing the product of gold and silver in the world during the calendar years 1887, 1888 and 1889:

	<i>Gold.</i>		<i>Silver.</i>	
	<i>Value.</i>	<i>Fine Ounces.</i>	<i>Commercial Value.</i>	<i>Coining Value.</i>
1887.....	\$105,775,000	96,141,000	\$94,048,000	\$124,304,000
1888.....	110,244,000	108,888,000	102,243,000	140,784,000
1889.....	121,162,000	124,769,000	116,674,000	161,318,000

The coinage of the world for the same calendar years was as follows:

	<i>Gold.</i>	<i>Silver.</i>
1887.....	\$124,992,465	\$163,411,397
1888.....	134,828,855	134,922,344
1889.....	168,901,519	135,602,064

The recoinages reported to the Bureau were as follows:

	<i>Gold.</i>	<i>Silver.</i>
1888.....	\$25,562,061	\$13,516,249
1889.....	17,815,766	8,651,907

The Director reviews the coinage legislation of the Fifty-first Congress, and recommends the following measures for the action of Congress:

1. Repeal or modification of the Act of May 26, 1882, authorizing the exchange of gold bars for gold coin.
2. Recoinage of the subsidiary coins in the Treasury.
3. The use of the proceeds of by-products of the acid refineries for the expenses of the same.
4. A new mint at Philadelphia.

#### PRICES OF WHEAT.

At a recent Millers' Conference at Edinburgh, Mr. James Rusk read a paper on the crop of wheat of the world, by which it appears that this year it is not in excess of the consumption, and that the existing stocks will probably be reduced in the course of the year. The following are his conclusions: 1st. That the great decline in wheat values in the past fifteen years has been due to lessened cost of transportation from the exporting countries, to over-production in the first part of the period in question, and to the very favorable state of the Indian and Russian exchanges. 2d. That population has for some time been steadily gaining on wheat production, and that the theory of over-production no longer holds good. 3d. That America is approaching the time when she must considerably increase her wheat acreage, or fall out of the ranks of wheat-exporting countries. 4th. That the competition of American flour in England next season must perforce be much less acute than in the past season, because of the deficient crop there. 5th. That the material recovery in the Indian and Russian exchanges may be expected to assist in raising the platform of wheat values. 6th. That Russia and Roumania have taken the first position in the scale of wheat exporters. And, lastly, that the ensuing season is not going to be one of undue abundance, nor of any serious scarcity, so far as wheat is concerned.

## INQUIRIES OF CORRESPONDENTS.

ADDRESSED TO THE EDITOR OF THE BANKER'S MAGAZINE.

## FORGED INDORSEMENT.

John W. Smith is entitled to a sum of money from A. John W. Smith's agent procures from A his check, drawn on Bank B, payable to John Smith or order for the sum due. The agent of John W. Smith sends check in a letter addressed to John Smith. The letter is received by a John Smith, but not by John W. Smith, for whom it was intended, and is indorsed by John Smith and cashed by Bank C. Can John W. Smith sue Bank C for money had and received, and is the payment by Bank C to a John Smith good payment as against John W. Smith under the circumstances recited?

REPLY.—A similar question was answered in the September number of the MAGAZINE. A forged indorsement does not pass a title, and if a person writes the name of another, though like his own, the act is no less a forgery than would be the writing of a different name. The indorser has a note or check that does not belong to him; he is not the true owner, and therefore by no act of his can he transfer what is not his own to another. Bank C, consequently, has not made a valid payment, and must pay to the true owner. The law is well established in England and in the United States. Besides the authorities already mentioned, we will add *Meade v. Young* (4 Term, 28); *Indiana Nat. Bank v. Holtsclaw* (98 Ind. 85); *Citizens' Nat. Bank v. Importers & Traders' Nat. Bank* (119 N. Y. 195)

## BOOK NOTICES.

*Economic and Social History of New England. 1620-1789.* By WILLIAM B. WEEDEN. In two volumes. Boston and New York: Houghton, Mifflin & Co. 1890.

One of the characteristics of modern historical writing is a widening of the field. Writers are as deeply interested in presenting the economic, social, moral, and religious events as the military and the political. How much wider is Mommsen's range, for example, than that of any earlier writer on the Roman empire. What a wealth of interest is in Greene's History of the English people, and mainly because he has looked outside the political and military fields. The work before us is deeply interesting and valuable for the same reason. Instead, though, of covering the whole field, he has kept his eye on certain portions which hitherto have been very inadequately described. It is true that Palfrey, in his History of New England (which, in our judgment, is one of the most creditable pieces of historical work produced by an American scholar,) has done much, but Mr. Weeden is far more complete from his points of view. Of course, one cannot get a complete glimpse of New England from a study of this work. He sees only certain phases or sides of New England history, but these are highly important, and well worthy of more serious study.

One of the interesting things in this history is the development of a nation from very small things. In the histories of most countries the beginning is enveloped in a mist of fable and tradition. It is not until a nation has existed for several centuries, perhaps, that clear knowledge is

acquired; but in this History of New England the undisputed truth is known from the start. The development is traced from the day when several people were part owners of a cow, to the time when one man owned a large number of vessels or other great properties.

It would be easy enough to find fault with the work, to show a mingling of dissimilar events; nevertheless, the whole history is given, and so simply that all is easily understood. Mr. Weeden is a busy manufacturer, and the wonder is that he found the time to prepare a work requiring so much investigation; for it is evident that he has been painstaking in the highest degree. Hereafter, when one wishes to know what kind of currency the New England colonies had, he will turn to Weeden's pages for information. It is curious that a people combining such a high order of intelligence and morality should have played so many pranks with paper money. After the first two or three experiences, which proved so costly in many ways to the colonies, the reader might conclude that some wisdom had been learned, and that in the future the colonies would turn to other directions for relief; but no experience, however disastrous, seemed to be proof against repetitions. There is something singularly delusive in this business of making and circulating paper money. The movement usually springs from the debtor class, who see no other or better way out of their difficulties, while the creditor yields, knowing that he will surely suffer, but less, perhaps, than by the adoption of any other measure, or than by the debtor's bankruptcy.

These volumes are the most important contributions to New England history that have been made for a long period; and we are not surprised to learn that the first edition has already been sold. This ought to encourage scholars in other States to break into the same fields of inquiry; for in New York, Pennsylvania and other States they are just as ripe for a similar harvest as in New England. The publishers have shown great enterprise in their series of the men of letters in America, and of State histories, and if they should start another series containing an account of the economic, social, moral and religious history of the States, the works, we believe, would be more generally welcomed than those in either of the series mentioned, notwithstanding their great popularity.

*Principles of Economics.* By ALFRED MARSHALL, Professor of Political Economy in the University of Cambridge. Vol. I. London: Macmillan & Co. 1890.

It has been known for several years that Prof. Marshall was engaged in a work on economics, and most persons who are familiar with his writings will not be disappointed with the volume before us. It is unquestionably the most important systematic treatise that has appeared since Mill's work, and to a large extent doubtless will drive it from the field it has so long occupied, unless its bulk shall deter buyers and readers. One of the characteristics of Prof. Marshall's writings is an honest purpose and true insight. He is eminently fair in his statements of fact and opinion. Every page almost bears witness of his desire to present, with perfect candor, the opinions of those who differ from him. Combined with this is a wide mastery of economic literature, and of the facts pertaining to political economy.

Another striking characteristic is that the writer belongs to no school, he belongs neither to the orthodox, the historical or other school ; none of the old regulation labels can be applied to him. Of course he is familiar with the principles worked out by the older economists, and with the teachings and criticisms of the newer ones. If we were to summarize his conclusions of those who differ most from the older economists, we should say that, after a wide study of what they have written, the differences are not so great as they have imagined. Probably the widest departure was by Cliffe Leslie, who clearly showed the imperfections of the older economy, but, after all, does not the basis remain without much change?

Prof. Marshall does not regard the principles of political economy as fixed, but in a plastic or fluid condition. The hard and unyielding principles, which Mr. Mill supposed were unchangeable, do not exist. When Mr. Lowe, now Lord Cardwell, was chancellor of the exchequer, he remarked, in an address at the Adam Smith centenary dinner, that the work of political economy was completed, that all the essential principles were determined, and that nothing remained for subsequent writers except to apply them. There never was a greater misconception. Since that time a wonderful revolution in economic inquiry has taken place, and while economic principles have not been overthrown, the necessity of modifying them in numberless ways has been very generally acknowledged. In the older books one of the reservations was, "things being equal," "or remaining the same." But things never are equal or the same, and consequently economic principles are not applied with the confidence they once possessed. This truth is expressed and enforced by Prof. Marshall in a striking manner on almost every page of his work, and for this reason, if for no other, it possesses a great value.

It may seem ungracious to find fault with a writer displaying such candor and unwearying pains in the statement of facts and principles, but it is worth noting that a little more attention to style would have resulted in the elimination of numerous infelicities. A few illustrations are made to do duty over and over again, and which might have been spared in almost every instance. The writer should have assumed that persons who are likely to read the work possess a considerable degree of intelligence, as well as patience, and, therefore, the simple illustrations which frequently appear are hardly needful ; thus greater conciseness might have been exercised, which would have considerably diminished the size of the work, which is the most serious flaw in this truly monumental undertaking.

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*Poor's Hand Book of Investment Securities.* A Supplement to *Poor's Manual of Railroads*. July, 1890.

This book contains 305 pages devoted to the presentation in convenient form of useful information relating to American securities. Fluctuations in market price are shown by a series of tables, which give the range of stock and bond values in each month during the twelve and a half years ended June 30th, 1890. Other tables show all dividends paid by the railway companies of the United States during the last eight years ; the bond coupons payable each year, with the places where they are payable ; the stocks and bonds listed on the New York Stock Exchange during the eleven and a half



years ended June 30th, 1890, and statements showing the location of railroad general and transfer offices, the close of their fiscal years, the time of holding annual meetings, etc.

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## BANKING AND FINANCIAL ITEMS.

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NEW YORK CITY.—One bank succumbed during the financial flurry in New York last month—the North River Bank. A receiver has been appointed, who will wind up the affairs of the bank and pay the debts of the institution as far as the funds in his possession will reach. Francis Higgins, the receiver, is a retired liquor merchant. He is said to be a man of considerable wealth, and has of recent years devoted himself to real estate transactions. His office is at No. 102 Broadway, with Henry and Francis A. McCloskey, lawyers. His attorneys are Durnin & Hendrix, of No. 20 Nassau street, the law firm of which Judge O'Brien was formerly a partner. Mr. Durnin said yesterday "Mr. Higgins is a thoroughly capable business man and was appointed because Judge O'Brien had thorough knowledge of his qualifications. You may depend upon it that he will go to the bottom of this North River Bank business, without regard to who may or may not be benefited."

NEW YORK CITY.—The *Utica Morning Herald*, in chronicling the election of Hon. John W. Vrooman, of Herkimer, as treasurer of the Mutual Reserve Fund Life Association and chairman of its executive committee, and his acceptance of the same "rejoices with Mr. Vrooman's host of friends in the flattering preferment and good fortune that have come to him. Its regret is founded in selfishness, in which a great many people in Utica will unite with all Herkimer; the change takes Mr. Vrooman from central New York, to become a resident of the metropolis. The gain to the Mutual Fund Life Association is a loss to this neighborhood which will be keenly felt. Mr. Vrooman breaks from life-long associations in the Mohawk Valley with equal reluctance. The magnitude of the trust to which Mr. Vrooman has been called is plainly indicated in the letter from President Harper apprising the treasurer-elect of the action of the directors of the association, which we print in another column. The preferment was unsought, and the action of the directors doubly underscored the honor. It was a tribute to worth of character, to honest living, honorable action, fidelity in every walk of life, earnestness, sincerity, truth."

NEW YORK CITY.—The National Collection Bank of New York is to be organized with a capital of \$1,000,000, and a surplus of \$100,000, capital and surplus under the National Banking Act of the United States. Its especial business will be that of making collections of checks drawn upon banks outside of New York City, known as country checks; together with other bills payable. The New York City banks show by their statements that there are from twelve to fifteen million dollars of such checks and bills sent out by them daily, that the amount is constantly increasing, and has become burdensome, tying up and rendering permanently unavailable as cash, more than forty million dollars of their resources. It is the rule with country banks in making returns upon collections, to charge a rate proportionate to the amount of daily remittances, that is to say, the larger the amount sent each day, the lower the rate charged. The National Collection Bank, in order to secure the lowest possible rate, will control large amounts of collections by purchasing them from the New York City banks, paying spot cash; deducting a percentage for exchange not to exceed the present cost of collection to such banks, and in many cases a much smaller sum. The payment of cash will be a strong inducement to the banks to sell their items for collection even at a discount equaling the present cost for exchange, as it will enable them to use with their customers large sums of money which they now are compelled to keep locked up in country checks, beside saving them expense in postage and clerk hire. The collections so obtained with all drafts, notes and other evidences of debt which may be received, will be consolidated and sent out each day to regular correspondents at the commercial centers,

and by reason of large amounts sent to each, the closest rates and prompt returns, the business will be done at a sure profit to the National Collection Bank, as well as to its correspondents.

NEW YORK CITY.—Receiver Higgins, of the North River Bank, has issued a circular requesting depositors to hand in their deposit books without delay, so that they may be written up and balanced. A pleasant feature in connection with the run on the Citizens' Savings Bank was the almost unlimited offer of cash assistance from financial institutions and merchants. This in itself is exceedingly praiseworthy, and shows that old and strong institutions like the Citizens' Savings Bank can instantly obtain sufficient means to tide over any emergency.

NEW YORK CITY.—Mr. Charles H. Fancher, who has been elected president of the Irving National Bank, was born in Warwick, Orange County, in 1845. In 1864 he came to New York and accepted a position in the National Exchange Bank. Two years afterward he entered the Irving National Bank, and occupied various positions until he was appointed receiving teller in 1869. In 1877 he became paying teller, which position he held until March 31st, 1890, when he accepted the cashiership of the Clinton Bank of this city. His success in doubling the business of the Clinton Bank during the six months he was connected with it, naturally made him the one who should be appointed president of the Irving National Bank after the death of President Jewett. Mr. Fancher not only brings financial ability and business integrity to the Irving National Bank, but he is well and favorably known to the patrons of the bank on account of his long connection with it.

ANNUAL MEETING OF THE BANKERS' AND BANK CLERKS' MUTUAL BENEFIT ASSOCIATION.—The president, James H. Willock, presided, and C. S. Lindsay acted as secretary. A portion of the meeting was taken up hearing the annual reports. The latter showed that there was an increase of 62 in the membership during the year, making a total of 417. The receipts for the year were \$15,374.50, and the disbursements, \$6,484.10, leaving a balance in the treasury to date of \$8,890.40. The total assets of the association are \$22,890.40, and since 1873 the organization has paid out \$9,000 in death benefits. Two deaths have occurred during the year. The annual election of officers resulted as follows: President, A. J. Lawrence; vice-president, George W. Crawford; treasurer, John M. Chaplin; recording secretary, H. B. Shidle; corresponding secretary, C. S. Lindsay; directors, Alex. H. Patterson, John W. Taylor, James H. Willock, Thomas C. Griggs, Otto C. Bergdorf, R. J. Stoney and George J. Gorman; trustees, Alexander Bradley and John A. Harper.

ATLANTA, GA.—Work on the Hartwell bank building is progressing rapidly.

AUGUSTA, GA.—A new institution that will soon be established in Augusta is a dime savings bank. There has been a meeting of the gentlemen interested, and already application has been filed with the Legislature for a charter, which it is confidently expected will soon be granted. The incorporators are: Patrick Walsh, E. B. Hook, Charles W. Davis, W. S. Gardner, H. A. Norrell, Capt. C. S. Coffin, Deans Newman, C. H. Oetjen, Joel Smith, H. C. Perkins, W. H. Fleming, J. W. Preston, G. R. Lombard.—*Augusta Chronicle*.

BROOKLYN.—The People's Trust Company of Brooklyn have concluded to increase their capital from \$500,000 to \$1,000,000 and to pay the increase into the State Trust Company of this city.

BANGOR, ME.—F. H. C. Reynolds & Co., the well-known bankers and brokers in this city, are soon to remove their entire business to Worcester, Mass., where their main office has been for some time.

BOSTON.—Hon. S. N. Aldrich, of Marlboro, has resigned his position as assistant treasurer of the United States at the Boston sub-treasury, and the country thereby loses a most efficient official. Mr. Aldrich resigns to accept the presidency of the National State Bank of Boston.

CANADA.—The Union Bank of Canada is opening a branch at Carberry.

COLUMBUS, MISS.—It is currently reported that a new National bank will be organized here shortly. The money is to be furnished entirely by local capitalists. —*Memphis Avalanche*.

CHARLESTON, S. C.—Recently the thirty-second anniversary was held of Geo. W. Williams & Co. and the inauguration of the Carolina Savings Bank. On this occasion Mr. Williams delivered a very interesting address. The savings bank has been established many years, but its charter was granted at the last session of the general assembly. It has paid in dividends and in interest to its seven thousand depositors since its organization, more than \$600,000.00, besides paying \$88,650.00 taxes to the city and State. The bank pays taxes directly and indirectly on its capital and on securities held by it, some \$20,000.00 per annum. The Carolina Savings Bank has depositors from Maine to Texas. It has, in addition to its large capital, a reserve and surplus fund of \$240,066.68. Its business has steadily increased from year to year in all its departments. The deposits which were in 1885, \$475,700.00, are now \$1,463,526.68, and its assets are \$1,888,553.10. The profits of the bank for the past five years are \$187,500.00. The net profits for the past twelve months are \$43,350.00. The bank endeavors to do business on the mutual principle, and it has paid every depositor promptly without requiring a day's notice. The bank has the largest capital and surplus of any savings bank in the South.

CHICAGO.—A meeting of the creditors of the Prettyman Bank and of the stockholders of the North Division Lumber Company has been held. The depositors in the bank and the stockholders of the lumber company, which was a concern practically controlled and operated by Prettyman, talked over the situation, and after hearing from all who wished to speak, their legal adviser recommended that application be made at once to Judge Prendergast to remove the assignee of the bank and lumber company, Mr. Johnson, and appoint one assignee for the bank and another for the lumber company. The creditors declared that Mr. Johnson would not be able to separate the interests intrusted to him. The comment on the management of the affairs of the concerns in question was not very favorable. The general impression seemed to be that Mr. Prettyman had used funds of the bank and deposits to carry the lumber concern. The lumber stock was said to be practically valueless. Prettyman, in an interview, asserts that the assets will fully cover the liabilities. The assignment he said was the result of a disagreement between himself and his partner, H. H. Bishop. He assigned, he asserted, so as to put the business and assets of the firm in the hands of a third party and to cut off Mr. Bishop from any further active participation in the business.

CORRY, PA.—The stock of the new bank, to be known as the Citizens' National Bank of Corry, with \$100,000 capital, has all been taken, and an organization effected. A board of directors has been elected, and the following officers chosen: President, Hon. W. C. Culbertson; vice-president, Martin Stark; cashier, R. S. Battles. The stockholders are all men of sound financial standing. The bank will be open January 1.

DUBUQUE, IOWA.—December 1 is the date set for the removal of the Dubuque County Bank to the southwest corner of Maine and Third streets.

DULUTH, MINN.—The Northern Bank will occupy temporary quarters in the Euclid Hotel.

GEORGE P. WHITNEY, formerly a bookkeeper in the Albany City National Bank, of Albany, N. Y., pleaded guilty to the charge of falsifying entries in the bank's books, and to taking moneys of the bank in October, 1887, to the amount of about \$18,000, and was sentenced to the Albany penitentiary for seven years.

GEORGIA.—Statesboro wants a bank, and an effort will be made to establish one.—*Atlanta Constitution*.

GREENFIELD, MASS.—The alterations in the First National Bank building are completed, and the officials are in the enjoyment of the increased room and facilities. By the building of a fire-proof vault for the books, space was made in the old vault for a safe deposit safe, and the records and accounts of the bank given needed room, while in the new vault, which occupies a large part of the directors' room, there is ample room for the books and papers to be conveniently arranged for reference. An addition to the rear of the building is occupied by the new room for the directors, and this is provided with every convenience and handsomely furnished in oak and leather.

HARTFORD, CONN.—The Society for Savings in this city, with assets amounting

to \$13,642,000, gave its depositors a Thanksgiving surprise in the way of an extra 1 per cent. dividend on the deposits for the six months ending November 30. The number of depositors in the bank is 33,684, the amount deposited October 1 being \$12,849,522.31. The surplus from which the extra dividend is declared amounts to \$599,773.62. The interest paid to depositors in the course of the last year was \$479,392.44, the bank's total income being \$699,443.28. The increase in deposits for the year exceeded \$500,000. The additional dividend is the first one that the bank has declared in the 70 years that it has been in business. It is the largest savings institution in the State. The nature of the deposits will appear from the fact that \$5,301,571.38 belong to 30,086 depositors in amounts not exceeding \$1,000. The number of depositors having more than \$1,000 each in the bank and not exceeding \$2,000 is 2,317. The holdings in this class amount to \$3,149,580.70.

HARMONY GROVE, GA.—There is now no doubt of the early establishment of a bank in this town. A gentleman has taken the matter in hand who knows no such word as "fail," and he has already raised within a few thousand dollars of the capital stock of the bank, which will be \$50,000. The remaining small amount will be taken in a few days, and then the initial steps will be made towards organizing the bank.—*Atlanta Constitution*.

HAMBURG, PA.—At the annual election of a board of directors of the Hamburg Savings Bank the entire present board were re-elected: Peter Burkey, Samuel C. Boyer, Daniel Boyer, Samuel A. Loose, Samuel H. Meck, Nathan S. Schock, Henry K. Miller, Solomon H. Lenhart and Joseph S. Hix. The bank is in a splendid condition, and with the increase of industries the future is regarded as most favorable.—*Item*.

IOWA.—A State bank, with a capital of \$50,000, has been established at Pomeroy.

IOWA.—The Moody County Bank has secured a temporary injunction restraining the County Auditor from delivering the tax list to the treasurer for collection against said bank on account of the doubling of the assessment by the State Board of Equalization. This injunction is one of the steps in a proceeding to test the legality of the action of the State Board and the constitutionality of the law under which the board acted in doubling the assessment of all moneys and credits in the State.

LANSING, MICH.—A banking corporation has filed articles of incorporation with the Secretary of State: The People's Savings Bank, Grand Rapids, \$100,000.

LOWELL, MASS.—The Lowell Trust Company, to whom a charter was granted May 28 of the present year, has been organized with a capital stock of \$125,000. Lowell presents an unusual field, for while the city has had a continuous and healthy growth during the last quarter of a century, this is the first bank formed since 1864, at which time it had but 30,000 people. The bank is organized under the State laws, and will be a bank of deposit and discount with all the features of the National banking system. A savings bank connection in the immediate future is contemplated. According to the belief of its founders the time is close at hand when all the National banks will of necessity reorganize under the State laws, and the new bank must of necessity, being the first established, reap material benefit for the stockholders. The officers selected are all well known in the business community, and are capable and highly successful business men.

LONG ISLAND.—The directors of the Riverhead Savings Bank at their last semi-annual meeting declared a dividend of 4 per cent. on all deposits up to \$3,000. Their semi-annual dinner was held at the Griffin House, and all were present. There were three Senators—Edward Hawkins, Dean and Richardson—and ex-Senator S. S. Hawkins present with others. The Riverhead Savings Bank is now the largest institution of the kind on the island outside of Brooklyn, and has nearly \$1,500,000 on deposit. This speaks well for the frugality and thrift of the east end people. In the three banks of the east end of Suffolk County, Sag Harbor, Southold and Riverhead, there are deposits of about \$4,000,000.—*Brooklyn Times*.

MACON, GA.—The banking business of Macon is represented by seven banks and a banking house, the aggregate capital of which is about \$1,500,000. This

would appear to be a small amount of banking capital for a city whose output, all told, in business, exceeds \$45,000,000. All of the banks borrow large sums of money from the North, and re-discount on loans. The home capitalists also make loans and discounts. Many of the merchants complain, and say that there is room for more banks in Macon. The general opinion is that the Exchange Bank furnishes more accommodations than any other bank in central Georgia. As an evidence of the prosperity of the Exchange Bank, the directors are building a fine edifice in the center of the commercial portion of the city, which will be paid for from the reserve fund. The building will be an ornament to the city.

MASSACHUSETTS.—The affairs of the Lancaster National Bank have at last been wound up. The flight of its president with the funds, his escape to Canada, and the finding of the plunder hidden away among the Vermont mountains, are matters known to all, and which have made the case celebrated. January 20, 1886, as the result of the robbery, J. W. Corcoran was appointed receiver of the bank. By July of that year a 50 per cent. dividend was paid, and by the end of the year two dividends of 20 per cent. each, making a total of 90 per cent. The last dividend of 10 per cent., amounting to \$27,000, was paid in October, 1889. During all of this time there has been litigation pending, especially concerning claims to the stolen property recaptured. These legal contests have just been ended, and a dividend of 6 per cent. has been declared, the interest being computed between the dates of January 20, 1886, and November 20, 1890. The result of Mr. Corcoran's management of the matter has been that all the creditors have had their money refunded to them, and besides this have received 6 per cent. interest upon their funds since the time the receiver was appointed. The loss that the bank has really suffered is \$150,000, and this falls upon the stockholders of the corporation. The fugitive president, MacNeil, the cause of the bank's failure, is now living quietly in Canada with his family, engaged in conducting a small farm.

MISSOURI.—The Bank of Carterville has received its new furniture for the new room in the new brick building. It is very fine, and Carterville will have one of the neatest little banks in the county. As soon as the new safe arrives the bank will move from the company's office, where it is now temporarily located, to its new and excellent quarters.

MINNESOTA.—A new bank has been organized at Elbow Lake. Harold Thorson is to be the president, Henry Sampson the cashier, and the other shareholders are John Christenson, of Elbow Lake; A. D. Davidson, of St. Paul; A. R. Davidson, of Little Falls; F. H. Wellcome and Bert Winter, of Granite Falls. The capital stock is \$35,000, and the name is to be Bank of Elbow Lake.

NASHUA, N. H.—E. P. Brown has resigned as treasurer of the City Savings Bank at Nashua, and has been succeeded by G. A. Ramsdell.

NEW HAMPSHIRE.—A new National bank is soon to be in operation at Berlin Falls. The capital has been placed at \$50,000, and the stock has nearly all been subscribed for. In addition to this new banking institution, the next Legislature will be asked to charter a savings and trust company at the same place.

NIAGARA FALLS.—Superintendent Preston issued a certificate of authorization to the Niagara Co. Savings Bank to commence business in the village of Niagara. Among the organizers of the bank are T. V. Welch, C. B. Gaskill, Francis R. Delano, P. A. Porter, W. Caryl Ely, Alex. J. Porter, Wm. F. Evans, S. M. N. Whitney, A. T. Cuddeback, and Franklin Spalding.

PENDER, NEB.—A new bank has opened at Oto, Woodbury County, Iowa. The firm is H. N. Moore & Co. H. N. Moore is president, and P. G. Riedesel is cashier. Mr. Riedesel was, for the past year, the cashier of the Charter Oak Bank at Charter Oak. Mr. Moore is president of the First National Bank of Charter Oak, and also president of the Logan Valley Bank at Pender. He is a resident of Red Oak, Iowa, and a large property holder there.

PHILADELPHIA.—The trustee of the estate of Jay Cooke & Co. announces the payment of the final dividend, which will be 1½ per cent. in cash on \$6,451,000 and eight and one-half shares of Northern Pacific preferred stock, three and one-half shares Oregon Steamship and Navigation Company stock, and three-quarters of a share of preferred stock of the St. Paul and Duluth Railroad to each \$1,000 of claim to creditors holding that amount and upward. With the payment of the

final dividend, the affairs of the estate of Jay Cooke & Co. will be wound up, and the total amount of cash paid on it will have been 15½ per cent. on \$6,451,000. The liabilities when the firm crashed in the memorable year 1873 were nearly \$11,000,000. This amount has been reduced by compromises, litigation, and various forms of redemption to the figure above named, something less than 60 per cent. There were 3,200 creditors when the firm failed, the largest of whom were the banks and the Government. There has been no dividend paid since 1881, when the fourth one was distributed in cash to the amount of 1¼ per cent., and in assets scrip to the amount of 5 per cent. The fifth and final dividend brings the last chapter of this historic and honorable feature to a close. During the process of winding up the intricate affairs of the estate the Jay Cooke interest has acquired about one-half the outstanding claims through redemption and purchase. In the distributions of stocks and bonds to the creditors the amount in the aggregate realized has more than exceeded the extent of the claims.

PITTSBURG, PA.—During the month, G. Wilson McCandless, president of the Allegheny National Bank, and one of the best known of Western Pennsylvania's bankers, has died. Mr. McCandless was 51 years old. He began life as a messenger boy in the Allegheny National Bank, with which his whole business life was spent. To his industry and carefulness the bank is indebted for its present high financial standing in the business circles of the country. Besides being engaged in banking he was prominent in other branches of business.

PATERSON, N. J.—The Paterson Savings Institution has accepted plans for a new building, which, when completed, will cost \$125,000.

PORT JERVIS, N. Y.—Jacob Hornbeck died in Montague, Sussex County, N. J., aged 81 years. He was president of the First National Bank of Port Jervis at its organization, and was a member of the firm of Hornbeck & Bonnell, merchants, in the same village.

PITTSFIELD, MASS.—Investigation into the closing of the Stockbridge Savings Bank shows a worse condition of affairs than was at first supposed. Henry J. Dunham, who practically controlled the bank, is placed in an unenviable light. Bank Commissioner Chapin states that the bank's guarantee is only \$5,400, and the loans on real estate and personal securities aggregate \$211,000, many of these investments being very poor. The depreciation will be considerable and depositors must suffer a loss.

ROCHESTER, N. Y.—Moses S. Marks, who was until a year ago employed at the Flour City National Bank, telegraphed in the name of its cashier, William A. Waters, to the National Bank of Commerce, New York (the Flour City's correspondent), to send immediately \$25,000 in currency. The Rochester bank received a letter from the New York bankers, saying the money had been sent in \$10 and \$20 bills. Inquiry for the money at the American Express office elicited information that it had come and that Marks had taken it, the express people being acquainted with him and supposing that he was connected with the bank. He was, however, soon captured in a public house at Utica with all but \$350 of his immense theft.

REDEMPTION OF STOLEN NOTES.—Acting Treasurer Whelpley is now prepared to redeem the National bank notes stolen from the office of the Comptroller of the Currency by a messenger in that office from 1864 to 1868, the last Congress having provided an appropriation for that purpose. The notes are as follows: 10s and 20s of the Third National Bank of New York City—bank number of notes 9,414 to 9,428; 50s and 100s of the First National Bank, Jersey City, N. J.—number 671 to 750; 50s and 100s of the National City Bank of Lynn, Mass.—number 121 to 150. The appropriation is for the redemption of the notes described and no others.

ROCKFORD, ILL.—The Commercial National Bank directors will probably be S. B. Wilkins, Spencer Rising, S. A. Johnson, J. S. Ticknor, Will Hudler, E. W. Brown, and three others who have not yet been decided upon. S. B. Wilkins is slated for president, Spencer Rising for cashier, and a son of Mr. Rising will probably be assistant cashier. The bank will be ready for operation next January, and recently a short lease was taken of the vacant Hotel Holland store, and the bank will open there in January and operate there until the new building is ready, which will probably be in July. The lease of the bank room calls for \$1,500 a year

for ten years, and the following ten years \$1,750 per year. The capital stock will be \$250,000 at the start. Of that, Mr. Rising places \$90,000, Judge Brown and his sons take about \$10,000, S. B. Wilkins and J. S. Ticknor \$5,000 each, Austin Colton, B. A. Knight, Frank Ticknor and others \$1,000 each. Mr. Wilkins has the subscription papers for the Rockford subscribers, and the pledges already amount to substantially \$150,000. Another outside gentleman has \$100,000 which he says he is willing to plunk in a solid sum into the new bank if any satisfactory arrangements could be made. That means that he wants some official position so that he can have a hand in the management. Mr. Wilkins says that he thinks he should be encouraged. That with Rockford's present wonderful prospects she will need all the \$100,000 she can get to help boost her boom.—*Register*.

READING, MASS.—The First National Bank of Reading goes into business on the 1st of December.

SALEM, MASS.—The Salem National Bank has a capital of \$300,000 and a surplus of \$100,000, and undivided profits of \$1,610, and with deposits of nearly \$400,000. Where is there a bank that can make a better showing, or that speaks in higher praise of its management?—*Reporter*.

SALT LAKE CITY, UTAH.—It is announced that a syndicate of Eastern men have an idea of starting another bank in this city.

ST. JOHN, N. B.—A savings branch has been added to the Bank of Montreal in St. John. The very large capital and rest of the Bank of Montreal, and the signal ability with which its affairs have been always conducted, mark it as one of the very foremost financial institutions of this continent. The savings branch, which has been established to meet a growing demand, will be a great convenience to many people, coupled with the best possible security for any deposits they may choose to make.—*St. John Telegraph*.

TRENTON, N. J.—The managers of the Trenton Savings Fund Society have under advisement the erection of a handsome new building on East State street, on the site of the present building. The society has a surplus on hand of about \$125,000, and they think this a good way to invest.

THE FAILURE OF B. K. JAMIESON & CO., bankers and brokers, of Philadelphia, will be received with general regret, because of the high and honorable standing of the house and the large extent of their connections. The effect of the suspension will be the more felt in consequence of the house having acted as agent for many country banks, which may at least be expected to suffer temporary inconvenience. At the moment of writing, no particulars are forthcoming as to the cause of the failure or the amount of liabilities.

TERRELL, TEX.—Mr. John Caro Russell, cashier of the National Bank of the Republic of St. Louis, has sold his controlling interest in the First National Bank of Terrell, Texas, and has resigned his position as president of that bank. Mr. Matthew Cartwright has been elected president, and Mr. M. W. Raley, who was cashier, has been elevated to the office of vice-president, and Mr. B. L. Gill has been elected cashier in place of Mr. Raley. Mr. Russell sold his interest at \$116 a share to the directors of the First National Bank of Terrell, in trust for some of the wealthiest and best citizens of Terrell and vicinity; and Mr. Matthew Cartwright, who has been elected president of the bank, is the wealthiest man in Terrell and Kaufman County. He is a very popular and efficient business man. Mr. Raley will still be an active officer in the bank, having given entire satisfaction during his connection with the bank, which has been ever since it was organized.

VANCOUVER, CANADA.—Mr. D. Simpson, who has been manager of the Bank of British North America in this city for close upon two years, to the regret of his numerous friends leaves in a few days on a visit to Britain. It is not known whether he will return to Vancouver. The probabilities are that he will not. Mr. Simpson has been in the Province for seven years, most of that time being in the Victoria office, where he acted as chief accountant and assistant manager. There, as here, he made hosts of friends. Possessed of agreeable manners, a genial and kindly disposition, and a general desire to oblige every one as a banker, he was popular with the bank's customers and all with whom he came in contact. Vancouverites

generally will regret his departure, and their best wishes for his future success will follow him. He is to be succeeded by Mr. D. Godfrey, lately of the Montreal office, who is said to be a very capable man.—*Vancouver World*.

Sterling exchange has ranged during November at from 4.84 @ 4.87 $\frac{3}{4}$  for bankers' sight, and 4.77 @ 4.82 $\frac{1}{2}$  for 60 days. Paris—Francs, 5.27 $\frac{1}{2}$  @ 5.18 $\frac{3}{4}$  for sight, and 5.26 $\frac{1}{4}$  @ 5.20 for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.82 @ 4.82 $\frac{1}{2}$ ; bankers' sterling, sight, 4.87 $\frac{1}{4}$  @ 4.87 $\frac{1}{2}$ ; cable transfers, 4.88 $\frac{1}{4}$  @ 4.88 $\frac{1}{2}$ . Paris—Bankers', 60 days, 5.22 $\frac{1}{2}$  @ 5.21 $\frac{3}{8}$ ; sight, 5.19 $\frac{3}{8}$  @ 5.18 $\frac{3}{4}$ . Antwerp—Commercial, 60 days, 5.26 $\frac{1}{4}$  @ 5.25 $\frac{3}{8}$ . Reichmarks (4)—bankers', 60 days, 94 $\frac{1}{2}$  @ 94 $\frac{3}{8}$ ; sight, 95 $\frac{3}{8}$  @ 95 $\frac{1}{2}$ . Guilders—bankers', 60 days, 39 $\frac{3}{4}$  @ 39 $\frac{7}{8}$ ; sight, 40 3-16 @ 40 5-16.

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	Nov. 3.	Nov. 10.	Nov. 17.	Nov. 24.
Discounts.....	7 @ 8	7 @ 8	7 @ 8	8 @ 9
Call Loans.....	6 @ 4	186 @ 15	186 @ 6	5 @ 3
Treasury balances, coin.....	\$145,513,411	\$144,740,318	\$144,918,866	\$144,316,804
Do. do. currency.....	4,858,756	4,162,346	4,000,891	3,733,479

The reports of the New York Clearing-house returns compare as follows:

1890.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.	Surplus.
Nov. 1..	\$399,791,900	\$77,671,700	\$22,101,400	\$396,284,500	\$3,503,400	\$701,975
" 8...	398,855,700	74,486,600	21,032,500	392,253,400	3,496,100	*2,544,250
" 15...	393,277,900	73,995,400	21,816,000	386,574,800	3,490,500	*832,300
" 22...	257,297,200	73,191,200	22,319,800	381,684,000	3,558,700	89,750
" 29...	384,548,100	71,658,500	23,368,400	378,578,200	3,547,200	382,358

\*Deficiency.

The Boston bank statement is as follows:

1890.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.
Nov. 1.....	\$156,342,400	\$8,968,500	\$4,667,600	\$134,146,100	\$3,238,800
" 8.....	157,375,400	9,101,000	4,535,000	135,930,200	3,245,600
" 15.....	157,105,000	9,016,000	4,506,800	132,775,200	3,261,000

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1890.	Loans.	Reserves.	Deposits.	Circulation.
Nov. 1.....	\$97,318,000	\$25,147,000	\$95,636,000	\$2,139,000
" 8.....	98,574,000	24,926,000	95,877,000	2,183,000
" 15.....	98,580,000	23,328,000	95,120,000	2,183,000
" 22.....	97,499,000	22,343,000	92,689,000	2,187,000
" 29.....	96,894,000	23,890,000	92,705,000	2,183,000

## DEATHS.

**AMES.**—On October 27, aged eighty-seven years, GEORGE AMES, President of First National Bank, Michigan City, Ind.

**BELMONT.**—On November 24, aged seventy-four years, AUGUST BELMONT, of the firm of August Belmont & Co., N. Y. City, N. Y.

**BENSON.**—On October 30, aged seventy-four years, ANTHONY BENSON, Secretary of Rondout Savings Bank, Rondout, N. Y.

**DE VOE.**—On November 28, aged sixty-six years, GEORGE W. DE VOE, President of People's National Bank, New Brunswick, N. J.

**HERRICK.**—On November 2, aged seventy-two years, JONATHAN R. HERRICK, President of South End Bank, Albany, N. Y.

**SMITH.**—On November 30, aged sixty-four years, HENRY C. SMITH, President of the People's Bank, Mt. Vernon, N. Y.



## NEW BANKS, BANKERS. AND SAVINGS BANKS.

(Monthly List, continued from November No., page 394.)

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N.Y. Correspondent.</i>
ALA....	Birmingham... \$30,000	H. Simon & Son.....	E. I. Simon, <i>Cas.</i>
" ..	Uniontown.... \$50,000	First National Bank..... M. L. Ernst, <i>P.</i> A. L. Ernst, <i>Cas.</i>	
CAL....	Salinas.... \$60,000	Monterey County Bank.. Wm. Vanderhurst, <i>P.</i> Luther Rodgers, <i>Cas.</i>	Western National Bank.
" ..	San Luis Obispo. \$250,000	Cal. Mortgage & Sav. B'k. Jas. B. Iverson, <i>V. P.</i> Robt. L. Porter, <i>Ass't Cas.</i> McD. R. Venable, <i>P.</i> L. M. Kaiser, <i>Cas.</i>	
DAK. S..	Sioux Falls.... \$60,000	Commercial Trust Co. .. Chas. E. Baker, <i>P.</i> Geo. G. Kellogg, <i>Cas.</i> E. B. Meredith, <i>V. P.</i>	
ILL....	Aurora..... \$100,000	German-American N. B.. Henry H. Evans, <i>P.</i> J. H. Plain, <i>Cas.</i> John Plain, <i>V. P.</i>	Phenix National Bank.
" ..	Chicago..... \$200,000	Prairie State Sav. & Tr. Co. Chas. B. Scoville, <i>P.</i> Geo. Woodward, <i>Cas.</i> Geo. Van Zandt, <i>V. P.</i>	
" ..	Streator..... \$100,000	City National Bank..... John C. Ames, <i>P.</i> Ezra H. Bailey, <i>Cas.</i>	
IND....	La Fayette.... \$100,000	Merchants' Nat. Bank.. . James Murdock, <i>P.</i> Chas. Murdock, <i>Cas.</i>	
IOWA...	Pomeroy..... \$50,000	Pomeroy State Bank..... A. A. Horton, <i>P.</i> F. E. Blackinton, <i>Cas.</i> F. A. Kenyon, <i>V. P.</i>	
KAN....	Manhattan.... \$25,000	Bank of Manhattan..... Joseph F. Moore, <i>P.</i> John W. Webb, <i>Cas.</i> S. V. Lee, <i>V. P.</i>	American Exchange Nat. Bank.
" ..	Soldier..... \$10,000	State Bank of Soldier.... K. C. Green, <i>P.</i> S. S. Reed, <i>Cas.</i> Pat. Reilly, <i>V. P.</i>	Importers & Traders Nat. Bank.
KY.....	Guthrie..... \$20,000	Peoples Bank..... Edward Bryan, <i>P.</i> Geo. T. Sadler, <i>Cas.</i> W. W. McMurray, <i>V. P.</i>	Latham, Alexander & Co.
" ..	Hickman..... \$50,000	Farm. & Merch. Nat. B'k. Henry Buchanan, <i>P.</i> Robt. Lee Alexander, <i>Cas.</i>	
" ..	Sadieville..... \$25,000	Deposit B'k of Sadieville. Richard F. Pack, <i>P.</i> Rodham Fields, <i>Cas.</i> Thos. J. Burgess, <i>V. P.</i>	
ME....	Farmington.... \$50,000	First National Bank..... Joseph C. Holman, <i>P.</i> Joseph W. Fairbanks, <i>Cas.</i>	
MASS...	Lynn..... \$200,000	Security Safe D. & Tr. Co. David J. Lord, <i>P.</i> A. C. R. Smith, <i>Treas.</i>	
MINN...	St. Paul..... \$50,000	Commercial Bank..... Albert Scheffer, <i>P.</i> Herman Scheffer, <i>Cas.</i> E. A. Hendrickson, <i>V. P.</i> O. T. Roberts, <i>Ass't Cas.</i>	Mechanics National Bank.
MISS....	Crystal Springs. \$40,000	Crystal Springs Mutual B. W. C. Wilkinson, <i>P.</i> A. F. André, <i>Cas.</i> O. H. Spencer, <i>V. P.</i>	
" ..	New Albany....	Union County Bank..... Edward H. Granger, <i>P.</i> Jesse J. Anderson, <i>Cas.</i>	Hanover National Bank.
MO....	Brashear..... \$10,000	State Bank..... J. N. McCreery, <i>P.</i> O. C. Sands, <i>Cas.</i> W. C. Tuttle, <i>V. P.</i>	Chase National Bank.
" ..	Kansas City.... \$750,000	Metropolitan Nat. Bank.. Richard W. Hocker, <i>P.</i> Redman Callaway, <i>Cas.</i> W. E. Hall, <i>V. P.</i> Will L. Gaines, <i>Cas.</i> J. G. Streat, <i>Ass't Cas.</i>	Central National Bank.

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
MO.....	Kansas City....	Missouri National Bank..	.....
	\$500,000	D. V. Rieger, <i>P.</i>	C. E. Barnhart, <i>Cas.</i>
			R. D. Covington, <i>Ass't Cas.</i>
• ..	Malden.....	Dunklin County Bank...	Hanover National Bank.
	\$15,000	H. P. Kinsolving, <i>P.</i>	Otto A. Shuttee, <i>Cas.</i>
		Wm. Bridges, <i>V. P.</i>	
• ..	Orrick.....	Citizens Exchange Bank.	Hanover National Bank.
	\$10,000	Asa D. Brasher, <i>P.</i>	Samuel D. Brady, <i>Cas.</i>
		John M. Pigg, <i>V. P.</i>	
• ..	Warrensburg...	Peoples Savings Bank....	Bank of America.
	\$5,000	(E. N. Johnson).	.....
• ..	Webb City.....	First National Bank.....	National Bank of Republic.
	\$50,000	Eugene B. Allen, <i>P.</i>	John H. Royer, <i>Cas.</i>
		John C. Guinn, <i>V. P.</i>	
NEB...	Berlin.....	Bank of Berlin.....	Chemical National Bank.
	\$12,500	N. A. Duff, <i>P.</i>	S. W. Maynard, <i>Cas.</i>
		Fred. Shrader, <i>V. P.</i>	
• ..	Bloomfield....	Bloomfield State Bank...	Chase National Bank.
	\$25,000	Robt. L. Oxford, <i>P.</i>	Alfred R. Oxford, <i>Cas.</i>
		Frank M. Northrop, <i>V. P.</i>	
• ..	Bloomfield....	Farm. & Merch. State B.	National Bank of Republic.
	\$15,000	John D. Bassett, <i>P.</i>	W. G. Hurlbert, <i>Cas.</i>
		U. K. Loose, <i>V. P.</i>	
N. MEX.	Eddy.....	First National Bank.....	.....
	\$50,000	Chas. B. Eddy, <i>P.</i>	H. P. Brown, <i>Cas.</i>
N. Y...	Dobbs Ferry....	Dobbs Ferry Bank.....	Chase National Bank.
	\$50,000	Jas. De W. Wilde, <i>P.</i>	Geo. C. Todd, <i>Cas.</i>
		James J. Treanor, <i>V. P.</i>	
N. C....	Roxborough...	Peoples Bank.....	Southern National Bank.
	\$25,000	Jas. A. Long, <i>P.</i>	L. H. Battle, <i>Cas.</i>
		Jas. S. Merritt, <i>V. P.</i>	
ORE....	La Grande.....	Farm. & Traders Nat. B.	Hanover National Bank.
	\$60,000	M. Baker, <i>P.</i>	J. W. Scriber, <i>Cas.</i>
		W. J. Snodgrass, <i>V. P.</i>	
• ..	Portland.....	United States Nat. Bank.	.....
	\$500,000	Chas. A. Plummer, <i>P.</i>	Frank C. Miller, <i>Cas.</i>
		James E. Haseltine, <i>V. P.</i>	Geo. W. Hazen, <i>Ass't Cas.</i>
PA....	Sewickley.....	First National Bank.....	.....
	\$50,000	R. J. Murray, <i>P.</i>	E. P. Coffin, <i>Cas.</i>
		C. McKnight, <i>V. P.</i>	
• ..	Tarentum.....	Nat. Bank of Tarentum..	Chase National Bank.
	\$50,000	John W. Hemphill, <i>P.</i>	O. C. Camp, <i>Cas.</i>
		L. M. Stevens, <i>V. P.</i>	
TENN...	Chattanooga ...	Merchants National Bank.	Continental National Bank.
	\$300,000	C. D. Beebe, <i>P.</i>	R. W. Barr, <i>Cas.</i>
		C. H. Hensel, <i>V. P.</i>	
		N. A. Fuller, <i>2d V. P.</i>	
TEXAS..	Eastland.....	Eastland National Bank..	.....
	\$50,000	Wm. H. Parrin, <i>P.</i>	J. T. Yeargin, <i>Cas.</i>
• ..	Haskell.....	Haskell National Bank ..	.....
	\$50,000	M. S. Pierson, <i>P.</i>	S. H. Johnson, <i>Cas.</i>
• ..	Houston.....	Planters & Mech. Nat. B.	.....
	\$500,000	W. O. Ellis, <i>P.</i>	Jas. A. Patton, <i>Cas.</i>
		J. C. Hutcheson, <i>V. P.</i>	
• ..	Itasca.....	First National Bank.....	.....
	\$50,000	W. I. Hooks, <i>P.</i>	R. P. Edrington, <i>Cas.</i>
VA....	Buchanan.....	First National Bank.....	.....
	\$50,000	Mosby H. Payne, <i>P.</i>	John M. Miller, Jr., <i>Cas.</i>
		Jos. D. Weeks, <i>V. P.</i>	
• ..	New Castle ....	Bank of New Castle.....	.....
	\$15,000	F. B. Wagener, <i>P.</i>	Howard W. Yoder, <i>Cas.</i>
WASH..	Anacortes.....	First National Bank.....	Western National Bank.
	\$50,000	Fred. Ward, <i>P.</i>	Howard E. Perrin, <i>Cas.</i>
• ..	Blaine.....	Blaine National Bank...	.....
	\$50,000	H. W. Wheeler, <i>P.</i>	F. W. Power, <i>Cas.</i>
• ..	Blaine.....	First National Bank.....	.....
	\$50,000		Frank T. Hurlburt, <i>Cas.</i>

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
WASH.	Dayton .....	Citizens National Bank..	United States National Bank.
	\$25,000	Gustavus A. Parker, <i>P.</i>	Wm. D. Perkins, <i>Cas.</i>
		Clarence A. Parks, <i>V. P.</i>	
"	.. Slaughter.....	First National Bank.....	Chase National Bank.
	\$50,000	Chas. H. French, <i>P.</i>	E. M. Gordon, <i>Cas.</i>
		L. W. Ballard, <i>V. P.</i>	D. A. Tweedie, <i>Ass't Cas.</i>
"	.. South Bend ....	First National Bank.....	Chase National Bank.
	\$50,000	F. M. Wade, <i>P.</i>	A. L. Denio, <i>Cas.</i>
		Lewis N. Eklund, <i>V. P.</i>	
WYO...	Sheridan.....	Kendrick & Burrows.....	Gilman, Son & Co.
	\$10,000	John B. Kendrick, <i>P.</i>	A. S. Burrows, <i>Cas.</i>

## CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from November No., page 396.)

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
N. Y. CITY..	Clinton Bank.....	C. B. Outcalt, <i>Cas.</i> .....	Chas. H. Fancher.
ALA....	Nat. Bank of Commerce, Mobile.	C. W. Ruth, <i>P.</i> .....	A. A. Winston.
COL....	Greeley National Bank,	G. W. Clawson, <i>P.</i> .....	
	Greeley.	Robt. Hale, <i>V. P.</i> .....	
"	.. First National Bank,	T. H. Cecil, <i>V. P.</i> .....	A. D. Rawlings.
	Lamar.	L. W. Markham, <i>Cas.</i> ...	T. H. Cecil.
"	.. First National Bank,	Lucien L. Nunn, <i>V. P.</i> ...	
	Telluride.	A. M. Wrenet, <i>Ass't Cas.</i>	
"	.. Trinidad Nat. Bank, Trinidad..	H. K. Holloway, <i>Cas.</i> ....	Geo. A. Metcalf.
CONN...	Thames Nat. Bank, Norwich...	E. N. Gibbs, <i>P.</i> .....	Franklin Nichols.
GA....	Rome National Bank, Rome...	W. A. Billingsly, <i>Cas.</i> ....	M. B. Wellman.
IDAHO...	First National Bank, Hailey....	M. B. Loy, <i>P.</i> .....	W. B. Farr.
		Chas. E. DeWolfe, <i>P.</i> ....	Geo. Ames.*
IND ....	First National Bank,	Walter Vail, <i>V. P.</i> .....	C. E. De Wolfe.
	Michigan City.	W. H. Schoenemann, <i>Cas.</i>	Walter Vail.
IOWA...	Atlantic Nat. Bank, Atlantic....	J. A. McWaid, <i>P.</i> .....	M. L. Stearns.
"	.. First National Bank, Cherokee.	Con. Sullivan, <i>Ass't Cas.</i> ..	
KAN....	Minneapolis N. B., Minneapolis.	R. G. Bracken, <i>Ass't Cas.</i>	
"	.. First National Bank,	Lee Clark, <i>P.</i> .....	F. C. Stevens.
	Parsons.	H. D. Mirick, <i>V. P.</i> .....	
"	.. Manufacturers N. B., Pittsburgh.	E. B. Stevens, <i>Cas.</i> ....	Lee Clark.
"		Edwin E. Crebs, <i>Cas.</i> ....	A. L. Chaplin.
ME....	Rockland Nat. B'k, Rockland..	John S. Case, <i>P.</i> .....	Maynard Sumner.*
MASS...	Winthrop Nat. Bank, Boston..	C. H. Ramsay, <i>Cas.</i> .....	C. H. Kilham.
"	.. State National Bank, Boston...	Samuel N. Aldrich, <i>P.</i> ....	Amos W. Stetson.
"	.. Franklin Nat. Bank, Franklin..	F. H. Bartholomew, <i>Cas.</i> ..	Moses Farnum.
"	.. Hopkinton Nat. B., Hopkinton.	Palmer Taylor, <i>Ass't Cas.</i>	
"	.. National Exchange Bank,	B. Shreve, <i>P.</i> .....	N. Nichols.
	Salem.	C. Odell, <i>V. P.</i> .....	B. Shreve.
MICH...	Fifth National Bank,	J. D. Robinson, <i>P.</i> .....	Wm. Dunham.
	Grand Rapids.	Henry Idema, <i>V. P.</i> .....	J. D. Robinson.
"	.. Manistee National Bank,	Louis Sands, <i>P.</i> .....	Richard G. Peters.
	Manistee.	Wm. Vincent, <i>V. P.</i> .....	Louis Sands.
MO....	First Nat. Bank, Jefferson City.	Jesse W. Henry, <i>P.</i> .....	Wm. C. Young.
MONT...	First National Bank,	H. H. Mund, <i>V. P.</i> .....	Alfred Myers.
	Billings.	W. A. Evans, <i>Cas.</i> .....	H. H. Mund.
"	.. Merchants Nat. B., Great Falls.	Wm. Ulm, <i>V. P.</i> .....	
"	.. Montana Nat. Bank, Helena...	A. L. Smith, <i>2d Ass't Cas.</i>	
N. J....	Hackettstown Nat. Bank,	S. R. Smith, <i>P.</i> .....	John C. Welsh.*
	Hackettstown.	Wm. Dellicker, <i>V. P.</i> ....	S. R. Smith.
N. Y....	Chautauqua Co. N. B., Jamestown.	W. O. Benedict, <i>Cas.</i> ....	Geo. S. Gifford.
"	.. Rondout Sav. B'k, Rondout...	J. E. Derrenbacher, <i>Sec.</i> ..	Anthony Benson.*
N. C. ..	Peoples Nat. Bank, Fayetteville.	F. W. Thornton, <i>P.</i> .....	E. F. Moore.
"	.. N. B. of New Berne, New Berne.	Thos. Daniels, <i>V. P.</i> .....	L. H. Cutler.
OHIO...	First Nat. Bank, Barnesville...	J. M. Lewis, <i>P.</i> .....	Asa Garretson.
"	.. Atlas Nat. Bank, Cincinnati...	Geo. Guckenberger, <i>Cas.</i> ....	Edw. Albert.
PA.....	First National Bank, Lebanon.	R. Dawson, <i>V. P.</i> .....	

\* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
PA. ....	Keystone Nat. Bank, Manheim.	M. G. Hess, <i>Cas</i> .....	A. H. Danner.
• ..	Consolidation Nat. B'k, Phila..	Edward H. Ogden, <i>V. P.</i> .....	.....
• ..	First National Bank, Plymouth.	A. K. DeWitt, <i>Cas</i> .....	J. W. Chamberlin.
• ..	Citizens Nat. Bank, Towanda..	E. O. Macfarlane, <i>P.</i> .....	Benj. M. Peck.
TEXAS..	First National Bank, Graham..	A. B. Marston, <i>Ass't Cas.</i> .....	S. R. Crawford.
• ..	Farmers Nat. Bank, Henrietta.	C. L. Stone, <i>Ass't Cas.</i> .....	.....
• ..	First National Bank, Quanah..	John R. Good, <i>Cas</i> .....	L. Simpson.
• ..	Coucho Nat. B'k, San Angelo..	Wm. S. Kelly, <i>V. P.</i> .....	John Gaddis.
WASH..	First National Bank,	Chas. Erickson, <i>V. P.</i> .....	.....
	Centralia.	Frank H. Adams, <i>A. Cas.</i> .....	.....
• ..	Fairhaven National Bank,	G. W. E. Griffith, <i>V. P.</i> .....	.....
	Fairhaven.	A. H. Clarke, <i>ad V. P.</i> .....	.....
• ..	First Nat. B'k, North Yakima..	J. R. Lewis, <i>P.</i> .....	Edward Whitson.
WIS....	First National Bank, Racine..	E. O. Hand, <i>V. P.</i> .....	Wm. H. Lathrop.
QUEBEC	Bank of Montreal, Montreal....	E. S. Clouston, <i>G. M'gr.</i> .....	W. J. Buchanan.

## APPLICATIONS FOR NATIONAL BANKS.

The following *applications* for authority to organize *National Banks* have been filed with the Comptroller of the Currency during November, 1890.

- ALA.... Pell City..... First National Bank, by Charles D. Pratt, Boston, Mass., and associates.
- GA..... Carrollton..... First National Bank, by Henry Lanier and associates.
- .. Macon..... American National Bank, by L. P. Hillyer and associates.
- .. Waynesboro... First National Bank, by W. A. Wilkens and associates.
- ILL.... Rockford..... Commercial National Bank, by B. A. Knight and associates.
- IND T.. Vinita..... First National Bank, by John H. Pinnell, Nevada, Mo., and associates.
- MD.... Cockeysville... National Bank of Cockeysville, by W. H. Buck and associates.
- MINN... Lake Benton... First National Bank, by John S. Tucker and associates.
- MO.... St. Louis..... Chemical National Bank, by Charles S. Warner and associates.
- .. Rich Hill..... First National Bank, by F. E. Carr, Nevada, Mo., and associates.
- MONT .. Castle..... First National Bank, by H. H. Mund, Billings, Mont., and associates.
- N. H... Berlin..... Berlin National Bank, by A. H. Eastman and associates.
- N. MEX. Socorro..... New Mexico National Bank, by S. M. Folsom, Albuquerque, N. M., and associates.
- N. Y... Hobart..... National Bank of Hobart, by Jacob Lawrence, and associates.
- N. C.... Mount Airy.... First National Bank, by H. C. Brown and associates.
- ORE.... Roseburg..... First National Bank, by J. P. Galbraith, Albany, Ore., and associates.
- TEXAS.. Kaufman..... Citizens National Bank, by E. S. Pipes and associates.
- .. Round Rock... First National Bank, by P. M. Cuny, Austin, Texas, and associates.
- .. San Antonio... Alamo National Bank of San Antonio, by J. N. Brown, Brenham, Texas, and associates.
- VA..... Clifton Forge... First National Bank, by J. L. Page and associates.
- .. Covington..... Covington National Bank, by J. C. Rollins, Charleston, W. Va., and associates.
- .. Glasgow..... First National Bank, by W. P. Irwin and associates.
- WASH.. Mount Vernon. First National Bank, by George D. McLean and associates.

## OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

*(Monthly List, continued from November No., page 397.)*

No.	Name and Place.	President.	Cashier.	Capital.
4452	Farmers & Traders Nat. Bank. La Grande, Ore.	M. Baker,	J. W. Scriber,	\$60,000
4453	National Bank of Tarentum.... Tarentum, Pa.	John W. Hemphill,	O. C. Camp,	50,000
4454	Lumbermens National Bank.... Menominee, Mich.	A. A. Carpenter,	M. S. Harmon,	100,000
4455	First National Bank..... Eddy, New Mexico.	Chas. B. Eddy,	H. P. Brown,	50,000
4456	Merchants National Bank..... Chattanooga, Tenn.	C. D. Beebe,	R. W. Barr,	300,000
4457	First National Bank..... Slaughter, Wash.	Chas. H. French,	E. M. Gordon,	50,000
4458	First National Bank..... Anacortes, Wash.	Fred. Ward,	Howard E. Perrin,	50,000
4459	First National Bank..... Farmington, Me.	Joseph C. Holman,	Joseph W. Fairbanks,	50,000
4460	First National Bank..... Buchanan, Va.	Mosby H. Payne,	John M. Miller, Jr.,	50,000
4461	First National Bank..... Itasca, Texas.	W. I. Hooks,	R. P. Edrington,	50,000
4462	First National Bank..... Sewickley, Pa.	R. J. Murray,	E. P. Coffin,	50,000
4463	Planters & Mechanics Nat. B'k. Houston, Texas.	W. O. Ellis,	Jas. A. Patton,	500,000
4464	Metropolitan National Bank.... Kansas City, Mo.	Richard W. Hocker,	Redman Callaway,	750,000
4465	Farmers & Merchants Nat. Bank. Hickman, Ky.	Henry Buchanan,	Robt. L. Alexander,	50,000
4466	Eastland National Bank..... Eastland, Texas.	Wm. H. Parrin,	J. T. Yeargin,	50,000
4467	First National Bank..... South Bend, Wash.	F. M. Wade,	A. L. Denio,	50,000
4468	Merchants National Bank..... La Fayette, Ind.	James Murdock,	Chas. Murdock,	100,000
4469	German-American Nat. Bank.. Aurora, Ills.	Henry H. Evans,	J. H. Plain,	100,000
4470	First National Bank..... Blaine, Wash.		Frank T. Hurlburt,	50,000
4471	Blaine National Bank..... Blaine, Wash.	H. W. Wheeler,	F. W. Power,	50,000
4472	Middleport National Bank..... Middleport, O.	S. M. Hysell,	E. C. Fox,	50,000
4473	Citizens National Bank..... Dayton, Wash.	Gustavus A. Parker,	Wm. D. Perkins,	50,000
4474	Haskell National Bank..... Haskell, Texas.	M. S. Pierson,	S. H. Johnson,	50,000
4475	First National Bank..... Webb City, Mo.	E. B. Allen,	J. H. Royer,	50,000
4476	City National Bank..... Streator, Ill.	John C. Ames,	Ezra H. Bailey,	100,000

## CHANGES, DISSOLUTIONS, ETC.

*(Continued from November No., page 398.)*

- N. Y. CITY..... North River Bank has been placed in the hands of a receiver.  
 " " ..... Decker, Howell & Co. suspended.  
 " " ..... Mills, Robeson & Smith suspended.  
 " " ..... Randall & Wierum suspended.  
 " " ..... Chas. M. Whitney & Co. suspended.  
 " " ..... R. H. Allen & Co. reported suspended.  
 " " ..... P. W. Gallaudet & Co. reported suspended.
- ALA.... Uniontown .... M. L. & C. Ernst are now the First National Bank.
- COL.... Greeley..... Hunter & West have been succeeded by Greeley National Bank.
- ILL.... Chicago..... Prairie State Loan & Trust Co. has been succeeded by the  
 Prairie State Savings & Trust Co., same officers.  
 " " ..... W. L. Prettyman reported assigned.  
 " .. Mt. Carmel.... Cowling, Gowenlock & Co. reported failed.
- IND. T.. El Reno..... Commercial Bank reported suspended.  
 " .. Guthrie..... Commercial Bank reported suspended.  
 " .. Norman..... Commercial Bank reported suspended.  
 " .. Stillwater..... Bank of Stillwater reported suspended.
- IOWA... Pomeroy .... Pomeroy Exchange Bank now Pomeroy State Bank.
- KAN.... Alma..... First National Bank is insolvent, and has been placed in the  
 hands of a receiver.  
 " .. Newton..... Newton National Bank reported suspended.  
 " .. Soldier..... Soldier City Bank has been succeeded by State Bank of  
 Soldier.  
 " .. Whitewater.... Whitewater Bank reported suspended.
- ME.... Farmington.... Sandy River National Bank has gone into voluntary liquida-  
 tion.
- MICH... Mason..... First National Bank has expired by limitation; will reorganize  
 as State Bank.
- MINN... Duluth..... Bell & Eyster's Bank reported suspended.  
 " " ..... Hall & Co. reported temporarily suspended.  
 " .. St. Paul..... Commercial National Bank has gone into voluntary liquida-  
 tion, and succeeded by the Commercial Bank, same officers  
 and correspondents.
- MO.... Kansas City.... German-American National Bank and Mercantile Bank  
 succeeded by Metropolitan National Bank.
- OHIO... Mt. Vernon.... Knox County Savings Bank reported suspended.
- PA..... Ebensburg..... Johnston, Buck & Co. reported failed.  
 " .. Indiana..... Indiana County Deposit Bank reported temporarily sus-  
 pended.  
 " .. Philadelphia... Barker, Bros & Co. reported suspended.  
 " " ..... B. K. Jamison & Co. reported assigned.
- TEXAS.. Texarkana.... First National Bank reported suspended.
- VA..... Richmond.... W. R. Quarles reported assigned.
- WASH.. South Bend.... Bank of South Bend succeeded by the First National Bank. }
- WIS.... West Superior.. Bank of Commerce assigned.

# FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, NOVEMBER, 1890.

Opening, Highest, Lowest and Closing Prices of Stocks and Bonds in November.									
GOVERNMENTS.					RAILROAD STOCKS.				
Interest Periods.	Open- ing.	High- est.	Low- est.	Clos- ing.	Open- ing.	High- est.	Low- est.	Clos- ing.	MISCELLANEOUS.
Quarterly } Mar. Jan Feb.	4½s, 1891.... reg.	104¼	103	103	—	67½	55	63¾	Northern Pacific.
	4s, 1891.... coup.	104¼	104	104	—	45¾	30	34	Do
	4s, 1907.... reg.	104¼	104	104	138¼	130	128½	25¼	Ohio & Mississippi
	4s, 1907.... coup.	124	128	119½	143¾	143¾	123¾	133½	Ohio Southern
	6s, cur'cy, 1895, reg.	113	113	109	—	18¾	15	13¾	Oregon Imp.
Jan. & July.	6s, cur'cy, 1896, reg.	115	111	111	55	58½	48¼	57½	Oregon R. & N.
	6s, cur'cy, 1897, reg.	118	118	113	—	8¼	6¾	68½	Oregon Short Line.
	6s, cur'cy, 1898, reg.	121	121	115	—	75	67	77½	Oregon & Trans-Con.
	6s, cur'cy, 1899, reg.	124	124	117	—	18½	13½	106¾	Pacific Mail
	RAILROAD STOCKS.	Atlantic & Pacific	—	5½	4½	—	113¾	100	16¾
Canadian Pacific		72	76	67	—	100	85	97½	Do
Canada Southern		111¼	113½	90	50¾	105	10½	13¼	Do
Central of N. J.		—	30¾	26½	100	15	10½	13¼	Do
Central Pacific		—	19½	15	17½	56½	48¾	52½	Do
1st pref.	Ches. & Ohio	—	54½	38	45¾	107½	102¼	106¾	St. Louis, A. & T. H.
	Ches. Do	—	128	124	—	86½	85	85	Do
	Chic. & Alton	—	—	—	—	78½	65½	77½	St. Louis & San Francisco.
	Chic. B. & Q.	90½	92½	80	91½	39½	25	101	Do
	Chic. & East'n	43	44	37	50¾	104½	92	92	Do
pref.	Chic. & St. P.	92	92½	83	—	91	83½	—	Do
	Chic. Do	56½	58	44	100	93½	89	—	Do
	Chic. & N. W.	108½	108	100½	—	112	106½	—	Do
	Chic. R. I. & P.	76	76½	61½	—	11	4	—	St. Paul, M. & M.
	Chic. St. L. & P.	—	13½	11½	17½	16¾	16	—	Southern Pacific Co.
pref.	Chic. Do	—	41¾	32	45¾	69¾	56	66¾	Sugar Refineries.
	Chic. St. P. & O.	27½	27½	19	82	101	95½	100½	Texas & Pacific.
	Chic. Do	—	82	75	—	15¾	9½	—	Union Pacific.
	Chic. Do	—	—	—	—	67½	50	—	Wabash, St. Louis & Pacific.
	Chic. Do	—	—	—	—	99	95	—	Do
pref.	Chic. Do	—	—	—	—	101	95½	100½	Wisconsin Central.
	Chic. Do	—	—	—	—	15¾	9½	—	MISCELLANEOUS—
	Chic. Do	—	—	—	—	67½	50	—	Am. Cotton Oil Trust.
	Chic. Do	—	—	—	—	21¼	16	20¾	Nat. Lead Trust.
	Chic. Do	—	—	—	—	51½	50	—	Tenn. Coal & Iron.
pref.	Chic. Do	—	—	—	—	41¾	28	33¾	Express—Adams.
	Chic. Do	—	—	—	—	17	13	16½	American.
	Chic. Do	—	—	—	—	7¼	5¼	7¼	United States.
	Chic. Do	—	—	—	—	28¾	21	—	Wells-Fargo.
	Chic. Do	—	—	—	—	17½	13	15	Western Union.
pref.	Chic. Do	—	—	—	—	58	48	56	Wheel. & Lake E.
	Chic. Do	—	—	—	—	—	—	—	—
	Chic. Do	—	—	—	—	—	—	—	—
	Chic. Do	—	—	—	—	—	—	—	—
	Chic. Do	—	—	—	—	—	—	—	—

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THE CURRENCY QUESTION.

The great concern of Congress seems to be to find a way to expand the circulation. It is true that some members clearly see that there is not the smallest occasion for issuing more, that the existing stringency is likely to pass away before any considerable sum can be added to the present volume. But the existing condition of things affords a good pretext to the believers in paper money to set up a loud cry, and they have not been slow in improving their opportunity. Not for years, indeed, have they seemingly had such a good chance to repeat their old fallacies and to delude the people with the expectation that more currency means higher prices and better times.

It is true that a severe currency stringency has existed for a considerable period, but this is largely of an artificial character, though of late there has been a hoarding of money through fear of not getting it when needed. It is unquestionably true that whenever the people become frightened over the ordinary agencies for obtaining means to make payments, they seek to strengthen themselves by the direct use of money; and from this change in the method of discharging indebtedness great monetary stringencies must inevitably follow. A people which is accustomed to settle all its larger transactions by means of checks to the extent of ninety or ninety-five per cent., cannot suddenly abandon or diminish such a system and resort to the old-fashion method of making payments in money without causing great inconvenience and loss.



That a part of this stringency is artificial is unquestionable. Individuals for several months have been borrowing money and putting it out of sight in order to create exactly the state of things which now exists. How far, if at all, the National banks have been guilty of lending to them is unknown, but Congress might well institute an inquiry to find out, if possible, whether chartered institutions, by the nation and by the States, have been guilty of thus making the people suffer for corporate advantage. The charge has been made day after day in the leading commercial papers, and which have facilities for getting information, and we have no reason to suppose that these charges are unfounded. On the other hand, a great variety of evidence exists to show that such an artificial hoarding has occurred. There is a body of persons deeply engaged in breaking down the prices of stocks for the purpose of buying them at lower figures, and in order to accomplish this purpose a tight money market is indispensable. They understand perfectly well that large quantities are carried on in margins, and that if they can make money scarce, and increase the rates, that the holders must sell, and that, consequently, they will be able to buy at their own figures. This has been the condition of the market for several months. Enormous purchases have been going on, and doubtless we shall hear that when these persons who are thus purchasing have had their fill, the money, artificially dammed up, will be let loose, and prices will advance to higher figures. This seems to be the plan, and thus far it has been executed with wonderful success. Indeed, those who are in the enterprise have been aided by a series of events for which they must be devoutly thankful. The collapse of the Barings, the mountain of stocks thrown on the market by English investors have contributed greatly to their own purpose.

When these things have passed away, and the money once more is let loose, it will then be seen that there is money enough for every one, rates of interest will doubtless fall to a low figure, people will recover from their fright of getting the means wherewith to make payments, and all fear of a scarcity will pass away. It is quite evident that we are nearing the end of the stringency, and that in a few weeks the supply will be greatly increased, and that the rates will decline as rapidly as they rose.

There is one aspect of this stringency which is unpleasant to contemplate, and that is, that the existing monetary system is such that persons can corner the money market. If an elastic system existed this would be impossible. Under the old system of State bank issues, a corner in the currency was unknown. All that a bank had to do was to get some paper, go to a printing press and issue barrels full if needed to supply the market. In

those days no one ever thought of perpetrating such a feat as we have witnessed during the last three months, and have also witnessed on former occasions. The thing would be quite impossible. Now it may very properly be asked, is there not a way of preventing an occurrence of this evil? Secretary Windom has advanced his bond plan, which he thinks is an effective remedy, but it has not met with general approval. It may be that further study of the plan will result in a more favorable consideration of it, but at present its friends seem to be few. Indeed, a plan quite similar to this has been suggested on several occasions. The interconvertible bond scheme, which was invented nearly twenty-five years ago, received a full airing at that time in the United States Senate, but failed to receive the approbation of that body. Several times since it has been introduced with more or less variations, but on no occasion has it received the support or sanction of many members. Nevertheless, the desirability of inventing some method of increasing the currency at times when more is needed, and of preventing such juggling with it by speculators as has lately occurred, is certainly a great need of the time, and the problem is well worth the most serious consideration of Congress. Neither does it follow that Secretary Windom's scheme must be adopted or none. One plan is for the Government to issue more greenbacks directly, but that, after all, is tainted with the same vice. No elasticity is produced by an exact addition—inflation simply has been effected without elasticity. The consequence of such a policy would be to drive up prices, and the country would soon be in just as hopeless a condition as it is at the present time. The dearth of money would be just as great, for the simple reason that all the business of the country having become adapted to the larger volume of circulation then in existence, there would be just as great need for more as there has been during the last few months. Therefore, this remedy is no remedy at all. It simply provides for a temporary evil and nothing more, and, as we said in the beginning, before the plates were made and the currency was issued the stringency probably would be over, and so the additional issue would only work great harm without any corresponding good.

A system exists in Germany which we think is worthy of attention. Whenever there is a great demand for currency by the Imperial Bank at Berlin, and the supply is short, the bank can issue an additional quantity on payment of a rate of interest to the Government so high that it will seek to retire this excess at the earliest practicable moment. By this system, elasticity of the currency system exists without the danger of a permanent issue of useless notes. Now, suppose the Government could issue circulation to the banks, on the deposit of designated securities, the

payment of which should be guaranteed by the Government. It will be admitted that such notes would circulate just as well as the greenbacks, for the faith of the Government would be behind them, and their payment would be certain. The banks, in return, should be required to pay the Government a rate of interest, so high indeed that they would keep out such an excess of issue for the shortest space of time, and in this way elasticity of circulation might be secured without permanent inflation. This plan would foil the machinations of the speculators by introducing ease into the currency system, and render the supply of money hereafter always ample at all times.

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## A REVIEW OF FINANCE AND BUSINESS

FOR THE PAST MONTH AND PAST YEAR.

The last month of the year is usually a "round up" of the preceding eleven, and, as such, is not expected to develop any important new enterprises or changes in the financial or commercial situation. The last month of the past year has been more than ever of this character, due in part to the unsatisfactory results of the year's business, which has probably shown a larger volume and smaller profits than any in the history of this country, and partly to the panic which culminated in November, and continued well into December, with its effects but partially removed at the end of the old year, and still left to cast their shadow into the new.

The "record of the dying year" in the financial and commercial world is therefore one which shows but little added to the wealth of the country, in the shape of profits on the first nine months' business, and from which, the losses, on the last three, has left little, if any, balance, unless on the wrong side of the year's account. The causes leading to this have been, first and foremost, Congressional interference in financial and commercial affairs by legislation which has changed or affected the basis of all values more or less seriously, and also rendered unstable the currency with which our domestic exchanges are made. The evils of the American system of taking business questions into politics, and of allowing political and party considerations to influence legislation on finance and trade, have been pointed out more than once in this article, during the past year, and contrasted most unfavorably to us, with the British system of divorcing all such matters from party politics. It matters not whether Tories or Liberals win there, at the elections, the financial and commercial policy of the British Government never changes. Hence there is

a fixed, unchanging basis of values there, which affords a safe foundation on which to build great enterprises, requiring time to develop, and by which capital is enabled to calculate upon the future of such investments, with a certainty of profitable returns thereon. But here, such investments are precluded, or rendered extra hazardous, with gambling risks, by the annual tinkering of financial and tariff laws, the biennial election of members of Congress, and a Presidential election each fourth year. Comparing these American and English policies, and applying the latter to our business conditions for the past year, who can deny that the worst of the evils from which we have suffered, would have been in great part, or wholly obviated under the British system? Certainly no one whose business has been affected by the legislation for the last year directly, and upon which it has been compelled to wait; and, probably no one who has been engaged in any business whatever, as all classes have been indirectly affected to such an extent as to make the results general.

#### CAUSES OF THE YEAR'S BAD BUSINESS.

Hence in great part the causes of the unsatisfactory character of the year's business have been artificial, and therefore needless, as the result of pernicious legislation. How much longer the business community will tolerate this making of their interests a political football, and consent to wear the party collar that galls them more and more each year, is but a question of time. The farmers of the United States have hitherto been considered the most patient political mules in the service of party. But the last election showed that even he could do some most effective kicking after his interests had been sacrificed, until there was scant fodder in his crib. The whole business community is feeding at the same crib, though the fodder is more plenty yet, in the commercial end, and hence, other sacrificed interests are not kicking so high, nor as hard as the agricultural. But the time is coming when their end of the crib will be empty, and then the politicians of both parties will be compelled, for their own safety, to consent that the entire business interests of the country, without discrimination or favor, shall be placed upon a just, permanent and equal basis, and a financial and commercial policy adopted, suitable to a country whose productive capacity has permanently exceeded its consumption, and whose chief need is wider markets and cheaper production, that will enable it to compete with other nations in the markets of the world. Who can candidly deny that the inability to do this, is the most potent and general cause for the unsatisfactory results of the past year's business? It is certainly this, that ails the agricultural interests; and it is because of this, that the Farmers' Political Alliance has risen in its wrath and might and demanded

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its rights. When the commercial and industrial interests shall join the agricultural, then will this chief disturber of the finances and commerce of the country be banished from our politics, and Congress cease to be a continual menace to our business interests. The danger, however, is, that, as in the case of the farmers, those industries, now oppressed, will demand the same radical and dangerous class legislation in their interests, as we saw at the last session of Congress, when the silver producers and the farmers joined hands and changed the basis of our currency, which has done so much to disturb confidence in the future, and to unsettle present values of commodities. From one extreme to the other seems to be the law of human society; and if this country escapes the operation of this law, it will be because there is a general and honest movement made by all interests to settle this vexed silver and currency question, and the tariff and industrial problem, upon a fair and lasting basis, once and for all. Unless this is done, the history of the year 1890 is likely to repeat itself until all interests alike will become so tired of, or so crippled by this continual reprisal, that they will at last be ready to meet upon a common and natural basis, in place of the present special and artificial one, so unsatisfactory and so unprofitable to all but the few favored interests. These may, therefore, safely be set down as the causes of the unprofitable business of the first nine months of the year, while short crops here, and the Argentine panic in London, added to the above, have caused the serious shrinkage in values and heavy losses of the last three months of 1890. If this is a true diagnosis of our troubles, we are by no means through with them, although, with a removal of the financial danger from London, and an easier money market, it is equally safe to trust that we have seen the worst, as a whole, notwithstanding the effects of the short crops have not yet been felt, especially by the railroads, as seriously as they will be in the last half of the crop year, into which we have now entered.

#### THE RAILROAD SITUATION,

to which this brings us, is now the chief new disturbing element outside the proposed financial legislation by Congress, above alluded to. To remove this, a new "Gentlemen's Agreement" has been formed of which as much is said and hoped as of the old one, made two years ago, only to be broken, as all such agreements are, no matter by whom made, when there is not enough business for all; as is the case, when the crops are short. The railroads are then in the position of a merchant doing business on borrowed capital. His notes and interest must be paid, or his paper must go to protest, and to meet them he must sell something; and, if not at his, or the market price, then at the best price he can get, no matter what his neighbor is getting, nor what the article sold has

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cost. So now, the railroads with their overcapitalization and floating debts, must get business, if not at schedule rates, then at the best rates they can, or stop dividends on the strong, and interest on the weak roads. These Grangers have been unable to maintain rates on the big crops of last year; what, then, is the prospect of their doing so this year, with short crops? If this "Gentlemen's" new rope of sand is any stronger than the last it is not observable, for it is made of the same material, under less favorable conditions. That they must get better rates or earn less this year, however, is plainly observable to the public, which refuses to buy their securities, even with the prospect of an easier money market, and with prices so low that at their present rates of dividends the investment is very tempting in many cases. Wall Street speculators also take the same view as investors, and refuse to buy these stocks or those of the Trunk lines, in spite of the glittering bait thrown out by the Vanderbilt Lake Shore property, in the shape of an extra dividend of 1 per cent., in addition to 1 per cent. increase in the "regular" dividend. Wall Street did not bite, as it has been too often bitten by these same railway managers. At the same time Gould's stocks keep sagging, while the Vanderbilts are unable to sustain theirs, and it is hinted that dividends on some of his southwestern properties will soon be things of the past. The Transcontinental roads are in much the same shape as the Grangers, although they have joined the "Gentlemen's Agreement" this time. The Southern roads seem to be about the only system that have enough business in sight for the next six months, for the cotton crop is turning out ahead of the estimates of the largest crop ever raised, while general traffic is equal to a year ago in that section generally. The Trunk lines advanced rates on the close of navigation; but, with the small movement of the crops into export for December, owing in good part to the money market being so close as to stop advances on shipments in transit, this system of roads have been earning little if any more than when the canal was open and rates very low. With a harder winter this, than last year, when there was practically no snow and no blockades, the expenses of all Northern systems will be increased, while their traffic is diminished; and, even with curtailment in ordinary expenses, it is difficult to see why the Trunk lines' earnings will not also fall behind a year ago. Thus the railroad outlook is not brilliant. Besides, ten only of the sixteen roads represented at the last "Gentlemen's Conference" in this city, have yet signified their acceptance of the proposed agreement. Of the six still out, the Chicago & Alton is one, as it was in the first agreement, by which it refused to be bound, in part, because some of those roads joining it, as usual, only did so in order to get their competitors to observe it, and hold rates up for them to cut

and get the business; and, in part, because the Alton was in a more independent position than any of its rivals, from the fact that its capitalization is smaller, having been originally built for cash, and honestly managed since by its chief owners, who have never injected water into its stock, and does not require these makeshifts, by reason of its financial necessities. This of itself teaches two lessons to those railway managers composing the "Gentlemen's Association," the first being, that honestly built and managed roads could never have been brought to such financial straits as to require such artificial means to keep them out of bankruptcy, and the second, that the only lasting remedy for existing evils is to eradicate their cause by consenting to scale down their securities until the original water is squeezed out of them. Then let them make an agreement with the States chartering them, to charge rates to cover only a fair return on the capital actually invested, in exchange for a law that shall prevent paralleling of their lines for speculative or blackmailing purposes, before there is sufficient traffic to require additional facilities. Such a law as this, has prevented in Germany, the evils from which both the public and the railroads have suffered so severely in this country.

#### THE MONEY MARKET.

however, has been the present controlling factor, in both financial and commercial circles, during the past month, as it was in November. But the stringency has been gradually decreasing and rates growing easier in the great financial centers, particularly in this; but commercial circles have yet found only partial relief from the closeness of money, that continued until the middle of the month, since when commercial paper has been taken again by the banks, in moderate amounts, at from 6 to 8 per cent. for first-class double named paper. Indeed, since the worst of the panic was over, the city banks have adopted the policy of taking care of the mercantile community in preference to the speculators, and Wall Street loans have decreased, while those to the general business public have been extended. Another reason for increasing loans to merchants has been the anticipation of heavy January disbursements, which are estimated to amount to about 90 millions of dollars in New York, 12 millions in Boston and 10 millions in Philadelphia, making an aggregate of 112 millions for the three financial centers of the East, without taking into calculation Baltimore, or the Western and Southern financial centers, which are estimated to swell the total for the country to \$160,000,000. By reason of this, and the easier condition of money on the other side, a lower loan market, after the new year has been partially discounted, and many bankers have been ready to place their money in advance on unquestioned security;

hence, loans have been made quite freely for three to six months during the two last weeks of December, and in some cases for nine months and a year by trust and insurance companies. The bank reserve, meantime, has been increasing, partly from return of money from interior points and reduction of speculative loans, but more especially from the imports of gold, made during the middle of the month; hence, the increase in reserve has been largely in gold, which has led to the belief that the hoarding of this coin during the panic had not only ceased, but that gold was coming again into more general circulation. Yet this increase does not account for the total amount imported, which leaves it a matter of speculation whether the late hoarding has been followed by a restoration of gold into circulation. The effects of the panic, therefore, seem to have pretty much disappeared from the surface of financial and commercial affairs at least, and no further general or serious trouble is anticipated on the other side or here, although there will doubtless be continued failures of houses crippled by the late shrinkage in values, who have been able to bridge over their troubles by temporary loans, which are constantly falling due. The amount of liabilities of Wall Street houses that failed in the late panic has reached nearly 27 millions of dollars, with nominal assets of about 29 millions; but the actual assets fall far below the liabilities in most cases, and in many are not yet ascertained. These liabilities include, of course, the capital stock of the firms that went down.

The sterling exchange market has been subjected to frequent and radical fluctuations during the month, owing to the increased supply of cotton, and also of bankers' bills, drawn in payment of stock sold here by London during the first half of the month. These conditions changed, however, when the imports of gold ceased, owing to the advance in sterling exchange on the re-buying of stocks for London later on, together with a smaller supply of commercial bills, owing to decreased exports after the middle of the month.

At the close, call loans on the Stock Exchange have been from 3 to 6 per cent., but banks and trust companies have generally maintained 6 per cent. as the minimum rate, while the Clearing House Association banks were again offering call money on the Stock Exchange for the first time since the panic. Clearing House certificates have also been reduced, and are being gradually taken up, the amount issued having been about 15 millions. At the close, however, the demand for time loans is less urgent, as borrowers anticipate lower rates after the new year, and provided for their temporary wants by call loans instead. Six per cent. was the closing rate on prime collateral for loans running from four to eight months. But trust companies, rather than discount banks, have been the chief lenders of time money. The Bank of England has



not raised its rate, notwithstanding a considerable loss of specie during the month, while Paris, Berlin and Frankfort have remained unchanged. During the last week in December, special Treasury payments added about 5 million dollars to the money in the New York banks. It is an open secret that the banks of this city, in making out statements of their condition on the 19th of December, in answer to the call of the Comptroller of the Currency, entered the Clearing House certificates held by them, among their assets, while others placed them among their liabilities. This fact has caused a good deal of discussion in bank circles, and some insinuations, if reports are true, by the banks which entered them among their liabilities, who claim that those which placed them among their assets, have made their condition appear better than it really was, by double the amount of these certificates held 'by them. In view of this fact, and of the confusing character of such statements, even if they are not misleading, it is to be hoped that Comptroller Lacey will make a ruling on this point, as a precedent in the future. It might also be of interest for him to inquire if these banks, which classed these certificates among their assets, also counted with them, their notes, pledged as collateral with the Clearing House, for these certificates. Advices from the West report that the country banks are also getting in easier shape; that collections are being made quite promptly again, and that no further trouble is anticipated from that quarter. There seems to be little prospect at the close, either for immediate imports or exports of gold, unless some new trouble arises to upset the market for money or sterling exchange again, or our exports unexpectedly increase.

#### THE FOREIGN TRADE

statement of the Government Bureau for the month of November showed an excess of exports over imports of \$24,335,463, made up of the excess of \$25,207,576 exports of merchandise, and \$487,136 excess exports of silver less an excess of imports of \$1,359,247 of gold. For the same month in 1889 the excess of exports over imports was \$34,949,138, made up of the excess of \$34,719,042 exports of merchandise, and \$1,428,121 excess exports of silver, less an excess of \$1,198,025 imports of gold. During the early part of December the clearances of breadstuffs, provisions and cotton showed a material increase, owing largely to the heavy shipments against forward purchases made before the panic, and to the anticipation of higher rates of rail freights from the West, after the close of inland navigation, but during the latter part of the month these have fallen off again, indicating fair average exports only, for the month of December. Imports have continued larger than expected, in view of the anticipation of the Tariff Bill in September, when the wants of some trades were anticipated for six months, and in cases for a year ahead

on staple goods. The imports since the 1st of October have largely been composed of season goods, ordered or manufactured since the passage of the Tariff Bill. It has been estimated that the duties still unpaid on dry goods in bond will amount to eight millions of dollars at the lowest figures. It is admitted by people well posted in the dry goods trade, that ladies' all-wool fabrics in solid colors, and velvets, are held here in sufficient amount to supply the trade for six months, at least, if not for a year to come. The condition of the domestic dry goods trade is mixed. The woolen manufacturers are mostly accumulating stocks on a dull and unsatisfactory market, except for ladies' fancy dress goods, which have been in good demand, and the manufacturers are well sold up at remunerative prices. Cotton goods manufacturers have also an overproduction on hand of nearly all classes of goods, except those denominated heavy cottons. Muslins are in full supply, and prices barely paying cost; print cloths are in a very depressed condition, and the stock on hand about three times greater than at the corresponding time for the last two years, or than an average.

#### THE IRON AND COAL TRADES.

The iron trade has shown very little change during the month, and that not for the better, as it has been in an unsatisfactory condition, except in certain specialties. All branches dependent upon railroad construction and equipment, especially that for steel rails, have been exceedingly dull, and prices in favor of the buyer, though no marked declines have been reported. Pipe and structural iron have been in the best demand, and prices generally sustained.

The coal trade has improved during the latter part of the month on better demand for domestic sizes since the cold weather set in, and the weather prophets have been predicting a severe winter; but stocks previously on hand, and the increased output by some mines have kept prices from advancing materially, notwithstanding the freer movement. In bituminous coal the supply is still behind the demand, while the trouble in transporting coal on the other side, owing to the railroad strikes, has somewhat increased requirements here for foreign lines of steamers, who are taking a larger proportion here and less on the other side in consequence. The manufacturing demand for coal has continued about as before, with very little change in prices, as there has certainly been no increase in the demand.

#### THE PRODUCE MARKETS

have been dull and generally depressed during the month, as the late stringency in money had advanced the carrying charges to a point that has checked speculation for the long account, and encouraged short selling, notwithstanding the esti-

mates of the crops continued to show as large deficiencies as previously, while stocks, both on this and the other side, are small for the season of the year, and are generally beginning to show a decrease. The same cause—tight money—has produced the same cautious policy on the part of buyers of actual stuff, and stocks in second hands are very small, as this buying from hand to mouth has been pursued now for over two months, and all classes of trade have reduced their holdings to the lowest possible point previous to the January settlement. The same conditions having existed on the other side, have produced the same result, and the export, as well as home trade, is expected to show material improvement after the new year, though stocks there are larger than a year ago, when they were smaller than usual. On the other hand, the necessities of farmers for meeting their January payments and close money have caused a freer movement of grain from the interior to the primary markets, which has depressed prices on the spot, in the absence of speculation or cash demand. Cotton has been influenced in the same way, while the estimates of the crop have been rather increased than reduced, owing to the full movement from the interior. As a result, prices have shown a considerable shrinkage here during the month, although Liverpool has been better sustained. The stock at Southern ports is now nearly 900,000 bales, and at interior points 500,000, against about 750,000 and 390,000 respectively a year ago. The total movement of the crop thus far this year is about 300,000 bales larger than last year to same date, which seems to bear out crop estimates.

#### OTHER MARKETS.

Speculation in petroleum has remained practically dead, although the business in refined for export has increased, as usual at this season of the year. The decrease in exports of this staple from Russia has also tended to increase the demand from here, her exports having been the lowest for the month of October during the last ten years. Prices have been firmer also on the cold weather, and the material curtailment of development work in the field and the reduced stocks of crude in this country.

The sugar market is in an unsettled condition, partly owing to the proposed increased tax on exports from Cuba of 10 cents per 100 kilograms, while the crop of the West Indies is large, and condition fine, with harvest earlier than usual, owing to the cool weather prevailing. In this market the equally unsettled status of the Sugar Trust, owing to its reorganization and the opposing litigation, renders operations in this market of the hand-to-mouth character, with the future of prices uncertain. It is now nearly two years since this concern, created in violation of

the law, in order that it might evade it in the management of its business, was declared an outlaw by the Supreme Court of this State, and more than six months since its appeal from this decision was overruled by the Court of Appeals and the Supreme Court sustained. Yet its business is going on under this same outlawed management, in defiance of the law.

H. A. PIERCE.

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## FINANCIAL FACTS AND OPINIONS.

*The Banks and the Speculators.*—In the early reports of the Comptroller of the Currency frequent mention was made of the conduct of the banks in lending money to speculators, and it was severely condemned. It was well understood that the money loaned on call was for speculative purposes, which in effect was the withdrawal of that amount from the mercantile classes. The several Comptrollers maintained that the object of the banks was to assist the mercantile classes, and that they had no right to lend any portion of their funds to the speculators. Statistics usually accompanied these criticisms, showing the amount of money thus loaned on call, and giving point to the practice. The Comptrollers seem to have grown weary after a time of reminding the banks of their evil doings, and ceased. Perhaps a new grievance has arisen in the tying up of money, of which so much has been said of late. Have any banking institutions been guilty of lending money to persons who have thus deliberately withdrawn it for the purpose of making a stringent money market? The conduct of such borrowers must be clearly distinguished from those who have been collecting money and putting it away through fear of not having a supply to meet their obligations when they mature. They, indeed, may be fully justified in doing this, while the others, who have been taking the money from the market in order to produce a stringency and to demoralize business generally, are not. It is said that a very large borrower went to a bank or trust company and wished to make a loan for an enormous amount, and when asked what security he would give, replied, "The money itself"; in other words, he simply wished to lock up the money, and nothing more. If a bank has loaned money to such persons, the practice cannot be too severely condemned, and the State or nation which chartered such a bank cannot look too quickly into its conduct. The practice cannot be upheld on any grounds, and a bank that would do such a thing ought not to live for a moment. Every one realizes that by thus taking money out of the channels of circulation business is demoralized, and no good can possibly come from such an operation. It would be a timely

inquiry for Congress to undertake, and if the National banks are proved to be innocent of this practice, they will stand stronger in the public regard than ever. At all events, no possible harm can flow from such an inquiry.

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*The Interconvertible Bond Scheme.*—The need of establishing an elastic system of currency is unquestioned, and any other is likely to prove inadequate, for the reason that, so long as a fixed amount exists, whether this be great or small, the business of the country will become accommodated to it; and then it will be just as easy to corner the money market as to corner the market in wheat or any other product. The interconvertible bond scheme is to remedy this defect, but we are not sure that it would accomplish this result. Those who have studied the plan the most carefully think that those who desired to lock up money could accomplish their purpose just as well under this scheme, perhaps even better, than they could if a fixed circulation existed. The *New York Tribune*, for example, says: "Suppose that last August and September the proposed interconvertible bond scheme had been in operation. The powers of money manipulators would have been increased tenfold. The twenty-five or thirty millions which were withdrawn from circulation ceased to draw any interest. With the privilege of depositing the same amount with the Treasury, and receiving therefor a bond bearing any rate of interest, there would have been that saving on the amount locked up; but the operation need not have stopped there. With the bond in hand for the first 'investment' there would have been collateral upon which at any time money, if obtainable at all, might be reinvested under any interconvertible scheme which it is possible to propose. So the game might be played till the entire loose cash of the country was finally locked up in the Treasury, and the Treasury was paying out interest for money on call for which it had no use, and could not repay till called for. The same use might be made of the savings banks, except that they limit the amount of individual deposits. This country wants no interconvertible bond scheme, unless its avowed object is to give to money manipulators a greater power for evil than they ever before possessed."

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*The Government as a Banker.*—The farmers in the West, especially, as though the Government had not enough to do already, are very desirous that the Government should engage in the banking business, and supply them with all the money they desire at two per cent. interest. With the money thus obtained they would pay off their loans. There are all sorts of difficulties surrounding this scheme, so great, indeed, that the farmers in Michigan at a recent meeting were not slow in condemning it. Passing by the dangers

of making unwise loans in which the money would be lost, one of the most serious evils would be that of excessive borrowing. Even at the high rates of interest which the farmers have contracted to pay, they have borrowed too much, and this is one of the reasons why they are suffering at the present time. If the rates were lower, the temptation to borrow more heavily would be increased, and in the end the burden of indebtedness would be just as great, or greater than it is now. What would be the difference in the farmer's burden if he borrowed one thousand dollars at eight per cent. interest of a bank or trust company, and four thousand dollars at two per cent. interest of the Government? His burden would be the same in each case, eighty dollars, and this is precisely what he would do if the rates of money were made very low. We do not assume that the farmers are any worse than any other class in the community; we are simply making deductions from common experience. We know it is the experience of the world that the lower the rates of interest the greater is the temptation to borrow, not only for speculation, but for all kinds of purposes. Why is our country in a state of semi-panic at the present time? Because people have been building, buying and investing far beyond their means. And why have they done these things? Because there was a great deal of money to be had at low rates of interest. Who is engaging in new operations now except those who are sure of profits in the near future? Had a little more of this intelligent caution animated people in years past, we should not have been in our present demoralized condition. Therefore, we contend that low rates of money are not always an unmixed blessing. They may be a very bad thing. If the rate be low and the money is wisely used, of course it will be a good thing for the borrower, but if he is tempted to do things he ought not, a low rate may ruin him. We fear that a low rate for money means quite as frequently an unwise use of money as a proper use of it. Such, certainly, is the teaching of experience, especially in our own country. We do not think, therefore, that the farmers would be such gainers from two per cent. money as they imagine.

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*A Novel Plan for Coinage.*—General Berdan has written a letter to Francis Newlands, chairman of the National Silver Executive Committee, proposing a novel solution of the silver coinage problem. The scheme is to make a dollar of gold and silver, mechanically combined, by first making a silver coin worth twenty-five cents, with a hole in the center, and then pressing a plug of gold in the hole that is worth seventy-five cents, the number of grains of silver employed to be fixed by Congress. Such a dollar, he contends, would not only do away with the serious ob-

jections raised by all to the weight and size of the present silver dollar, but to the smallness of the gold dollar also.

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*Domestic Exchanges.*—In his valuable report, the Comptroller of the Currency, Mr. Lacey, has devoted a considerable space to this subject. Formerly, the cost of exchange in many parts of the country was very great, which was a serious loss or tax on business. The high rates were the consequence of the imperfect conditions of credit. The improved currency and banking methods are manifest in no other way more plainly than in the lower rates for exchange charged by the banks in all sections of the country. Comptroller Lacey's statistics are well deserving of thoughtful study.

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*Western Farm Mortgages.*—A Boston newspaper, *The Beacon*, which for a considerable period has given special attention to this subject, notes that at a recent meeting of the Farmers' Alliance of Kansas, it was shown that of thirteen thousand farmers in the State only 7,500 were the owners of unincumbered lands, and of these one-half had given chattel mortgages. There were in the State 2,100 tenant farmers on lands formerly owned by them but which have been lost by foreclosures, and 4,400 more who have deferred payment of interest, and, consequently, may have their lands foreclosed at any time. This certainly is a bad showing for Kansas farmers.

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*Protection to Importers.*—The latest phase of National legislative protection is perhaps the most ludicrous that has ever happened in the history of our country. The importers, believing that the effect of the McKinley bill would be to advance prices, imported enormous quantities in order to make large profits from the law. It now happens that they find themselves unable to pay the duties on these goods, which must be paid before they can be taken from the warehouses where they are stored and sold. On the other hand, the time is drawing near for taking them from these places, and so, in order to protect the importers, it is proposed that the time be extended for keeping the goods thus imported in bond. So we have this curious state of things. A law has been enacted to protect manufacturers from foreign importations, and now a law is to be enacted to protect the foreign importers from the demands of the Government. It ought to be said, however, that the reason for the ready acquiescence of the American manufacturers in the proposed legislation is, if the bonded period is not extended the importers will be obliged to put their goods on the market for whatever they will bring, and prices are likely to fall, with the consequent effect of lowering the prices of American products. For once, therefore, the American manufacturer finds himself in the same boat.

as it were, with the importer, and consequently both are ready to co-operate to preserve each other from mutual disaster. It is nevertheless a curious piece of legislation, and one may naturally inquire how far shall protection go, and if the policy be adopted is there any legitimate limit? Is not the importer living in this country, and who may be as full-blooded American and just as much entitled to protection in his business as the manufacturer of products? The producer in silver declares that he is just as worthy of consideration as the manufacturer, while the farmer, in turn, thinks it is time that something was done for him in the way of furnishing him with money at lower rates of interest, and who shall deny their contention. The serious fact is this: As our country has grown in population and resources and largely diversified its industries and business pursuits, the policy of protection has become wonderfully complicated. This policy, which was a very simple one fifty or seventy-five years ago, is not so any longer. It is evident that the largely diversified pursuits of the country must lead to great legislative changes, or else to the adoption of the policy of restricting the field of legislation. In other words, the hopelessness of trying to protect or care for all, and the evident necessity of exercising justice to all, must lead to a radical departure in legislation of this character.

*The Hoarding of Gold.*—One of the evil results of the agitation for the free coinage of silver is the hoarding of gold. It can hardly be questioned that if such a policy was adopted gold would command a premium; in other words, free coinage would have the effect of shifting the ordinary standard of prices from gold to silver. This is so generally believed that those in possession of gold are slow to part with it, and instances are coming to light in which persons are getting gold certificates for their deposits in order that they may profit by the premium which gold will command in exchange for silver. A worse effect from the demonetization of gold will be an enormous contraction of the currency, unless, in addition to the silver that would be forthcoming, the Government printing presses should be set to work and a few hundred millions of greenbacks be added to supply the place of the gold withdrawn. Nothing is clearer than that every one having gold will seek to get the profit arising from the change, while the Government would be a loser, as it could hardly do otherwise than to continue to redeem greenbacks until the gold supply was exhausted. It is to be hoped that the evils of this measure will be seen in time.

*Real Estate Speculation.*—Speculation always goes in great waves. This is just as true of speculation in real estate as in speculation



in railroads or stocks. We have our land booms, as we call them, when the prices of real estate rapidly advance in various places. While the boom lasts every one thinks he is making money; when the reaction comes and values fall away, then the holders are generally richer in wisdom, if not having so much money. The *New York Daily Commercial Bulletin* remarks that a reaction in the prices of real estate in New York City has set in. The following statement of the number and value of new buildings applied for to the New York City Government during late years will show that there is some reason for apprehending such a result:

Year.	Number.	Value.
11 months of 1890.....	3,363	\$71,128,787
12 months of 1889.....	4,207	69,504,872
12 months of 1885.....	3,368	45,374,013
12 months of 1881.....	2,668	43,391,013
12 months of 1880.....	2,252	29,115,325

Such an increase within such a brief period is so entirely out of proportion to the concurrent increase of population as to leave no possible room for doubt that this branch of enterprise has been egregiously overdone. This large anticipation of the building requirements of our city population can have only one effect upon the value of real estate; and those who built for speculation and upon the largest obtainable mortgages can hardly be expected to escape loss. Speculative builders, who build for quick realization and upon comparatively short loans, will be especially exposed; but, as many of them have made large profits, they may, in such cases, ultimately come out with only a partial loss. What has happened in this city is only a specimen of what has been more or less general throughout the country, but especially at points which happen to have been favored with an unusual development of business.

*The Example of the Bank of France.*—We have published elsewhere an interesting article concerning the methods of banking in France which is worthy of study. The question raised by the example is this: Is a country better off with a large amount of money and few banks or smaller banking facilities, or with ample banking facilities and a small amount of money? In France, there is a large amount of currency per capita; on the other hand, the people depend far less on bank checks and other instruments for discharging their indebtedness than we do. In the first place it requires a great deal of labor to extract gold and silver from the earth, and if the facilities or means for making interchanges and payments can be provided in quicker and less costly ways is it not desirable to adopt such methods? In other words, our metallic currency is a very costly thing to produce, and if by adopting banking methods we can effect our interchanges and settlements at a less cost and in an equally safe

manner, is not this a great gain? Comptroller Lacey, in his last very instructive report, has shown that about ninety-five per cent. of all the payments in New York are made by means of checks, which in the final analysis is simply the setting off of one debt against another, and if the two debts are not of the same amount, the balance is discharged in money. These debts are brought to the Clearing House and the amount of money needed to complete their liquidation is usually very small. The banks, therefore, are a wonderful agency for effecting the discharge of payments without the use of money. On the other hand, when only a small amount of money exists there is constant danger of the impairment or destruction of credit, or of the ordinary machinery for discharging indebtedness, and when this occurs great suffering follows. We are passing through a crisis of this kind. The banking facilities of the country have become impaired, people are afraid that these institutions will not be able to enable them to effect their ordinary payments, and so they are obliged to resort to the use of money, which was the only method before the invention of banking institutions. But to get enough money to do the work which the banks have been doing is no small matter. The supply is grossly inadequate for the suddenly enlarged uses, and so the dearth of money has become universal. This is the other side of the question, and so we have the problem clearly before us. Which policy, on the whole, is the wisest for the country to pursue—the policy of a large amount of money with less dependence on the banks, and with less danger of monetary panics, at the heavy cost involved in getting this money; or the opposite policy of an economical currency, costing but little money or effort, with a larger dependence on banking institutions to effect the discharge of the ordinary indebtedness of the people? No one is able to pronounce a snap judgment on this important question. Just now, many say, let us have more currency, and for the future depend less on banks than we have been doing; while many contend that the present policy, after all, is well enough, as the monetary stringency will soon pass away.

*The African Steal.*—So much of the contention over Africa is made by England, Germany, Portugal and Italy, that comparatively few people may know that France has a larger part of the Dark Continent under her control than any of these countries and than any other power. The figures given by a geographical authority are, in round numbers, 2,300,000 square miles for France, against 1,909,000 for Great Britain, 1,036,000 for Germany, and 775,000 for Portugal. The Congo Free State has about a million square miles, and Egypt is left out of the reckoning. It is true that a large part of the French area is in the western part of the

Sahara; still the figures explain the great interest which the French Republic is taking in its African affairs. During the last sixteen years the European powers have increased their holdings on that continent about sixfold, and there is still a little matter of two and a half millions for them to annex, when it is found to pay for the trouble.

*Exportation of Gold.*—When Mr. Birchard was Director of the Mint he urged the enactment of a law for the exchange of gold coin for gold bars. The object of this law was to prevent the exportation and melting down of the United States gold coin. The present Director of the Mint asserts, however, that the law has had precisely the opposite effect from that intended.

"The movement of specie from one country to another does not always occur only in the settlement of balances of trade, but other causes operate to produce such a movement, and when gold is needed it is generally drawn from countries where it can be most readily and economically secured. Among these special causes which operate to cause a shipment of gold may be mentioned the necessity of sustaining bank reserves, the placing of new loans, as illustrated in the case of Brazil and the Argentine Republic within the last year, and the resumption of specie payments. At such times, now that ocean transportation is so cheap, the gold needed is naturally obtained where it can be most readily and economically secured, and without creating financial disturbances. The cost of transportation and insurance on gold between New York and Europe, taken in connection with the difference of  $1\frac{1}{2}$  pence per ounce between the purchasing and selling price of gold at the Bank of England, renders it unprofitable as a monetary transaction to ship gold from this country to London except the price of sterling exchange approximate \$4.89. And yet, during the present summer, we have witnessed the remarkable occurrence of large shipments of gold from New York to London when sterling exchange was as low as \$4.87  $\frac{3}{4}$ . showing that gold was needed for specific purposes, and than it was obtained from the United States because of the readiness and economy with which it could be secured. The shipment of gold rather than the purchase of exchange is, as a rule, decided on a very narrow margin of profit, and it is my belief that the decision of the question whether it is more profitable to buy exchange or ship gold is solved largely by the facility with which gold can be obtained in New York City and the net result of such shipments on the other side of the water. Undoubtedly it is cheaper to ship bars than coin, if for no other reason, for the very simple one that bars are of full weight and lose nothing by abrasion *in transitu*. The fact that gold bars are generally at a premium in New York over coin shows conclusively that they are preferred for export. It would seem to follow, therefore, that when the margin of profit between the shipment of gold and the purchase of exchange is small, shipments might be deterred if shippers were required to obtain coin or pay a premium for bars."

The Director, therefore, recommends the repeal of the Act above mentioned, or at least to be so modified as to make the exchange of gold bars for gold coin discretionary with the Treasury Department, and the imposition of a small charge equivalent to the cost of making bars when they are intended for export.

*Decline in Railroad Values.*—The following table shows the decline in the price of many of the leading railroad stocks during the last six months. Since May or June they have been receding with an unpleasant uniformity. Yet our country is increasing so rapidly in population and business that certainly all the better managed railroads will not long remain under a shadow. It is well understood that the decline is due, to a considerable extent, to excessive railway building; but when the country along the new extensions is improved, their income, of course, will increase, and in the end these investments, in most cases, will pay. So far as the decline is due to mismanagement, the remedy is easier and quicker by simply substituting better officers for the present ones. In any event, those who regard the present decline as permanent take a wrong view of things:

<i>Stocks.</i>	<i>Highest Price Last Spring.</i>	<i>Lowest Price Dec. 8.</i>	<i>Loss in Value.</i>
Atchison, Topeka & Santa Fe.....	\$50,746,373	\$25,626,919	\$25,500,052
Canada Pacific.....	54,762,500	44,525,000	10,237,500
Cleve., Cin., Chicago, & St. Louis....	21,898,299	15,110,508	6,787,791
Chicago & Northwest.....	36,711,494	30,749,798	5,961,696
Chicago & Northwest pref.....	33,053,136	30,038,154	3,014,982
Chicago, Milwaukee & St. Paul.....	36,649,207	20,769,802	15,879,405
Chicago, Milwaukee & St. Paul pref....	27,090,836	21,277,823	5,813,013
Chicago, Rock Island & Pacific.....	44,771,320	30,462,960	14,308,360
Chicago, Burlington & Quincy.....	85,170,055	64,068,505	21,101,550
Chesapeake & Ohio.....	11,727,450	6,668,550	5,058,900
Central Pacific.....	24,820,000	19,645,000	5,175,000
Delaware, Lackawanna & Western.....	39,161,000	32,215,500	6,945,000
Delaware & Hudson.....	42,875,000	32,340,000	10,535,000
Erie Railway.....	23,010,000	13,357,500	9,652,500
Erie Railway pref.....	5,933,145	4,012,343	1,920,802
East Tennessee, Virginia & Georgia....	3,162,500	1,787,500	1,375,000
East Tenn., Va. & Ga. 1st pref.....	8,910,000	7,850,000	2,060,000
East Tenn., Va. & Ga. 2d pref.....	4,041,250	2,543,500	1,497,500
Illinois Central.....	47,620,217	37,488,259	10,131,958
Louisville & Nashville.....	44,400,000	32,049,000	12,360,000
Lake Shore.....	56,453,643	49,961,165	6,492,478
Michigan Central.....	19,628,264	15,552,706	4,075,558
Missouri Pacific.....	37,649,297	25,178,710	12,470,587
Missouri, Kansas & Texas.....	9,571,030	5,046,540	4,524,490
Missouri, Kansas & Texas pref.....	4,046,250	2,275,000	1,771,250
Manhattan Consolidated.....	27,957,887	22,342,414	5,615,473
New York Central & Hudson.....	99,265,413	85,180,456	14,084,967
New Jersey Central.....	23,938,522	17,325,156	6,613,366
Norfolk & Western.....	1,741,250	910,000	831,250
Norfolk & Western pref.....	17,921,250	13,905,000	4,016,250
Northern Pacific.....	19,355,000	9,310,000	10,045,000
Northern Pacific pref.....	31,843,146	21,450,194	10,392,952
New York, Ontario & Western.....	13,220,931	8,135,957	5,084,974
New York & New England.....	10,450,000	5,650,000	4,800,000
Ohio & Mississippi.....	5,150,000	3,575,000	1,575,000
Oregon Navigation.....	25,950,000	18,240,000	7,710,000
Oregon Short Line.....	13,906,578	4,461,242	9,445,336
Oregon Transcontinental.....	20,094,100	3,815,946	16,278,154
Pacific Mail.....	9,475,000	5,415,000	4,060,000
Philadelphia & Reading.....	19,089,965	10,334,362	8,755,603
Richmond & West Point Terminal.....	19,775,000	9,161,250	10,613,750
St. Paul, M. & M.....	23,000,000	18,400,000	4,600,000
Southern Pacific.....	38,963,617	29,763,874	9,199,743
Union Pacific.....	41,542,751	24,347,400	17,195,351
Union Pacific, Denver & Gulf.....	12,032,314	5,373,668	6,658,646

*An Elastic Currency.*—Just now new schemes are in vogue for creating an elastic currency. The following plan, which is by a correspondent of the New York *Tribune*, in some regards does not differ from the plan which Senator Farwell has been urging in the United States Senate.

Keep our present National bank system, but allow National banks to deposit as security good State or municipal bonds. A commission could be easily selected, who could name a list of securities as good to all intents and purposes as Government bonds. Take, for example, the bonds on which the millions were borrowed that built our aqueduct—why are they not a good basis of circulation? The same may be asked of similar securities, State or municipal, all over the country. Then, make the charge on circulation only sufficient to meet expenses and allow the banker to increase or retire his circulation as the exigencies of his business require. The National banks did us good service in war times and for many years afterward, and their history has been one of unexampled safety to depositors, and if now placed in position profitably to issue circulation they would quickly relieve us of money stringency without involving any dangerous money legislation. By this method we should put the expansion or contraction of the currency in the hands of our most conservative and at the same time most far-sighted business men, who would call neither for more nor less currency than their community needed. It would be safe, amply secured, and the same care as now exists would be taken in making loans, as the loss, if any, would fall on the banks. Besides, it would represent the interest of every important city and town throughout the country.

*How to Settle the Currency Problem.*—The New York *Daily Bulletin* suggests the appointment of a commission to consider the subject. It says: "Let Congress appoint a commission, whose function it should be to elicit testimony and to carefully deliberate upon the whole question of United States currency, with a view to recommending such modifications as are best calculated to insure—(1) the greatest possible economy of capital outlay upon the instruments of exchange; (2) the sure maintenance of our money—other than gold coin—upon a constant parity with gold; (3) provision for the expansion of the volume of money to whatever extent may be at any time required for the convenience of trade and banking; and (4) effective provision for automatic contraction when the volume is redundant, through an economical system of redemption of note issues; (5) it being understood that the currency should be made to the utmost possible extent exempt from connection with, interference from, or regulation by the Government. Such a commission might consist of say thirty members, more or less, selected in proper proportions from members of Congress, bankers conspicuous for their theoretical knowledge as well as administrative ability, political economists either professional or otherwise, and ex-officials who have distinguished themselves by their administration of the fiscal and banking departments of the Government; it being understood that political alliances should

be disregarded in the selection of the commission." In England commissions have been appointed several times to consider the monetary affairs of the country, but Congress, especially of late years, has not had much occasion to make such investigations. If such a commission was wisely composed, it would probably collect many valuable facts and opinions. The silver commission, of which Senator Jones was chairman, is the last important commission which has investigated any phase of the currency problem; but it would be well if such a commission was created as the *Bulletin* suggests, that the composition should consist in part, at least, of persons who are not members of either House of Congress.

*China's New Money.*—The United States minister to China has informed the Department of State that the Canton dollars and parts of dollars made by order of the late viceroy, Chang Chik-tung, have been made legal tender in all parts of China. The introduction of this coinage unless tampered with will undoubtedly work a financial revolution in China, and it may possibly result in the establishment of a National bank, and become the basis of a paper currency. In another communication on this subject the minister says that the fact that the new Canton coinage is being gradually put in circulation is worthy of note, being the first serious attempt ever made in China to coin money, and also as being almost contemporaneous with the great appreciation of silver since the passage of the new silver bill by the American Congress. In 1368 one ounce of gold was worth in China four ounces of silver, and in 1882 an ounce of gold was rated as worth eighteen ounces of silver. From these and other figures he concludes that the value of silver has decreased in proportion to the growth of the foreign trade, and that the importation of silver made it cheaper. China is essentially a silver using country. Salaries, taxes and duties are paid in silver. It is a grievance with the literati of China that foreign trade deprives China of her silver. But, on the other hand, it is entirely plain that silver mainly comes from this same trade. A glaring proof of this fact is the enormous influence that the silver bill has had on the value of silver in China. By the last bank quotations a gold dollar is worth \$1.0557 mex; a Mexican dollar is worth 94 72-100 cents, gold; a gold dollar is worth 78 75-100 tael cents (Shanghai tael; a tael equal to \$1.27 gold). When we remember that the present treasury rate for the East is 75 8-10, and last year it was 73 5-10, and was still lower in preceding years, this enormous and sudden appreciation will be realized.

## THE BANK OF NAPLES, ITS HISTORY AND ORGANIZATION.\*

[CONCLUDED.]

## VIII.

The forced currency was given at first only to the notes of the National Bank. This was a hard blow for the Bank of Naples. With remarkable promptness of decision its Council of Administration, reserving the right to refer to the General Council, decided on May 2 that the Government's will should be respected and payments made in notes of the National Bank; that the *fedi di credito* indorsed to the cashier should be accepted in all its offices without the need of any other indorsements; lastly, that small notes should be issued, of the denominations of \$10, \$4, \$2, and \$1. This was establishing bank notes in the limit that was possible. Thanks to these measures, when all Italy was complaining of the want of small money—the National Bank being unwilling to issue small notes in order to make people believe in the speedy return of the metallic circulation, and all the metal having disappeared—the region within the influence of the Banco was the only one that did not know this disorder.

The forced currency had come upon the Banco just when its resources ought to have been most carefully managed. It had recently given a million for the national defense, lent six millions to the southern railroads, 1,500,000 to the City of Naples, 20 millions to the Treasury. And notwithstanding all, the public supported it so well, adopted its "*fedi*" with such favor at a fixed amount, real bank notes in the names of people made payable to bearer by the indorsement to the general cashier, that it lived through the storm, made it less destructive to Neapolitan commerce, and reconstituted its reserve.

The Banco wished to profit by its prosperity, and opened a branch in Florence itself. This gave it an opportunity to adopt a custom of the Tuscan banks, the keeping a book with the names of all the persons or houses to whom credit may be granted, with the figure of this credit.†

Some of the members of the Council deemed necessary a decree giving forced currency in Tuscany to the Banco's paper. This plan was rejected, the majority believing that confidence cannot be decreed.

In 1865 the Sella ministry introduced a bill, by which the National Bank was intrusted with the treasury operations of the

\* Translated from the French of the Viscount Combes de Lestrade by O. A. Bierstadt.

† The "Castelletto."

kingdom, which was imitating the agreement between the Bourbon monarchy and the Bank of Naples to the detriment of the latter. It was much agitated, made the most liberal offers to the Government in order to obtain at least the treasury operations in the Neapolitan provinces. In vain, and it was already becoming resigned to its fate, when the Chamber of Deputies rejected the bill and overturned the cabinet.

But parliamentary vicissitudes brought back the honorable Mr. Sella into power. He was eager for nothing more than to take up his project again, but it was much amended, for, in place of a single agreement with the National Bank, he relied upon different agreements made both with this bank and the Banks of Sicily, Tuscany, etc.

The committee of the Chamber rejected them all. The minister, having the promise of a loan of a hundred millions at five per cent., insisted. The members of the committee reconsidered their vote, but on the condition that the statutes of the Banco di Napoli should be very much modified. They required a division into two departments, that is, the absolute separation between the discount and the other branches, Mont de Piété, savings-bank, etc.; further, from the Council of Administration the elective element was to disappear to make way for governmental delegates.

The Banco refused very decidedly. The Government insisted, dwelling upon all the profit the establishment would get from the treasury operations assured to it, if it accepted these requirements. The General Council would not yield, and the Sella ministry had to give up its plan and the hundred millions that it was expecting.

As if to prevent any similar controversies, the Chamber of Deputies declared on July 11, 1867, that no change should be made in the statutes of the Bank of Naples except by virtue of a law. At the same time it was shown that in thirteen months the National Bank had drawn eighty millions from the coffers of the establishment we are discussing, by means of incessant purchases of Neapolitan *fedeli*.

In 1870 the Banco opened a branch in Rome, after buying permission to do so for \$100,000 of the Roman Bank, endowed with the monopoly by the sovereign pontiffs, and in 1873 it became the farmer of the general revenue of the southern provinces. Just at this time came the law regulating the circulation of notes.

The crisis that followed and was brought about by the panic in Vienna compelled the National Bank to diminish its discounts to an enormous extent. Italian commerce suffered so much from this, that, on motion of the deputy, Mr. Dina, the Chamber requested the ministry to bring in a bill regulating the circulation of bank paper.



The Sella ministry set itself to work. But it seems that Mr. Sella had very little luck with banking questions. This time again he was defeated, and it was his successors, Messrs. Minghetti and Finali, who, on November 25, 1873, submitted a bill to the Chamber's consideration.

Acknowledging that the suppression of the forced currency could only be hoped for in the remote future, the ministers established a *consortium* between the six great banks. Each of them might issue to three times the amount of its reserve. They lent a milliard to the Treasury and became jointly responsible for the notes issued to represent this.

The Bank of Naples accepted the proposition. It found much inconvenience in it, such as the substitution of its notes for *fede di credito*, but also the advantage of being treated on an equality with the National Bank.

#### IX.

Such is the history, in all its dryness and unvarnished truth, of the Banco di Napoli. Since 1883 it has led a peaceful and prosperous existence. There remain to be studied the vices inherent in its nature, which threaten it with a speedy disappearance.

They may be briefly recapitulated. They all spring from the impersonality of the Banco. So considerable a fortune without any owners, great profits to which nobody has any right, the enormous influence given the Banco's managers by their power over Neapolitan commerce, is not all this calculated to excite envy and covetousness?

When the Banco established its offices and branches, each annex, in accordance with its statutes, had the privilege of sending four members to the General Council. Consequently the majority belonged to the managers, who have in the business they are managing not even that vague and half definite but real interest, which born Neapolitans have in the prosperity of their bank.

The difficulty became evident in the discount operations. Private bankers or joint-stock banks have an easy rule in this sort of affairs. They only accept such business as, far from compromising the common assets, may increase them, but in the Banco no director has any interest in following this rule. The delegates of the Chamber of Commerce might, indeed, ask themselves if they are not there to assure every facility to commerce, even at the price of some risk to the bank. Even so might the delegates of the municipality for municipal interests. Hitherto the members of the Council have well understood their mission. But is an organization perfectly safe that has need of virtue in its managers? And notwithstanding this virtue, the dishonored paper is constantly increasing, to the injury of honest and solvent commerce.

The officers are absurdly numerous. This giving of sinecures to idle young men is evidently one way of interpreting the philanthropic end of the work, but it is an expensive way, and one that is very harmful to the carrying on of this work.

As much to be able to resist the covetousness of which it is the object as to profit by the indispensable help of personal interest, the Bank of Naples ought to lose its impersonal character and belong to somebody.

Two ways have been proposed: making over the Banco's property and functions to the municipality of Naples or the creation of stockholders.

The first is not to be sustained. Historically, legally, the Neapolitan banks have always been distinct from the municipality, have never owed it anything. Although during eight years St. Mary of the People appeared to be managed by it, this was simply because there was one cashier for both. In fact, the business of the "Banco" is no longer confined to the limits of the city, but extends over all southern Italy, to say nothing of the national part it plays.

The municipality, moreover, always shows a deficit in its budgets. Its perpetual appeals to the Government of Rome for help are a mystery to nobody. Every one is aware that without the Banco's advances the municipal works could not be carried on. The temptation would be too strong, and no one could seriously propose to intrust the "Banco's" wealth to that extravagant beggar, the municipality of Naples.

Further, this would not be the way to introduce a personal interest, since municipal business is carried on so badly, merely because it is everybody's business.

The creation of stockholders, on the contrary, offers a thousand advantages and no difficulties.

The property amounts to a little over \$10,000,000. A like amount should be called for from stockholders, and this capital of twenty or more millions should be managed by the men they appoint. Every year a considerable sum should be spent in charitable works, and the Mont de Piété offices should be kept up and better provided for. The ownership of the present property, the mere ownership, we mean, should be vested in that fictitious being, the Neapolitan people. This last clause would be of interest only in the improbable case of a liquidation.

In this manner, the expenses would be reduced to a considerable extent, since the savings would go to increase the dividends, instead of being added to the property. Discounts and loans would only be granted to those giving security sufficient to reassure the stockholders. The bank would thus go back to its original form; for what were the brotherhoods but companies and associations looking for their profit to another life?

If private interests stand in the way of this transformation of the "Banco," it is all over with it; in addition to the Government's known predilection for unity of the banks, the economic circumstances are such that the appropriation of the property cannot be far distant. A grand style of policy is now the order of the day. It costs dear, and, to keep it up, property will be taken that may, with some show of reason, be called vacant, and be turned from its destination without any other trouble than that of revising the wording of the law upon charitable works.

When the day comes, as it will come, what will the Neapolitan provinces do? This is not one of the least of the problems to be studied, and perhaps this explanation of it may be of some use.

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## REPORT OF THE COMPTROLLER OF THE CURRENCY.

[CONCLUDED.]

### DOMESTIC EXCHANGES.

In his annual report for 1889 the Comptroller took occasion to refer to the valuable services rendered to the people of this country by the associations composing the National banking system in facilitating exchanges and collections and reducing the rate of charges therefor. An investigation then made developed the fact that no data in reference to this very important subject were accessible, and that, in fact, no attempt had ever been made to procure statistics bearing upon this point. Further reflection led him to believe that an attempt should be made to procure the desired information through the agency of the National banking system.

In no country are banks more generally employed by all classes of people than in the United States. Almost every person engaged in any form of business activity makes use of these institutions in a greater or less degree. Each bank becomes the clearing house for its patrons, and its operations faithfully reflect the character and magnitude of the business conducted by those whom it serves. Hence if it were possible to analyze and classify the transactions of all the banks and bankers of the United States, a vast amount of valuable information would become accessible to the statistician and available to the legislator.

It is, of course, impossible to procure information as to the transactions of private persons or firms engaged in the business of banking, nor is it found practicable to reach, for this purpose, the banks organized under the laws of the several States, in many of which these corporations are not subject to such supervision or control as would be necessary for the purpose. We have at hand, however, the National banking system, composed of 3,567 associations, located at trade centers in every State and Territory. Through these widely distributed agencies the larger part of the banking business of the country is transacted. No other country has so extensive a single system under the supervision of a central bureau and available for statistical purposes. It is believed, therefore, that the movements exhibited by detailed reports from these associations will prove of great value in ascertaining the needs of the country, and will make possible a just estimate of the utility of the

National banking system in facilitating the exchanges indispensable in all commercial and industrial operations.

In June last the Comptroller came to the conclusion that the value of the information desired would warrant him in addressing to each National banking association a circular letter requesting a statement of the amount of drafts drawn during the year ended June 30, 1890:

- (1) Upon National and other banks in the cities of New York, Chicago, and St. Louis, separately stated;
- (2) Upon banks located in other reserve cities; and
- (3) Upon all other banks.

The first subdivision called for a separate statement of amounts drawn upon banks located in the cities of New York, Chicago, and St. Louis. These were selected for the reason that they only were central reserve cities. Amounts drawn upon the other reserve cities were to be stated in the aggregate only. A statement of the amounts drawn upon each was desired, but was not called for on account of a disposition to avoid imposing any unnecessary labor upon the clerical force of the several associations. The banks were also requested to report the estimated average rate per cent. of premium received and paid.

On the 30th day of June last, 3,438 National banks were in operation, and to the cashier of each the circular letter above outlined was addressed, and of these, 3,329 have furnished the information desired.

The total amount of drafts drawn by these associations during the year ended June 30, 1890, was \$11,550,898,255. We find that of this amount there was drawn on New York, \$7,284,982,634; on Chicago, \$1,084,574,558; on St. Louis, \$188,765,842; on other reserve cities, \$2,527,757,482, and on all other banks and bankers, \$464,817,739. From this statement it appears that of the total sum, 63.07 per centum was drawn on banks in New York, 9.39 per centum on Chicago, 1.64 per centum on St. Louis, 21.88 per centum on other reserve cities, and 4.02 per centum on banks located elsewhere.

In order to illustrate the movements exhibited by these reports the following table has been prepared, showing the amounts drawn upon New York, Chicago, and St. Louis, the other reserve cities, and all other banks, together with the number of banks drawing upon each, and the relative proportions of the several amounts to the total drafts drawn by all reporting banks:

<i>Location of Banks Drawn Upon.</i>	<i>Number of Banks Drawing.</i>	<i>Amount.</i>	<i>Per-centage of Total Drafts.</i>
New York.....	3,147	\$7,284,982,634	63.07
Chicago.....	1,024	1,084,574,558	9.39
St. Louis.....	481	188,765,842	1.64
Other reserve cities.....	2,334	2,527,757,482	21.88
All other banks.....	1,080	464,817,739	4.02
<b>Total .....</b>		<b>\$11,550,898,255</b>	<b>100.00</b>

In the following table is exhibited the amount of exchange drawn by all the National banks which have reported, classified by States, arranged in the order of total amounts drawn, and further subdivided so as to show the operations of banks in reserve cities, and other banks separately, during the year ended June 30, 1890:

## AMOUNT OF DRAFTS DRAWN BY ALL REPORTING BANKS.

Location.	Reserve Cities.		All Other.		Total.	
	No. of Banks	Amount.	No. of Banks	Amount.	No. of Banks	Amount.
Massachusetts.....	56	\$817,388,528	200	\$782,621,156	256	\$1,600,009,684
Illinois.....	19	956,064,990	166	405,779,072	185	1,361,844,062
Pennsylvania.....	70	607,941,580	266	522,460,914	336	1,130,402,494
New York.....	33	219,802,788	258	699,941,076	291	919,743,864
Ohio.....	23	476,917,278	207	295,151,750	230	772,069,028
Missouri.....	22	507,075,258	48	36,701,906	70	543,777,164
New Jersey.....			92	508,700,947	92	508,700,947
Connecticut.....			84	416,047,524	84	416,047,524
Michigan.....	8	133,175,228	102	212,309,453	110	345,484,681
Nebraska.....	9	175,178,713	117	155,998,780	126	331,177,493
Rhode Island.....			59	323,357,109	59	323,357,109
Minnesota.....	12	210,880,642	47	70,381,664	59	281,262,306
Maryland.....	19	230,042,384	37	30,576,751	56	260,619,135
Texas.....			148	241,780,749	148	241,780,749
Iowa.....			135	229,878,098	135	229,878,098
Indiana.....			99	186,618,301	99	186,618,301
Maine.....			77	162,579,412	77	162,579,412
Colorado.....			40	160,755,610	40	160,755,610
Wisconsin.....	3	53,004,946	61	96,166,931	64	149,171,877
Kansas.....			150	143,467,707	150	143,467,707
New Hampshire.....			51	134,854,170	51	134,854,170
Kentucky.....	10	61,429,389	59	71,602,539	69	133,031,928
Louisiana.....	10	108,321,969	7	12,100,666	17	120,422,635
California.....	2	24,916,035	35	85,832,599	37	110,748,634
Tennessee.....			44	94,831,961	44	94,831,961
Georgia.....			27	88,055,102	27	88,055,102
Vermont.....			47	85,033,920	47	85,033,920
Virginia.....			31	83,719,222	31	83,719,222
Washington.....			41	74,334,294	41	74,334,294
Oregon.....			33	58,548,436	33	58,548,436
Alabama.....			26	53,335,607	26	53,335,607
Montana.....			22	52,223,703	22	52,223,703
Dist. of Columbia..	11	42,953,575	1	3,252,730	12	46,206,305
North Carolina.....			20	45,572,126	20	45,572,126
South Carolina.....			15	41,378,067	15	41,378,067
Florida.....			15	35,125,031	15	35,125,031
South Dakota.....			36	32,061,974	36	32,061,974
Arkansas.....			8	31,359,123	8	31,359,123
Delaware.....			18	30,949,385	18	30,949,385
Utah.....			10	27,349,987	10	27,349,987
West Virginia.....			19	25,167,612	19	25,167,612
Mississippi.....			11	22,948,968	11	22,948,968
North Dakota.....			25	16,553,426	25	16,553,426
New Mexico.....			8	14,837,575	8	14,837,575
Wyoming.....			10	10,413,865	10	10,413,865
Idaho.....			6	8,507,703	6	8,507,703
Nevada.....			2	2,695,871	2	2,695,871
Arizona.....			2	1,884,380	2	1,884,380
Total.....	307	\$4,625,093,303	3,022	\$6,925,804,952	3,329	\$11,550,898,255

In order that these movements may be properly understood, they have been classified so as to indicate the points drawn upon, as will appear below. In doing this the operations in reserve cities have been separately tabulated, as follows :

## AMOUNT OF DRAFTS DRAWN BY BANKS IN THE SEVERAL RESERVE CITIES.

<i>Reserve Cities.</i>	<i>On New York.</i>	<i>On Chicago.</i>	<i>On St. Louis.</i>	<i>On Other Reserve Cities.</i>	<i>On All Other Banks.</i>	<i>Total.</i>
New York..	\$4,735,000	\$22,076	\$50	\$93,555,483	\$93,918	\$98,406,527
Chicago...	617,269,027	189,489,974	4,560,458	87,520,559	57,224,972	956,064,990
Boston....	778,099,468	2,073,376	981	33,698,529	3,516,174	817,388,528
Phila'phia..	348,640,385	316,872	114,361	25,693,198	14,758,053	389,522,850
Kan. City..	183,515,343	65,206,863	48,520,664	9,744,914	123,301	307,111,085
Cleveland..	244,463,183	7,888,586	133,605	13,257,349	218,844	265,961,567
Baltimore..	200,584,289	34,907	20,062	29,140,518	262,608	230,042,384
Pittsburgh..	165,627,966	6,990,184	35,826	45,689,247	75,488	218,418,711
Cincinnati..	165,390,565	10,090,399	4,560,209	28,534,246	2,380,292	210,955,711
Omaha.....	101,099,155	58,174,851	8,867,991	5,822,237	1,214,479	175,178,713
St. Louis..	138,958,578	10,820,961	.....	9,832,648	48,844	159,661,031
Detroit....	117,959,259	7,738,171	85,000	6,314,798	1,078,000	133,175,228
St. Paul....	78,231,710	27,301,473	1,465,205	7,676,818	9,834,751	124,509,957
Albany.....	118,704,856	321	.....	1,930,584	.....	120,635,761
New Orln's	104,232,978	1,838,522	441,299	1,805,786	3,384	108,321,969
Minneapolis	50,269,542	22,701,733	.....	3,742,508	9,656,812	86,370,685
Louisville..	53,937,813	1,874,133	656,795	4,299,888	660,760	61,429,349
Milwaukee..	25,677,513	24,241,048	.....	3,074,726	11,659	53,004,946
Wash'ton..	37,761,643	69,911	.....	4,712,759	409,262	42,953,575
St. Joseph..	26,215,909	6,463,812	4,846,055	689,931	2,087,435	40,303,142
San Fran..	20,369,221	2,218,111	.....	1,432,758	895,945	24,916,035
Brooklyn..	745,500	.....	.....	.....	15,000	760,500
Total....	3,582,488,903	445,556,284	74,308,561	418,169,574	104,569,981	4,625,093,303

The magnitude of the transactions exhibited by the reports tabulated above [and in the next table] is the feature which first attracts attention. It must be remembered that 109 National banks, with an aggregate capital of \$15,413,900, failed to report. Assuming that the amount of drafts drawn by the reporting and delinquent banks bore a like proportion to the capital employed, it would appear that \$287,334,573 must be added to the total of \$11,550,898,255, given above, in order to arrive at the entire amount of drafts drawn by all the banks in the National system during the year ended June 30, 1890. This would fix the estimated aggregate sum of all drafts drawn by all National banks at \$11,838,232,828.

But this does not include all operations of this character. Under the National bank act it is made the duty of the Comptroller to prepare for his annual report a statement exhibiting under appropriate heads the resources and liabilities and condition of the banks, banking companies and savings banks organized under the laws of the several States and Territories, such information to be obtained from other authentic sources when official information is not obtainable. In the discharge of this duty for the current year, statistics have been procured which show the condition of 3,445 State banks and private banking companies, having a combined capital of \$229,579,345, all of which do a commercial banking business. There are also 149 loan and trust companies and 284 savings banks, having capital stock, all of which transact more or less business of a commercial character. In addition to these there are a large number of institutions which decline to furnish statements to this Bureau. It will be observed that savings banks having no capital are not taken into consideration, as they draw very little exchange.

The same classification applied to all banks located outside of the reserve cities is here introduced.

AMOUNT OF DRAFTS DRAWN BY BANKS IN THE SEVERAL STATES OUTSIDE OF RESERVE CITIES.

States and Territories.	On New York.	On Chicago.	On St. Louis.	On Other Reserve Cities.	On All Other Banks.	Total.
Mass ..	\$200,648,448	\$570,000		\$578,6c3,906	\$2,793,802	\$782,621,156
N. Y. .	667,787,723	172,794		29,844,765	2,135,794	699,941,076
Penn ..	221,109,591	2,397,201		293,363,071	5,591,051	522,460,914
N. J. .	422,797,533	20,000		59,983,414	25,900,000	508,700,947
Conn ..	376,993,690	437,619		38,551,215	65,000	416,047,524
Ills ...	116,090,204	247,854,180	\$18,787,129	16,520,738	6,526,821	405,779,072
R. I. .	183,637,000			121,911,075	17,809,034	323,357,109
Ohio ..	208,028,087	3,642,698	144,500	71,974,380	11,361,185	295,151,750
Texas..	123,795,547	3,791,173	32,867,862	17,085,323	64,240,844	241,780,749
Iowa ..	78,640,690	135,036,360	3,118,559	6,947,589	6,134,900	229,878,098
Mich ..	99,331,090	53,512,356		55,865,192	3,600,815	212,309,453
Ind....	113,782,821	27,872,162	1,404,813	30,323,534	13,234,971	186,618,301
Maine..	27,954,354			130,684,006	3,931,052	162,579,412
Col....	92,655,978	13,356,676	6,813,118	22,699,810	25,230,028	160,755,610
Neb. .	48,565,988	24,692,324	3,247,624	70,919,250	8,573,594	155,998,780
Kan ..	61,235,655	10,226,509	9,268,073	57,769,621	4,967,849	143,467,707
N. H. .	6,112,470			128,201,048	540,652	134,854,170
Wis...	23,077,448	50,848,181	5,521	16,367,456	5,868,325	90,166,931
Tenn..	68,650,901	513,263	1,020,759	15,179,991	9,467,047	94,831,661
Ga ....	78,120,516		3,599	2,591,738	7,339,249	88,055,102
Cal ...	21,286,718	2,639,306	411,030	54,555,735	6,939,810	85,832,599
Vt ....	31,152,408			52,994,825	886,687	85,033,920
Va ....	47,384,685			31,459,919	4,874,618	83,710,222
Wash..	29,069,210	4,881,688	8,933	14,504,862	25,869,601	74,334,294
Ky. . .	25,024,421	112,452	274,371	42,040,133	4,151,162	71,602,539
Minn ..	20,888,165	21,817,203	188,300	6,606,601	20,881,395	70,381,664
Oregon	21,802,719	4,066,019	204,757	21,101,749	11,373,192	58,548,436
Ala....	46,573,096		86,701	3,076,447	3,599,363	53,335,607
Mont..	26,670,396	5,848,649	2,813,569	5,842,942	11,048,147	52,223,703
N. C. .	34,980,194			7,646,336	2,945,596	45,572,126
S. C...	38,151,687			1,558,571	1,667,809	41,378,067
Mo....	7,648,088	3,549,813	18,707,141	6,142,269	654,595	36,701,906
Florida	26,181,463	134,719		1,512,920	7,295,929	35,125,031
S. Dak.	12,075,478	14,448,035		1,612,358	3,926,103	32,061,974
Ark....	12,992,587	105,850	11,975,023	2,584,872	3,700,791	31,359,123
Dela...	6,303,405			24,624,943	21,037	30,949,385
Md....	4,870,900			25,471,923	233,928	30,576,751
Utah..	13,550,223	2,012,672	290,090	7,822,675	3,674,327	27,349,987
W. Va.	11,723,510			9,382,703	4,061,399	25,167,612
Miss ..	14,331,585	3,983	564,696	6,079,624	1,969,080	22,948,968
N. Dak.	5,665,937	1,091,682		2,491,001	7,305,706	16,553,426
N. Mex.	7,911,905	645,168	787,502	1,514,006	3,978,994	14,837,575
La.....	5,833,067		1,365,615	4,872,255	29,729	12,100,666
Wyo ..	4,324,420	1,378,987		3,557,196	1,153,262	10,413,865
Idaho ..	3,031,968	1,201,040	47,687	2,313,952	1,913,056	8,507,703
D. of C.	3,036,185			207,106	9,439	3,252,730
Nev. .	367,860	115,625		1,597,661	614,725	2,695,871
Ariz...	635,717	21,887	50,309	1,020,202	156,265	1,884,380
Total	3,702,493,731	6,39,018,274	114,457,281	2,109,587,908	360,247,758	6,925,824,952
By b'ks in re-serve cities.	3,582,488,903	445,556,284	74,308,561	418,169,574	104,569,981	4,625,093,303
G. total	7,284,982,634	74,558,205	188,765,842	2,527,757,482	464,817,739	11,550,808,255

Basing the computation upon the amount of capital employed by these 3,878 institutions, operating outside of the National system, and assuming that their business operations bear the same proportion to their capital as in the case of National banks, it is estimated that drafts aggregating \$6,089,291,932 were drawn by banks and banking companies other than National banking associations, exclusive of those not reporting to this office.

In our endeavor to ascertain the entire amount of drafts drawn by all the banking institutions in the United States doing a commercial banking business it is necessary to combine the following items drawn by—

3,329 National banks (official).....	\$11,550,898,255
109 National banks (estimated).....	287,334,573
3,878 State banks, private bankers, etc. (estimated).....	6,089,291,932
Total .....	\$17,927,524,760

This is probably below the true amount rather than above it, for the reason that the amounts drawn by institutions neglecting to report and not estimated will exceed the amounts in the official statements, representing transfers between banks in the same or different cities, thus duplicating considerable sums and unduly increasing the aggregates reported. The only attempt to estimate movements of this character which has been called to the attention of the Comptroller was made by Hon. John Jay Knox in the year 1878, and embodied in his annual report as Comptroller for that year. He uses the following language :

"Great pains have been taken to obtain an estimate of the amount of exchange issued annually upon New York by the Western and Southern States. The amount drawn upon New York alone is estimated at nearly \$3,000,000,000 annually, and it probably will not be an exaggeration to say that not less than \$4,000,000,000 are annually drawn in exchange by the West and South upon the East. The amounts drawn upon each other by the banks in the commercial cities and States of the East is also great."

The estimate of Mr. Knox seems to have been intelligently made, and is certainly not discredited by the data collected. If, then, we accept the estimate made in 1878 as approximately correct, we can form some idea of the increased usefulness of the commercial banks by making comparison of the figures given in his report with those contained in the tables given above.

Another matter of interest is developed by observing the direction given to these exchanges.

For instance, we note that of the 3,329 reporting banks 3,147 find it to their advantage to keep an account in the city of New York, 1,024 draw upon Chicago, and 481 on St. Louis. In this connection it is proper to say that many associations find it convenient to make drafts only upon their correspondent in New York, notwithstanding the fact that they may have opened accounts with associations located in Chicago, St. Louis and other reserve cities. It is probable, therefore, that the relative importance in this respect of the latter cities is not fully shown. Statistics of like character, collected five or ten years hence, will afford an opportunity to establish by comparison the relative growth of the several central reserve cities as National clearing points.

The facts disclosed by the statements tabulated above, when taken in connection with those stated in the article in this report relating to the proportionate use of drafts, checks, and other substitutes for money, may enable the statisticians to approximate the amount of the entire



volume of business annually passing through the banking institutions of the country, and to form an intelligent opinion as to its character.

Thus far attention has been directed to the volume and direction of the movements under discussion. It is also profitable to consider the rate of premium charged to their patrons by the banks on these transfers of bank credits, by which the liquidations of the business engagements of the country are so largely effected. The amount of drafts drawn by each association could be accurately ascertained in almost every case, but the exact rate of premium has been very difficult to determine. In most reports estimates are submitted and in some cases the exact figures are given. From the data thus obtained approximate rates have been arrived at for each State, which are thought to be substantially in accordance with the facts. The table given below exhibits the amount of premium charged on each \$100, stated in cents. Fractions of cents have been eliminated.

<i>Location.</i>	<i>Rate of ex- change on \$100.</i>	<i>Location.</i>	<i>Rate of ex- change on \$100.</i>
	<i>Cents.</i>		<i>Cents.</i>
Rhode Island.....	1	Iowa.....	11
New Hampshire.....	1	North Dakota.....	11
Delaware.....	4	South Dakota.....	11
Maryland.....	4	Michigan.....	12
District of Columbia.....	4	West Virginia.....	12
Kentucky.....	5	California.....	12
Massachusetts.....	5	Montana.....	12
Connecticut.....	6	Wyoming.....	13
Vermont.....	7	Colorado.....	13
New York.....	7	Idaho.....	13
New Jersey.....	8	Louisiana.....	14
Ohio.....	8	South Carolina.....	14
Missouri.....	8	Mississippi.....	15
Maine.....	9	Oregon.....	15
Pennsylvania.....	9	Florida.....	17
Kansas.....	9	Tennessee.....	17
Nebraska.....	9	Alabama.....	18
Illinois.....	9	Georgia.....	18
Virginia.....	10	North Carolina.....	18
Indiana.....	10	New Mexico.....	18
Minnesota.....	10	Arkansas.....	20
Utah.....	11	Arizona.....	20
Washington.....	11	Nevada.....	20
Wisconsin.....	11	Texas.....	21
Average rate, United States, per \$100 on total exchange (\$11,550,898,255).		8½	

In order to facilitate comparisons, the States have been arranged in the order of rates of premium charged, the lowest appearing first. The wide difference between the two extremes will excite surprise, but a very careful review of the reports submitted confirms the correctness of the rates as given in the table. It will be seen that the lowest rate prevails in the States of Rhode Island and New Hampshire, where one cent upon each \$100 is the average. The highest rate of premium is charged by banks located in Texas, where an average of 21 cents on each \$100 is the average reported. These rates have been averaged for the entire United States, volume of business being considered, from which it appears that 8½ cents on each \$100 is the average rate charged on the grand total of all exchange drawn, equal to about one-twelfth of 1 per cent.

For purposes of comparison, and in order to show the great reduction in charges made since the inauguration of the National banking system, quotation is again made from the report of 1878, to which reference has heretofore been had. Mr. Knox uses the following language :

"In 1859 the average cost of Southern and Western exchange upon New York was not less than from 1 to 1½ per cent.

"If this latter rate should be restored, the cost of exchange alone would be \$60,000,000 annually; while if the rate were but one-half of 1 per cent., which was the current rate in the State of New York in the year 1860, a loss in exchange of \$20,000,000 annually would ensue, to say nothing of the loss upon the issue of the banks not properly organized."

The highest rate quoted by Mr. Knox is 1½ per cent., the lowest one-half of 1 per cent., and the average 1 per cent. It will be observed that the average rate in 1859 was more than eleven times that prevailing at this time. If we confine our calculations to the total exchange actually reported by the 3,329 banks from which returns are received, we find that the cost to the people upon this amount, at the average rate prevailing in 1859, would have been \$115,508,982, as against \$9,818,263, which was the actual cost under the rate now charged of 8½ cents on each \$100.

If, on the other hand, we take the lowest rate quoted by Mr. Knox, which is one-half of 1 per cent., and apply it to the transactions tabulated above, we find that the premium on exchange paid by the people would have been \$57,754,491.

It is evident that a very large saving has resulted in either case, amounting to \$105,690,719 per annum on the basis of average rates charged in 1859, or \$47,936,228 if we adopt for comparison the minimum rate in the year last mentioned.

The smaller of these amounts would constitute a very heavy burden upon the commercial interests of the country, and would exceed the amount of interest paid upon United States bonds pledged for the redemption of National bank notes during any two years since the inauguration of the system. It is not claimed that this saving has been brought about wholly by the establishment of National banks. Many agencies have contributed to this result. Chief among these has been the enforced retirement of the circulating notes of the old State banks, and the substitution of a paper currency based upon the credit of the General Government and circulating at par in all parts of the United States.

Next in importance was the establishment of the National banking system, which has resulted in the organization of associations at almost every trade center and market town, possessed of ample capital, and conducted, for the most part, by intelligent, enterprising and experienced officers.

Not only has the rate of premium been reduced, but the losses resulting from the insolvency of the banks concerned in operations so vast has been reduced to the minimum.

#### SUBSTITUTES FOR MONEY.

[In the December number the remarks of the Comptroller on this subject were published, but not the tables accompanying them. These are now given.]

The first table introduced exhibits the total receipts of all reporting banks for July 1 and September 17, 1890, so classified as to show the separate amounts received in gold coin, silver coin, the various kinds of paper money, and all substitutes for money, and also the percentages which each of these items bear to the total receipts.

CHARACTER, AMOUNT AND PERCENTAGE OF RECEIPTS OF NATIONAL BANKS ON  
JULY 1 AND SEPTEMBER 17, 1890.

Character of Receipts.	July 1, 1890.		September 17, 1890.	
	3,364 Banks.	Per Centage of Total Receipts.	3,474 Banks.	Per Centage of Total Receipts.
Gold coin.....	\$3,726,605	.89	\$3,702,772	1.13
Silver coin.....	1,352,647	.32	1,399,991	.43
Gold Treasury certificates.....	6,427,973	1.52	6,159,305	1.88
Silver Treasury certificates.....	6,442,638	1.53	5,908,714	1.81
Legal tender notes.....	7,881,786	1.87	7,665,666	2.34
National Bank notes.....	5,244,967	1.25	4,371,778	1.34
United States certificates of deposit for legal tenders.....	520,000	.12	105,000	.03
Checks, drafts, etc. ....	189,408,708	44.90	168,803,756	51.58
Clearing house certificates.....	4,391,177	1.04	2,428,834	.74
Exchanges for clearing house.....	194,290,203	46.06	126,596,873	38.68
Miscellaneous receipts.....	2,138,022	.50	135,562	.04
Total.....	421,824,726	100.00	327,278,251	100.00

Our attention is at once drawn to the fact that the total receipts for September 17 are \$94,546,475 less than for July 1, 1890. This is undoubtedly due to the great stringency in the money market prevailing at the latter date. Of this difference, \$92,678,085 is found in the items which represent substitutes for money. In order to show the relative receipts for July 1, 1890, in the several central reserve cities, other reserve cities, and all other banks, the following table has been prepared:

CHARACTER AND AMOUNT OF RECEIPTS OF NATIONAL BANKS IN NEW YORK,  
CHICAGO, ETC., ON JULY 1, 1890.

Character of Receipts.	New York.	Chicago.	St. Louis.	Other Reserve Cities.	All Banks Outside of Reserve Cities.
	47 Banks.	19 Banks.	8 Banks.	256 Banks.	3,034 Banks.
Gold coin.....	\$140,573	\$109,581	\$16,017	\$763,223	\$2,697,209
Silver coin.....	32,758	50,322	9,756	258,808	1,000,911
Gold Treasury certificates....	4,149,670	43,660	15,870	1,776,140	442,633
Silver Treasury certificates....	676,275	328,870	82,413	1,912,280	3,442,800
Legal tender notes.....	1,035,179	388,751	141,137	2,453,538	3,863,181
National Bank notes.....	435,625	270,968	46,702	1,281,307	3,210,365
United States certificates of deposit for legal tenders....	100,000	.....	140,000	280,000	.....
Checks, drafts, etc. ....	43,122,684	9,925,998	2,319,229	62,680,463	71,360,332
Clearing house certificates....	2,612,600	.....	43,439	1,377,928	357,209
Exchange for clearing house..	112,596,373	13,249,401	1,602,929	61,933,945	4,907,556
Miscellaneous.....	1,021,645	.....	1,302	351,700	763,382
Total.....	165,923,382	24,367,551	4,418,794	135,069,422	92,045,578

It will be observed that more than 78 per cent. of the total receipts are reported by 330 banks located in reserve cities, and only 22 per cent. by 3,034 banks doing business elsewhere.

It is evident from an analysis of the figures incorporated into the table next submitted, which shows the receipts for September 17, 1890, similarly classified, that the stringency in the money market existing at the latter date most seriously affected the transactions of banks in the reserve cities, as their receipts, when compared with the total receipts of all reporting banks, were only 73 per cent., a decrease of 5 per cent. as compared with July 1, 1890.

CHARACTER AND AMOUNT OF RECEIPTS OF NATIONAL BANKS IN NEW YORK, CHICAGO, ETC., ON SEPTEMBER 17, 1890.

<i>Character of Receipts.</i>	<i>New York.</i>	<i>Chicago.</i>	<i>St. Louis.</i>	<i>Other Reserve Cities.</i>	<i>All Banks Outside of Reserve Cities.</i>
	<i>47 Banks.</i>	<i>19 Banks.</i>	<i>8 Banks.</i>	<i>259 Banks.</i>	<i>3,141 Banks.</i>
Gold coin.....	\$70,173	\$140,554	\$14,746	\$625,031	\$2,852,267
Silver coin.....	20,948	52,142	13,379	308,699	1,004,822
Gold Treasury certificates.....	3,480,680	58,120	71,095	2,030,370	519,040
Silver Treasury certificates.....	499,093	370,604	112,243	1,490,185	3,430,589
Legal tender notes.....	923,682	317,065	130,336	2,197,669	4,096,914
National Bank notes.....	271,012	180,323	41,072	1,061,718	2,817,653
United States certificates of deposit for legal tenders.....				105,000	
Checks, drafts, etc.....	39,882,536	11,298,752	1,689,372	49,877,972	66,055,122
Clearing house certificates.....	320,000		3,152	1,443,877	661,805
Exchanges for clearing house..	74,912,771	10,237,363	1,593,698	35,146,637	4,706,405
Miscellaneous.....	70,577		6,364	35,326	23,298
Total.....	120,451,472	22,654,923	3,675,457	94,328,484	86,167,915

In order that the relative proportions of the several items to the total receipts may be shown, the following table has been prepared, exhibiting percentages instead of amounts for July 1, 1890:

CHARACTER AND PROPORTIONS OF TOTAL RECEIPTS OF NATIONAL BANKS IN NEW YORK, CHICAGO, ETC., ON JULY 1, 1890.

<i>Character of Receipts.</i>	<i>New York.</i>	<i>Chicago.</i>	<i>St. Louis.</i>	<i>Other Reserve Cities.</i>	<i>All Banks Outside of Reserve Cities.</i>
	<i>47 Banks.</i>	<i>19 Banks.</i>	<i>8 Banks.</i>	<i>256 Banks.</i>	<i>3,034 Banks.</i>
	<i>Per Cent.</i>	<i>Per Cent.</i>	<i>Per Cent.</i>	<i>Per Cent.</i>	<i>Per Cent.</i>
Gold coin.....	.08	.45	.37	.57	2.93
Silver coin.....	.02	.20	.22	.19	1.08
Gold Treasury certificates.....	2.51	.18	.36	1.32	.48
Silver Treasury certificates.....	.41	1.35	1.86	1.42	3.74
Legal tender notes.....	.62	1.60	3.19	1.81	4.19
National Bank notes.....	.26	1.11	1.06	.95	3.49
United States certificates of deposit for legal tenders....	.06		3.17	.20	
Checks, drafts, etc.....	25.99	40.73	52.49	46.40	77.55
Clearing house certificates....	1.58		.98	1.02	.38
Exchanges for clearing house..	67.86	54.38	36.27	45.86	5.33
Miscellaneous.....	.61		.03	.26	.83
Total.....	100.00	100.00	100.00	100.00	100.00

A similar exhibition of the returns for September 17, 1890, follows:

CHARACTER AND PROPORTIONS OF TOTAL RECEIPTS OF NATIONAL BANKS IN NEW YORK, CHICAGO, ETC., ON SEPTEMBER 17, 1890.

<i>Character of Receipts.</i>	<i>New York.</i>	<i>Chicago.</i>	<i>St. Louis.</i>	<i>Other Reserve Cities.</i>	<i>All Banks Outside of Reserve Cities.</i>
	<i>47 Banks.</i>	<i>19 Banks.</i>	<i>8 Banks.</i>	<i>259 Banks.</i>	<i>3,141 Banks.</i>
	<i>Per Cent.</i>	<i>Per Cent.</i>	<i>Per Cent.</i>	<i>Per Cent.</i>	<i>Per Cent.</i>
Gold coin.....	.05	.62	.40	.66	3.31
Silver coin.....	.02	.23	.36	.33	1.17
Gold Treasury certificates.....	2.89	.26	1.93	2.15	.60
Silver Treasury certificates....	.41	1.64	3.06	1.59	3.98
Legal tender notes.....	.77	1.40	3.54	2.33	4.76
National Bank notes.....	.22	.79	1.12	1.12	3.27
United States certificates of deposit for legal tenders....	.....	.....	.....	.11	.....
Checks, drafts, etc.....	33.11	49.87	45.97	52.88	76.66
Clearing house certificates....	.27	.....	.08	1.53	.76
Exchanges for clearing house..	62.20	45.19	43.37	37.26	5.46
Miscellaneous.....	.06	.....	.17	.04	.03
Total.....	100.00	100.00	100.00	100.00	100.00

The percentages above tabulated indicate a much larger relative circulation of coin and paper money among the depositors in country banks, as distinguished from those located in cities, except gold Treasury certificates, which seem most prominent in the reports from New York and other reserve cities. United States certificates of deposit for legal tender notes seem to have nearly disappeared in the reports for September 17, 1890.

In order to facilitate a comparison of the reports above tabulated with those obtained by Mr. Knox, his classification has been adopted in the tables which follow, the first showing, for both July 1 and September 17, 1890, the proportions of gold coin, silver coin, paper money, and checks and drafts, including clearing house certificates, to the total receipts in New York City, in other reserve cities, and in banks elsewhere, separately, and also the same proportions for the United States:

JULY 1, 1890.

<i>Localities.</i>	<i>No. of Banks</i>	<i>Receipts.</i>	<i>Gold Coin</i>	<i>Silver Coin.</i>	<i>Paper Currency</i>	<i>Checks, Drafts, Etc.</i>
		<i>Dols.</i>	<i>Per Cent.</i>	<i>Per Cent.</i>	<i>Per Cent.</i>	<i>Per Cent.</i>
New York.....	47	165,923,382	.08	.02	3.86	96.04
Other reserve cities.....	283	163,855,766	.54	.19	5.59	93.68
Banks elsewhere.....	3,034	92,045,578	2.93	1.08	11.90	84.09
United States.....	3,364	421,824,726	.89	.32	6.29	92.50

SEPTEMBER 17, 1890.

New York.....	47	120,451,472	.05	.02	4.29	95.64
Other reserve cities.....	286	120,658,864	.65	.31	6.77	92.27
Banks elsewhere.....	3,141	86,167,915	3.31	1.17	12.61	82.91
United States.....	3,474	327,278,251	1.13	.43	7.40	91.04

It will be noticed that of the total receipts on July 1, checks and drafts constituted 92.50 per cent., and on September 17 only 91.04 per cent. This diminished percentage is evidently not due to local causes, from the fact that it appears in the operations of each of the three classes of banks.

## CHECKS AND DRAFTS IN THE PRINCIPAL CITIES.

The following table shows for July 1 and September 17, 1890, the number of banks, the total receipts, and the ratio to such total of the checks and drafts received in New York City and in twenty-one of the other principal cities:

<i>Cities.</i>	<i>July 1, 1890.</i>			<i>September 17, 1890.</i>		
	<i>No. of Banks</i>	<i>Receipts.</i>	<i>Percentage of Checks, Drafts, Etc.</i>	<i>No. of Banks</i>	<i>Receipts.</i>	<i>Percentage of Checks, Drafts, Etc.</i>
New York.....	47	\$165,923,382	96.04	47	\$120,451,472	95.64
Chicago.....	19	24,367,551	95.11	19	22,654,923	95.06
St. Louis.....	8	4,418,794	89.77	8	3,675,457	89.59
Boston.....	56	43,463,559	94.14	56	26,531,841	90.70
Albany.....	6	1,520,242	92.97	6	1,480,992	96.60
Brooklyn.....	5	3,254,292	85.56	5	1,558,662	79.26
Philadelphia.....	44	38,094,099	96.19	45	23,273,886	93.48
Pittsburgh.....	26	6,912,937	92.37	26	5,433,656	90.00
Baltimore.....	19	8,983,847	89.89	19	4,723,481	89.16
Washington.....	11	1,065,905	65.27	11	902,367	32.65
New Orleans.....	10	1,932,896	90.09	10	1,754,881	82.83
Louisville.....	10	1,283,432	93.55	10	1,638,014	92.68
Cincinnati.....	13	6,246,061	92.34	13	5,440,461	93.59
Cleveland.....	10	3,761,552	93.08	10	3,852,743	94.74
Detroit.....	8	1,486,611	87.31	8	1,863,510	95.61
Milwaukee.....	3	1,809,216	83.25	3	1,006,435	87.50
St. Paul.....	6	2,821,429	92.97	6	2,922,969	91.45
Minneapolis.....	6	2,846,863	96.64	6	2,158,594	93.39
Kansas City.....	8	4,862,622	95.22	10	4,839,161	94.33
St. Joseph.....	4	265,426	80.89	4	861,454	94.77
Omaha.....	9	3,637,308	95.93	9	3,015,364	95.90
San Francisco.....	2	821,124	85.61	2	1,070,013	91.20
Total.....	283	163,855,766	93.68	286	120,658,864	92.27
* Total all cities.....	330	329,779,148	94.86	333	241,110,336	93.95
Banks elsewhere.....	3,034	92,045,578	84.09	3,141	86,167,915	82.91
United States.....	3,364	421,824,726	92.50	3,474	327,278,251	91.04

## FORGED DRAFT.

COURT OF APPEALS OF NEW YORK.

*National Bank of Commerce v. Manufacturers & Traders' Bank.*

A draft drawn by plaintiff on its New York correspondent was raised by the payee, and, as so raised, deposited with defendant, which gave the payee credit for the full amount of the raised draft. Defendant subsequently forwarded the draft to plaintiff's New York correspondent, which paid the defendant the full amount of the draft as raised, and charged that amount to plaintiff. Subsequently, defendant, having ascertained that the draft had been raised, directed plaintiff to procure the draft from its New York correspondent, make affidavit to the correct amount, and send the draft to defendant, when it agreed to remit the difference. *Held*, that plaintiff's acceptance of and compliance with this proposition obligated defendant to pay plaintiff the face of the raised draft less the amount for which it was originally drawn.

On defendant's delay in making the agreed payment, plaintiff directed defendant to return the draft and affidavit, and notified its New York correspondent that it would not recognize the payment of the draft for more than the original amount. *Held*, that plaintiff thereby rescinded its contract with defendant under which the latter became liable for the difference between the original amount of the draft and the sum to which it had been raised, and plaintiff cannot subsequently maintain an action against defendant on such contract.

Neither can plaintiff recover the difference from defendant in an action for money had and received, as defendant did not obtain plaintiff's money, but that of its New York correspondent.

Appeal from judgment of the General Term of the Supreme Court reversing a judgment entered on a report of a referee in favor of the plaintiff.

On the 30th of October, 1882, the plaintiff drew a draft on the Manhattan Bank, its New York correspondent, for \$17, to the order of J. T. Watson. The payee, or some other person, altered this draft by changing the date to November 2d, the name of the payee to James T. Watson, and the amount to \$3,462.40. November 3, 1882, Watson deposited this raised draft with the defendant, and had credit for the full amount. The defendant forwarded the draft to its New York correspondent, the Bank of the Republic, and that bank presented it at the Manhattan Bank, which paid the full amount of \$3,462.40, and charged that amount to the plaintiff. On the 14th of November the defendant inquired of the plaintiff by telegraph for what amount the draft No. 9,609 was issued, and the plaintiff at once replied that it was issued for \$17. On the same day the defendant wrote the plaintiff acknowledging the receipt of the telegram, and saying that Watson had deposited the plaintiff's draft for \$3,462.40 on November 3d, and had drawn a part of it, and that defendant had forwarded the draft to New York, and the same had been paid by plaintiff's correspondent, and closing as follows: "Please procure the draft from your correspondent, make affidavit to correct amount, and send it with the draft direct to me, and I will remit difference. Please do not make this matter public, as we hope to catch Watson." Two days later the plaintiff answered that the draft had been ordered returned, and that the defendant's wishes should be strictly complied with. The plaintiff procured the draft from its correspondent, made affidavit to the correct amount, and on November 21st sent the affidavit and the draft to the defendant, and did not make the matter public. November 25th the defendant acknowledged its receipt of

the draft and affidavit in a letter in which it also raised the question whether the signature of plaintiff's cashier to the draft was not also forged. Replying to this letter two days later, the plaintiff, among other things, said: "We have complied with your every request, even to keeping the matter strictly confidential, and now beg to request that you remit immediately. The excess stands charged against us on the books of the Manhattan Bank, and we desire to be placed in funds that it may be corrected. . . . Unless immediately placed in funds, as promised by you, our remedy will be to refuse credit to the Manhattan, who paid the draft on your indorsement, and that of the National Bank of the Republic, your New York agent, and it should be refunded at once." Plaintiff followed its letter by the following telegram to defendant on November 29th: "Remit difference in draft, or return it, with affidavit attached, by express to-day." Thereupon, and on December 2d, the defendant returned to plaintiff the draft and affidavit, who retained them. On the same day that plaintiff demanded the return of the draft and affidavit, it wrote to the Bank of the Manhattan Company reciting the facts, and notifying it that the plaintiff would not recognize the payment of the draft for more than the original amount, to wit, \$17. Nevertheless, the Manhattan Company, in the next account current rendered by it, charged the plaintiff with the full amount of the raised draft. Subsequently, by some arrangement between the Manhattan Bank and defendant, to which the plaintiff was not a party, the Manhattan Bank credited to the plaintiff on account of this draft the sum of \$2,533.90. The defendant declined to pay the balance of \$911.50 to plaintiff, and hence this action.

PARKER, J. (*after stating the facts as above*).—Three questions are presented for consideration, and are determined as follows:

1. Plaintiff's acceptance of and subsequent compliance with the proposition of the defendant obligated the defendant to pay to it the face of the raised draft less \$17, the amount for which it was originally drawn.
2. The subsequent transactions between the parties were in legal effect a rescission of such contract, and thus the plaintiff parted with its right of recovery thereon.
3. The action cannot be sustained as in effect one for money had and received, as it does not appear that defendant received moneys belonging to the plaintiff, or to which it was entitled. The defendant did not obtain plaintiff's money, but rather that of the Manhattan Company. As the plaintiff had not requested payment of it beyond the amount of \$17, the sum paid in excess was the money of the Manhattan Company, which it could have recovered of defendant, but not of plaintiff. *White v. Bank*, 64 N. Y. 316. Subsequently, it is true, it charged the plaintiff in its account current with such amount, but the act was without authority, and did not affect the legal *status* of the parties. The order should be affirmed, and judgment absolute rendered in favor of the defendant on stipulation. All concur, except Bradley and Haight, JJ., not sitting.



## LIABILITY OF DIRECTORS.

SUPREME COURT OF MISSOURI.

*Cummings v. Winn.*

The director of a bank, who, with knowledge that it is insolvent, assents to receiving a deposit, is personally liable to the depositor, under Rev. St. Mo. 1879, § 918, providing that no director shall assent to the reception of deposits after he shall have knowledge that the bank is insolvent, and that every person violating the provisions of that section shall be individually responsible for deposits so received.

HENRY, C. J.—The plaintiff alleged in his petition that in 1873 the Macon Savings Bank, at Macon, Mo., was incorporated as a banking institution, and conducted a banking business until February, 1882; that defendant was, from the date of its incorporation to February, 1882, a director and managing officer of said bank; that said bank was insolvent from 1874 continuously to the date of its suspension—15th of February, 1882; that defendant knew that said bank was all that time insolvent, and that its assets were being mismanaged, wasted, and made way with; that said bank at no time had money, or other available assets, to carry on its business, except the money of its depositors; that the directors, officers and managers, from time to time, while said bank did business, as aforesaid, took the deposits, money, and effects of said bank and loaned it, and appropriated it to themselves, and to each other, to an amount of at least \$150,000, without securing the same, being themselves insolvent, so that said sum and more was lost to the bank, all of which defendant knowingly and negligently permitted to be done, without objection, and that at the time of its suspension it was indebted in the sum of about \$275,000, and did not then have assets to an amount exceeding \$50,000, and that all of said acts of the officers of said bank were at all times known to the defendant, and that he fraudulently and knowingly helped to carry out their fraudulent schemes; that, knowing the insolvent condition of the bank, defendant, intending to deceive plaintiff and others depositing money in said bank, in the month of September, 1881, caused to be made out what purported to be a financial statement of the condition of the bank, which, stating the items, showed an aggregate of assets of \$341,403.61, and of liabilities \$232,820.79; that, included in said statement of the bank's resources, the larger proportion consisted of insolvent and worthless notes, made by six parties named, who were officers, agents, and managers of said bank, and other worthless notes and railroad bonds, aggregating \$191,000, or more; that defendant, knowing the above facts, signed and certified said false statement to be true and correct, and had it published in the newspapers then circulating in Macon County. After divers other allegations of fraudulent acts on the part of the officers of said bank, done with the knowledge and connivance of defendant, plaintiff proceeds to allege that at the date of that publication he was a stranger to defendant and the other officers of the bank, and had no knowledge of its condition, but in September, 1881, desiring to deposit some money for safe keeping, saw and read the statement aforesaid, and believing it to be true, and relying thereon, and believing that defendant was a prudent and cautious business man, and had truly certified the available resources of said bank, and believing from said statement that it was solvent, he deposited therein about \$900, which he lost, and asks judgment therefor, with interest, against

defendant. The court sustained a demurrer to the petition, and rendered a judgment for defendant, from which plaintiff has appealed.

Section 918, Rev. St. 1879, provides that "no president, director, manager, cashier, or other officer or agent of any bank or banking institution organized and doing business under the provisions . . . of any law of this State, shall receive or assent to the reception of deposits, or create or assent to the creation of any debts by such bank or banking institution, after he shall have had knowledge of the fact that it is insolvent, or in failing circumstances. Every person violating the provisions of this section shall be individually responsible for such deposits so received, and all such debts so contracted." The proposition that, even conceding the liability of defendant, under that section the assignee of the bank is the proper person to institute the suit is not maintainable. The wrong complained of has not injured the bank, but, on the contrary, has increased its assets. The only person injured is the depositor. The statute makes the person violating its provisions responsible for such deposits, etc. To whom? Not the bank. The deposit is a debt due from the bank. The assignee succeeds to the right of the bank, but the bank has no demand against a director for violating the provisions of this section. This section was passed in order to enforce section 27, art. 12, of the constitution of 1875, which this court held, in *Fuss v. Spaunhorst*, 67 Mo. 256, was not self-enforcing. I concurred in that opinion, but am now satisfied, speaking for myself, that we erred in so holding. (*Householder v. City of Kansas*, 83 Mo. 488.) It declares that "any such officer, agent, or manager shall be individually responsible for such deposits so received, and all such debts so created, with his assent." In the first clause it declares that "it shall be a crime, the nature and punishment of which shall be prescribed by law," to do the acts mentioned therein—the same that are named in section 918, *supra*. That portion of the section is clearly not self-enforcing, but it does not follow that the last clause is not. It declares the individual responsibility of the guilty officer; confers a right upon the depositor or creditor to recover of such officer his debt or deposit. When the law gives a right, but prescribes no remedy, any common law action may be resorted to, adapted to the case, and, under our Code, there can be no difficulty as to the remedy. We have in this State "but one form of action for the enforcement or protection of private rights, and redress or prevention of private wrongs, which shall be denominated a 'civil action.'" (Section 3,461.) The petition shall contain: "A plain and concise statement of the facts constituting the cause of action, without unnecessary repetition." (Section 3,511.) The constitution gives the right, and our Code supplies a remedy. The statute was enacted to enforce the above constitutional provision, and it contains everything essential to confer the right of the depositor; and it was unnecessary to prescribe the remedy, for that is found in the Code and the common law. "*Ubi jus ibi remedium.*" (*Householder v. City of Kansas*, 83 Mo. 488; 1 Add. Torts, Wood's Ed. p. 57, § 51; *Tapley v. Forbes*, 2 Allen 24; *Knowlton v. Ackley*, 8 Cush. 97; *Stearns v. Railroad Co.*, 46 Me. 114; Cooley, Torts, 19.)

The petition filed by plaintiff is unnecessarily lengthy, and the substantial averments might have been pleaded on one page of legal cap paper. We think it contains all that is necessary to state a cause of action under section 918, *supra*, and that the Circuit Court erred in holding otherwise; and, therefore, reverse the judgment, and remand the cause. All concur in the result.

## A SAVINGS BANK CANNOT DEAL IN FUTURES.

COURT OF APPEALS OF NEW YORK.

*Jemison et al. v. Citizens' Savings Bank of Jefferson.*

A savings bank incorporated for the purpose of receiving deposits, etc., with power to loan money, to discount in accordance with bank usages, and "to borrow money, buy and sell exchange, bullion, bank notes, Government stocks, and other securities," has no power to deal in cotton futures, either as principal or agent; and, in an action by a broker to recover losses sustained upon transactions had through him in behalf of an undisclosed principal, the doctrine of *ultra vires* applies.

The rule that a corporation is estopped from pleading *ultra vires* when the contract has been executed by the other party does not apply, since defendant received nothing thereby, and since such transactions by a savings bank are against public policy.

HAIGHT, J.—The plaintiffs were commission merchants and members of the cotton exchange of the city of New York. The defendant was a savings bank and trust corporation, organized under the laws of Texas. This action was brought to recover commissions, and for money claimed to have been expended for the defendant on the purchase and sale of cotton futures. The defense was that the defendant, as a savings bank and trust corporation, had no power or authority to deal in the purchase and sale of cotton for future delivery, or in contracts for the purpose of speculation; that, in the transaction alleged in the complaint, it acted as the agent of one Albert P. Clopton, of Jefferson, Tex., and that the fact that he was the principal for whom the defendant acted was disclosed and well known to the plaintiffs prior to the time of the transaction referred to. While the fact distinctly appears from the correspondence between the parties that the defendant was acting for "good, responsible customers," the general term was of the opinion that this defense could not be sustained, for the reason that the defendant did not disclose the name of his principal at the time of the giving of the orders complained of for the purchase and sale of cotton futures. Had this defense been sustained, the principal, and not the defendant, his agent, would have been liable. Without stopping to consider the evidence, we shall assume that this defense was not established, and proceed to consider the question as to whether the defendant was liable as a principal.

Transactions between the parties commenced in January, 1879, by a letter from J. H. Parsons, as cashier of the defendant, asking the plaintiffs the amount of margin and commission they required for the purchase of cotton futures. The plaintiffs answered giving the amount, and this was followed by an order by telegraph from Parsons, as cashier, under date of February 10th, to buy 100 bales, June delivery; and on the same day he wrote the plaintiffs that the order was made for one of their customers, who had deposited \$250 as per their favor of the 27th ult. Other orders followed, the final result of which was a loss, to recover which this action was brought. At the time, Parsons was the cashier of the defendant, possessing the powers and duties incident to the office under the charter, constitution, and by-laws, having the general charge of the business of the bank, and the supervision of the concern; and, inasmuch as the answer alleges that the transactions referred to in the complaint were had between the plaintiffs and the defendant acting as

agent, we shall treat him as possessing all of the authority to act in the premises that the directors of the defendant had the power to give. This brings us to the question whether or not the defendant had the power to make the orders in question. The defendant was incorporated and chartered in 1871, by an act of the legislature of the State of Texas entitled "An act to incorporate the Citizens' Savings Bank of Jefferson, Texas." The act, among other things, provides that "the general business and object of this corporation shall be to receive on deposit or in trust such sum or sums of money as may from time to time be offered therefor by tradesmen, merchants, clerks, laborers, servants, and others, to be repaid to such depositors when demanded, at such times, with such interest, and under such regulations, as the board of directors may from time to time prescribe," and also "this corporation may loan money according to the constitution and laws of the State, or may discount in accordance with bank usages, taking such security therefor, either real or personal, as the directors may deem sufficient. Said corporation shall have power to borrow money, buy and sell-exchange, bullion, bank notes, Government stocks, and other securities." The act further provides that the business of the corporation shall be managed by twelve directors. Corporations are artificial creations, existing by virtue of some statute, and organized for the purposes defined in their charters. A person dealing with a corporation is chargeable with notice of its powers, and the purposes for which it was formed; and when dealing with its agents or officers, is bound to know the extent of their power and authority. A corporation necessarily carries its charter wherever it goes, for that is the law of its existence. It follows that the plaintiffs must have known, or are chargeable with knowledge, of the corporate powers of the defendant, and of the extent to which its cashier could bind the corporation. (*Alexander v. Cauldwell*, 83 N. Y. 480; *Hoyt v. Thompson*, 19 N. Y. 207-222; *Relfe v. Rundle*, 103 U. S. 222-226; *Davis v. Railroad Co.*, 131 Mass. 258-260; *Leonard v. Insurance Co.*, 97 Ind. 299.) Savings banks are designed to encourage economy and frugality among persons of small means, and are organized with restrictions and provisions intended to secure depositors against loss. Speculative contracts entered into for the sale or purchase of stock by a savings bank at the stock board or elsewhere, subject to the hazard and contingency of gain or loss, are *ultra vires*, and a perversion of the powers conferred by its charter. (*People v. Institution*, 92 N. Y. 7-9; *Sistare v. Best*, 88 N. Y. 527-531.) Contracts of corporations are *ultra vires* when they involve adventures or undertakings outside and not within the scope or power given by their charters. The acts under which they are organized were framed in view of the rights of the public, and the interests of the stockholders. As artificial creations, they possess only the powers with which they were endowed. An act may be *malum in se* or *malum prohibitum*, or an act may not be immoral or prohibited by any statute, and still it may be in excess of the powers vested in the officers of a corporation, unauthorized and prejudicial to the stockholders. In either case the plea of *ultra vires* should prevail, unless it would defeat justice, or accomplish a legal wrong. (*Huntington v. Bank*, 96 U. S. 388; *Thomas v. Railroad Co.*, 101 U. S. 71; *Bank v. Jones*, 95 N. Y. 115; *Leslie v. Lorillard*, 110 N. Y. 519, 18 N. E. Rep. 363.)

As we have seen, the defendant was chartered for the purpose of receiving on deposit or in trust such sums of money as may from time to time be offered by tradesmen, merchants, clerks, laborers, servants, and others. It was authorized to loan these moneys according to the constitution and laws of the State, and to discount in accordance with

bank usages, taking such security therefor, either real or personal, as the directors may deem sufficient. In addition thereto, the defendant was given power to borrow money, buy and sell exchange, bullion, bank notes, Government stock, and other securities. The authority here given to buy and sell exchange, bullion, bank notes, Government stocks, and other securities, does not embrace or include speculative contracts in cotton futures any more than it does hay, oats, provisions, or dry goods. The exchange, bullion, bank notes, securities, etc., authorized, are those of fixed value, current in the market, and not subject to the control of speculators. While the buying and selling of cotton to be delivered in the future may not ordinarily be immoral, or prohibited by any statute, it is not included in the powers given to the defendant by its charter. The transaction in question was prejudicial to its stockholders, and tended to endanger and destroy the safeguards provided for the depositors. The stockholders and depositors had the right to have their funds invested in accordance with the provisions of the charter, and the constitution and laws of the State; and, in so far as this right was violated by the transaction in question, it was a misappropriation of the funds, and immoral.

It is contended that the defense of *ultra vires* is not available in this case, for the reason that the contract had been executed on the part of the plaintiffs, and that the defendant is estopped from setting up the defense. In the case of *Arms Co. v. Barlow*, 63 N. Y. 62, the plaintiff was a corporation, organized for the purpose of manufacturing every variety of fire-arms, and other implements of war, and all kinds of machinery adapted to the construction thereof. It entered into a contract with the American Seal-Lock Company to manufacture and deliver 10,000 locks. The locks having been delivered, it was held that the contract was fully executed, and that the plea of *ultra vires* would not prevail as a defense to an action brought to recover the contract price. We do not question the rule thus invoked. It has been repeatedly declared in other cases, as, for instance, in *Parish v. Wheeler*, 22 N. Y. 494, in which it was held that a railroad company, having purchased and received a steamboat, could be compelled to pay for it, although the power to purchase such boat was not included in its charter; but this doctrine has no application to executory contracts which are sought to be made the foundation of an action, or to contracts that are prohibited as against public policy, or immoral. (*Bank v. Jones*, *supra*; *Pennsylvania R. Co. v. Keokuk & H. Bridge Co.*, 131 U. S. 371-389, 9 Sup. Ct. Rep. 770.) In the case at bar, the transaction, as we have seen, was not only immoral, and in violation of the rights of the stockholders and depositors, but the defendant had received nothing by virtue of it. The cotton had been purchased by the plaintiffs in their own name, they taking title thereto, and holding it upon the defendant's account. It was purchased under the rules of the cotton exchange of the city of New York, in which the members doing business therein with other members act as principals, and are liable as such. The most that can be claimed is that they held the cotton, or the contracts therefor, subject to the call or order of the defendant. There had been no delivery of any cotton or property of any kind, or transfer of any title to such property, to the defendant. If the steamboat had never been delivered to the railroad company, so as to transfer the title thereto, or if the 10,000 locks had never been delivered to the American Seal-Lock Company, very different questions would have been presented in the cases to which we have called attention. We consequently are of the opinion that, under the circumstances of this case, the defense of *ultra vires* is still available to the defendant.

The claim is made on behalf of the appellants that the defendant, in making the orders, acted as an agent for an undisclosed principal, and is therefore liable as such. If the defendant had no power to engage in the business as principal, we do not understand what right it had to do so as an agent ; but, conceding that it was an agent, and that the orders were made for and on behalf of Clopton, then this action should have been brought against Clopton, instead of the defendant. But it is claimed that the defendant neglected to disclose its principal at the time of making the orders, and for that reason it is liable ; but, if it neglected to disclose its principal, so far as this action with the plaintiffs is concerned it must be regarded as principal, and liable as such, and, if a principal, then the question of *ultra vires* arises. The plaintiffs cannot sustain their action upon the two theories, for they lead in different directions. They cannot proceed upon the theory that the defendant was an agent for the purpose of avoiding the question of *ultra vires*, and then upon the theory that the defendant was a principal, for the purpose of establishing a right to recover. Undoubtedly a person may in fact be an agent, and still bind himself as a principal, but, if he is proceeded against as a principal, he is entitled to all of the rights and privileges that the law gives to a person occupying the position of principal. We consequently are of the opinion that the judgment should be affirmed, with costs. All concur.

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## ALTERATION IN A BILL OF EXCHANGE.

SUPREME COURT OF IOWA.

*Smith v. Eals.*

The acceptor of a bill of exchange, which has subsequently been rendered void by a material alteration, may maintain an action of replevin therefor against the holder.

Whether or not a material alteration in a bill of exchange after acceptance renders it absolutely void, it will rebut the presumption that the holder is an innocent holder for value, and put upon him the burden of showing that he purchased in good faith and without notice of the forgery.

ROTHROCK, C. J.—1. The drafts in question were drawn by Hall & Co. by Thomas E. Hall, upon the plaintiff, and payable to the order of Thomas E. Hall, and accepted by the plaintiff at the time they were drawn. Both instruments were dated January 8, 1889, and one was payable September 1, 1889, and the other December 1, 1889. After the instruments became due, they were sent by H. D. Booge & Co., of Topeka, Kan., to the defendant Eals, a banker at Clearfield, Iowa, and the plaintiff commenced this action, and replevined the acceptances upon the general ground stated in the petition that he was the owner and entitled to the possession of them. The defendant Eals answered, disclaiming any interest in the subject of the action. Booge & Co. answered, claiming that the plaintiff, by fraud and misrepresentation, induced Booge & Co. to send the acceptances to this State for the purpose of instituting this action ; and that the jurisdiction of the cause was therefore obtained by fraud. They further set forth that they were “ purchasers for value of the instruments in suit before maturity.” The plaintiff by reply denied that he was in any way instrumental in causing the notes to be sent to this State ; and he further replied as follows : “ The

plaintiff further states that said instruments, now purporting to be accepted time drafts, are forgeries, and are not the instruments as executed, and have been added to and materially changed since execution."

2. The question as to the alleged fraudulent acts of the plaintiff in procuring the instruments to be sent into this State ought not to be considered as in the case. There was no evidence to sustain that averment of the answer, and the court could have very properly directed the jury to find for the plaintiff on that issue. We do not determine whether this averment of the answer would be any defense to the action if proved.

3. It appears without conflict in the evidence that the body of the drafts was in this form: "Pay to the order of Thos. E. Hall four hundred dollars, with exchange ———, value received, and charge to the account of." The words before and after the blank were printed, and the instruments were complete and perfect in form and meaning, without words being filled in the blank. But the blank was filled with the words following: "and ten per cent. interest after date, if not paid when due." There was not space to write these words in the blank, and part of them are interlined. The evidence shows beyond all question that these words were added to and written in the instruments after they were accepted by the plaintiff, and without his knowledge or consent. There is no question but what this was a material alteration of the acceptances, and rendered them void as between the plaintiff and Hall. The only real question in the case is whether, under the evidence, Booge & Co. are entitled to recover on the acceptances. There is no evidence showing when or by whom the instruments were altered. They were indorsed by Hall in blank. The presumption is that they were purchased by Booge & Co. for value, and without notice of any defense that might be interposed thereto. But when it was shown that they had been materially altered this presumption was rebutted, and it was incumbent on Booge & Co. to show that they purchased them in good faith, and without notice of the forgery. (*Robinson v. Reed*, 46 Iowa 219; *Scofield v. Ford*, 56 Iowa, 370, 9 N. W. Rep. 309; 1 Daniel Neg. Inst. § 815; 2 Pars. Notes & B. 576, and authorities cited.) We do not determine that the drafts are absolutely void in the hands of Booge & Co., because it is unnecessary to determine that question in this case. No attempt was made by Booge & Co. to prove that they were *bona fide* holders of the instruments.

4. It is claimed by counsel for appellants that replevin is not the proper remedy for the plaintiff. If the instruments are void by reason of the forgery it is the plaintiff's right to recover possession of them. (See *Savery v. Hays*, 20 Iowa 25; *Sigler v. Hidy*, 56 Iowa 504, 9 N. W. Rep. 374.) We have thus disposed of all the questions in the case without a review of the charge of the court to the jury. There is really no conflict in the evidence. The cause turns upon the law applicable to undisputed facts, and it is not necessary to discuss questions raised as to the correctness of the instructions. The judgment of the district court will be affirmed.

## COLLECTIONS.

## SUPREME COURT OF IOWA.

*Nurse v. Satterlee.*

A bank which collects a letter of credit, left with it for that purpose only, holds the proceeds as a trust fund, though it credits the amount to the owner on its books, and notifies him of the collection, and he does not at once demand his money, and where the bank deposits the proceeds with another bank, and afterwards makes an assignment for benefit of creditors, the owner of the letter of credit is entitled to be paid in full.

One who files a claim against an assignor for benefit of creditors with the assignee does not thereby waive any claim he may have for other or greater payment than that to which the general creditors are entitled.

ROTHROCK, C. J.—The material facts as disclosed by the agreed statement are as follows: The plaintiff delivered the letter of credit to the bank on the 31st day of October, 1888, and the bank delivered to him a receipt in these words: "Oct. 31, 1888. Received from A. J. Nurse for collection, letter of credit for £179 19s. 7d. from London and Coventry Banking Company. \$200 advanced on same. L. A. SHERMAN, Cashier." The plaintiff at that time had just removed from England to the United States. He fixed his residence in the city of Omaha, Neb., about, or in a short time after, November 1, 1888. The draft or letter of credit was delivered to the bank by C. H. Nurse, the plaintiff's agent, and the \$200 advanced was paid by the bank to said agent. On the 6th day of November, 1888, the said bank sent the said letter of credit to the Bank of Montreal at Chicago, and by letter requested a remittance of the proceeds to said Exchange Bank. On the 8th day of November, 1888, the Bank of Montreal sent the following letter to the Exchange Bank: "Chicago, Illinois, November 8, 1888. To Cashier Exchange Bank, Dunlap, Iowa—Dear Sir: In payment of your collection, London and Coventry Banking Company, £179 19s. 7d., received in your favor of the 6th inst. we inclose draft on Bank of New York, \$872.45, ex. \$84¾. We trust that you are satisfied as to the identity of payee. Yours, truly, J. H. MUNDT, Manager." On the 10th day of November, 1888, the Exchange Bank made the following entry on its journal: "Arthur Nurse, proceeds of letter of credit, \$671," and a like entry was made at the same time on the credit side of the ledger of the bank. Prior to the 15th day of November, 1888, the cashier of the Exchange Bank advised the said C. H. Nurse of the fact that the proceeds of said letter of credit had been received by the bank, at or about the same time the said C. H. Nurse notified the plaintiff by letter that the money had been collected, and that the proceeds were held by the Exchange Bank subject to plaintiff's order. On the same day that the Exchange Bank made the above entries upon its journal and ledger, it sent the draft for \$872.45 to the Council Bluffs Savings Bank, with directions to place the same to the credit of the Exchange Bank, which was done. The Exchange Bank had for some time kept an account with the said Council Bluffs Savings Bank against which it drew drafts. The account was kept in the usual manner, and was credited with remittances made and charged with drafts drawn by the Exchange Bank. On the 14th day of January, 1889, the said Exchange Bank made a voluntary assignment for the benefit of its creditors. The defendant is the assignee and the assets of the bank are insufficient to



pay the creditors. This was the only transaction the plaintiff ever had with said bank, and he has not been paid anything upon said collection, excepting the \$200 as above stated. On the 4th day of March, 1889, the plaintiff filed with the defendant, as the assignee of said bank, his claim arising out of the receipt by said Exchange Bank of the proceeds of the letter of credit. At the time the assignment was made by the bank, there was \$2,000 standing to its credit in the Council Bluffs Savings Bank.

2. It is urged in behalf of appellant that the plaintiff, by filing his claim with the assignee for allowance as a creditor of the insolvent bank, waived all right to other or greater payment than that to which the general creditors were entitled. We do not concur in this view. For aught that appears the plaintiff may have believed, when he filed the claim, that the assets would be sufficient to pay all the creditors in full. The filing of the claim did not operate to the prejudice of the rights of any one. No creditor of the bank has been misled or lost any advantage by it. The defendant, assignee, has not changed his position, nor incurred any liability thereby. There are no facts shown which amount to a waiver or estoppel as against the plaintiff. (See *McLeod v. Evans*, 66 Wis. 406, 28 N. W. Rep. 173, 214.)

3. It is urged with apparent confidence by counsel for appellant, that the facts establish the relation of debtor and creditor between the plaintiff and the bank, and that the plaintiff has no more right to a preference in payment than any other depositor in the bank. Surely it ought not to be claimed that any such relation as depositor was intended by the parties in the first instance. The plaintiff delivered the letter of credit for collection. He did not take a certificate of deposit, but an ordinary receipt for a collection. When the collection was made there was no change made in the relation of the parties. The entry made in the bank-books did not change the transaction to a deposit. Even if the officers of the bank had made it appear by the bank-books that the transaction was a deposit, it would not have affected the rights of the parties. The plaintiff could not be transformed into a depositor without his consent. The only fact in the case tending in the least degree to show any other relation than that of principal and agent is that the plaintiff did not call for his money at once upon being notified that it had been collected. But this delay does not authorize the finding that the plaintiff regarded the bank as bearing any other relation to him than that of a collector. The money was therefore held by the bank in the nature of a trust fund. Instead of keeping the trust funds separate and apart from other funds of the bank, it was deposited with the Council Bluffs Savings Bank, and, when the assignment was made, there was a balance in that bank in favor of the Exchange Bank amounting to \$2,000. Under this state of facts the plaintiff is entitled to full payment. We have recently had occasion to examine quite fully the same question or principle in the cases of *Independent Dist. of Boyer v. King*, 45 N. W. Rep. 908, and in *Plow Co. v. Lamp*, *Id.* 1,049. It is sufficient to refer to those cases, and the authorities therein cited. We might say, however, in conclusion, that the case is very much the same in its facts as that of *McLeod v. Evans*, *supra*, with the exception that, in that case, the money collected could not be traced to any distinct fund. Here it is to be found as a deposit in the Council Bluffs Savings Bank. This difference in the cases is the ground upon which a dissenting opinion was based in the cited case. The judgment of the district court is affirmed.

## LEGAL MISCELLANY

**CORPORATIONS—RIGHT OF OFFICERS TO COMPENSATION.**—In an action by the vice-president of a corporation, against the company, to recover for services as general manager, it must be shown by a preponderance of evidence that the services were clearly outside of his duties as an officer of the company; and, where the jury are charged that such is the law, it is not error to refuse to charge that the burden of proof is on the plaintiff to establish the fact. [*Topence v. Corinne Mill, Canal & Stock Co.*, Utah.]

**NATIONAL BANKS—DIRECTORS.**—Directors of a National bank are "officers," within the meaning of Rev. St. U. S., § 5,209, which makes it a misdemeanor for bank officers to make false entries in any book, report, or statement of the bank, with intent to deceive any of its officers. [*United States v. Means*, U. S. C. C., Ohio.]

**NEGOTIABLE INSTRUMENT—BURDEN OF PROOF.**—In an action on a promissory note, where the answer is a general denial, the burden of proof is upon the plaintiff to show that defendant executed the note. This burden does not shift to the defendant, after the note is introduced in evidence, but remains with the plaintiff through the entire trial. [*First National Bank v. Carson*, Neb.]

**NEGOTIABLE INSTRUMENT—EVIDENCE.**—In an action by the holder of a promissory note, payable to bearer, against the maker, where the execution of the note is not denied by plea, the introduction of the note in evidence makes a *prima facie* case for the plaintiff. [*Groves v. First Nat. Bank*, Tex.]

**BANKS—CHECKS.**—A bank is not liable to the holder of a check drawn upon it by a general depositor for its refusal to pay the check, though the bank has sufficient funds of the drawer wherewith to pay it. [*Satterwhite v. Melczer*, Ariz.]

**NATIONAL BANK—JURISDICTION OF COURTS.**—By Rev. St. U. S., § 5,198, providing that a National bank may be sued in any State or county court in the county in which it is located having jurisdiction of similar cases, and § 5,136, providing that such bank may be sued in any court of law and equity as a natural person, jurisdiction of an action on contract against a National bank is not prohibited to a State court of a county other than that in which it is situated. [*Fresno Nat. Bank v. Superior Court*, Cal.]

**PRINCIPAL AND SURETY.**—The sureties on a bond conditioned for the faithful performance of the principal's duties as bookkeeper, "or, if he shall be appointed to any other office, duty, or employment, he shall also faithfully perform" the duties of that position, are liable for his defalcation as cashier's clerk, to which position he was promoted from bookkeeper. [*Fourth Nat. Bank of New York v. Spinney*, N. Y.]

**CORPORATIONS.**—A corporation cannot recover on a note given to its defaulting manager by defendant where the evidence shows that it was a personal transaction for the accommodation of such manager, without consideration, and there is no evidence to show that its having been given enables the manager to defraud the company, or assisted him in so doing. [*Société Des Mines D' Argent v. Mackintosh*, Utah.]

**CORPORATION—LIABILITY OF STOCKHOLDERS.**—Under Gen. Laws Col. 1883, ch. 19, § 43, providing that "the officers and stockholders of every banking corporation or association formed under the provisions of this act shall be individually liable for all debts contracted during the term of their being officers or stockholders of such corporation equally and ratably to the extent of their respective stock, . . ." in an action against all the stockholders for the entire debt of the corporation, a judgment by default against one for the whole amount will be reversed. [*Buens v. Cook*, Colo.]

**CORPORATIONS—SUBSCRIPTION TO STOCK.**—The fact that a corporation, whose charter provides that "twenty-five per cent. of the capital stock shall be paid in before said company can exercise the privileges and powers herein granted," enters into a contract for the construction of necessary works for the corporation before the 25 per cent. has been paid in, does not release one from his subscription for stock of the corporation. [*Naugatuck Water Co. v. Nichols*, Conn.]

**CORPORATIONS—TRANSFER OF STOCK.**—A *bona fide* purchaser of certificates of stock, upon which a power of attorney, authorizing their transfer to any person, is indorsed by the person in whose name the certificates were issued, and who was the last registered stockholder, takes them relieved of a trust existing back of the registry, though the transfer to such person is not registered. [*Winter v. Montgomery Gas Light Co.*, Ala.]

**NEGOTIABLE INSTRUMENT—ESCROW.**—In an action on a note, an answer alleging that the note was executed in consideration of the extension of a street railroad by the payee, and deposited with a bank, with the stipulation that it was not to be delivered until the condition was fulfilled, but that the road has not been so extended, is not demurrable. [*McLaughlin v. Clausen*, Cal.]

**NEGOTIABLE INSTRUMENT—PLEADING.**—Where, in an action on a note, one defendant, a co-indorser thereon, has answered unqualifiedly admitting that he indorsed the note, it is not error to allow him to amend by alleging that for a valuable consideration his co-indorser agreed to hold him harmless on the note, that not being inconsistent with his former admission. [*McPherson v. Weston*, Cal.]

**NEGOTIABLE INSTRUMENT—RATIFICATION.**—Defendant, being informed by a third person that he had deposited her note with plaintiff as collateral, told such third person that she had signed no such note, but she did nothing more about it, and paid no attention to plaintiff's notice that the note was due: *Held*, that her silence did not amount to a ratification. [*California Bank v. Sayre*, Cal.]

**CORPORATIONS—INCREASE OF STOCK.**—*Held*, that the increase in stock having been made with the consent of all the stockholders, was binding on them and the corporation, though there may have been irregularities in the proceedings. [*Bailey v. Champlain M. & P. Co.*, Wis.]

**NEGOTIABLE INSTRUMENTS.**—Where a purchaser of negotiable paper before maturity takes it with knowledge of facts which impeach its validity between antecedent parties, or with a belief, based upon circumstances brought to his knowledge before the purchase, that the maker had a defense to the note, such purchaser is not an innocent holder, and the paper is subject to the defenses existing between the maker and payee. [*Meyers v. Bealer*, Neb.]

## THE BANK OF FRANCE AND FRENCH FINANCE.

## A LARGE VOLUME OF MONEY WITH A SMALL VOLUME OF BANK CREDIT.

The following paper by Henry Carey Baird was published in *The Manufacturer*. Elsewhere will be found some comments thereon.

In despite of her centralization, political, societary, monetary, trading and railroading in Paris, the financial and economic policy generally, of France, each time it is subjected to intense strain, becomes a new source of the wonder and the admiration of mankind. And this wonder, this admiration, is not misplaced. The emergency finds both the Government and the Bank of France full of intelligent judgment and courage ; and ready and willing to do all those things needful to save society from collapse.

For instance : In the throes of the revolution of 1848, the notes of the bank were made a legal tender, and that great institution, at once, in the words of the *London Times*, "placed itself, as it were, in direct contact with every interest in the community, from the Minister of the Treasury down to the trader in a distant outpost. Like a huge hydraulic machine it employed its colossal power to pump a fresh stream into the exhausted arteries of trade, to sustain credit and *preserve the circulation from complete collapse*." It made immense advances to the Government, to the City of Paris, to Marseilles, to the Department of the Seine, to the hospitals, and on receipts for merchandise, stored in warehouses, opened for the receipt of this merchandise, by a decree of the National Assembly. These merchandise receipts alone, to the value of \$12,000,000, were so discounted. The currency of the bank was thus, in immense volume, supplied to all of the channels of the social system.

Coming now down to the time of the defeat of the French armies in August, 1870, when consternation had seized upon the people, the Bank of France and the Discount Banks of Paris, co-operating with it, determined to sustain the industries and the people, and *within a fortnight* made advances to them to the amount \$36,000,000. Commerce, association, society was then kept alive, and not one failure of consequence took place ; and soon after peace was restored, less than \$50,000 of all this vast sum remained unpaid, but it, too, due by the estates of deceased persons, was then in process of settlement.

The circulation of the bank, which was in June, 1870, before the war, \$275,000,000, was by November, 1871, expanded to \$460,000,000, and by the end of October, 1873, to \$614,000,000, when the premium on gold and silver disappeared. The war fine of \$1,100,000,000 was paid by France to Germany with a net loss of but \$140,000,000, of gold and silver, the balance being paid by bills of exchange, which were mainly furnished by the export of merchandise to Germany and other countries, the results of the production of the workers at the plow, the loom and the anvil, and in the workshop, who were kept employed by the policy which subordinated the instrument of association—money—to commerce, and not commerce to the instrument. In order to pay this war fine and other expenses of the war, the French Government contracted two grand loans, one for 2,776,000,000 francs, and one for 4,136,000,000 francs. To this latter the subscriptions reached the fabulous sum of 43,000,000,000 francs, or over \$8,000,000,000—ten times the amount

required. The National debt of France is held by 4,000,000 persons, and the agricultural land by 5,500,000 proprietors, of whom 5,000,000 are peasant farmers.

The first French Revolution and the wars growing out of it, preventing for a quarter of a century all intercourse with England, operated as a protection to the French artisan and brought the consumer to the side of the producer, built up the power of association. Since the close of these wars in 1815, to use the words of Carey, "Statute law has continued the system so well begun by Colbert," the great minister of Louis XIV. The products of her agriculture and of her diversified industries are not, while being taxed, abandoned by a heartless Government to the untaxed competition of the entire world outside. That Government does not, under the lead of a clique of "orthodox" philosophers demand the blood of its own, and at the same time require the cheap products of foreigners on whom no similar tax is levied. These conditions lead to the development of local action through local power of association, and have resulted in the accumulation of a vast volume of the precious metals.

With a population of 38,250,000 the currency consists of gold \$900,000,000; silver, \$700,000,000; bank notes outstanding, November 20th, 1890, \$613,000,000, or an aggregate of \$2,213,000,000, giving a *per capita* of \$58.00, against \$550,000,000 gold, \$100,000,000 silver, and \$130,000,000 paper, in all \$780,000,000, or \$20.80 *per capita* for Great Britain and Ireland. This is the chief source of her local power of association and of her financial stability.

About 1808 the French finances were established upon an entirely different system from that on which they had previously been. There is a receiver general for revenues in each department. These officials receive the revenues and remit them to the Treasury by means of checks and bills of exchange. The central receiver informs the subordinate receivers as to whether he wants more or less money in Bordeaux, or in any other city, than he has there, and what funds he wishes sent to Paris, and transfers are accordingly made. The French Treasury Department is very much like a bank, buying and selling bills of exchange and French *Rentes* (public securities) daily in all the departments of the Republic, and the system has worked with immense success. The Marquis d'Audiffret, who published the *Système Financier de la France*, 6 volumes, 8vo., 1856, was the principal official who was instrumental in introducing this system. He there expresses the opinion that, working in perfect harmony with the people, and with the mode in which they do business, it has been largely instrumental in obviating the necessity for the institution of banks.

The people operate chiefly either through the credit of the Government or with circulating notes or money, and with very little mere bank-credit called *deposits*. Transactions are almost entirely for cash. The result of this National financial system is, that of the revenues but a few million francs per annum are transferred from the Departments of France to Paris, in money, all else by bills of exchange and checks. The payment of the war fine to Germany was made in exact accordance with the principles at the foundation of this system, with marvelous intelligence and wholly without shock to the trade and commerce of the Republic.

The Bank of France, as a democratic financial institution, is a model; discounting promissory notes as low as a few francs each, but requiring three names, two indorsers as well as a drawer. Nevertheless, the Frenchman generally does not keep a bank account. M. Pinard, manager of the *Comptoir d'Escompte* of Paris, testified before the French

**Commission of Inquiry, 1865-68**, that the greatest efforts had been made by that institution to induce French merchants and shopkeepers to adopt English habits in respect to the use of checks and the keeping of bank accounts, but it was in vain; their prejudices were invincible; "it was no use reasoning with them, they would not do it because they would not."

The results of this determination are shown in the fact that business throughout the Republic is carried on largely with money, and that bank deposits do not accumulate in great volume. In "heavy" financial "weather" the Bank of France and the other French banks pass through the storm peacefully and quietly, while a real cyclone may be happening in Great Britain.

On November 20th, 1890, while the loans and discounts of the Bank of France, exclusive of those to the Government, and including \$15,000,000 to the Bank of England, were \$234,899,000, the deposits, exclusive of the current account of the Treasury, were but \$82,500,000. The Treasury account current was \$43,000,000. The power of the bank to make discounts and advances comes largely out of its circulation, which was on that date \$613,000,000, while it held \$472,500,000 of gold and silver; the difference being \$140,500,000. This circulation out among the people, and in hourly, nay, perpetual use, quite independent of its moderate volume, is in much less danger of being presented for payment than an equal amount of deposits.

Quite in contrast to the \$82,500,000 of private deposits of the Bank of France, are those of the associated banks of New York amounting, by their last statement, to \$376,000,000.

But we, in this country, have never in practice seen the bank-credit system run mad as it exists in England, and especially in London. For instance, the London *Economist*, of November 22d, tabulates the statements of eleven joint stock banks in London, June 30th, 1890, so far as regards the two items of "liabilities to the public" and cash on hand and at the Bank of England. These liabilities were \$848,000,000, while the cash, including that in the Bank of England, was but \$87,000,000; or 10.3. cents of so-called "cash" for each \$1.00 of liabilities, exclusive of those to the stockholders.

The grand success of France and her system is wholly without mystery. It is as clear as the sun at noonday to all those who are not willfully blind. A century of practical protection has resulted in the existence of magnificent industries and in a volume of gold and silver money amounting to \$1,600,000,000, of which \$700,000,000 is silver, infinitely superior to any pretended "gilt edge" bank-credit. This volume of money is increased in its efficiency by a really democratic bank and a democratic system of government of finance, which system of finance does not take from the people their money in taxation, and lock it up in barbarous—Middle Age—treasury vaults. The result is that while the people generally use cash, and bank-credits are not and cannot be inflated, a financial tornado, which in Great Britain will destroy the people who are built up by bank-credits, and uproot society generally, will pass over France almost without a ripple.

The lesson of all this is, that a full volume of money will alone enable a people to pay as they go, and keep out of debt, and no other contrivance under the sun, none ever devised by man, will, and the sooner that all Governments act on this idea, as practically demonstrated by France, the better for all those Governments and for all mankind.

## FRENCH AND ENGLISH BANKING COMPARED.

The following extract from a letter that appeared in the *New York Tribune*, written by George R. Gibson, setting forth the advantages of the system of banking in France, is well worth reading by those who do not understand the system long adopted by the Bank of France in making payments in gold and silver.

Commenting on the assistance rendered to the Bank of England by the advance of £3,000,000 sterling at 3 per cent., one of the most distinguished financiers of New York said to us the other day: "Think of it! The beef-eating Englishman had to go to the frog-eating Frenchman for ready money, and the frugal Frenchman said to his British cousin: 'We believe your rate is 6 per cent.; ours is only 3, and at the lower rate you can have what you need.'" But as a matter of fact this event is not without a parallel, and curiously enough the Barings figured in it then. In 1839, the harvest having been poor and the drain of specie great, the Bank of England was reduced to such straits that it had to apply to the Bank of France for relief, but as the latter could not loan on anything except in discount of bills or Government securities, and as the Bank of England could not make foreign bills, it was arranged that Baring Brothers should draw upon Paris bankers and then cash the bills, paying over to the Bank of England the proceeds.

At a later period, in 1860, when silver was worth more than gold on the Latin Union ratio of 1 to 15½, the Bank of France had notes outstanding redeemable in either gold or silver, at its option. As its reserves consisted chiefly of silver, if it redeemed in that metal the holders of notes would present them for redemption, trusting to receive silver, which could be sold at a premium. To fortify itself with gold, then the cheaper metal, it applied to the Bank of England, with which it effected an exchange of £2,000,000 silver for a like quantity of gold.

We recall these facts, as just now public attention is directed to the fraternal relations of these two great institutions and their present fraternal feeling.

We may go further, since we are on the subject, and inform our clients, if they are not already familiar with the facts, of some of the peculiar conditions of the Bank of France. When one of our firm was in Paris the past summer, in conversation with the head of one of the largest Franco-American houses, the latter was asked this question:

"If I take to the Bank of France a large check for cashing, what will it pay me?"

The reply was: "In its paper notes."

"What then will I receive if I present the notes of the Bank of France to it for redemption?"

"It will pay you in silver."

"What will it do if I ask for gold?"

"It will give you gold, but charge a premium for it."

"Then gold is practically at a premium in Paris on large sums?"

"Yes."

It is true that a certain and considerable amount of the yellow metal is in circulation outside the bank in commercial circles, and this finds its way freely into and out of the private banks, but once it falls into the clutches of the Bank of France its reissue is a matter of policy and doubt. The result of this is a hoard of \$250,000,000 in gold and an equal amount of silver, and the overwhelming predominance of the Bank of

France is now a fact patent to every observer. When the Bank of England finds its gold slipping away from it it has recourse to an advance in its discount rate, designed both to attract gold to it and stop its withdrawal. On the contrary, the Bank of France does not necessarily or usually advance its bank rate to accomplish such a purpose; it merely raises the premium which it will charge or pay for gold.

The great advantage of the latter system is that, with few variations in the bank rate, commerce is not exposed to such fluctuations of profit and loss. The Bank of England has nine country branches and two in the city, whereas the Bank of France has ninety-four branches in the towns of France, and it maintains the same rate in the country as in the city, and as this is phenomenally low most of the time a vast benefit is conferred on French commerce. The Governor of the Bank of France, at the last convocation of shareholders, laid great stress upon the boon to the French commercial classes of lower interest rates than paid elsewhere in the world.

The successful management of the Bank of France, which extorts the admiration of the world, must in a great measure be attributed to the free scope allowed its managers. Furthermore it should be attributed to the dual use of gold and silver, which its example shows may operate to protect it from the dangers which beset the sole gold reserve of the Bank of England. The Bank of France is authorized to issue \$700,000,000 currency (3,500,000,000 francs), and the proportion of its metallic reserve is left to the management of the bank, as is the relative proportion of gold and silver constituting that reserve. The Bank of England has restrictions placed around its issues, which, when above £16,500,000, must be solely protected by corresponding gold sovereigns, though it may do what it has not been in the habit of doing—keep one-fifth of its reserve in silver.

It is safe to assume that this season's experiences will exercise a highly educational influence on British opinion concerning silver, and excite a public demand for its increased use. Every measure that prudence can at all countenance will surely be popular, that will tend to increase the metallic base to the structure of British credit, which is now so severely tested in its underpinning.

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## THE PROPOSED SILVER BILL.

The following bill is the outcome of a conference among Republican Senators, and is described as "a bill to provide against the contraction of the currency and for other purposes":

"Be it enacted, etc., that the Secretary of the Treasury is hereby directed to purchase from time to time during the calendar year 1891, silver bullion to the aggregate of 12,000,000 ounces at the market price thereof, not exceeding \$1 for 371.25 grains of pure silver, in addition to the amount required to be purchased by the act approved July 14, 1890, entitled 'An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes,' of which sum of 12,000,000 ounces there shall be purchased, at the discretion of the Secretary of the Treasury, not exceeding 3,000,000 ounces in any one month, and the Secretary of the Treasury shall issue in payment for such purchases of silver bullion Treasury notes of the United States of the same form and description, and having the same legal qualities as the notes



provided for by the said act. And such Treasury notes shall be a legal tender and be received, redeemed, and re-issued in the same manner and to the same extent as other Treasury notes.

"SEC. 2. That the compulsory requirement of deposits of United States bonds with the Treasurer of the United States by National banks having a capital of not more than \$50,000 is hereby limited in amount to \$1,000 of bonds for each and every National bank; provided that the voluntary withdrawal of bonds for the retirement of such National bank notes shall not exceed the sum of \$3,000,000 in any one month; and provided, further, that this act shall not apply to the deposits of bonds which may be required by the Secretary of the Treasury to secure deposits of public moneys in the National banks.

"SEC. 3. That upon any deposits already or hereafter made of any United States bonds bearing interest, in the manner required by law, any National banking association making the same shall be entitled to receive from the Comptroller of the Currency circulating notes of different denominations, in blank, registered and countersigned as required by law, not exceeding in the whole amount the par value of the bonds deposited; provided that at no time shall the total amount of such notes issued to any association exceed the amount at such time actually paid in of its capital stock.

"SEC. 4. That whenever the circulating notes of National banks, including such notes in circulation represented by lawful money deposited by the banks in the Treasury for the redemption of such notes, shall be less than \$180,000,000, the Secretary of the Treasury is authorized and directed to purchase from time to time, as such circulating notes are retired and canceled, silver bullion as may be offered at the market price thereof, not exceeding \$1 for 371.25 grains of pure silver, but such purchases shall not exceed in the aggregate at any time an amount of such National bank notes retired and canceled below the said sum of \$180,000,000, and the Secretary of the Treasury shall issue in payment for such purchases of silver bullion Treasury notes of the United States of the same form and description, and having the same legal qualities as the notes provided for by the same act, and such notes shall be a legal tender and be received, redeemed and reissued in the same manner and to the same extent as other Treasury notes issued under the act aforesaid, approved July 14, 1890, and if the Secretary of the Treasury shall be unable to purchase silver bullion to the amount required on the terms herein provided for, he is authorized and directed to make good the deficiency, to issue United States notes similar in terms and description to the United States notes now outstanding to an amount equal to the amount of such National bank notes retired and canceled below the said sum of \$180,000,000. And such notes shall have the same qualities and be a legal tender, and be received, redeemed and reissued in the same manner and to the same extent as other United States notes.

"SEC. 5. Whenever the market price of silver bullion shall have been continuously for a period of one year \$1 or more for 371.25 grains of pure silver, all purchasing of silver bullion by the Secretary and Treasurer shall cease, and thereupon and thereafter any owner of silver bullion not too base for the operations of the Mint may deposit the same in amounts of the value of not less than \$100 at any mint of the United States to be formed into standard dollars or bars for his benefit and without charge, and at the said owner's option he may receive instead the equivalent thereof in the Treasury notes of the said act approved July 14, 1890.

"SEC. 6. That the Secretary of the Treasury be, and he is hereby

authorized to cause the subsidiary silver coins of the United States now in, or which may hereafter be received into the Treasury or Sub-Treasuries of the United States, which are abraded, worn, mutilated, defaced or otherwise unfit for circulation, or are of denominations for which there is no current demand, to be recoined at the mints of the United States into such denominations of silver coins now authorized by law as may be required to meet the demand therefor. That the loss incident to the recoinage of such uncurrent silver coins into new coins shall be paid from the gain arising from the coinage of silver bullion into coin of a nominal value exceeding the cost thereof, denominated 'the silver profit fund.'

"SEC. 7. The Secretary of the Treasury is hereby authorized and directed to issue Treasury notes of the act approved July 14, 1890, to an amount equal to market value of the bullion made from the trade dollars now in the Treasury, and of the bullion to be formed from other trade dollars, and also upon the bullion value of \$10,000,000 of the abraded and otherwise uncurrent subsidiary silver coin now in the Treasury.

"SEC. 8. That Paragraph 8 of Chapter 327 of the supplement of the Revised Statutes of the United States, which requires that refining and parting of bullion shall be carried on at the mints of the United States and at the Assay Office at New York, be amended by inserting after the word 'law,' in the fourth line, the following words: 'and from the proceeds of the sale of by-products resulting from the operations of the refinery,' so that the paragraph shall read:

"'And it shall be lawful to apply the moneys arising from charges collected from depositors for these operations pursuant to law, and from the proceeds of the sale of by-products resulting from the operations of the refinery, so far as may be necessary, to the defraying in full of the expenses thereof, including labor, materials, and wastage.'

"SEC. 9. That an act to authorize the receipt of United States gold coin in exchange for gold bars, approved May 26th, 1882, be amended to read as follows:

"'That the superintendents of the coinage mints and of the United States Assay Office at New York may, with the approval of the Director of the Mint, but not otherwise, receive United States gold coin from any holder thereof, in sums of not less than \$5,000, and pay and deliver in exchange therefor gold bars in value equaling such coin so received, provided that the Director of the Mint, with the approval of the Secretary of the Treasury, may impose for such exchange a charge which in his judgment shall equal the cost of manufacturing the bars.'

"SEC. 10. That it is the continued policy of the United States Government to use both gold and silver as full legal tender money under the ratio now existing in the United States, or that may be hereafter established by the United States, acting in accord with other nations; and the United States is willing to join with other commercial nations in a conference to adopt a common ratio between gold and silver with a view of establishing, internationally, the use of both metals as full legal tender money, and securing fixity of relative value between them. And when, in the judgment of the President, a sufficient number of such nations shall have entered into such international arrangement, he may declare the ratio so fixed to be the existing ratio in the United States, and all coinage thereafter shall be at such ratio until changed by law. The President shall, by and with the advice and consent of the Senate, appoint commissioners, not exceeding three, who shall attend any such conference on behalf of the United States, and they shall report their doings to the President, who shall transmit the same to Con-

gress. Said commissioners shall receive the sum of \$5,000 and their reasonable expenses, to be approved by the Secretary of State, and the amount necessary to pay such compensation and expenses is hereby appropriated out of any money in the Treasury not otherwise appropriated.

"SEC. 11. That all acts and parts of acts inconsistent with the provisions of this act be and the same are hereby repealed."

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### A NEW CURRENCY BILL.

The following bill was introduced by Senator Plumb, at the request of Mr. St. John, President of the Mercantile National Bank of New York, as an amendment to Senator Sherman's bill, "To reduce the compulsory requirements of United States bonds by National banks," etc., by striking out all after the enacting clause and substituting therefor the following, to wit:

That the compulsory requirement of deposits of United States bonds with the Treasurer of the United States by National banks, is hereby limited in amount to \$1,000 of bonds for each and every National bank. Provided, That this act shall not apply to the deposits of bonds which may be required by the Secretary of the Treasury to secure deposits of public moneys in the National banks.

SEC. 2. That the Secretary of the Treasury is hereby authorized and directed to replace all sums of National bank notes hereafter permanently retired and canceled, by the issue, in lieu thereof, of like sums of United States notes of the description and character of the United States notes now outstanding and authorized by act of February 25, 1862, entitled: "An act to authorize the issue of United States notes and for the redemption and funding thereof, and for the funding of the floating debt of the United States," and acts amendatory thereof; and the said notes outstanding, and all thereof hereby and hereafter authorized and issued, shall be receivable for customs and a legal tender for all public and private dues.

SEC. 3. That from and after the passage of this act it shall not be lawful to issue, or reissue, any certificates of the United States for deposits of gold or silver, or any United States notes other than of the character and description and functions prescribed in section 2 of this act; and any gold certificates and silver certificates and United States notes other than as aforesaid, at any time on hand, shall be promptly canceled and destroyed; and in lieu of all said certificates and all said other notes canceled and destroyed, the secretary shall issue like sums of United States notes prescribed in the aforesaid section 2; but nothing in this act hereinbefore or hereinafter shall be construed to alter or amend existing requirements of law as pertaining to any of the rights and security of the holders of any United States certificates or notes outstanding.

SEC. 4. That the Secretary of the Treasury shall hereafter maintain constantly on hand in the Treasury or sub-Treasuries of the United States, for the redemption of United States notes of the character, description and functions prescribed in section 2 of this act, a reserve fund of standard gold and silver and coin bars, which fund shall consist of gold to the amount of not less than 20 per centum of the total sum of said notes outstanding, together with silver to the amount of not

less than 20 per centum of the total sum of said notes outstanding. For any sum of standard gold and silver coin and bars at any time on hand, in excess of the required reserve fund aforesaid, and not held for outstanding gold certificates, or silver certificates, or Treasury notes of the act approved July 14, 1890, entitled: "An act directing the purchase of silver bullion and the issue of Treasury notes thereon and for other purposes," the Secretary of the Treasury is hereby authorized to issue proportionate sums additional of United States notes of the character, description and functions prescribed in the aforesaid section 2.

SEC. 5. That from and after the passage of this act the unit of value in the United States shall be the dollar, and the same may be coined of 25.8 grains of standard gold, or  $412\frac{1}{2}$  grains of standard silver, except as hereinafter provided, and the said coins shall be receivable for customs and a legal tender for all public and private dues. And any owner of gold or silver bullion not too base for the operations of the mint may deposit the same at any mint of the United States, in amounts of each of not less value than \$100, and receive therefor, respectively, standard gold coin or bars, and standard silver coin or bars; and at the owner's option he may receive instead therefor, at the coinage valuation thereof, United States notes of the character, description and functions prescribed in the aforesaid section 2.

SEC. 6. That all acts and parts of acts, which, in any manner other than in this act prescribed, may now permit owners of gold or silver to command any of the conveniencies of the mints of the United States, or which may be construed to authorize holders of any United States notes or certificates to require the redemption thereof in uncoined gold or uncoined silver, or to demand uncoined gold or uncoined silver in exchange for United States coin, and every direction of law to purchase silver bullion, are hereby expressly repealed; but the Secretary of the Treasury in his discretion and upon terms and regulations which he may from time to time prescribe, may pay out gold or silver bars of standard fineness at not less than the coinage valuation thereof, upon demand therefor, in redemptions of any United States notes, and in exchange for United States standard coin.

SEC. 7. That whenever the president of the United States shall be authoritatively advised that the mints of France, Italy and Belgium are open for the coinage of their legal tender silver money as free from all restrictions, limitations and charges as for their gold, thereupon it shall be the duty of the President to issue his proclamation, which shall have the force and effect of a law of the United States directing the Secretary of the Treasury to devise forthwith a new silver dollar coin of the United States to contain 400 grains of standard silver and be receivable for customs and a legal tender for all public and private dues, and cause to be coined not fewer than 2,500,000 thereof each month until 300,000,000 of the same shall be coined, using therefor any silver bullion, or dollars of the  $412\frac{1}{2}$  grains standard, that may be on hand; and to cause that all rights and privileges of owners of silver bullion hereinbefore prescribed and any hereafter meanwhile prescribed, and all the requirements of law now and hereafter meanwhile laid upon the United States, respecting silver dollars and the coinage valuation of silver, and all issues of United States notes and certificates outstanding in relation thereto, shall thereupon and thereafter pertain and apply to the herein provided new standard silver coin and valuation only; and to cause that, after 30,000,000 of the herein provided new standard silver dollars shall have been coined, all silver dollars of the  $412\frac{1}{2}$  grains standard, at any time on hand, shall be recoined into said new standard dollars or melted into standard silver bars.

SEC. 8. That any gain or seigniorage enuring to the United States by virtue of this act shall be accounted for and paid into the Treasury.

SEC. 9. That all acts and parts of acts inconsistent with the provisions of this act are hereby repealed.

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## CURIOUS DEBT-PAYING PRACTICES AMONG THE CHINESE.

A writer in the North China *Herald*, of Shanghai, lately takes for his theme the peculiar Chinese practice of settling debts just before New Year's Day, which has often been praised by Western observers, but which he does not applaud so much. The custom has, he says, its roots in three causes: First, that everybody owes something; secondly, that a great necessity exists for short settlements; and thirdly, that no one will pay a debt until he is forced to do so. Tyrannical custom compels most persons to live beyond their means. Marriages and funerals are the ruin of the people. The farming classes are in perpetual difficulties, while the small traders work on such a narrow margin that frequent "accommodation" is essential.

On the other hand, the balances in the hands of creditors are so small that no one can afford to leave his money out of call for more than a few months. Finally the universal habit is to avoid discharging liabilities if possible. So at New Year's time there is a perpetual sequence of flight and pursuit. Creditors hunting reluctant debtors are themselves hunted by hungry creditors of their own. The nation, in short, revolves in a vicious circle, and its only period of brief pause is New Year's Day. The double anxiety of a Chinese in the twelfth moon is to find some one else and not to be found himself. Any particular creditor hunting any particular debtor will find that he is himself anticipated by a swarm of other creditors hunting the same game. It is greatly to the interest of all parties that no claim for debt should get into the courts of law, for this would mean that not only the amount in dispute, but all the rest of the property of both parties would be in danger of being wasted.

For these reasons it is the role of the debtor to represent that he is so harassed by importunate creditors that he knows not which way to turn. In ninety-nine cases out of one hundred the creditor is compelled to "call again," then the debtor sets his wits to work to invent new occasions for begging for a writ *nolle prosequi*. If the creditor were to relax his hold and cease his claims, that would be the end of them for an indefinite period, perhaps forever, and this he knows as well as any one. Therefore, once having taken hold, he keeps his grip, like the jaw of a bulldog, till he gets his pound of flesh. Eternal vigilance is the price at which this is to be won; eternal vigilance is what the Chinese creditor has a large supply of.

To avoid the creditor altogether is a prime object of many debtors during the trying period which follows the winter solstice. Many are the individuals who feign sickness, and who cannot, therefore, be seen; who do not venture on the street for many days before the close of the year, and who live, in fact, the lives of thieves until just at the close of the last day of the year. Then they emerge from their obscurity in time to get their heads shaved for the new year, and have the keen joy of knowing that they have eluded the vigilance of their remorseless

foes. The Chinese debtor who succeeds in evading or parrying the claims of his creditors at this critical epoch finds a "city of refuge" in which for the time he is safe. On New Year's Day or one soon after he may possibly call upon his creditor, or his creditor may call upon him.

Each is arrayed in his best, and each is full of polite phrases. The creditor may be inwardly swelling with wrath and fury at the thought that this cunning wretch did, after all the pains taken to prevent it, make his escape. The debtor may be full of smiling self-complacency to think how well he played some of the numerous tricks of the season. But neither the one nor the other would ever dream of alluding to such affairs at this festive time. Business is taboo, contraband of war, interdicted by the law of the realm, and so the debtor is out upon another stadium of his existence, the fangs of the adversary whetted in secret are restrained from the flesh for the time, and he walks the earth with a sense of inconstraint to which he has long been a stranger.

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### COUNTERFEIT GOLD PIECES.

The most dangerous counterfeit ever known in the history of the coinage of this Government has been found by the authorities of the Mint in this city. It is a five-dollar gold piece, designed and executed with such remarkable skill that few of the experts can distinguish the spurious coins from the genuine. In general appearance, color, weight and design the counterfeit is perfect. It is an exact fac-simile of the true coin except in size. It is slightly larger in diameter, but the discrepancy is so small that only careful measurement with a special instrument, in the hands of a skillful man, will reveal the difference, and even an assay has been found necessary to establish definitely its spurious character. Only a few have been discovered in the Mint, but even conjecture cannot approximate the number that are floating through the banks and the Sub-Treasuries.

The principal fact which makes them most difficult of detection is that they are made of gold, but the metal is of a lower grade than the Government standard, which is 900 fine. The spurious pieces are about fifty points less. Assays made at the Mint have shown that they have an intrinsic value of \$4.40, leaving the counterfeiter a profit of 60 cents on each piece for his labor. The same skill which characterizes the design and execution of the coin is observed in the reduction of the standard. The alloy is so skillfully made up that the weight is made to correspond with exact preciseness to the genuine coin.

The authorities have only a theory as to how the false coins are made, but they are satisfied of the correctness of their conclusions. The counterfeiter appears to possess some process by which he can temper a genuine coin to a degree of great hardness. He understands also how steel can be refined and softened so that it can be made to take an indented impression like a piece of lead. Having adapted his steel, he places upon it a hardened coin, which he then subjects to a quick, heavy pressure. The metal receiving the impression is next hardened, and when this process is finished, the counterfeiter has an almost perfect die with which to stamp his pieces. It differs from the genuine die only in that the pressure required for the impression expands the coin, making the die slightly larger in diameter. This circumstance furnishes the explanation for the difference existing between the sizes of the genuine and false coins.—*Philadelphia Inquirer*.

## SHORT-WEIGHT COINS.

Short-weight gold coins are becoming annoyingly common. Bankers and others are frequently coming across light pieces. The discovery a few days since of nearly \$300 in light two-and-a-half-dollar gold pieces tendered in payment of custom duties by a prominent importer has led to the detection of numerous pieces short in weight, showing that there is in operation a systematic scheme for robbing the Government by stealing metal from coins. Officers of the United States Secret Service are now at work in this city endeavoring to trace the coins through different hands and find the offenders.

This process of robbery, which is familiarly known as "sweating" coins, was formerly practiced to a large extent, but of late years few instances of it have come to the attention of the authorities. It is not highly profitable, and at best, under the old methods of extracting the metal, it did not afford much more than a living.

From a careful examination of the light pieces which are now being found, it is evident that the thief is not doing his work by the old hand method of shaking the coins in a bag and then gathering the dust by means of quicksilver, but that he has brought into requisition the rapid agency of electricity. The service of an ordinary galvanic battery and some cheap acid is all that is necessary to conduct the operation by the electric process. The scheme is similar to that employed in plating with gold by electricity. The coin is placed in the fluid and attached to it are wires from the poles of the battery leading to another piece of metal prepared to receive, in the form of plating, the metal to be removed from the coin. The battery being set in motion, sufficient gold to form a plating is quickly transferred, and as it is removed uniformly from all parts of the coin, the liability of disfigurement is reduced to a minimum. The only effect is to blur the characters slightly.

An authority at the mint has estimated that about fifty cents' worth of gold can be removed in this way from a ten-dollar gold piece without exciting the suspicion of the casual observer. To the skilled eye of an expert, however, the effect is generally apparent at a glance, and it does not always require the scales to determine whether the coin is correct or not. In the New York Sub-Treasury there is one man, Tandy by name, who, by years of experience in the handling of coin, has become so expert in his judgment that he can tell by mere touch with closed eyes whether a piece is of spurious metal or whether it is a genuine coin that has been tampered with. In this respect he is not approached by any other person in the world.

The electric process of stealing from coins is not altogether a new scheme. The Government officials a few years ago captured in Northern New York a band of Italians who were operating extensively on this plan. Few but foreigners practice "sweating" in this country. It is an institution of theft much more common in Europe than on this side of the Atlantic, and those who operate here are usually persons who have been driven from their country for the same reason. The enterprise does not yield sufficient inducement in the way of easy labor and large returns to tempt the average native-born swindlers, and it is mostly monopolized by a class content to live on little and hoard small savings.

Some idea of the readiness with which gold can be removed from coins is found in the result of a series of investigations made some years

ago in the mint. It was shown that \$5 was lost by abrasion every time a million of dollars in gold coin was handled. The experiments were conducted with bags containing \$5,000 each, and it was shown that the mere lifting of the two hundred bags making up a million dollars to a truck to be removed to another vault resulted in the loss stated, and that their transfer from the truck again made a second similar loss.

Gold while in circulation is handled less than any other medium. It is usually kept in the vaults of banks for demand rarely made, and for this reason the loss by abrasion is but about one-half of one per cent. in twenty years. In a twenty-dollar gold piece, the standard weight of which is 516 grains, the Government allowance for loss by abrasion is 2.58 grains, but except in cases where the coins have been tampered with by "sweaters," the loss rarely exceeds this limit.

By an order issued some time ago by the Treasury Department at Washington, the light two-and-a-half-dollar coins found the other day were stamped with "L," indicating that they were light. Shortly after the late Daniel M. Fox was appointed Superintendent of the Mint in this city, the Secretary of the Treasury issued a similar order. A stamp was procured, but, protest being made, Superintendent Fox's attention was called to the matter, and he decided that he had no authority in justice to mutilate the property of another, so the stamp was put away and never used at the mint. Light coins finding their way into the custom house will not, however, receive such courteous consideration. The name of the importer who tendered the light two-and-a-half-dollar pieces has been withheld by the custom house authorities, with the view of facilitating the tracing of the coins through other hands and the capturing of the "sweater."—*Philadelphia Inquirer*.

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#### THE COFFEE CROP.

A Ceylon coffee planter, Mr. G. E. Martin, who has recently been traveling in Brazil, takes a rather gloomy view of the world's coffee supply, and what he says will be of interest here, where there is, in our opinion, a brilliant future for coffee planting. Mr. Martin remarks: "I cannot explain how it is, but coffee will no longer make a good crop in the far East, not only in Ceylon and in Arabia, but also in all the other coffee-raising districts. I have just received a letter from my father, in which he informs me that our estates must be immediately put into tea and fruit, as there is no longer any chance of making a profitable coffee crop. We shall lose \$50,000 this year on our crop. And it is generally so throughout the coffee-growing districts. Also in South America, which I visited before coming to this country, the same situation prevails. The crop will not grow. I can see no other result than that we must stop drinking coffee. We can no longer raise it, and the countries where it will grow are already exhausted." Certainly the soil of this country, adapted to coffee, is far from being "exhausted," and, whatever may be the condition of the coffee regions abroad, there is ample scope for coffee culture here, and, besides, Mexico has the advantage of being next door to a great nation which now consumes nearly \$75,000,000 worth of coffee per annum.



## INQUIRIES OF CORRESPONDENTS.

ADDRESSED TO THE EDITOR OF THE BANKER'S MAGAZINE.

## LIABILITY FOR ERRONEOUS IDENTIFICATION.

A. indorses a check thus: "I identify John Smith." It turns out that John Smith is not the proper payee, but another party bearing an exactly similar name. Is A. liable to the bank which cashed the check, he having acted innocently? What is the law generally regarding identifications, and where found?

REPLY.—This question was raised in *Commercial Press v. Crescent City Nat. Bank* (26 La. Ann. 744). The Commercial Press had an agent, Buck, who was employed in collecting bills. One debtor gave him a check on the Crescent City Nat. Bank payable to the order of the Commercial Press. The proprietors were Smith & Goldsmith, and the agent indorsed the check, "Smith & Goldsmith, per A. J. Buck," and presented the check for payment. The teller did not know him, and required him to identify himself. He asked the teller if he knew Mr. Schultz, and received an affirmative reply. Mr. Schultz indorsed the check for the purpose of identifying the agent, and for no other. The agent having absconded with the money, the Commercial Press sued the bank for the amount, and it, in turn, sought to hold Schultz. The Court, in deciding the case, said: "In our opinion, this question must be determined by answering another viz.: In what manner and for what purpose did Schultz bind himself? For as he bound himself, so will he be bound. We cannot find from the testimony that he intended anything more than to identify Buck as the collector for the Commercial Press." Schultz was therefore held not liable. Though we know of no other case like this, neither have we found any declaring a different doctrine. The rights and liabilities of an indorser are well understood, but these may be changed by special agreement, especially by the immediate parties. If a bank knows that a person has indorsed a check for the purpose of identifying the holder, and for no other, it certainly would be unjust to subject him to a larger liability. If such a check should get into the hands of other parties, who did not know for what purpose the indorsement for identification had been made, that would be a different question.

DIRECT COLLECTIONS OF THE DEBTOR BANK WHEN THERE IS NO OTHER  
IN THE SAME PLACE.

There is one point in the collection business which I have never yet seen discussed, and on which I would like to see your opinion.

It is a well understood rule that it is not good banking to send a bill or a check to the drawee for collection.

But, in the case of a check, suppose the drawee is the only bank in the town, or suppose that it is the only National bank, while there are State banks or private bankers of unknown or doubtful responsibility. Shall I or shall I not, in either of these cases, send the check to the drawee for collection?

Again, suppose that I have an agreement with a bank in a large city, New York for example, to take all my collections in that city. Should I pick out any check which I may have upon that bank and send it to another for collection?

Will the now prevailing rule that my collecting bank is my agent, and not the agent of the owner of the check, render it immaterial whether that agent be or be not the drawee of the check?

REPLY.—The rule is so well established that a collecting bank must not send the check directly to the bank on which it is drawn for payment, no one probably will question it. But suppose there is no other bank within a convenient distance of the drawee bank, does that circumstance change the rule? This precise question was considered in an Illinois case (*Drovers' Nat. Bank v. Anglo-American Pack. & Prov. Co.*, 117 Ill. 100, affg. 18 Brad. 191). The Court declared that this circumstance did not change the rule, and that the collecting bank ought to have informed its customer of the situation, and thus have acted under special instructions. "This would have imposed no hardship, and would have protected all. If the bank was willing to take the check without special stipulations, the owner of the check was authorized to assume that it was able to collect, and that it had a proper agent through whom to do it promptly." This decision was rendered four years ago, and we have seen no later one. It points out the proper course for a bank to adopt—namely, to get special instructions in such a case. Otherwise, the holder of the check, in law, supposes that the collecting bank will collect through some other agency than the drawee bank, and accordingly will hold it for any losses that may result from an attempt to collect directly.

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS :	Dec. 1.	Dec. 8.	Dec. 15.	Dec. 22.	Dec. 29.
Discounts.....	8 @ 9	8 @ 10	8 @ 10	8 @ 9	8 @ 9
Call Loans.....	15 @ 4	186 @ 6	4½ @ 2½	5 @ 4	8 @ 2
Treas. balances, coin...	\$144,378,202	\$144,107,790	\$144,527,310	\$148,379,610	\$148,462,139
Do. do currency..	3,939,315	3,885,641	3,711,838	3,608,752	3,984,392

The reports of the New York Clearing-house returns compare as follows :

1890.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.	Surplus.
Dec. 6...	\$386,469,500	\$67,838,200	\$23,963,200	\$376,924,200	\$3,538,400	\$2,429,650
" 13...	385,967,900	70,340,000	24,453,700	376,746,500	3,557,600	607,075
" 20...	386,378,000	74,476,700	25,102,200	380,320,000	3,580,100	4,498,900
" 27...	385,321,800	77,812,400	25,425,200	382,049,300	3,590,000	7,725,175

The Boston bank statement is as follows :

1890.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.
Nov. 22.....	\$153,263,400	\$8,541,200	\$4,316,400	\$125,754,200	\$3,250,200
" 29.....	151,455,000	8,922,500	4,388,000	124,970,500	3,256,900
Dec. 6.....	150,106,700	9,413,100	4,393,200	125,809,900	3,240,200
" 13.....	149,577,200	10,402,700	4,920,400	126,317,200	3,241,200
" 20.....	150,863,100	10,781,200	5,253,100	127,349,800	3,250,000
" 27.....	151,874,100	10,833,000	5,363,300	128,567,600	3,248,200

The Clearing-house exhibit of the Philadelphia banks is as annexed :

1890.	Loans.	Reserves.	Deposits.	Circulation.
Dec. 6.....	\$96,336,000	\$23,872,000	\$91,962,000	\$2,186,000
" 13.....	97,107,000	23,337,000	92,410,000	2,189,000
" 20.....	97,121,000	24,294,000	92,533,000	2,183,000
" 27.....	96,582,000	23,829,000	91,654,000	2,184,000

\*Deficiency.

## BANKING AND FINANCIAL ITEMS.

## GENERAL.

NEW YORK CITY.—Mr. John B. Trevor, who died on the 11th of December, was a prominent stock broker and member of the firm of James B. Colgate & Co. Mr. Trevor was born in Philadelphia in 1829. He came to this city in 1849 and became a member of the firm of Carpenter, Van Dyke & Trevor. In 1850 he joined the Stock Exchange. His firm dissolved in 1851 and he entered into partnership with James B. Colgate, under the firm name of Trevor & Colgate. He retired from business in 1872, being in poor health, but a few months later he rejoined Mr. Colgate under the firm name of James B. Colgate & Co. He was an elector on the Garfield Presidential ticket, but never held any public office. He resided at Yonkers during the summer, and was a member of the Warburton Baptist Church at that place. Together with Mr. Colgate he paid the expenses of building that church. Mr. Trevor also contributed liberally to the Madison University, Rochester University, and the Rochester Theological Seminary. His wealth is estimated at about \$5,000,000.

ST. JOHN, N. B.—The Maritime Bank is to figure in the courts again, for the judicial committee of the Privy Council has granted leave to the liquidators to appeal from the judgment of the Supreme Court of Canada, respecting the priority of the claim of the Provincial Government over the note-holders and other creditors of the bank.

BARON BLEICHRODER.—A recent biographer of Prince Bismarck gives the following sketch of Baron Bleichroder, the most influential banker of Central Europe. "He is small of stature and has Israelitish features of the most pronounced type; his complexion is sallow, his face full of deep wrinkles and his beard and hair are quite gray. His face is half hidden by a pair of big blue spectacles, but this is only a bit of affectation, for the Berlin Croesus has been almost totally blind for a number of years. The war with France made Bleichroder's fortune. He was intrusted with the settlement of the indemnity, and it was he who advised the demand for the five milliards. From a bank heretofore very modest in its pretensions, Bleichroder's house now blossomed forth as a bank of the first order." The biographer might have added that Baron Bleichroder is a man of many excellent characteristics, a friend and adviser of young men—truthful and direct, as are the majority of the great Hebrew financiers of the age, for, in almost every case, the success of the great Hebrew monetary magnates has been founded on a basis of integrity and faithful fulfillment of obligations. The chief powers of civilized nations are money and armies, and the latter cannot move without the former, which is largely wielded by the energetic and industrious men of a race which has come to take a foremost place in the great movements of civilization.

SMALL CHANGE.—Small change, says the *Graphic*, is evidently much appreciated in Southwestern France. A farmer in the Dauphny Alps recently sold some sucking pigs for 115 francs, and stipulated that he should be paid in centimes. The buyer assented, treating the demand as a joke. When, later, he offered to pay the money in ordinary cash, however, the farmer held to his bargain, and summoned the other before a magistrate, who decided that the exact terms of the agreement must be observed. The purchaser therefore had to count out 11,500 single centime pieces for his debt of 115 francs.

GOLD COINS.—The largest gold coin now in circulation is said to be the gold ingot, or "loof," of Anam, a French colony in Eastern Asia. It is a flat, round gold piece, and on it is written, in Indian ink, its value, which is about £65. The next sized coin to this valuable but extremely awkward one is the "obang" of Japan, which is worth about £10; and next comes the "benda" of Ashantee, which represents a value of about £9. The Californian fifty-dollar gold piece is worth about the same as the "benda." The heaviest silver coin in the world also belongs to Anam where the silver ingot is worth about £3; then comes the Chinese "tael," and then the Austrian double thaler.

**STATE TAXATION OF PAPER CIRCULATION.**—Chicago bankers are opposed to the proposal of the Congressional Committee on banking to report favorably the bill to subject National bank and United States Treasury notes to State taxation. They cannot see in the measure any relief from the present depressed condition of the money market. "I believe the proposition is impracticable," C. F. Gray, president of the Hide and Leather Bank, said. "National bank notes are taxable now, and if legal tenders are made subject to State taxation they could be easily taxed out of existence. It would not help the situation a bit. There is plenty of money now to transact the business of the country. The insolvent merchant cries, 'Give us more money.' He should liquidate and get out of business, and as soon as he does that times will improve." "I think that such a thing would not be practicable," J. J. P. Odell, president of the Union National Bank, said. "It would give the State power to tax indefinitely. It is not the scarcity of money that is troubling the people, it is the scarcity of credit. As it is, matters are a little tight, but when the days of liquidation are over affairs will resume their normal condition." "I am not in favor of that proposition," C. L. Hutchinson, president of the Corn Exchange Bank, said. "It will not help the situation if carried out, and it is not practicable. There is plenty of money for all legitimate demands. And, by the way, things are looking much better every day." "I do not see that the proposal of the banking committee will be of any advantage, even if carried out," John A. King, president of the Fort Dearborn National Bank, said. "It will put a stop to the practice of State banks loading up with legal tender once a year and then unloading as soon as the assessor has made out his list," W. A. Hamilton, cashier of the National Bank of Illinois, said. "Of course it will not help us out of the present difficulty. It will have no bearing upon that question, that I can see." "I do not understand the object," Orson L. Smith, president of the Merchants' Loan and Trust Company, said. "It will certainly not help matters."

**OMAHA, NEB.**—Bank clearings are considered the most substantial evidence of a city's commercial growth, and on this basis Omaha leads the Western cities. Since the establishment of the clearing house the per cent. of increase has been almost phenomenal. The increase is not due to any real estate or other speculations, but is the result of the solid exchange of commerce and trade, the transactions of merchants and the big business and manufacturing firms of the city. The following table shows the growth of business, according to the clearings reports since 1885 :

1885.....	\$ 61,384,129
1886.....	93,793,835
1887.....	149,414,148
1888.....	175,160,470
1889.....	208,790,946
1890.....	256,000,000

—Bee.

**FREMONT, NEB.**—The capital of the Commercial National Bank will be \$100,000, and will be established with a good running business.

**CALIFORNIA TOURS VIA THE PENNSYLVANIA RAILROAD.**—The Pennsylvania Railroad Company, through its personally conducted tourist system, presents four winter and spring pleasure tours to California. The special trains conveying the parties will, in each case, start from New York, and the dates of starting are as follows : Tour No. 1, February 7th, 1891 ; No. 2, March 3d ; No. 3, March 26th, and No. 4, April 14th. The special train returning the first party will leave San Francisco for New York on March 11th ; the second, April 3d ; the third, April 24th, and the fourth, May 14. Each tour will present a different route from the others, as well as a different route going from that returning. Tour No. 1 will go south *via* Washington, Atlanta, and New Orleans, where a break will be made during the Mardi Gras festivities, thence *via* the Southern Pacific's Sunset route and San Antonio to San Francisco, returning *via* Salt Lake City, Colorado Springs, Denver, and Chicago. Tour No. 2 will go west *via* St. Louis, Kansas City, and the Santa Fe route to San Francisco, returning *via* Salt Lake City, Denver, Council Bluffs, and Chicago. Tour No. 3 will go west to San Francisco by same route as No. 2, returning *via* Salt Lake City, Colorado Springs, Denver, Council Bluffs,

and Chicago. Tour No. 4 will go west *via* Chicago, Council Bluffs, Denver, Colorado Springs, and Salt Lake City to San Francisco, returning *via* Portland, Tacoma, Helena, St. Paul, and Chicago. On all the tours breaks of the journey will occur at certain attractive points on the line both going and returning. The parties will travel by a special train of Pullman vestibule drawing room, sleeping, dining, smoking, and observation cars, an exact counterpart of the celebrated Pennsylvania Limited in every particular. The train will be equipped with ladies' maids, a stenographer and typewriter, a barber shop, and bath-rooms for ladies and gentlemen. It will present a through service to San Francisco, the like of which has never been enjoyed by any regular traveler. The excursion rates, which include railway fare, a double berth, meals *en route*, hotel accommodation where a stop-over necessitates, in both directions, side trips to San Diego, Riverside, Pasadena, Monterey, Santa Barbara, and San Jose, are \$275.00 for the first, second, and third tours, and \$300.00 for the fourth. For other side trips through California special low rates will be made by the local railroads. Each party will be conducted by a tourist agent and chaperon, both experienced in their profession. Itineraries presenting the full details of the tours are in course of preparation, and will be issued at an early day. In the meantime, more detailed information may be secured by addressing George W. Boyd, assistant general passenger agent, Philadelphia, Pa.

NEW ZEALAND.—New Zealand has a bank on wheels. On certain days of the week a clerk from one of the Palmerston banks travels up and down the railway line from Palmerston to Otaki, transacting the ordinary business of the bank *en route*. Laden with a satchel containing his supply of cash, and provided with a teller's usual precautions against danger of robbery, he makes the carriage his headquarters, and there receives visits from customers at the way stations, changing checks or taking deposits as occasion may require. This plan is said to bring a good share of grist to the bank's mill, and proves a great convenience to settlers, who are saved all the trouble of journeying to town to relieve themselves of surplus money or to procure change.

THE INGLESIDE ALMANAC.—This is one of the most attractive almanacs for 1891 that has appeared. It is full of felicitous extracts, and copiously illustrated, and will doubtless yield pleasure to many readers. It is published by the United States Life Insurance Co.

CHARLESTON, S. C.—Last month State Treasurer Bates had an interview with the bank presidents to get money to pay the interest on the State debt due Jan. 1. Treasurer Bates was fearful that, in view of the postponement of the time for the payment of taxes till Jan. 1, he might not have sufficient money in the treasury to meet the January payments. The Charleston banks came promptly to his aid and agreed to furnish the State with all the money it needed.

BANK TAXATION.—The United States Supreme Court, in an opinion by Justice Harlan, has affirmed the judgment of the Circuit Court of the United States for the Southern District of New York in the case of the Central National Bank. This was a suit brought by the United States to recover from the bank certain moneys alleged to be due for taxes on "profits" made by the bank in 1866, 1867, 1868, and 1870, the taxes being assessed under the act of 1864, levying a tax of 5 per cent. on all dividends declared by banks, insurance and other incorporated concerns. The principal question was whether or not the bank could be taxed on 5 per cent. of its dividends, which, under a State statute, it had to reserve out of any dividends declared and turn over to the State as a tax on its business. The Court answers this question in the affirmative, and also rules that the bank was liable to tax on the full amount of dividends declared, regardless of the fact that the dividends were not earned, a subsequently discovered defalcation changing the bank's supposed financial condition. Justice Field dissented.

NOT THE KIND OF MONEY EXPECTED.—The Boston *Journal* says that a few days ago the Boston and Albany Railroad, in settlement with the New York Central Railroad for freight charges, passenger fares, etc., collected in Boston, sent its check to its connecting road for \$60,000, which check was deposited in the Chemical Bank of New York City. In the ordinary course of business the check would have come through the Clearing House. Some over-shrewd official in New York

conceived the idea that \$60,000 in bank bills would be handy to have in the house, and instead of depositing the check gave it to an express company with orders to collect at Boston and to bring the proceeds to New York. The express agent, armed with his check properly indorsed, presented it at the Shawmut Bank. The teller called the attention of the cashier to the unusual method of collecting so large a check. The cashier at once grasped the situation and detected the intent of the sharp Gothamite. "This is all right," he said, "but I must trouble you to bring the check to the Sub-Treasury, where I will be ready to pay it in five minutes." The express agent was on time, but instead of taking away \$60,000 in bills, he had sixty canvas bags, each containing a thousand silver dollars, the whole weighing 3,600 pounds. As the express agent had no discretion, he accepted the legal tender, and with the aid of an extra team carried away the specie, which was probably shipped to New York. This little episode in banking circles has been the only agreeable ripple in the last ten days here. It was the largest amount of silver ever paid at one time at the Sub-Treasury office in Boston.

**AUGUST BELMONT.**—When the late August Belmont (whose Gallicized name, by the way, was in his mother tongue Schonberg) was a clerk in the Rothschild house at Frankfort, the manager came to him one day and said: "We want some one to go immediately to New York. Will you go, and if so, when will you be ready?" Said Mr. Belmont, without hesitation, "I will go, and I will be ready to start tomorrow." He started within twenty-four hours, and he owed his great fortune to that quick decision.

**NEW YORK CITY.**—The Colonial Bank of London, incorporated by Royal charter in 1836, has established its own direct agency in this city, with offices at No. 41 Wall street. This step has been taken with a view to meet the requirements of the large and increasing commerce between the West Indies and the United States. The subscribed capital of the bank is £2,000,000. Vivian Hosking is agent in New York, and W. H. Macintyre sub-agent. The bank has branch agencies in all of the British, French and Danish West India Islands, as well as agencies in Paris, Hamburg and Copenhagen.

**THE NEW DOLLAR BILLS.**—The banks are not satisfied with the new one-dollar bills. The position of the figure "1" on the left side upsets the custom of counting on the right hand. Ordinary people will find that the dollar is worth just as much as the old one.

#### EASTERN STATES.

**NEW HAMPSHIRE.**—The president of the First National Bank in Peterboro, N. H., is in his ninetieth year, and goes to work every day with as much vim as any of the clerks. His name is Frederick Livingston and he comes of a long lived race.

**SALEM, MASS.**—At the annual meeting of the Salem Savings Bank, President Northey was re-elected, as were the vice-presidents and trustees, excepting that Daniel A. Varney succeeds the late Henry Gardner as a vice-president, and Augustus J. Fabens succeeds him as a trustee. The president appointed the following gentlemen as the examining committee: Hubbard Breed, Walter H. Trumbull and Augustus J. Fabens. Clarence Murphy was re-elected secretary. The following gentlemen were elected to membership: Henry M. Bixby, Walter S. Dickson, Edward Lane, Edward A. Northey and Charles H. Tuttle. Chas. E. Symonds, a former treasurer, presented a large frame containing excellent photographs of the members of the finance committee at the time he became treasurer, Messrs. Wm. H. Foster, Benj. H. Silsbee, Wm. B. Parker, James Upton and Leonard B. Harrington—every one of whom has passed away—and the gift was accepted, to be placed in the bank office, and the secretary was instructed to make suitable acknowledgment to the donor. The bank has \$7,167,615.14 on deposit. There are 16,947 depositors.—*Salem News.*

**PORTSMOUTH, N. H.**—At a meeting of the directors of the New Hampshire National Bank to fill vacancies occasioned by the resignation of President Edwin A. Peterson and the death of Cashier Lafayette S. Butler, Capt. Thomas A. Harris was unanimously elected president; Teller William C. Walton, cashier; and Clerk William L. Conlon, teller. Hon. Calvin Page was elected to the board of

directors. The promotion of Messrs. Walton and Conlon is very gratifying to a very large circle of friends in Portsmouth. The action of the directors in selecting young men for these responsible positions is very commendable, and is a step in the right direction. If the moneyed men of Portsmouth want the city to grow and become prosperous they must make places for the young men as they grow up, and not oblige them to drift off to Western and Southern cities where their abilities are quickly recognized.—*Portsmouth Chronicle*.

BOSTON, MASS.—The Maverick National Bank, which, with its very large and increasing business, has long been cramped for room, is about to have an extension of its quarters in the Simmons building, both on the first and second floors. This enlargement, which will allow of a proper arrangement and classification of the various departments of the bank, will, when completed, give to the Maverick the finest and most commodious banking rooms to be found in New England.

PORTSMOUTH, N. H.—Some of the savings banks in New Hampshire, to facilitate the work of casting dividends on their depositors' accounts, have adopted the course of closing their books for withdrawals for two weeks before a dividend period. The amount of the deposits and the number of active accounts in the Portsmouth Savings Bank being large, the trustees of the bank have deemed it necessary to adopt the above plan, in order that the depositors may receive their semi-annual dividends promptly. The change goes into effect with the dividend due January 1, 1891.

EAST ROCHESTER, N. H.—A loan and banking company is to be established at this place.

SPRINGFIELD, MASS.—For the past few weeks the savings banks of this city have been refusing to make loans on real estate. This course has not been taken because there has been any depreciation, or is likely to be any in real estate values in this city, but simply because the banks can obtain all the time loans they want at six and seven per cent., while real estate loans only pay five, and the time loans are based on just as good security as those on real estate. The bank officers, instead of thinking that there is likely to be any depreciation in Springfield real estate, think the values will rise, and are constantly rising. The conditions at present existing are only of a temporary nature, and will right themselves soon after January 1. There are never any transfers of real estate of a large amount at this season of the year, and the present is no worse a month than usual in this respect. No one can blame the bank officials because of loaning their money where they can get the most for it.—*Springfield Union*.

ROCHESTER, N. H.—Early last month this place suffered a loss from the death of John McDuffee. He was born in Rochester on December 6, 1803. He fitted for college at the Franklin Academy, Dover, N. H., but abandoned a collegiate course for commercial pursuits. Mr. McDuffee, with the aid of his fellow-citizens, secured a charter in 1834 for the Rochester Bank. He was cashier for twenty-five years and then president. The bank did not become a National bank until 1874. In the six previous years he and his son Franklin did business as private bankers. When, in 1874, the bank became a National bank Mr. McDuffee was chosen president. No bill has ever been issued by the old Rochester Bank or the Rochester National Bank that does not bear the name of John McDuffee as cashier or president. He was also instrumental in securing in 1854 the charter of the Norway Plains Savings Bank, of which he was treasurer until 1867, when he became president, which place he held to the day of his death. He was one of the original grantees of the Dover National Bank, and for a short time was a director. At one time he was the second heaviest stockholder in the Strafford Bank. He was elected director in the Strafford National Bank in 1870 and held that office until his death.

AMESBURY, MASS.—The Savings Institution of Amesbury and Salisbury at its last annual meeting reported through its treasurer, Alfred C. Webster, that its deposits amounted to \$2,009,220.11; undivided profits, \$82,344.98; guarantee fund, \$101,313.77; number of open accounts, 5,784. This institution was organized in 1828, and the first deposit of money was by a maiden lady, a worker in the Salisbury mills. Its object originally was in behalf of the mill-workers, and to assist them in saving their surplus wages, above necessary wants. Many availed

themselves of this means of saving their earnings. The first year the amount of deposits was some \$3,000—in 1835, \$32,000 was the amount. Its success has been marked indeed, and with its \$2,192,878.56, it is second to but few institutions of its class in New England.

GARDINER, ME.—A banking man tells the *Gardiner Reporter* that there are people in that city, and probably the same is true of every small city and town, who, when the least stringency in the money market occurs, and the local banks are "short," will draw out their entire deposit, and carry it in their pocket in the form of a Boston check, until the "tight times" are over, when they deposit again. Of course this takes a certain portion of the working funds of the bank, which would come in very useful on those occasions. Some people are subject to peculiar freaks.

#### MIDDLE STATES.

PENN.—C. M. Herrick and his associates of New Brighton have been authorized by the Comptroller of the Currency to open for business the Union National Bank at that place.

PATERSON, N. J.—A bank teller in Paterson, who had been repeatedly warned not to gamble at one of the winter race-tracks, was finally discharged a few days ago, and the bank officials now find a considerable shortage in his accounts. If they had discharged him as soon as his habits were discovered the bank might not have lost the money.

PHILADELPHIA.—Thomas Kennedy, ex-president of the Spring Garden National Bank, died suddenly on Saturday evening, in the 76th year of his age. Mr. Kennedy was born in this city on December 22, 1815. When twenty years of age he started in business upon his own account in Pittsburgh, where he was a prominent merchant and manufacturer for the succeeding twenty-five years. In 1863 he returned to Philadelphia to reside. In 1870 he organized the Spring Garden National Bank of which he was the first president. He was a member of the Board of Education for five years. From both of the above positions he resigned in 1883 by reason of impaired health.

NEW YORK CITY.—A new trust company, to do a general banking and loaning business, is in process of formation. Its headquarters will be in the vicinity of Fifth avenue and Fifty-eighth street. These men are interested in the venture: General B. H. Bristow, H. Newbold Morris, Timothy Easton, Colonel N. L. Strong, D. S. Hammond, B. Benecke, E. G. Blackford and Obed Wheeler.

DOBBS FERRY, N. Y.—A certificate of association of the Dobbs Ferry Bank, with \$50,000 capital and a privilege to increase to \$500,000, has been filed with the Bank Department. Among the subscribers to the stock of the new bank are: J. Jennings McCount, F. J. Masters, James L. Taylor, William Acker, J. C. Sturges, J. De Witt Wilde, and Andrew C. Field, of Dobbs Ferry; Samuel Thomas, John Sinclair, Elliott F. Shepard, of New York; Martin M. Todd and George S. Carter, of Tarrytown; W. W. Tompkins, W. F. Christie, and J. J. Treanor, of Hastings. The bank will begin business about December 1.

ATLANTIC CITY, N. J.—John Hood, receiver of the insolvent Merchants' National Bank of Atlantic City, has paid the first dividend to depositors and other creditors. Those who presented their deposit books received sixty-five per cent. of the adjusted balance due them. It is expected that a final dividend of ten or thirteen per cent. can be paid. The creditors of the Fidelity, Surety Trust and Safe Deposit Company will not fare so well, as there is but very little of the assets that can be turned into cash.

PHILADELPHIA.—Probably before this number reaches our readers arrangements will have been completed by which the old banking house of Barker Bros. & Company will shortly be enabled to resume business. This shows that the creditors of the firm have been both liberal in spirit and sound in judgment. They could, had they so elected, have forced an immediate settlement and taken what they could get, upon the principle that a bird in the hand is worth two in the bush; but had the assets of the suspended house been thrown on the market in its present condition and converted into money by a forced sale, a ruinous sacrifice of values would have been the inevitable consequence. By granting an extension this is



avoided, and with time given them in which to turn round, to draw together their resources and complete the more promising of the projects which have been brought to a standstill, the Barkers may be expected before a great while to pay one hundred cents on the dollar. The circumstances under which their failure occurred were altogether exceptional. The firm had been put in shape to weather any ordinary gale, but the cyclone which swamped it was one of those extraordinary disturbances which transcend experience and defy precaution.—*North American*.

ALBANY.—A certificate of association of the Oyster Bay Bank, to do a discount and deposit business in the village of Oyster Bay, Queens County, has been filed with the State Banking Department. The new bank is to have a capital of \$25,000, divided into \$50 shares. Among the organizers of the bank are Peter G. Frye, Samuel G. Baylis, James H. Ludlam, Vincent P. Travers, of Oyster Bay; Townsend D. Cock, of Locust Valley, L. I., and Walter E. Fiero, of Brooklyn.

OLEAN, N. Y.—Articles of association of the Olean Safe Deposit Company have been filed with the State Banking Department. The company is formed with a capital of \$10,000 to do a safe deposit business in Olean, Cattaraugus County. The directors of the company for the first year are: Mills W. Barse, George V. Forman, Frank L. Bartlett, Chas. S. Cary, Gideon H. Strong, Nicholas V. V. Franchot, Melvin C. Follet, James V. D. Coon, James Kelsey, William M. Irish and John Coast.

BROOKLYN, N. Y.—The new Germania Bank building, on Fulton street, opposite the City Hall, will be completed by the 1st of next March. The building is of Gothic Romanesque style, the three lower stories being in natural stone and the upper stories of pressed brick, with brown stone trimmings. It is eight stories high and has 52 feet front by 125 feet in depth. Over the entrance is a statue of the Germania, in copper, after a model by a famous sculptor. The two lower floors will be arranged for banking purposes, while those above, with the exception of the upper story, will be used for offices. The top floor will be suited to an artist's use, with an abundance of light from above, and specially arranged rooms. Iron stairs with marble steps will run from the ground floor to the top, and the building will be supplied with two Otis elevators. It will be lighted with electricity and gas, and will be supplied throughout with modern improvements.

EARLVILLE, N. Y.—A new bank has been established at Earlville. It will be known as "The First National Bank of Earlville," with a capital of \$50,000.

PHILADELPHIA.—The twenty-second annual meeting of the Bank Clerks' Beneficial Association was held in St. George's Hall last evening. The report for the year just ended showed that 38 new members have been admitted, making the membership at present 354. The receipts amounted to \$5,920.95, and the expenses, including \$4,090 in death benefits, \$4,350.35. At an election which was held, the following were chosen for 1891: President, B. F. Dennison; vice-president, John C. Garland; treasurer, Robert E. Wright; recording secretary, G. A. H. Rose; corresponding secretary, J. F. Graham; directors, L. Renshaw, W. T. Nelson, W. Depuy, C. S. Austin, Theo. Musgrove, J. B. Stewart, A. P. Rutherford, J. C. Pinkerton, R. M. Scott, H. J. Delany, D. S. Craven.

PITTSBURGH, PA.—A large number of gentlemen who have a sufficient quantity of the wherewithal to enable them to buy up stocks and securities for a rainy day, assembled in the Chamber of Commerce building recently, the chief attraction being the sale of shares in the leading banks of the city. The occasion was not devoid of sensations, one being the sale of Farmers' Deposit National Bank stocks at \$582½. All previous records, so far as Pittsburgh bank stocks are concerned, were broken, the shares bringing nearly six times their par value. The sale of the Farmers' Deposit National Bank stock at such handsome figures was regarded as an excellent proof of the stability of home financial institutions.—*Pittsburgh Dispatch*.

NEW YORK CITY.—In the matter of the North River Bank, the application to set off deposits in the bank against notes of applicant in the hands of the Receiver, Judge Andrews decided that as the deposits were made ten minutes before the bank failed, upon the assurance of the teller that the bank was all right, although it was then insolvent, the application should be granted.

PHILADELPHIA.—The Quaker City National Bank expects to occupy its new quarters, 706 Chestnut street, shortly after the first of the year. The building is being improved and fitted up so extensively as to make it almost new and one of the most conveniently arranged in the city. The officers of the bank are: President, S. Davis Page; directors, Joseph M. Gazzain, R. M. Hartley, Louis H. Ayres, S. L. Bloch, Horatio S. Stephens, William H. Haines, Sylvester Garrett, W. P. Daly, Jacob E. Ridgway, H. S. Hale, Hibbard G. Gill and Alexander Balfour.

PENNSYLVANIA.—The Monongahela National Bank, of Brownsville, has removed from its temporary quarters in the Central Hotel to the old place of business, which has been rebuilt since its destruction by fire last spring.

#### WESTERN STATES.

PUEBLO, COL.—The *Pueblo Daily Chieftain* says: The history of no institution in the City of Pueblo gauges so completely the growth of the city as that of the First National Bank. Ever since it commenced business in July, 1871, until it moved into its new quarters in the Opera House Block, the old First National—the oldest financial institution in the city and in Southern Colorado—has occupied the banking room on the corner of Fourth Street and Santa Fe Avenue. During that time Pueblo has developed from a sleepy little village into an active, bustling city, and the bank has fully kept pace with the growth of the city, if indeed it has not outstripped it. The First National Bank is the successor to the private banking house of Thatcher Brothers, which was opened in this city by John A. and M. D. Thatcher in 1869, in connection with their store, which was established in 1862. On January 21, 1871, the banking business was disconnected from the mercantile establishment and started as a separate institution, and on June 15, 1871, it received its charter as a National bank. In this capacity it commenced business some time during the next month. The first statement of the First National Bank was published in the *Chieftain* of October 12, 1871, and was as follows: Resources—Loans, \$42,147.58; bonds securing circulation, \$50,000.00; banking house and fixtures, \$10,550.57; expenses, \$1,553.52; premiums, \$6,950.00; due from banks and cash on hand, \$64,892.63; total, \$176,094.30. Liabilities—Capital stock paid in, \$50,000.00; exchange and interest, \$1,109.05; National bank circulation outstanding, \$45,000.00; deposits, \$79,985.25; total, \$176,094.30. The last statement of the First National was published in the *Chieftain* of October 12, 1890, and was as follows: Resources—Loans, \$1,675,882.95; U. S. bonds, securing circulation, \$50,000.00; real estate and fixtures, \$36,300.65. Cash resources—U. S. bonds, \$50,000.00; local securities, \$35,503.57; due from banks and cash on hand, \$574,646.94—\$660,150.51; total, \$2,422,334.11. Liabilities—Capital stock, \$300,000.00; surplus, \$191,085.78; circulation, \$45,000.00; deposits, \$1,886,248.33; total, \$2,422,334.11.

LOS ANGELES, CAL.—Last August the city council undertook to assess the banks of the city for credits over and above the amounts by them returned in their assessment lists. Among the various banks assessed were the Farmers and Merchants' Bank, to whose assessment was added more credits to the sum of \$600,000, the First National Bank, whose assessment was swelled by \$45,000, and the Los Angeles Savings, \$25,000, making a total assessment added to the assessment books of \$670,000. The proceedings of the city council were followed immediately by legal proceedings on the part of the several banks to test the legality of the added assessment. The Superior Court has now decided that the council did not pursue the various steps provided in the law and the ordinance for equalizing taxes, and that arbitrary additions to the assessment books were wholly unauthorized. The three cases above mentioned were tried together, the points in each case being identical, except in the case of the First National Bank, which made the further objection that the council had no jurisdiction to assess a National bank for property not permitted to be assessed by the laws of the United States, and that by those laws National banks are exempt from municipal taxation, except as to real estate.—*Los Angeles Express*.

DULUTH, MINN.—Duluth capitalists have decided to reorganize the Bell & Eyster Bank. The new concern will have a half million dollars capital, of which over one-half is already taken, against \$100,000 for the old bank. It will be a National bank.

SPRINGFIELD, ILL.—Permission was granted to-day by the Auditor of Public Accounts to William C. Hadley, John Cook and H. G. Grosse to organize the State Bank of Collinsville, at Collinsville, Madison County; capital, \$25,000.

UTAH.—The Mt. Pleasant, Utah, *Pyramid* says: Mt. Pleasant needs a bank. The matter was agitated and some initiatory steps taken in the matter last summer, but that seems to be as far as this enterprise got along. Every day instances are witnessed which again and again plainly mark the necessity for such an institution.

CHICAGO.—The Globe National Bank has opened its doors for business. The bank's officers are as follows: President, Oscar D. Wetherell; vice-president, Melville E. Stone; cashier, D. A. Moulton; directors, M. E. Stone, Gustavus S. Swift, William H. Harper, Robert L. Henry, Godfrey Snyder, Everett W. Brooks, James L. High, Amos Grannis and O. D. Wetherell. It has a capital of \$1,000,000 and is located at the northwest corner of Jackson and La Salle streets, in very handsome offices.

MILWAUKEE, WIS.—David Ferguson, vice-president of the Wisconsin Marine and Fire Insurance Company Bank, has completed fifty years of continuous service with that institution. It is an anniversary of which any man might well be proud; not more for the great number of years his life has been spared to be engaged in active business than for his very enviable record as a banker, and high reputation as a citizen. If Alexander Mitchell had been spared to celebrate this golden anniversary with his business associate, David Ferguson, the twain might have been named the David and Jonathan Bankers. Mr. Ferguson, the banker, is known by all the leading business men of Milwaukee, and he has a reputation as such throughout the United States. No shadow even has ever fallen across his good name for honesty and solvency, in this long business career. Every day, as for fifty years he may be found at the bank, polite and courteous to all, even when compelled to say "No." As a citizen Mr. Ferguson is loved and respected by all.—*The Evening Wisconsin*.

ST. PAUL, MINN.—The Nickel Provident Fund of the Associated Charities has commenced business. A number of depositors have already opened accounts. When the scheme is better understood, it will doubtless receive the patronage of the thrifty poor.

MILWAUKEE, WIS.—E. H. Brodhead, president of the First National Bank, is dead, though having lived to the good age of 81 years. For a man of his advanced age Mr. Brodhead was unusually active. Mr. Brodhead was a native of New York. At the age of 21 years he took up a course of study in engineering at West Point. In 1832 he began active work as civil engineer in the construction of the Ithaca & Owego line, the second railroad in New York. After following his profession in the East for twenty years Mr. Brodhead came to Wisconsin in 1852, taking the position of chief engineer of the Milwaukee & Prairie du Chien Railroad, the first built across the State. In 1857 he retired from his profession to engage in banking in this city, becoming a director in the Farmers and Millers' Bank. In 1863 he became president of the First National Bank, a position which he continued to hold until his death. In war time Mr. Brodhead was president of the war committee of this city, and from 1871 to 1875 he served as a member of the board of water commissioners. He was a millionaire, his money being very largely invested in Milwaukee real estate.

LEON, IOWA.—The Decatur County *Journal* says that "among the names that have obtained a prominence in banking circles throughout the State, none stand higher or command wider confidence and regard than the well-known Exchange Bank of this city, which opened its doors for business in April, 1885. The following well-known gentlemen are the bank's officials: President, S. W. Hurst, Esq., one of the city's wealthy citizens, and a retired dry goods merchant; I. N. Clark,

vice-president, and C. E. Gardner, who fills the responsible position of cashier to the admiration of his many friends and fidelity to the bank's interest. A general banking business is transacted—deposits received, collections made and loans on undoubted security effected at a moderate rate of interest. Since this bank began operations its business has been large and is steadily increasing, owing to its conservativeness, and the great care taken by its officials in examining every detail of its varied matters. The bank is well and centrally located, fronting on the public square, and provided with an immense vault with time locks that are absolutely safe, thus forming an additional safeguard in protecting its own and the depositor's property. Financial institutions like this are of great benefit to every community, and it is a source of pride in which our people may feel a part, to know that in our midst so successful an institution receives warm encouragement from its many friends and patrons."

CHICAGO.—Chicago will soon have a private bank, or rather a trust company, backed by an immense amount of money. Mrs. Hetty Green, widely known as the richest woman in America, and her son, E. H. R. Green, will be at the head of the concern. Mr. Green said in regard to the project: "Arrangements are practically completed for the new business, or rather the new form of our old business. We will open a trust company in Chicago. It will differ from the Jennings Trust Company in that we will not act for estates, as the members of that company do. Ours will be a mortgage business. We will loan money on securities and nothing more. We will loan at a reasonable rate of interest, and borrowers may take up their paper at any time. Ours will be a sort of private bank. It will be conducted on the principle of the Chemical Bank of New York. My mother and myself will have the controlling interest, for we never invest in anything unless we have control of it. Others interested will be the Chemical Bank of New York and Baring Brothers, of London. You needn't laugh at that, for the house of the Baring Brothers is still a mighty financial institution, despite the recent storms. San Francisco capitalists will also be interested. The nominal capital will be but \$300,000, but the reserve will reach upward of \$150,000,000. The Chemical Bank of New York is conducted on a similar plan. Its capital is small, but its reserve reaches about \$30,000,000. This bank will be made—I thank it is safe to say—one of the foremost financial institutions of America. Final details will be settled soon. Then we will procure suitable offices and begin business. We have started many banks and other financial projects. They have all been successful. This will be made, as the others have been, successful from the start. We have decided to make the magnificent city of Chicago our home, and we will open an institution in keeping with the future high rank Chicago will hold as a financial center."—*Chicago Herald*.

SIoux CITY, IOWA.—Weare & Allison is the oldest banking house under one continuous management west of the Mississippi River. So says the *Sioux City Daily Tribune*. The partnership is now thirty years old, which does not seem very long. When it was formed one partner was twenty-five and the other twenty-eight years of age. The *Daily Tribune* thus speaks of them and of the growth of the city where they have lived:

"They were pioneers in their day, and their reminiscences would read like romance to their fellow pioneers. What changes they have witnessed in all this Western country, changes which entered into the life of the communities and filled with joy or sadness the homes of their people. In the thirty years of their partnership they have known of and participated in wars. Financial panics, grasshoppers, and other scourges have been among their friends and neighbors blighting and destroying. The people of Sioux City were mustered by night to repel Indian assaults, and marched by day to circumvent impending massacres.

"But all this time the banking house of Weare & Allison was kept open, and over their counters millions of dollars have been paid to relieve the needy, to assist the energetic and the despairing. No man ever deposited a dollar with them who did not receive 100 cents in return on demand. They never 'closed their doors.' Wars nor rumors of war, panics, the issuance of greenbacks, or the hoarding of gold ever caused them to refuse a man a dollar when they owed it to him. It is a wonderful record! When the Weare & Allison partnership was

established Sioux City had but 1,000 inhabitants. Now she has 40,000 within her gates, and scarcely any of them who can realize the discouragements of those early days of toil and hardships and laboring and waiting. Then the nearest railroad was 300 miles away, at Marengo, in Iowa County, the old 'M. & M.' or present Chicago, Rock Island, and Pacific. Northwestern Iowa and Dakota were then known as 'prairie wildernesses.'

"Their lives have not been confined to the four walls of their banking house. Their history is in part the history of the city and of the grand development of this part of the country. They have borne their part in the work of the Church and State. Each has reared a goodly family, and their names are among those in every great enterprise of the earlier days which went to the upbuilding of the city. Mayor of the city, president of the school board, county judge, county treasurer, candidate for Congress, Corn Palace builders, and eagerly sought members of innumerable private enterprises, is a suggestion of their activities in other fields than banking."

CLEVELAND, O.—The Society for Savings in the City of Cleveland has issued a brief and very interesting account of its organization and growth. The history is such an excellent one that it is well worth giving. Its charter is substantially a copy of the charter granted to the earlier New England savings banks. The name was suggested by that in Hartford, Conn., of which some account is given in the present number. From the following table a bird's-eye view can be obtained of the institution :

<i>Years.</i>	<i>Deposits.</i>	<i>Depositors.</i>	<i>Population.</i>
1850.....	9,537 99	131	17,034
1855.....	181,875 52	1,490	
1860.....	403,370 93	3,175	43,417
1865.....	1,692,177 01	5,701	
1870.....	3,237,315.13	9,499	92,829
1875.....	7,130,220 10	17,634	
1880.....	9,247,230 66	22,584	160,146
1885.....	11,850,226 99	29,881	
1890.....	19,145,276 60	41,378	265,000

DENVER, COL.—The Mercantile Co-operative Bank of New York has about perfected arrangements for opening a branch in Denver, to be incorporated under the laws of Colorado and managed by local officers and directors. It will have an authorized capital of \$1,000,000, and will operate throughout Colorado, Wyoming, Utah and Idaho, the Denver office being general headquarters for all this territory. Articles of incorporation will be filed with the Secretary of State the first of next week. The plan of the new institution is a combination of savings bank and building association features, and one which has met with excellent success in the East. The object of the institution, like building and loan associations, is the encouragement of systematic savings. An investment of 25 cents a week under the plan adopted will realize \$200 in about eight years; a payment of \$2 as the purchase price of one share and \$1 a month for 100 months, aggregating \$102 a share, will realize \$200 on maturity, yielding a profit of \$98.—*Denver Times*.

CHICAGO, ILL.—Permission for the organization of a new bank, to be known as the Bank of London and Chicago, has been granted by the State Auditor. The new institution is to open its doors in this city soon after January 1. Its capital stock is placed at \$1,000,000, and it is understood that nearly all of it has been subscribed for by London parties. The incorporators, Joseph T. Kretzinger, Charles C. Byrne and Sylvester A. Cosgrove, are looked upon only as agents. It is not anticipated that the real promoters of the scheme will make themselves known until all the preliminary work is done and the bank ready to begin business.—*Chicago Globe*.

MICHIGAN.—Coldwater's new savings bank has started up, and the first depositor, B. F. Gregg, put in two \$1 bills that he received in 1862, as a member of the Twelfth Michigan infantry.

BELLEVIEW, ILL.—The friends of the late Col. Theodore Meumann, formerly cashier of the East St. Louis bank, have formed a monument association for the purpose of erecting a monument to the colonel's memory. Several meetings have been held from time to time both in St. Louis, at Germania Hall, and in East St.

Louis. Charles C. Schuetz has been appointed to solicit subscriptions on this side, and is said to be meeting with success.—*St. Louis Democrat*.

JOPLIN, MO.—The Joplin National Bank, with a capital of \$150,000, is about sixty days old, and has over \$200,000 in deposits. The bank stock was all subscribed, the bank organized and the money paid in all within twenty-two days. The Miners' Bank is an old institution, with a capital of \$50,000, and the Joplin Bank with \$150,000, and also the First National Bank with \$100,000, each with good surplus funds and deposits ranging from \$300,000 upwards, represent the financial institutions of Joplin until the beginning of the new year, when a savings bank will open for business with a capital of \$250,000. The stock will be held by St. Louis and Joplin people.—*St. Louis Republic*.

DAYTON, OHIO.—Valentine Winters, a prominent banker, and founder of the Winters National Bank, is dead. He was eighty-one years old. In his time he distributed a million dollars among his children, and he leaves a large estate.

DULUTH, MINN.—Changes have been made in the interior of the Security Bank, with the view of gaining greater convenience and accommodation alike to the public and bank officials. Changes are also to be made in the offices of the People's Savings Bank in the Palladio Building.

UNIONTOWN, KY.—The financial safety valve of the business circles is the Bank of Uniontown, which is doing business under a State charter, granted in 1883. It has a capital of \$45,000; surplus, \$20,000; undivided profits amounting to \$5,000, and pays a 5 per cent. dividend semi-annually. The officers are Sylvester Pike, president and acting cashier. The board of directors is composed of some of the best men in Union County, who represent an aggregate wealth of over a half million dollars, viz.: Sylvester Pike, James Hamilton, William Harding, John M. Roney and J. S. Vize.

KANSAS CITY.—When Oklahoma was made a Territory the Newton National Bank, at Newton, Kansas, established the Commercial National Bank at Guthrie, with branches at Norman, El Reno, and Stillwater. About two months ago a run was made on the Guthrie Bank, but the Newton Bank went to the rescue with a special train carrying funds, and met all claims presented. Since that time the credit of the whole group of banks has been more or less impaired. The Kansas City Banks became alarmed at their condition, and withdrew their support. The Guthrie Bank has suspended, and its doors are closed, and the Whitewater concern, which is a branch, is in the hands of a receiver. Nothing has been heard from the El Reno, Normal, and Stillwater banks. The Whitewater had a capital of \$100,000 and a surplus of \$20,000. John Reese is president, A. H. McClain vice-president, C. B. McClain cashier, and O. A. McClain assistant cashier. The Commercial National Bank, of Guthrie, was the first bank in the Territory. Its capital is said to be \$300,000. J. Roagsdale was president, C. R. McClain and W. C. Blueler cashier and assistant. Its correspondent here was the American National Bank. Its New York correspondent was the United States National Bank. The assets of the Newton, Guthrie, and Whitewater Banks are believed to be equal to liabilities, and the bankers here say they expect a settlement will be made dollar for dollar. Nothing is known of the condition of the El Reno, Norman, and Stillwater concerns.

#### SOUTHERN STATES.

WASHINGTON, D. C.—By a unanimous vote of its directory, Mr. Jesse B. Wilson has been elected president of the Lincoln National Bank. This was a fitting compliment to Mr. Wilson, while it secures to the bank a strong, conservative, and wise business head. Mr. Wilson's business career in Washington, extending over many years, has been a successful and honorable one, and he is an element of strength to any enterprise with which he is associated. The Lincoln Bank, which at the start builded on a strong foundation, has by the selection of Mr. Wilson as its chief made another addition to its claim on public confidence.—*Washington Post*.

WACO, TEXAS.—The following account of the excursion of a draft comes from the Waco State Bank. A firm doing business in Louisville, Ky., made a draft on a firm in Ballinger, Texas. The Louisville firm deposited it for collection with its

bank ; they, having a correspondent in St. Louis who took their items at par, sent it there. St. Louis, having the same facilities in Kansas City, sent it there. Kansas City, enjoying the blessing of having a correspondent in Galveston willing to work for nothing, sent it there. Galveston, having considerable business with Dallas, where most of the banks enjoy the same privilege, sent it there. Dallas sends to Mexia. Mexia sends to Waco. Waco sends to Temple, and Temple to Ballinger. Think of it—what a delightful trip ! But it arrives after maturity. The firm failed. Draft protested. Eight dollars protest fees. Eight banks out postage, stationery, time, and labor.

ROUND ROCK, TEXAS.—The First National Bank, organized here a short time ago, threw up its charter to-day and quit business. The reason assigned is that some of the stockholders failed to come to time with their subscriptions.

Ocala.—The following persons have been elected officers of the Florida Bankers' Association : President, A. A. Parker; first vice-president, W. H. Knowles, of Pensacola ; second vice-president, Nat. Poyntz ; third vice-president, H. T. Baya ; secretary and treasurer, R. B. McConnell, of Ocala. The executive committee, Stapleton, of Leesburg, chairman; A. A. McIntyre, of Ocala; Safford, of Tarpon Springs; Dismukes, of St. Augustine. The next annual meeting will be held at Quincy.

FLORENCE, S. C.—The Carolina Real Estate and Investment Company is most fortunate in securing Mr. John P. Coffin as its general manager. Mr. Coffin is one of the largest stockholders and is also its vice-president. He is an affable, courteous business man, just suited to the work in which he is now engaged. He is also general manager of the Sumter Land and Improvement Company, and is president of the Manufacturing Company of Florence, which is now building a large planing mill and sash, door and blind factory. He will be chosen president of the Bank of the Carolinas, which will begin business here in the very near future.—*Charleston Courier*.

MACON, GA.—Mr. Llewellyn P. Hillyer has been doing some fine work for the American National, Macon's new \$500,000 bank. He was seen by the *Constitution* this morning just as he was boarding the train for Sandersville and Tennille, where he goes to place some of the stock of the new bank.

"How's the American National, Mr. Hillyer?" was asked.

"Oh, booming. I've just returned from a trip to Hawkinsville, Cochrane, and Montezuma, where I received most flattering encouragement. I raised \$37,000 in these places within two days for the new bank. Oh, I tell you the stock goes like hot cakes. I only want \$150,000 more, and I'm going to have this before many more days. Every one of the parties who subscribed the \$37,000 represent considerable capital, and they realize in the American National one of the best investments offered."

Mr. Hillyer could easily place the necessary \$150,000 in Macon, but for prudential reasons it has been decided to place \$300,000 of the stock with non-residents. As will be seen, \$150,000 of this amount is all that has not yet been subscribed for.

The American National will be in operation before a great while. This can be put down as a certainty.—*Atlanta Constitution*.

HOUSTON, TEXAS.—That Houston is in a state of prosperity is indicated in the rapid state of development in commercial circles. No better proof of the city's progress can be demonstrated than by the increase in moneyed institutions that are constantly coming forward with the appearance of healthy financial basis as the starting point. The Planters and Mechanics' Bank is among the latest achievements in the banking line in the Magnolia City, and it is ushered in under the most favorable auspices. Mr. W. O. Ellis, the president, is well and favorably known to Houstonians. For the past four years he has been at the head of the banking concern of W. O. Ellis & Co. This experience has placed him on familiar terms with the various substantial commercial firms doing business here, and places the Planters and Mechanics' Bank in a much more favorable position with such a gentleman as Mr. W. O. Ellis at its helm than otherwise. Mr. Ellis will not abandon the firm of W. O. Ellis & Co., but that concern will conduct a general brokerage business instead of banking as formerly. The Planters and

Mechanics' Bank are to be complimented on securing the services of Mr. James A. Platter as cashier. Mr. Platter was for a long time in the employ of banks at Indianapolis, Ind., later at Garden City, Kansas, from which point he came to assume his position with the Houston institution.—*Houston Post*.

TEXAS.—The Alamo National Bank has been organized at San Antonio.

SHREVEPORT, LA.—The Merchants and Farmers' Bank, one of the strongest financial institutions in the Southeast, has moved into new quarters.

ABILENE, TEXAS.—C. Villeneuve has opened a private bank at Abilene for discount only, no deposits being received. This makes four banks at Abilene with an aggregate capital of \$1,000,000.

WARREN, ARK.—The Merchants and Planters' Bank has been removed to its new quarters, the new and handsome brick building just completed for the bank by Col. Comes. The new quarters are tastefully fitted up, and in point of style and finish will compare with any bank building in South Arkansas. This institution is on a safe basis, and is daily increasing its volume of business.—*Little Rock Gazette*.

Sterling exchange has ranged during December at from 4.81 @ 4.87½ for bankers' sight, and 4.76 @ 4.82½ for 60 days. Paris—Francs, 5.23¾ @ 5.19¾ for sight, and 5.26¼ @ 5.22½ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.79 @ 4.79½; bankers' sterling, sight, 4.83½ @ 4.84; cable transfers, 4.84½ @ 4.85. Paris—Bankers', 60 days, 5.24¾ @ 5.23¾; sight, 5.21¼ @ 5.20¾. Antwerp—Commercial, 60 days, 5.28½ @ 5.27½. Reichmarks (4)—bankers', 60 days, 94⅞ @ 94¼; sight, 95 @ 95⅞. Guilders—bankers', 60 days, 39⅞ @ 39¾; sight, 40 1-16 @ 40⅞.

## DEATHS.

BELL.—On November 29, aged sixty-five years, CALVIN HOWARD BELL, proprietor of Bank of Delhi, Delhi, N. Y.

BOUTELLE.—On December 22, aged sixty-nine years, NATHANIEL R. BOUTELLE, President of Ticonic National Bank, Waterville, Me.

BURNHAM.—On December 22, aged sixty-nine years, NATHAN F. BURNHAM, President of Drovers & Mechanics' National Bank, York, Pa.

HARTER.—On December 6, aged forty-seven years, GEORGE D. HARTE, President of First National Bank, Canton, O.

MCCANDLESS.—On November 12, aged fifty years, WILSON MCCANDLESS, President of Allegheny National Bank, Pittsburgh Pa.

MCDUFFEE.—On December 7, aged eighty-seven years, JOHN MCDUFFEE, President of Rochester National Bank and Norway Plains Savings Bank, Rochester, N. H.

MCILVAIN.—On November 9, aged eighty-four years, WM. MCILVAIN, President of Second National Bank, Reading, Pa.

MILLS.—On November 9, aged seventy years, H. S. MILLS, President of the Bank of H. S. Mills, Kansas City, Mo.

OGDEN.—On December 7, aged seventy-eight years, JAMES L. OGDEN, Vice-President of First National Bank, Jersey City, N. J.

YEAZEL.—On November 15, aged thirty-nine years, ABRAHAM YEAZEL, Cashier of Exchange National Bank, Hastings, Neb.

**WANTED.**—We desire first-class men to represent us in Philadelphia, New York, Boston, and Hartford, Conn., in the sale of our 7 and 8 per cent. investments. The men we want must be of the highest standing, and enjoy the confidence of investors. References will be exchanged, liberal commissions paid, and men who will contract to represent no other similar corporation will be given exclusive territory. Address CHARLES KERLER, JR., President Atlanta Finance Association, 48 South Pryor Street, Atlanta, Ga.



## CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from December No., page 477.)

	Bank and Place.	Elected.	In place of.
ALA....	First National Bank, Anniston..	W. W. Stringfellow, <i>P.</i>	T. G. Bush.....
" ..	First National B'k, Demopolis..	J. B. Meriwether, <i>A. Cas.</i>	.....
ARK ...	First Nat. Bank, Little Rock...	C. T. Walker, <i>Cas.</i>	P. K. Roots.
COL....	First National Bank, Telluride.	A. M. Wrench, <i>Ass't Cas.</i>	.....
DAK. N.	First National Bank, Larimore.	J. B. Streeter, Jr., <i>Cas.</i>	R. M. Sprague.
D. C....	Lincoln Nat. Bank, Washington.	J. B. Wilson, <i>P.</i>	J. A. Prescott.
ILL....	First National Bank,	S. C. Madden, <i>Cas.</i>	Frank Leland.
	Englewood.	M. E. Brown, <i>Ass't Cas.</i>	F. W. Briggs.
" ..	First National Bank,	John Ellis, <i>P.</i>	C. C. Blish.
	Kewanee.	James K. Blish, <i>V. P.</i>	John Ellis.
" ..	Streator National Bank,	W. S. Bennison, <i>A. Cas.</i>	.....
	Streator.	Harry W. Lukens, <i>Cas.</i>	E. H. Bailey.
IOWA...	First National Bank,	W. H. Ryon, <i>Ass't Cas.</i>	Harry W. Lukens.
	Carroll.	C. L. Wattles, <i>Cas.</i>	R. G. Smith.
" ..	Corn Exchange Nat. Bank,	L. G. Bangs, <i>Ass't Cas.</i>	.....
	Sioux City.	W. G. H. Vernon, <i>V. P.</i>	C. B. Oldfield.
" ..	National Bank of Sioux City,	C. B. Oldfield, <i>Cas.</i>	W. G. H. Vernon.
	Sioux City.	C. R. Marks, <i>P.</i>	W. E. Higman.
		Geo. H. Howell, <i>V. P.</i>	.....
KAN....	Argentine Bank,	Thos. J. Barker, Sr., <i>P.</i>	.....
	Argentine.	G. W. Gulley, <i>V. P.</i>	.....
" ..	First National Bank, Oswego..	Geo. A. Taylor, <i>Cas.</i>	.....
MD....	Patapsco National Bank,	J. F. Barker, <i>Ass't Cas.</i>	.....
	Ellicott City.	J. M. Berry, <i>Act'g Cas.</i>	F. W. Keller.
MASS...	Shoe & Leather Nat. Bank,	J. H. Leishear, <i>P.</i>	E. A. Talbott.
	Boston.	Thos. H. Hunt, <i>V. P.</i>	J. H. Leishear.
" ..	Winnisimmet National Bank,	J. E. Toulmin, <i>V. P.</i>	.....
	Chelsea.	G. G. McCausland, <i>A. C.</i>	.....
MICH.	Commercial Nat. B'k, Saginaw.	J. H. Cunningham, <i>P.</i>	A. S. Foster.
MO....	First National Bank, Joplin....	Albert D. Bosson, <i>V. P.</i>	J. H. Cunningham.
NEB....	Nebraska National Bank, York.	Amasa Rust, <i>V. P.</i>	L. W. Bliss.
N. H....	Ashuelot National Bank, Keene.	O. H. Picker, <i>V. P.</i>	D. A. Preston.
" ..	New Hampshire Nat. Bank,	T. B. Clawson, <i>P.</i>	Earnest Davis.
	Portsmouth.	J. E. Wright, <i>Cas.</i>	H. O. Coolidge.
N. J....	Farmers Nat. Bank, Mt. Holly.	Thos. A. Harris, <i>P.</i>	E. A. Peterson.
" ..	German Nat. Bank, Newark...	Wm. C. Walton, <i>Cas.</i>	LaFay. S. Butler.*
" ..	Peoples National Bank,	John B. Davis, <i>Ass't Cas.</i>	.....
	New Brunswick.	Allen Durand, <i>Ass't Cas.</i>	.....
N. Y....	Farmers Nat. Bank, Hudson...	Benj. F. Howell, <i>P.</i>	.....
" ..	First Nat. Bank, St. Johnsville.	Frank M. Donohue, <i>V. P.</i>	.....
OHIO...	Middleport Nat. B., Middleport.	S. Thompson, <i>P.</i>	J. W. Hoystradt.
PA.....	Greenville Nat. B'k, Greenville.	J. H. Markell, <i>Cas.</i>	J. M. Hubbard.
" ..	Allegheny Nat. B'k, Pittsburgh.	L. H. Hilsinger, <i>Ass't Cas.</i>	.....
" ..	German Nat. Bank, Pittsburgh.	Harry Watson, <i>Cas.</i>	Wm. H. Reil.
" ..	Second Nat. Bank, Reading....	John Caldwell, Jr., <i>P.</i>	Wm. McCandless.*
" ..	Drovers & Mech. Nat. B., York.	O. C. Burgdorf, <i>Cas.</i>	C. Van Buren, Jr.*
TEXAS..	Wise County Nat. B'k, Decatur.	Isaac Hiester, <i>P.</i>	Wm. McIlvain.*
" ..	Eastland Nat. B'k, Eastland.	Israel W. Gross, <i>V. P.</i>	.....
" ..	First National Bank,	C. W. Collom, <i>Act'g Cas.</i>	R. S. Vance.*
	El Paso.	J. D. Shelton, <i>V. P.</i>	.....
" ..	Hamilton Nat. Bank, Hamilton.	J. S. Reynolds, <i>P.</i>	J. Raynolds.
" ..	First National Bank, Itasca....	H. S. Beattie, <i>Cas.</i>	H. S. Kaufman.
" ..	Rio Grande Nat. Bank, Laredo.	John L. Spurlin, <i>V. P.</i>	.....
" ..	Concho Nat. Bank, San Angelo.	J. H. Griffin, <i>Ass't Cas.</i>	.....
W. VA..	Citizens Nat. Bank, Charleston.	W. Showalter, <i>P.</i>	J. M. Hamilton.
WASH..	First Nat. Bank, South Bend...	W. H. Godair, <i>P.</i>	Philip C. Lee.
		W. T. McClurg, <i>Act'g C.</i>	.....
		Robt. A. Carney, <i>Ass't C.</i>	.....

\* Deceased.

## NEW BANKS, BANKERS, AND SAVINGS BANKS.

(Monthly List, continued from December No., page 476.)

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N.Y. Correspondent.</i>
ALA....	Pell City.....	Bank of Pell City.....	National Bank of Republic.
	\$50,000	Paphro D. Pike, <i>P.</i>	Chas. D. Pratt, <i>Cas.</i>
CAL....	Sanger.....	Bank of Sanger.....	Chase National Bank.
	\$20,000	Adolph Kutner, <i>P.</i>	Cornelius B. Pressley, <i>Cas.</i>
		S. Frankeman, <i>V. P.</i>	
DAK. N.	Cavalier.....	First Bank of Cavalier...	Chase National Bank.
	\$60,000	L. E. Booker, <i>P.</i>	J. K. Musselman, <i>Cas.</i>
		Judson LaMoure, <i>V. P.</i>	
" ..	Northwood.....	State B'k of Northwood..	Chase National Bank.
	\$50,000	A. G. Clayton, <i>P.</i>	Sydney C. Lough, <i>Cas.</i>
		C. S. Edwards, <i>V. P.</i>	
" ..	Portland.....	Portland State Bank.....	Chase National Bank.
	\$10,000	K. H. Brunsdale, <i>P.</i>	Geo. A. White, <i>Cas.</i>
		N. G. Wyhus, <i>V. P.</i>	
DAK. S.	Pierre.....	Union Trust Co.....	National Bank of Deposit.
	\$25,000	B. J. Templeton, <i>P.</i>	Adolph Ewert, <i>Treas.</i>
		A. N. Blandin, <i>V. P.</i>	
FLA....	Tampa.....	Gulf National Bank .....	Seaboard National Bank.
	\$50,000	A. A. Parker, <i>P.</i>	Chas. E. Allen, <i>Cas.</i>
ILL....	Ava.....	Bank of Ava.....	United States National Bank.
	\$10,000		Geo. O. Dean, <i>Cas.</i>
			W. C. Dean, <i>Ass't Cas.</i>
" ..	Carterville .....	Bank of Carterville.....	Hanover National Bank.
	\$20,000		S. H. Bundy, <i>Cas.</i>
" ..	Chicago.....	Globe National Bank .....	
	\$1,000,000	Oscar D. Wetherell, <i>P.</i>	D. A. Moulton, <i>Cas.</i>
		Melville E. Stone, <i>V. P.</i>	
" ..	Marengo.....	Dairymens State Bank...	National Bank of Republic.
	\$25,000	Zebulon E. Goodrich, <i>P.</i>	Lester Barber, <i>Cas.</i>
		Ira R. Curtiss, <i>V. P.</i>	A. S. Norton, <i>Ass't Cas.</i>
" ..	Mt. Carmel ....	Farm. & Merchants Bank.	Chase National Bank.
	\$75,000	Jas. M. Starbuck, <i>P.</i>	Chas. A. Steele, <i>Cas.</i>
		Pierre Gray, <i>V. P.</i>	
" ..	Mt. Carmel ....	First National Bank.....	Chase National Bank.
	\$50,000	Leroy A. Goddard, <i>P.</i>	Henry T. Goddard, <i>Cas.</i>
		Silas Z. Landes, <i>V. P.</i>	
" ..	Quincy.....	State Savs. L'n & Tr. Co.	Merchants' Exchange Nat. Bank.
	\$300,000	Lorenzo Bull, <i>P.</i>	Edward J. Parker, <i>Cas.</i>
		Chas. H. Bull, <i>V. P.</i>	L. A. Wiley, <i>Ass't Cas.</i>
" ..	Streator.....	City National Bank. ....	Hanover National Bank.
	\$100,000	John C. Ames, <i>P.</i>	Ezra H. Bailey, <i>Cas.</i>
		Lewis M. Sawyer, <i>V. P.</i>	
" ..	Windsor.....	Commercial State Bank..	United States National Bank.
	\$30,000	Arthur G. Lee, <i>P.</i>	Sidney J. Lee, <i>Cas.</i>
		Lyman A. Gould, <i>V. P.</i>	
IND ....	Evansville.....	German Bank.....	
	\$400,000	John A. Reitz, <i>P.</i>	Henry L. Cook, <i>Cas.</i>
		Philip C. Decker, <i>V. P.</i>	
" ..	Petersburgh....	Peoples Savings Bank....	
	\$25,000		Byron Brenton, <i>Cas.</i>
IOWA...	Hudson.....	Leavitt, Washburn & Co.	
			J. H. Washburn, <i>Cas.</i>
KAN....	Arkansas City..	Home National Bank....	Chase National Bank.
	\$250,000	Fred. M. Strong, <i>P.</i>	Howard Ross, <i>Cas.</i>
		A. A. Newman, <i>V. P.</i>	
" ..	Goodland.....	Commercial Bank.....	Chase National Bank.
	\$25,000	C. P. Russell, <i>P.</i>	H. E. Don Carlos, <i>Cas.</i>
" ..	Kanopolis.....	Chas. F. Kaffer & Co....	Hanover National Bank.
			Wm. R. Kaffer, <i>M'gr.</i>

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
MASS...	Reading.....	First National Bank.....	.....
	\$50,000	Wendell Bancroft, <i>P.</i>	Wm. A. Long, <i>Cas.</i>
MICH...	Berrien Springs.	Berrien Exchange B'k... (Dix & Wilkinson.)	.....
	\$10,000		
MINN...	Grove City.....	Merchants & Farm. Bank.	.....
	\$15,000	C. C. Reitan, <i>P.</i>	Ernest S. Griffith, <i>Cas.</i>
		O. N. Lindell, <i>V. P.</i>	
MO.....	Kennett.....	Bank of Kennett.....	.....
		Thos. E. Baldwin, <i>P.</i>	David B. Pankey, <i>Cas.</i>
		Wm. F. Shelton, <i>V. P.</i>	
" ..	Rockville.....	Bank of Rockville.....	.....
	\$10,000	Joseph C. Laughlin, <i>P.</i>	Geo. W. Burford, <i>Cas.</i>
		John B. Durand, <i>V. P.</i>	S. M. Doyle, <i>Ass't Cas.</i>
NEB....	Champion.....	Commercial State Bank..	.....
		J. D. Shahan, <i>P.</i>	W. N. Jordan, <i>Cas.</i>
" ..	Geneva.....	Geneva National Bank...	National Bank Republic.
	\$60,000	John A. Dempster, <i>P.</i>	A. O. Taylor, <i>Cas.</i>
		Thos. S. Francis, <i>V. P.</i>	E. J. Dempster, <i>Ass't Cas.</i>
N. H...	Nashua.....	Granite State Safe Dep. & B'k'g Co. ....	.....
		V. C. Gilman, <i>P.</i>	Edward M. Gilman, <i>Treas.</i>
		Frank A. McKean, <i>V. P.</i>	
N. MEX.	East Las Vegas.	Las Vegas Savings B'k...	.....
	\$30,000	Wm. M. Eads, <i>P.</i>	Daniel T. Haskins, <i>Cas.</i>
" ..	Socorro.....	New Mexico Nat. Bank..	Western National Bank.
	\$50,000	S. M. Folsom, <i>P.</i>	M. W. Browne, <i>Cas.</i>
N. Y...	Buffalo.....	Queen City Bank.....	.....
	\$600,000	Wm. H. Johnson, <i>P.</i>	G. C. Hardesty, <i>Cas.</i>
" ..	Dansville.....	Merchants & Farm. N. B.	U. S. National Bank.
	\$50,000	Wm. T. Spinning, <i>P.</i>	David O. Batterson, <i>Cas.</i>
		C. D. Beebe, <i>V. P.</i>	
" ..	Earlville.....	First National Bank.....	Chase National Bank.
	\$50,000	Henry G. Green, <i>P.</i>	Guy H. Clark, <i>Cas.</i>
		Geo. B. Whitmore, <i>V. P.</i>	
" ..	Oyster Bay.....	Oyster Bay Bank.....	.....
	\$25,000	Townsend D. Cock, <i>P.</i>	Edwin M. Griffin, <i>Cas.</i>
		Peter Y. Frye, <i>V. P.</i>	
" ..	Ticonderoga ..	First National Bank.....	.....
	\$50,000	Chas. E. Bush, <i>P.</i>	Merwin R. Hack, <i>Cas.</i>
PA.....	Connellsville..	Second National Bank...	.....
	\$50,000	Joseph T. McCormick, <i>P.</i>	Jno. A. Armstrong, <i>Cas.</i>
		Worth Kirkpatrick, <i>V. P.</i>	
" ..	Corry.....	Citizens National Bank..	.....
	\$100,000	W. C. Culbertson, <i>P.</i>	R. S. Battles, <i>Cas.</i>
S. C....	Chester.....	Exchange Bank.....	Fourth National Bank.
	\$75,000	Joseph Wylie, <i>P.</i>	Barnett M. Spratt, <i>Cas.</i>
		John L. Agurs, <i>V. P.</i>	
" ..	Florence.....	Bank of the Carolinas..	.....
	\$20,000	John P. Coffin, <i>P.</i>	Claude S. Lucas, <i>Cas.</i>
TENN...	Bristol.....	Dominion Nat. Bank....	United States National Bank.
	\$100,000	H. E. McCoy, <i>P.</i>	H. E. Jones, <i>Cas.</i>
		Wm. F. Rhea, <i>V. P.</i>	
" ..	Greeneville ..	Greene County Bank....	Chase National Bank.
	\$25,000	W. H. O'Keefe, <i>P.</i>	Wm. H. Armitage, <i>Cas.</i>
		M. P. Reeve, <i>V. P.</i>	
TEXAS..	Abilene.....	C. Villeneuve.....	Kountze Bros.
	\$8,500		
" ..	Haskell.....	Haskell National Bank ..	Mercantile National Bank.
	\$50,000	M. S. Pierson, <i>P.</i>	S. H. Johnson, <i>Cas.</i>
		H. G. McConnell, <i>V. P.</i>	
" ..	Jacksboro.....	First National Bank.....	Fourth National Bank.
	\$50,000	Thos. D. Sporer, <i>P.</i>	D. L. Knox, <i>Cas.</i>
		John R. Hoxie, <i>V. P.</i>	
" ..	Kaufman.....	Citizens' Nat. Bank.....	.....
	\$50,000	James C. Maples, <i>P.</i>	Albert L. Self, <i>Cas.</i>
UTAH..	Provo City.....	Nat. Bank of Commerce.	.....
	\$50,000	Elmer B. Jones, <i>P.</i>	Chas. S. Thompson, <i>Cas.</i>
WASH..	Garfield.....	Bank of Garfield.....	.....
	\$30,000	Alfred Coolidge, <i>P.</i>	Geo. W. Nye, <i>Cas.</i>
		Greenville Holbrook, <i>V. P.</i>	

<i>State. Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
WIS.... West Superior..	International Bank.....	Hanover National Bank.
\$100,000	Frank J. McLean, P.	David H. Decker, Cas.
ONT... Fort William...	Thos. B. Wilson, V. P.	R. D. Prescott, Ass't Cas.
\$50,000	Ray, Street & Co.	Merchants Bank of Canada.
		Chas. W. Jarvis, M'gr.

## CHANGES, DISSOLUTIONS, ETC.

(Continued from December No., page 479.)

- N. Y. CITY..... Bateman & Co. reported assigned.
- .. Colbron, Chauncey & Co. reported assigned.
  - .. Hamilton & Bishop reported suspended.
  - .. S. A. Kean & Co. reported suspended.
- DAK. N. Portland..... Citizens Bank has been succeeded by Portland State Bank.
- DAK. S.. Huron..... Huron National Bank reported suspended.
- .. Woonsocket.... Sanborn County Bank reported failed.
- D. C... Washington.... Bateman & Co. reported assigned.
- IDAHO.. Murray ..... Bank of Murray reported assigned.
- .. Wallace.. .... Bank of Wallace (C. Hussey) reported assigned.
- ILL.... Chicago..... S. A. Kean & Co. reported suspended.
- .. Quincy ..... L. & C. H. Bull, now State Savings Loan & Trust Co., same correspondents.
  - .. Windsor..... Commercial Bank, now Commercial State Bank.
- IND.... Evansville..... German National Bank has gone into voluntary liquidation and succeeded by the German Bank, same officers.
- IOWA... Fontanelle..... Farmers Bank reported failed.
- KAN... Argentine..... Argentine Bank (McAlpine, Taylor & Barker) has been incorporated, same correspondents.
- .. Arkansas City.. American National Bank insolvent, and in hands of a receiver.
  - .. The Strong & Ross Banking Co., now Home National Bank.
  - .. Arkansas City Investment Co. reported assigned.
  - .. Belleville ..... First National Bank is insolvent, and has been placed in the hands of a receiver.
  - .. Goodland..... Russell Bros., now Commercial Bank, same correspondents.
  - .. Hill City ..... First National Bank has gone into voluntary liquidation.
  - .. Independence.. Commercial Bank is about to nationalize.
  - .. Mulvane..... W. R. Warren reported failed.
  - .. Wallace..... Wallace County Bank (Perry & Loveland) reported suspended.
- MICH... Berrien Spr'gs. Dix & Wilkinson is now Berrien Exchange Bank.
- .. East Tawas.... J. H. Schmeck & Co. reported suspended.
- NEB.... Fullerton..... Citizens Bank is now the Citizens State Bank, same officers and correspondents.
- .. Geneva. .... Bank of Geneva now Geneva National Bank.
  - .. Hastings..... City National Bank reported closed.
- N. C. .. Fayetteville. . People's National Bank reported suspended.
- PA. .... Clearfield. .... Clearfield County Bank reported assigned.
- .. Ebensburgh.... Johnson, Buck & Co., reported failed, has resumed business.
  - .. Indiana..... Indiana Co. Dep. Bank, reported temporarily suspended, has resumed business.

PA. .... Meadville ..... Delamater & Co. reported assigned.  
 " .. Philadelphia.... Maris & Smith reported assigned.  
 " .. " ..... Gerlach & Harjes reported failed.  
 TENN. .. Bristol..... H. E. McCoy & Co., now Dominion National Bank.  
 " .. Clarksville.... Farmers & Merchants National Bank reported suspended.  
 " .. " ..... Franklin Bank reported suspended.  
 TEXAS.. Haskell..... Haskell Co. Bank succeeded by Haskell National Bank.  
 " .. Palestine ..... Gabriel Ash reported suspended.  
 " .. San Antonio.. Maverick Bank and Safe Deposit reported assigned.  
 VA. .... Luray..... D. F. Kagey & Co. reported assigned.  
 WASH. .. Spokane Falls.. Spokane National Bank reported closed.  
 WIS. .... West Superior. Bank of Commerce reported assigned.

## APPLICATIONS FOR NATIONAL BANKS.

The following *applications* for authority to organize *National Banks* have been filed with the Comptroller of the Currency during December, 1890.

ALA.... Piedmont..... First National Bank, by William S. Haines and associates.  
 ILL.... Mount Carmel. First National Bank, by L. A. Goddard and associates.  
 IND.... North Vernon.. First National Bank, by J. D. Cone and associates.  
 IOWA.. Odebolt. .... First National Bank, by W. W. Field and associates.  
 KAN.... Howard..... Farmers National Bank, by W. S. Lambert and associates.  
 " .. Independence.. Commercial National Bank, by George T. Guernsey and associates.  
 LA. .... New Iberia .... Peoples National Bank, by W. E. Satterfield and associates.  
 MINN... Duluth..... Commercial National Bank, by James W. Norton and associates.  
 MISS.. Tupelo..... First National Bank, by S. T. Harkey, Silver City, New Mexico, and associates.  
 MO.... Rich Hill..... Rich Hill National Bank, by F. J. Tygard, Butler, Mo., and associates.  
 NEB.... Fremont..... Commercial National Bank, by E. Schurman and associates.  
 " .. Geneva..... Geneva National Bank, by John A. Dempster and associates.  
 " .. Omaha..... German National Bank, by L. D. Fowler and associates.  
 N. J.... Red Bank..... Shrewsbury National Bank, by Daniel H. Applegate and associates.  
 N. Y... Perry. .... First National Bank, by Henry N. Page and associates.  
 PA..... Bloomsburg ... Farmers National Bank, by Hon. E. R. Ikeler and associates.  
 " .. New Brighton.. Union National Bank, by C. M. Merrick and associates.  
 TEXAS.. Cooper..... First National Bank, by W. J. McDonald, Paris, Tex., and associates.  
 " .. Lampasas. .... Citizens National Bank, by L. W. Galbraith and associates.  
 " .. Rockwall ..... Rockwall National Bank, by W. F. Jones and associates.  
 " .. Uvalde..... First National Bank, by W. W. Collier and associates.

- VA. .... Lynchburg..... Rivermont National Bank, by Peter J. Otey and associates.  
 W. VA.. Clarksburg .... Traders National Bank, by J. E. Sands, Fairmount, W. Va.,  
 and associates.  
 WASH. Cheney..... First National Bank, by D. F. Percival and associates.  
 .. Waterville..... First National Bank, by Fred Ward, Seattle, Wash., and  
 associates.

## OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

*(Monthly List, continued from December No., page 478.)*

No.	Name and Place.	President.	Cashier.	Capital.
4477	Dominion National Bank..... Bristol, Tenn.	H. E. McCoy,	H. E. Jones,	\$100,000
4478	Gulf National Bank..... Tampa, Fla.	A. A. Parker,	Chas. E. Allen,	50,000
4479	Citizens National Bank..... Corry, Pa.	W. C. Culbertson,	R. S. Battles,	100,000
4480	First National Bank..... Mt. Carmel, Ill.	Leroy A. Goddard,		50,000
4481	Second National Bank..... Connellsville, Pa.	Jos. F. McCormick,	John A. Armstrong,	50,000
4482	Merchants & Farmers Nat. Bank. Dansville, N. Y.	Wm. T. Spinning,	David O. Batterson,	50,000
4483	First National Bank..... Jacksboro, Texas.	Thos. D. Sporer,	D. L. Knox,	50,000
4484	Geneva National Bank..... Geneva, Neb.	John A. Dempster,	A. O. Taylor,	60,000
4485	New Mexico National Bank.... Socorro, N. Mexico.	Stephen W. Folsom,	Millard W. Browne,	50,000
4486	National Bank of Commerce... Provo City, Utah.	Elmer B. Jones,	Chas. S. Thompson,	50,000
4487	Home National Bank..... Arkansas City, Kan.	Fred. M. Strong,	Howard Ross,	250,000
4488	First National Bank..... Reading, Mass.	Wendell Bancroft,	Wm. A. Lang,	50,000
4489	Globe National Bank..... Chicago, Ill.	O. D. Wetherell,	D. A. Moulton,	1,000,000
4490	First National Bank..... Eagle Pass, Texas.	J. A. Bonnet,	F. V. Blesse,	50,000
4491	First National Bank..... Ticonderoga, N. Y.	Chas. E. Bush,	Merwin R. Hack,	50,000
4492	Citizens National Bank..... Kaufman, Texas.	James C. Maples,	Albert L. Self,	50,000

# FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE. DECEMBER, 1890.

## Opening, Highest, Lowest and Closing Prices of Stocks and Bonds in December.

GOVERNMENTS.	Interest Periods.	RAILROAD STOCKS.			MISCELLANEOUS.			Open- ing.	High- est.	Low- est.	Clos- ing.
		Open- ing.	High- est.	Low- est.	Open- ing.	High- est.	Low- est.				
4½s, 1891, reg.	Mar.	103	103½	103	C. C. & St. L.	60½	55½	59½	Northern Pacific	22	21½
4s, 1891, coup.	Mar.	104	104	103	Col. Coal & Iron	33	33½	32½	Do	64	64
4s, 1907, reg.	Jan.	120½	121½	120½	Col. H. Valley & Tol.	25	20	26	Ohio & Mississippi	18½	17½
4s, 1907, coup.	Jan.	122½	122½	121½	Del. & Hudson	130	132	132	Ohio Southern	14	12
6s, cur'cy, 1895, reg.	Feb.	109	109	109	Del., Lack. & W.	131	124½	132	Oregon Impt.	14½	12
6s, cur'cy, 1896, reg.	Feb.	111	112	111	Den. & Rio Grande	17½	16	—	Oregon R. & N.	8½	76
6s, cur'cy, 1897, reg.	Jan.	113	115	113	Do	56½	53	57	Oregon Short Line	21½	19
6s, cur'cy, 1898, reg.	July.	115	118	115	East Tenn. V & G.	7	7½	—	Oregon & Trans-Con.	—	—
6s, cur'cy, 1899, reg.	July.	117	121	117	Do	15½	15½	—	Pacific Mail	32½	27½
					Do	15½	15½	—	Peoria, Decatur & Evansville	15	13½
					Evansville & T. H.	—	111	100	Philadelphia & Reading	31½	30½
					Illinois Central	97½	98	97½	Fullman Palace Car Co.	185	160
					Lake Erie and Western	13	14½	10½	Rich. & W. P. Term.	16½	13½
					Do	52	55½	44	Rome, W. & Ogd.	104	98
					Lake Shore	106½	107½	101	St. Louis, A. & T. H.	23	21
					Long Island	—	82	82	Do	110	110
					Louisville and Nashville	75½	75½	66½	St. Louis & San Francisco	—	70
					Louisville, N. Alb. & Chic.	25	25	17	Do	72	—
					Manhattan Consol.	100	100	93½	Do	—	—
					Memphis & Charleston	—	—	—	St. Paul & Duluth	21½	23
					Mil., L. S. & W.	90	91	83	Do	81	78
					Do	107	107	100	Do	100	90
					Minn. & St. Louis	—	4½	—	Southern Pacific Co.	29½	25
					Mo., Kan. & Texas	9½	10	8½	Sugar Refineries	15	12
					Missouri Pacific	66	66	53	Texas & Pacific	51½	40
					Nash., C. & St. L.	—	95	90½	Union Pacific	9½	8½
					N. Y. C. & Hudson	100	101½	95½	Wabash, St. Louis & Pacific	18½	15
					N. Y. C. & St. L.	11	11½	9½	Do	17	17½
					Do	53	56	51½	Wisconsin Central	—	—
					N. Y., L. E. & W.	20	20	17½	MISCELLANEOUS—	—	—
					Do	34½	34½	28½	Am. Cotton Oil Trust	16½	13
					N. Y. & New Eng.	13½	13½	14	Nat. Lead Trust	18	14½
					N. Y., Ont. & W.	25	29	21½	Tenn. Coal & Iron	34	28½
					Do	—	—	—	Express-Adams	148	140
					Norfolk & Western	—	—	—	American	116	110
					Do	—	—	—	United States	64½	61
					Do	—	—	—	Wells-Fargo	142	135
					Do	—	—	—	Western Union	78	71½
					Do	—	—	—	Wheel. & Lake E.	30½	31½

THE

# BANKER'S MAGAZINE

AND

## Statistical Register.

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### RECOVERY OF DEPOSITS IMPENDING INSOLVENCY.

During the recent monetary stringency several banks failed which received deposits until within a very short period of their failure, and when all hope of continuing in business was gone. Some of the depositors, so we learn through the newspapers, have brought suits against the receivers or assignees to recover their deposits, instead of sharing dividends with other creditors. They contend that to take a deposit under such circumstances is a fraud, and consequently that the ordinary contract of deposit, under which it is made, can be rescinded and the deposit be recovered. We propose to review some of the cases on this subject.

At the outset it may be remarked that in some States a statute has been enacted prohibiting banks from receiving deposits when in this condition. Such a law exists in Missouri. (Rev. St. 1879, § 918.) Several cases have arisen since its enactment, and the latest was published in the last number of the *BANKER'S MAGAZINE*. In that reference was made to the other decisions on the subject. A similar law also exists in Illinois and in Pennsylvania.

Likewise in Mississippi, if any officer, agent, or employe of a bank "receive any deposit, knowing or having good reason to believe that the establishment is insolvent, without informing the depositor of such condition," he may be imprisoned for five years. (Code of 1880, § 2,814.) And in construing this statute the court, speaking through Campbell, J., have remarked that the



"object of the statute is to protect the confiding public from the victimization apt to result from depositing in an insolvent establishment, and it seeks to give protection by denouncing its penalty against him who receives a deposit, knowing or having good reason to believe that the establishment is insolvent, without informing the depositor of such condition. Receiving a deposit in such circumstances constitutes the crime, no matter what may be the purpose or hope of the person receiving it."

In most of the States, however, no statute exists, and we shall now inquire how does the common law regard such a transaction. And it may be properly remarked that a bank or other corporation in a legal sense may be guilty of a fraud. As a mere legal entity it has no will and cannot act, but in dealing with others it is represented by its officers and agents, and their fraud when transacting the corporate business is the fraud of the corporation. Of course, it is generally more difficult to establish a fraud against a corporation than against an individual, because the knowledge of the agent cannot always be imputed to the corporation itself; but as Justice Andrews says: "The general rule is well established, that notice to an agent of a bank, or other corporation intrusted with the management of its business, or of a particular branch of its business, is notice to the corporation in transactions conducted by such agent, acting for the corporation, within the scope of his authority, whether the knowledge of such agent was acquired in the course of the particular dealing or on some prior occasion." (*Cragie v. Hadley*, 99 N. Y. 134, citing *Holden v. N. Y. & Erie Bank*, 72 *Id.* 286; *Bank of United States v. Davis*, 2 Hill 452.)\*

A bank, therefore, may be guilty of a fraud in receiving a deposit, through the instrumentality of an agent, when in an insolvent condition, and whenever this happens the depositor may rescind the contract and reclaim the deposit unless it consists of a check or draft which has passed into the possession of an innocent holder. (*Cragie v. Hadley*, 99 N. Y. 131; *Anonymous case* 67 N. Y. 598; *National Citizens' Bank v. Howard*, 3 How. Pr. N. S. 511; *Rochester Printing Co. v. Loomis*, 45 Hun. 97; *St. Louis & S. F. Ry. Co. v. Johnston*, 10 U. S. S. Ct. Rep. 390, 393.)

The applications of this principle may next be described. The case of *Cragie v. Hadley* (99 N. Y. 131, affg. 14, abb. N. C. 409), is the best known application. Drafts were deposited with the First National Bank of Buffalo, between two and three o'clock in the afternoon, and was credited on the plaintiff's pass-book. The bank closed its doors at the usual hour that afternoon and never opened them afterward. The bank was irretrievably insolvent and had been for months before the failure. Its drafts had been pro-

\* For full discussion, see Bolles' Bank Officers, Ch. 4, Secs. III, IV, V.

tested the day before, and it was manifest that a condition of open insolvency must ensue. "The acceptance of the deposit," said the court, "under those circumstances constituted such a fraud as entitled the plaintiffs to reclaim the drafts or their proceeds. The presumption that the managing officers and agents of the bank had notice of its condition, arises from the circumstances. They could not have been ignorant without imputing to them gross inattention to its affairs. It was, moreover, admitted on the trial that the entire control and management of the bank was in fact intrusted to and conducted by its president, and it is clearly shown that he was familiar with the desperate condition of the bank at the time of, and for many weeks before the deposit was made."

In the *Rochester Printing Co. v. Loomis and Woodworth* (45 Hun. 93), the defendants deposited a draft drawn by them on T. with Moore, a banker, a quarter of an hour before the close of business for the day. He did not open again. The draft was sent to the City Bank of Rochester for collection. That bank before receiving it had also failed. It received the draft, however, credited the amount to Moore, and then transferred it to the plaintiff. Acceptance having been refused, an action was brought to recover the amount of the drawers. The defense was that Moore obtained the draft by false and fraudulent representations and concealment of his financial condition, and that the plaintiff was not a *bona fide* holder for value. It was decided that Moore did not act in good faith in the transaction, and that the plaintiff was not a *bona fide* holder, and consequently could not recover. Other questions of an interesting nature relating to Moore's insolvency, and his expectations of continuing business at the time when he received the draft arose, but these need not concern us here.

The *National Citizens' Bank v. Howard* (3 How. Pr. N. S. 511) may next be considered. Howard deposited a check with M. & Co., bankers, late in the day, and in the evening they made an assignment. Previous to this, they sent the check to the National Citizens' Bank to lessen or extinguish an indebtedness due to it, and this institution sued the maker for the amount. The firm had been insolvent for some time, and four days before making an assignment seriously contemplated doing so. The court declared that the acceptance of the deposit under such circumstances constituted such a fraud as entitled the depositor to reclaim the deposit on the discovery of the fraud.

In *Chaffee v. Fort* (2 Lans. 81), a banker was insolvent and contemplated the making of an assignment. When in this condition he received a deposit from one of his customers who was ignorant of his condition. He entered the amount in the depositor's pass-

book, but kept it in a separate parcel, labeled with the depositor's name, intending to redeliver it to him if he should assign. He did not enter the amount in his own books except a memorandum in his cash book, beneath which he wrote the depositor's name. Afterward he made an assignment, and delivered the parcel described to the assignee requesting him, if he legally could, to deliver the same to the depositor whence it came. It was determined that the assignee could not keep the deposit, but must deliver it. The judge, after remarking that apparently the ordinary contract between a depositor and his depositary was made, declared that "the plaintiff had a right to insist upon this contract, but if it was true that [the banker] had been guilty of a fraud upon him in obtaining the deposit it was competent for plaintiff, when informed of the fraud, to repudiate the contract and sue for the money. [The banker] would have been guilty of fraud had he taken it as a deposit, and thus enabled himself to transfer the plaintiff's money to his assignees."

A recent case involving this question has been decided in Mississippi. S. indorsed a draft in blank and deposited it with G. & Co., who were bankers. It was drawn on M., G. & Co. who were then deeply insolvent, but of this S. had no knowledge or suspicion. They failed, and S. notified M. not to pay the draft. He accordingly deposited the money in court, and the First National Bank, to whom G. & Co. transferred the draft, and S. sought to recover it. The remarks of the court in rendering judgment in favor of S. may be given: "G. & Co. were at the time irretrievably insolvent; the bank had been really insolvent for years, and at the time of the deposit by the claimant one of its members had absconded; the concern was tottering to fall, and it is inconceivable that the managing partners who remained in charge were not informed of its hopeless condition. The interval is as broad in law as in morals, that separates the condition of him who, though involved in financial straits, has a *bona fide* hope or expectation of retrieving his situation, and prosecutes his business for the honest purpose of so doing, from that of him who, financially destroyed, conceals his own ruin, and recklessly and fraudulently plunders the unwary and trusting who may be drawn into his toils. Where the condition of a bank is so helplessly insolvent that one of the managing partners absconds, and the other, with equal opportunities for information touching its condition, continues to receive deposits, it does not devolve upon a depositor seeking to rescind a sale of paper to the bank to show that the remaining partner was privy to the flight of the other. The fraud may be sufficiently proved by showing that the circumstances were such that the managing partner must have known the hopeless condition of the bank, and that in the course of business the sum credited

to the depositor could not be paid." (*First Nat. Bank v. Strauss*, 6 So. Rep. 233.)

The Supreme Court of the United States have also considered this question. (*St. Louis & S. F. Ry. Co. v. Johnston*, 10 U. S. S. Ct. Rep. 390, also published in *BANKER'S MAGAZINE*, May, 1890.) The railroad company deposited some checks with the Marine National Bank of New York just before it failed, and it sought to recover the amount, while the receiver, on the other hand, claimed that they were received as cash, and became a portion of the general deposits of the bank, and that the depositor must share as a general creditor. While not denying that checks under a general indorsement delivered to a bank and credited to the depositor as cash, pass to the bank, nevertheless the court held that the title to the checks in this case never passed to the bank, because it was in a condition of hopeless insolvency at the time they were received. Chief Justice Fuller, who delivered the opinion of the court, remarked that, "It is believed that no case can be found in the books holding that a trader who was hopelessly insolvent, knew that he could not pay his debts, and that he must fail in business, and thus disappoint his creditors, could honestly take advantage of a credit induced by his apparent prosperity, and thus obtain property which he had every reason to believe he could never pay for. In such a case, he does an act the necessary result of which will be to cheat and defraud another, and the intention to cheat will be inferred." And it was decided that "in the case of bankers, where greater confidence is asked and reposed, and where dishonest dealings may cause widespread disaster, a more rigid responsibility for good faith and honest dealing will be enforced than in the case of merchants and other traders"; and that "a banker who is, to his own knowledge, hopelessly insolvent, cannot honestly continue his business, and receive the money of his customers; and, although having no actual intent to cheat and defraud a particular customer, he will be held to have intended the inevitable consequences of his act, *i. e.*, to cheat and defraud all persons whose money he receives and whom he fails to pay before he is compelled to stop business."

From this brief review of the cases bearing on this subject the courts have had no difficulty in deciding when a depositor could recover his deposit on the ground of fraud in receiving it from him. (The subject is further considered in *Bolles' on Bank Officers*, §§ 28-31 and *Banks and their Depositors*, Chapter IX.)

## A REVIEW OF FINANCE AND BUSINESS.

## CONDITIONS AND PROSPECTS OF GENERAL TRADE.

The first month of the new year has come and gone without any addition to the unfavorable business conditions that existed at the close of the old year, while the changes that have come over the spirit of commerce and finance, though not radical, have been generally for the better. The great bugaboo in both the commercial and financial world, of a month ago, has entirely disappeared, followed by a surfeit of money as great as the stringency had been, the preceding two months. The enormous disbursements of the first of January have been seeking reinvestment, and have, as yet, been unable to find sufficient securities that are just now considered desirable. Yet this excess of unemployed funds has not led to the usual advance in prices of the favored investments. Hence the real improvement in the business situation has not been followed by a corresponding advance in prices, nor by an increased activity that indicates the extent of the change in the position of affairs, that has actually occurred. The chief reason for this, is the distrust created in the minds, both of investors and those engaged in mercantile or industrial callings, in regard to the basis of future values, as dependent on the financial legislation now pending in Congress. Everybody is still delaying new commitments, either for investment or for the development of new, or the extension of old enterprises, until the silver question is settled, for the present session of Congress at least. Had it not been for this incubus on both legitimate and speculative trade, it is probable that we would already have had more active and higher markets generally, for securities and products, alike, with a better consumptive demand for the latter, as well as investment inquiry for the former, and broader speculation in both.

With such a foundation for increased activity and higher prices, it is therefore probable that, so soon as the proposed legislation on silver is disposed of, there will be a decided increase in the volume of business, while the tendency of prices will depend upon the disposal that is made of this great question of our currency, which underlies and must affect the basis of all values. The popular belief now is that the Silver Bill, in its present shape, is dead, for this season of Congress; and the belief is equally general here in the East, that if it shall fail of passage in any form this winter, then business will revive, so soon as it is definitely disposed of. On the other hand, should it pass this spring, the East is predicting a general decline in prices, and

probably believes it will come, which fact is likely to bring it on, unless the counter current from the West and South, where silver legislation in any and all shapes is looked forward to as an inflation measure, that will immediately enhance the value of all commodities, if not of securities, shall offset the Eastern sentiment, and check any general decline in prices of products at least, even if securities should go lower; as the prices of the latter are controlled by Eastern investors and speculators, while the markets for agricultural products, raw material as well as food, are under the control of the West and South, and are likely to be sustained, no matter which way the silver problem is solved, because of the short crops this year of all these products, except cotton and hay, the former of which is more dependent upon the export demand, and will follow Liverpool and Manchester, rather than influences on this side the water. From this condition of affairs it will therefore be seen that the prospects for general trade are improving still, as they have been for a month past, and that activity, and possibly higher prices, after February, or the adjournment of Congress, if not before, are among the probabilities. As tight money and financial disasters were the chief causes of the decline in prices, during the last two months of the old year, so now, their removal should restore the old basis of values during the first two months of the new year, barring new currency complications, and possibly, in spite of them. Under these circumstances, we ought to have a good spring trade, especially as stocks in second hands have necessarily been very low during the money troubles, while those in first hands are far less burdensome now with an easy loan market on which to carry them. Beside, the large stocks of

- imported goods in bond have now been taken out, and the duties paid, and they no longer menace either the money or the goods markets, unless it may be that for tobacco, which was said by the dry goods men to constitute 60 per cent. of the total of \$20,000,000 to which the goods in bond had been reduced, toward the end of January, in this port. This outlook, however, applies to the commercial situation rather than the financial, which is so dependent upon the railroads of this country that they cannot be separated, although the easier money market benefits both alike, and will enable the holders of their securities to carry them until the prospects of the next crops can be forecast.

#### THE RAILROAD SITUATION

must, therefore, be considered by itself, and except as relieved by easy money and their increased ability to borrow, it is difficult to see any material improvement in their condition since the new year, or in their prospects for the coming six months. With short crops last year, of which they have undoubtedly hauled

more than half to market during the first half of the crop year, it is not easy to discover where enough increase in traffic is to come from during the last half to make up the loss from this source, which they are beginning to feel with the new year. Of course, the improvement in general trade, above indicated, will help some, but it takes a much larger increase in demand for manufactured goods to make up for the loss of such bulky freight as grain and live stock and flour, upon which the Western or Granger roads are most dependent, and the Trunk lines next. Of course, the big cotton crop puts the Southern roads out of harm's way, and with an increase in general traffic besides, they ought to do as well the coming six months as they have the last, if not better. But the Granger roads will need something more than the new railroad agreement not to cut rates, nor invade each other's territory to keep their earnings up to or even near those of a year ago, when they were moving the balance of two biggest crops ever raised two years in succession. Even the December earnings of these roads, as well as of the Trunk lines, which were not published until the end of January, show a material falling off from the previous December, which has been accounted for in some quarters, by the interruption of the crop movement, in consequence of the panic. That, no doubt, had some influence in that direction, but it was small compared with this broader and deeper cause. For the larger volume of traffic, always incident to the closing of inland navigation, came in good part during that month *via* the lake ports and the seaboard, yet the Trunk lines, whose reports have been made, show as large a deficit as the roads beyond the lakes. The plea that farmers have held back a larger proportion of their crops than usual till the last half of the crop year, in order to get higher prices, will hardly hold water, for the reason that they could not get their usual accommodations from the banks West, this year, to hold their crops on account of the panic, while their financial necessities were such that they were generally compelled to sell their crops to meet their former obligations, which they could not get extended. The outlook for the roads in agricultural sections outside the Cotton Belt, therefore, is not as good as it has been for the past six months, with little prospect of improvement until another good crop year. It is now too soon to judge of this, except so far as the winter wheat prospects go, which is forward in condition, with a good stand and an increased acreage, because of the higher price of wheat during seeding time last fall. The supply of live stock to come forward in the next six months is subject to the same conditions; for there has been a steady rush to market, ahead of their season, of all kinds, to save corn, the price of which at interior points in many sections has been as

high as at some of the seaboard markets, and higher than at some of the primary points of accumulation. Pork and beef packers have been accumulating large stocks of both hog and beef products this winter, in anticipation of a great falling off in supplies next spring and summer, and of correspondingly higher prices in consequence, and because there was not sufficient outlet for those products.

#### THE STOCK AND MONEY MARKETS.

If the foregoing be a correct diagnosis of the railroad situation, it follows that there is not much room for a further legitimate advance in the stock market, which has already rallied generally and sharply from the panic prices, under the influence of the easy money market and on the covering of the heavy short interest made during December. No doubt, however, should the Silver Bill be defeated in the House or be vetoed by the President should it pass that body, as seems reasonably certain at the close of the month, there will be an effort made to Bull stocks and endeavor to bring in the public to take the accumulated load off the speculators' hands, until the outlook for the next crops can be calculated with some certainty. Even at this writing the stock market seems to be undergoing this change of position. But there are few appearances of any public buying, though Europe will be likely to draw back part of the steady stream of our stocks she has been sending home the past four months or more, in order to hold on to her Argentines and other stocks, for which there was no market. After a temporary rise, therefore, following the definite defeat of the Silver Bill, caused by the covering of the shorts, put out in anticipation of its passage, it is more than likely that we will see one of those dull, dragging, drooping markets that usually attend such discouraging conditions in the present, and such suspense in regard to the future of the great railroad interests on which the stock market of this country is more dependent than any of the European Bourses, where the securities of the world are dealt in, both corporate and National. This is especially true here, for the industrial stocks have fallen into disfavor since the manipulation by the trusts, both of their properties and securities have disgusted speculators as well as caught those who had money loaned on them when the panic struck them. No one wants to touch them now with a ten-foot pole, and there is little else to trade in since the silver pool were caught in their own trap, and unable to unload, except at a loss. Dull times, therefore, appear ahead of the Stock Exchange, and the threat of Mr Gould, to withdraw the securities of the dozen great corporations he controls, unless the Stock Exchange rescinded its refusal to list \$7,000,000 more of his Missouri Pacific bonds, may well have caused its committee to hesitate and



reconsider. The estimated losses of half a million dollars by the telegraph lines in consequence of the late ice storm, is also likely to have its effect on those stocks.

The money market has fallen into the background again as a factor in both financial and commercial affairs, and all surface indications of the late money panic, both here and on the other side, have disappeared with the prospect of a continued exceptionally easy market for the coming spring and summer. Thus, the only excuse there ever was for the proposed silver legislation, outside of relieving the silver producers of their load, has been removed, and instead of too little currency for the trade of the country, the danger now seems to be of too much, and of inability to employ what we have. Call loan rates at 2 to 3 per cent. here, and the Bank of England rate down to 3 per cent. after paying back her loan of \$15,000,000 to the Bank of France, borrowed to tide over the Barings' failure, show conclusively, also, that there is no lack of money on either side of the Atlantic. With over \$24,000,000 surplus reserve in the hands of the New York banks, and all but \$40,000 of their clearing house certificates canceled, it is difficult to discover any source from which another financial disturbance can come, unless from Washington; for the European financial storm center in the Argentine Republic seems to have passed out to sea, and even the new South American revolutions appear to have no effect on the European money centers. Neither imports nor exports of gold are now anticipated, and the sterling exchange market has sunk back into its normal position of subordinate importance, together with the money market. Only favorable influences are therefore expected, either upon business or speculation, from either of these sources.

#### OUR FOREIGN TRADE FOR 1890.

The report by the Bureau of Statistics of the foreign trade movement of the United States for the month of December shows an excess of exports over imports of \$33,277,436, made up of an excess of exports of merchandise of \$37,725,516, net exports of silver of \$952,579, net imports of \$5,400,659 gold. For the same month of 1889 the total exports of merchandise, gold and silver, exceeded the imports by \$37,276,062, made up of net exports of \$36,002,926 merchandise and \$2,265,066 silver, less net imports of \$991,930 gold. In December, 1888, the net exports were \$33,661,927, made up of \$25,170,696 merchandise, \$6,818,851 gold, and \$1,672,380 silver. For the calendar year ending December 31, the foreign trade movement shows that all exports exceeded all imports by \$42,133,774, made up by an excess of \$34,304,895 merchandise, \$5,829,557 gold, and \$3,999,322 silver. In 1889, the exports exceeded the imports by \$116,988,178, the excess of merchandise having been \$56,584,382, gold \$38,928,828, and silver \$21,474,968. In 1888 the excess of exports over imports was only \$3,887,789, owing to heavy imports of merchandise, which were \$33,650,321 in excess of the exports. The exports of gold were \$23,565,674 in excess of imports, and \$13,972,436 silver was exported more than imported.

## OUR PRODUCTION OF GOLD AND SILVER FOR 1890.

Messrs. Wells, Fargo & Co. have made their usual annual report of the estimated values of the production of gold and silver in the United States and also British Columbia for the year 1890. For these figures silver has been estimated at \$1.04 per ounce, copper at 14 cents per pound, and lead at \$4.30 per 100 pounds.

While it is not claimed that these estimates are exactly correct, it may be safely assumed that they are as near the facts as it is possible to get any statistics. The production stated is assigned and classified as follows :

	<i>Gold dust and bullion.</i>	<i>Silver bullion.</i>	<i>Ores and base bullion.</i>
California.....	\$9,896,851	\$670,184	\$1,194,079
Nevada.....	2,693,884	4,738,020	1,808,632
Oregon.....	965,000	71,000	.....
Washington.....	194,000	85,000	.....
Alaska.....	762,811	.....	.....
Idaho.....	3,595,333	5,594,167	4,635,000
Montana.....	2,764,116	16,921,632	15,129,207
Utah.....	88,798	2,166,071	10,004,306
Colorado.....	4,210,661	18,911,802	4,152,684
New Mexico.....	376,034	117,790	4,165,161
Arizona.....	1,150,486	683,565	5,763,298
Dakota.....	3,045,560	.....	.....
Texas.....	.....	249,423	.....
British Columbia..	361,555	.....	.....
Total.....	\$30,105,389	\$50,208,654	\$46,852,367

## IRON TRADE AND PRODUCTION.

There has been considerable improvement in the iron trade during the month; but not so much in prices, however, as in demand and in prospects, for the coming season, outside of railroad supplies, while steel rails even are not so depressed as they have been. Prices of pig iron are already steadier, notwithstanding the large unsold stocks on the first of the year, for demand is improving. The production of pig iron for last year breaks the record of this country not only, but that of Great Britain, as shown by the following report of the *Bulletin of the Iron and Steel Association* for 1890; and shows the enormous growth of the iron trade in this country has not been checked during these dull times:

The total production of pig iron in 1890 was 10,307,028 net tons of 2,000 pounds, or 9,202,703 gross tons of 2,240 pounds, against 7,603,642 gross tons in 1889, an increase of 1,599,061 gross tons, or over 21 per cent. The production in 1889 was over 17 per cent. greater than that of 1888. The joint increase in the last two years has therefore been over 38 per cent. Our production in 1890 was about 1,200,000 gross tons larger than that of Great Britain in the same year, and it was about 600,000 gross tons larger than that of Great Britain in 1882, which was its year of greatest production. Our production of pig iron in 1890 was larger for the first time than that of our European rival. Our production of pig iron in the first half of 1890 was 4,560,513 gross tons, and in the second half of 1890 it was 4,642,190 gross tons, an increase of 81,677 tons in the second half. The increase in the second half would have been much larger but for the blowing out of many furnaces in December, caused by the strike of the Alabama coal miners and by the finan-

cial stringency. The check in production that occurred in December has been continued since the beginning of the new year. The number of furnaces in blast on the 30th of June, 1890, was 339, and on the 31st of December the number in blast was 311. Since the 1st of January at least twenty more furnaces have blown out.

The increased production in 1890 over 1889 was well distributed throughout the leading pig-iron producing States, although the increase in Pennsylvania was exceptionally large, amounting to 763,927 net tons.

The stocks of pig iron which were unsold in the hands of makers or their agents on the 31st of December last, and which were not intended for the consumption of the manufacturers, amounted to 681,992 net tons, or 608,921 gross tons, against 389,244 net tons on the 30th of June last, 277,401 tons on the 31st of December, 1889, and 563,286 tons on the 30th of June, 1889. In addition to these unsold stocks at the close of 1890, there were at that date in storage-warrant yards 59,289 net tons, making a total of 741,281 net tons of pig iron then on the market.

#### THE COAL ROADS AND TRADE.

The coal roads have not been having as hard a time of it as the other systems during the past month, though by no means as good a traffic as in November and December, when both their gross and net earnings were ahead of last year; for the mild weather of January has made the past month compare unfavorably with the preceding two months, if not with a year ago.

The Philadelphia *Ledger* gives the following situation of the trade at the close of the month:

The anthracite coal trade is dull, and the demand for the domestic sizes has decreased materially during the past week, in consequence of the warmer weather. The pressing demand for the small steam sizes has also abated since the announcement was made that a compromise has been effected with the bituminous coal miners, which will avert a strike in the Clearfield region. The output of anthracite, however, continues much in excess of the present market requirements, and consequently the prices for that kind of fuel have weakened. An active demand for anthracite from the middle of February until about April 1 has been confidently expected by many operators, but it is feared by some that if the production of coal continues as large as it has been since the beginning of the new year, the result will be a depressed market and a further cut in prices. The output of anthracite thus far this year is nearly 340,000 tons in excess of that for last year to the corresponding date. The consumption of coal, however, from November last to date has been much greater than it was in the same period of 1889-90, and consequently there is less coal accumulated at tidewater shipping points; but this is offset to some extent by the stocking of coal in the mining regions. At New York harbor the anthracite trade is reported without snap, the demand being slack and prices weak, good stove coal

selling there during the past week at \$4.05 to \$4.10 alongside docks. Some of the operators in the Wilkesbarre region are reported to be soliciting orders for coal at \$2 at the mines for stove size.

#### THE PRODUCE MARKETS

have hung fire with everything, on the fear that free coinage of silver would injure these branches of trade, with the general business of the country, more than any benefit our export trade would derive from an advance in silver, or any advantage thus secured over the silver exchange exporting countries with which we are compelled to compete in the importing markets of the world. On the other hand, the stocks of grain of all kinds have become reduced at all points in this country, except at Chicago, to such small compass, that the shorts, who sold on the prospects of silver legislation, lately became alarmed at an increasing export demand at the same time; and, in their efforts to cover, put up the whole breadstuffs' list sharply at the close of the month, while foreign markets followed, and continued to take these products at the sharp advance. The short crops now begin to tell, and with unusually small seaboard stocks, there is difficulty in filling export orders, and considerable stuff is coming forward by rail from the West for export at the advance. Provisions, on the other hand, are still accumulating, on continued heavy receipts of hogs all over the West, which keep hog and beef products from following grain, while export demand has not increased with that for breadstuffs. Cotton has continued to decline until a 9c. basis has been reached on the near months, as the crop estimates have been confirmed, apparently, at the highest figures on record—8,000,000 bales. Big port receipts and discouraging advices from Liverpool and Manchester have helped the weakness, while the silver question has been used by the Bears to sell the market off. Flour has dragged along in an extremely dull and unsatisfactory condition, until the last few days of the month, when it suddenly became active both for home and export trade, and advanced 10c. to 35c. from the mid-month prices, with more demand at the advance than before, and the large accumulations of high grades now bid fair to move, at remunerative prices to the millers, for the first time since the panic, while shipping grades are scarce and sold ahead as a rule by mills here and West. With the exception of cotton and provisions, therefore, the produce markets are looking up, both in price and demand, and promise to do still better.

H. A. PIERCE.

## FINANCIAL FACTS AND OPINIONS.

*The Silver Question.*—As the free coinage of silver is the leading financial question, we have given considerable space in the present number to arguments for and against it. The position of the MAGAZINE has been consistent from the beginning. We believe that both metals are needed to effect the exchanges of the world, and that England and Germany are making a costly mistake in attempting to transact their enormous business principally by the use of gold. The financial occurrences in England during the last few months ought to convince the dullest that the gold supply is entirely insufficient for the uses required of it. A larger quantity is imperatively needed to remove the strain now attending business transactions. The example of France ought to be conclusive in this regard, but if only one metal can be used, there are many reasons why gold should be preferred to silver. As the pending free coinage bill would place this country on a silver basis, and thus practically demonetize gold, it seems to us clear that the measure should be defeated. In other words, if only one metal can be kept in general use, the preference should be given to gold; and we do not perceive how both can be, with free coinage. The majority and minority reports presented to the New York Chamber of Commerce, published in the present number, are instructive, as well as the Hon. John Jay Knox's speech, delivered before that body. We also reprint a portion of Senator Sherman's speech in the Senate, which is a timely contribution. The reprint from the London *Times* of an article on the price of silver in India during the last few months ought to make every reader do some fresh thinking. At present, the sentiment in favor of the free coinage of silver seems to be weakening, but the public should be everywhere informed concerning the nature and probable effects of the measure. The action of the bank of America of New York is significant. In adopting a form of contract excepting the receipt of silver payments, is practically the over-throwing of the use of the metal for monetary purposes to this extent. The constitutionality of such a contract is questioned, but if it be legal, it would seem to open a way for escaping, perhaps, from the worst consequences of the free coinage of silver. Some persons think it is possible to maintain the present standard by excluding foreign silver, and favor the amendment containing this provision that was considered somewhat in the Senate. We can discover no virtue in it, however. If free coinage is adopted, and gold disappears, as we think it will, foreign silver will not come here, for, in that event, it will be worth no more than in the countries where it now exists.

*Action of the New York Chamber of Commerce on the Silver Question.*—The New York Chamber of Commerce held a special meeting on the 13th of January to consider this subject, and also the two per cent. bond issue suggested by Secretary Windom. More than three hundred members were present to receive the report of the committee. The committee was composed of Mr. George S. Coe, president of the American Exchange National Bank, Mr. John Jay Knox, president of the National Bank of the Republic, Mr. J. H. Rhoades, president of the Greenwich Savings Bank, Mr. Wm. P. St. John, president of the Mercantile National Bank. Two reports were presented by the committee, which appear elsewhere in the present number. On this occasion, Mr. Knox made a very timely and interesting address in opposition to the free coinage of silver, which also appears in the present number. These proceedings are well worthy the attention of our readers. No effort should be spared to inform Congress of the opinions of the people on this subject. In the past, too much indifference has existed, and doubtless for the reason that not many have believed that Congress would adopt such a measure, but the danger certainly is near enough to justify intelligent and earnest opposition.

*Bank Examinations.*—The failure of Preston, Kean & Co., of Chicago, has led the journals of that city to discuss the desirability of having a law enacted providing for the examination of private banks. The failure seems to be a very bad one, and there is a peculiar reason why the banking business should be subjected to public examination. Mr. Mayer, who is conducting the investigation of this bank failure, has drafted two bills on this subject for presentation to the Legislature, at the request of several large banking institutions and trust companies in Chicago. One bill provides for the inspection of State banks and of individual and partnership banks and bankers, the second provides for the inspection of individual bankers at their request. The constitutionality of the first bill is doubted. Mr. Mayer's remarks on this subject are well worth adding.

"The bankers of the city are continually expressing their solicitude for the credit and good faith of the city's banking interests. They are far-sighted men and appreciate the moral effect of loose banking methods being allowed to continue and constantly menace careful and legitimate business interests. Chicago's financial reputation is sound and must be kept so. Four of the private banks of the city are active in this movement, and a strong effort will be made for much-needed legislation upon this question.

"It is questionable whether it is constitutional to compel private banks and bankers to undergo examination. No man wants his private books and interests to be thrown open to the public. And yet in the case of banks of deposit there are such public interests involved as would seem to overcome the other objections. The Supreme Court of

the State has declared that as a police regulation the police authorities have power to enter at any time and examine the affairs of a pawnbroker. The conditions of his business are such that it seems necessary to subserve private to public interests. There are more good reasons why the affairs of a man who puts up a sign 'Banker,' and announces he has \$500,000 capital, and who proceeds to accept deposits, should be open to inspection than that pawnshops should be. This man is amenable to no statute. Unless the false pretenses are made in writing and signed he cannot be held responsible for them. Only when the disastrous consequences come and all the mischief is done is he liable for those results. It is as much necessary to trace stolen property in a bank as it is in a pawnshop.

"But if such a compulsory statute cannot be enacted, then a permissible one can perhaps be equally beneficial in effect. I have roughly drafted one, which provides that any banker may apply for State inspection, and when he has once done so is liable for all his statements in connection with it. No one is obliged to be a notary public, but many avail themselves of the statute allowing that privilege because it is desirable. Every sound private banker desirous of maintaining a popular faith in banks which shall not be broken, and is desirous of doing a safe, legitimate business, will be glad to place himself under these provisions. The other fellows will not want to do it, but they would be discredited if they did not. There may be some opposition to this bill from country bankers, but I do not think it would be general. The safe man is always willing to assist in maintaining high credit for all.

"The State of California, I think, meets the point by requiring incorporation of all banks of deposit. But this exaction would not be desirable here. In many small places the private banks are sound, but do not pretend to have large capital. It is sufficient for their business. They would agree to this voluntary act of inspection.

"Every banker in this city, and that also means every business man that has a bank account, is interested in maintaining popular faith in the banks. These failures of weak concerns which have been able to hide their rottenness impair that trust. A run on the Chicago banks would create havoc. There is probably not a bank in Chicago that could remit its deposits on demand. If they could, there would be no use in receiving them. The profit is in loaning them out, at thirty, sixty or ninety days. No bank could keep a fund equal to deposits available on demand. The money could be more profitable to its owners, who would not need to pay bank expenses to invest it. Consequently, while not interested so much in the minor details of these cases which Kean and Prettyman have thrust upon the community, the banking interests are deeply concerned in bringing the facts to light which shall result in an influence which will prevent such occurrences by safe statutes."

There are other States beside Illinois which are remiss in this matter, Pennsylvania particularly. While it is true that individual business, for many reasons, ought not to be subjected to public supervision, the opinion is very general that the business of banking should form an exception. The reason is that ordinary depositors do not distinguish between individual banks and those which are incorporated. The State of New York has an excellent law on this subject prohibiting any banker from using the word bank; therefore, the word in that State cannot be used except as

a part of the name of an incorporated institution, which is subject to an examination by State officers. This is a very good law. The reason for using the word bank by individual bankers in some cases is very well understood. They know that depositors often do not discriminate between individual banks and incorporated banks; in other words, there is an importance attached to the word bank which a private banker does not have except in those cases in which he has been long and favorably known in a community.

Of course, it may be said in reply to all this that individuals ought to look out for themselves; that their mistakes are the result of their own ignorance, and that the State should not attempt to go so far into private matters. The proper limit of State governing is by no means settled; but the wisdom of subjecting every bank or banking institution, which receives deposits in general from the public, to State examination, is not generally questioned. The few States which do not have proper regulations on this subject ought not to be slow in establishing them, after the experience of the past few months in this country.

It is remarkable that in the long list of banking wrecks with which the country is strewed, that only a very few National banks have gone down. One reason for this unquestionably is, that the examinations to which they have been subjected have prevented the doing of those things which, permitted in other cases, have caused their failure.

Of course, intelligent and honest bankers will manage their business carefully, and need no outside examinations to keep them within correct lines; the danger springs from another class who possess but little means and who are over-trading, and in one way and another imposing on the public. They are the persons who need watching, and for whom State supervision is necessary. The strong banks, whether incorporated or private, do not need it, but only the weak, the ill-managed, and those who would mislead and injure the public if they had the opportunity.

*Increase in Circulation.*—The following statement shows that the increase in circulation during the last year was \$98,386,014:

Amount in circulation.....	Jan. 1, 1891.	Jan. 1, 1890.
Gold coin.....	\$411,680,597	\$375,705,922
Standard silver dollars.....	67,547,023	61,402,501
Subsidiary silver.....	58,651,154	54,769,403
Gold certificates.....	144,047,279	122,985,889
Silver certificates.....	308,289,463	282,949,073
Silver Treasury notes.....	21,896,783	.....
United States notes.....	343,485,385	340,007,091
National bank notes.....	173,938,259	192,730,050
Total.....	\$1,528,935,943	\$1,430,549,929



The general stock of money coined or issued and in the Treasury on January 1, 1891, is shown by the following table:

	<i>Coined or Issued.</i>	<i>In the Treasury.</i>
Gold coin.....	\$637,301,201	\$226,220,604
Standard silver dollars.....	387,981,005	320,433,982
Subsidiary silver.....	77,638,844	18,987,690
Gold certificates.....	175,431,969	31,384,690
Silver certificates.....	309,855,778	1,566,315
Silver Treasury notes.....	24,090,500	2,193,717
United States notes.....	346,681,016	3,195,631
National bank notes.....	177,287,846	3,349,587
Total.....	\$2,136,268,159	\$607,332,216

This increase is much greater than the increase in business or in population. As business is rapidly increasing as well as population, perhaps a greater increase of money is needed in this country than in any other, and especially because new villages are arising everywhere, which absorb more money in proportion to the business done than larger places. This fact is not always kept in sight in dealing with this question, yet we think the increase of money indicated by these figures is quite sufficient for all purposes.

*England's Need of More Money.*—The English are beginning to see that there is not money enough in that country to transact its enormous business. If the business was all done at home, the banking arrangements are so admirable and the country so small that it would be possible to continue its enormous transactions without serious friction. But development within, if not approaching its limit, is certainly going on much more slowly than formerly, and consequently the English people must look to other countries for the employment of their capital; so it goes to the United States, India, Africa, South America, in short, to all the countries of the world. These new undertakings are more isolated and further removed from all the machinery at home for effecting exchanges and making payments. The consequence is that the ordinary banking machinery is unable to do the work of similar business at home, and so the need for a larger amount of money has become more apparent.

The example of France has been cited again and again during the last few months to show the different situation in the two countries. France has an enormous metallic stock, and is enabled to transact all its business, both home and foreign, without the smallest difficulty, while England, having a smaller amount of gold, is in trouble as soon as a few millions are needed for any special undertaking.

The British investor is lending constantly, he is buying enormous quantities of foreign property, and gold is needful, to some extent at least, in these transactions, and no banking machinery, however perfect, is able to complete them, so the gold must be

sent, and though it may be returned in a few months through the operations of trade or otherwise, yet the collecting and sending of it gives rise to alarm, to an increase in the money rate, and, in short, to a whole series of difficulties. This truth is becoming so apparent that something must be done to increase the metallic stock of Great Britain. One of the propositions discussed for a long time is the issuing of one pound notes. It is quite certain that, whether this device be put into practice or not, a way will be found for increasing the monetary supply of that country. There is a very considerable party, and which is growing, who believe that the true way of increasing the monetary supply is to use more silver, and it is possible that the great stringency which has occurred in that country of late will strengthen this movement. It may be, though, that, notwithstanding this very distinct warning, England will persist in its present mono-metallic policy until another crisis shall occur of a still graver character.

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*Argentine Finances.*—One of the results of the Baring failure will probably be to bring the Argentine finances more fully under British direction. The Rothschilds and others are reported to have prepared a scheme which has been submitted to the Argentine Government for adoption. They have advised the funding of the coupons of the National and external bonds of the Republic for three years, so as to give breathing time, during which the Government officially shall undertake to cancel at least 15 million dollars a year of bank notes whenever the gold premium is over 50. It is proposed that the new funded coupon bonds shall be secured on the Customs and shall pay 6 per cent., and it is expected that their market value will be at once within ten per cent. of their par value, if not more; the Government not to undertake any new external obligations during these three years, nor in any provincial arrangements increase National obligations. In Turkey, after the Government failed to keep its promises, the English bondholders were powerful enough to make some arrangement whereby a portion of the revenues of the Empire were turned over to them for security. So in Egypt, since the failure of the Government to fulfill its promise, the finances have largely passed under the control of foreign bondholders, in order to secure them, and to provide an effectual mode for extinguishing their indebtedness. The interests of the English in the Argentine Republic are so large that very likely they will have influence enough to put into operation some measure whereby their interests will be secured; this seems probable from the negotiations that have already taken place.

*Business Failures for 1890.*—There were 10,907 business failures in the United States, with \$189,856,964 of liabilities, in the year 1890, according to the annual circular issued by R. G. Dunn & Co. This shows an increase of but twenty-five failures, and a little over \$41,000,000 in liabilities, as compared with 1889. The State of New York leads, with 1,324 failures and \$52,521,126 of liabilities, of which New York City and Brooklyn have 576 failures with \$44,045,679 of liabilities. Massachusetts comes second, with \$20,263,205, and Pennsylvania third, with \$17,869,465 of liabilities. Philadelphia had 308 failures, with \$6,881,412 of liabilities, while Pennsylvania, exclusive of Philadelphia, leads all the States, having had 853 failures, with \$10,988,053 of liabilities. The statistics also show that the failures in the last quarter of the year numbered 3,326; while in the first there were 3,223; in the second, 2,162, and in the third, 2,196. The following table gives a classified statement of the concerns:

<i>Business.</i>	<i>No.</i>	<i>Liabilities.</i>	<i>Business.</i>	<i>No.</i>	<i>Liabilities.</i>
Bankers, etc.....	32	\$18,963,000	Men's furnishing.....	7	\$2,224,000
Textile manufact'rs...	25	7,415,000	Contractors.....	4	635,000
Lumber.....	14	7,834,000	Fertilizers.....	3	563,000
Dry goods.....	7	2,172,000	Brewing.....	2	1,050,000
Brokers.....	6	1,723,000	Canned goods.....	3	752,000
Machinery, etc.....	5	1,563,000	Clothing.....	3	1,584,000
Groceries.....	9	1,922,000	Live stock.....	2	900,000
Coal dealers.....	5	1,161,000	Boots and shoes.....	3	636,000
General stores.....	4	885,000	Paper, pulp, etc.....	2	300,000
Tobacco and cigars...	6	1,001,000	Brick manufacturers...	3	650,000
Iron manufacturing..	6	1,280,000	Varnish.....	2	284,000
Hardware.....	3	345,000	Printing, etc.....	3	435,000
Watches.....	3	510,000	Cars, carts, etc.....	2	830,000
Books, etc.....	3	399,000	Cotton.....	2	2,601,000
Packing, meats.....	3	1,800,000	Lime.....	1	160,000
Furniture.....	1	400,000	Confectionery.....	1	150,000
Sugar.....	1	155,000	Coffee, wholesale....	1	157,000
Hotel.....	1	325,000	Trimmings.....	1	100,000
Pianos.....	1	100,000	Carpets.....	1	100,000
Tailor.....	1	190,000	Notions.....	1	250,000
Insurance.....	1	2,000,000	Soap.....	1	100,000
Teas.....	1	808,000	Marble.....	1	300,000
Safes and locks.....	1	646,000	Liquor.....	2	703,000
Crockery.....	1	185,000			
Grain, etc.....	3	1,913,000	Grand totals.....	194	\$71,219,000

The total liabilities for the whole country in the failures for the last six years have been as follows:

1890.....	\$189,856,964
1889.....	148,784,337
1888.....	123,829,973
1887.....	167,560,944
1886.....	114,644,119
1885.....	124,220,321

The heaviest failures since 1860 occurred in 1878, when the total liabilities amounted to \$234,383,132, and the lightest were in 1863, with but \$7,899,900.

## THE ACTION OF THE NEW YORK CLEARING HOUSE DURING THE MONETARY STRINGENCY.

Much is said in a general way of the New York Clearing House, and yet comparatively few understand the magnitude of its transactions and their importance. In the first place, it is a wonderful economizer in the use of money. Transactions amounting to \$150,000,000 daily are settled by the use of a small amount of money, not exceeding usually five per cent. of the amount of the business. This economy is wrought by a simple operation. Bank A., during a given day, has received checks amounting to \$2,000,000, which have been deposited by various persons, drawn on banks that are members of the Clearing House. The next day a clerk of this bank goes to the Clearing House, knowing the aggregate amount of the checks his bank has received, for they have been examined and the amount has been ascertained. He has a desk there, and on this is left, by an agent of every other bank belonging to the Clearing House, a slip containing the amount of the checks which have been deposited with it the day before drawn on Bank A. The clerk of Bank A. ascertains the amount of the checks thus drawn on it, as soon as the slips have been deposited by the agents of each bank belonging to the Clearing House; if the amount deposited in his bank is less than the amount drawn out, his bank is said to be debtor to the Clearing House. If the amount deposited is larger, his bank is a creditor. The entire amount of these balances due from the debtor banks will just balance the amount due to the creditor banks. Later in the day the balances are paid in money, and in this manner the entire mass of transactions is discharged. All this is the most familiar knowledge to bankers, but is not so well understood by the public.

These settlements could be made without a Clearing House, but the delay would be much greater, and the time thus saved in making them is of the utmost importance. So long as all the money used in banking operations is in the banks, is in sight, so to speak, discounts can be freely granted. The banks then know where they stand, what is due to them from other banks, how much they owe to other banks, and consequently how much they can lend. But to delay these settlements has the same effect as to take money from them, for they do not know how much they have for loaning purposes. The checking out of money from a bank does not have any injurious effect on business; in other words, does not reduce the amount of loanable funds if the

money thus checked out is immediately credited to another, for that bank can lend the same. But if a day or two intervenes in these operations, instead of a few hours, the amount of loanable funds is reduced, and serious consequences may follow. Rapidity of settlements is so desirable, that in some cities they are made twice daily. By organizing a Clearing House, therefore, the banks in effect have a much larger and more regular loanable fund than they would have if such an institution did not exist.

The significance of this truth may be more clearly seen, perhaps, by an illustration. Suppose the banks which now belong to the Clearing House were all united in one enormous banking institution, and suppose there were no other banks in the city. Loans could be made, to any extent almost, to solvent borrowers if the persons who received the funds thus borrowed deposited them in the same bank, for the operation would consist simply in transferring credits on the books of the bank from one person to another. No money would be drawn out, and lending under those conditions could be greatly extended. The Clearing House serves the purpose, to a considerable extent, of a single bank, and therefore the oftener clearings are effected, and the more completely all the banks in the city are united in the Clearing House, the greater is their lending power.

But the Clearing House may serve another purpose in furnishing a substitute for money in times of monetary scarcity; and the New York Clearing House has furnished a signal proof in the last few months of its capacity to perform this function. An unusual dearth of money has existed, and the necessity of obtaining an additional supply was keenly realized. Finally it was determined to issue Clearing House certificates. These were the promises of the Clearing House, and were issued to the bank desiring them, on the faith of securities which were approved by a special loan committee, consisting of F. D. Tappan, President of the Gallatin National Bank; J. D. Vermilyea, President of the Merchants' National Bank; G. G. Williams, President of the Chemical National Bank; E. H. Perkins, Jr., President of the Importers and Traders' National Bank, and Richard King, President of the National Bank of Commerce. The issuing of these certificates began on the 13th of November, and the amount increased to \$15,205,000. Then their redemption began, and in the short space of seven weeks all except \$40,000 have been redeemed.

Efforts were constantly made to find out what banks borrowed them, but this information was, we think, wisely withheld from the public. No bank suffered from this policy, for they were borrowed from the Clearing House, and not from the banks composing it. The principal object in taking them was to extend discounts by the borrowing banks or to help their customers.

They could have lived well enough without them, but they could not have so well served the community. This was the chief object in borrowing them; and their action was no sign whatever of financial weakness. It was simply to extend their loans, to render more complete relief to borrowers.

The currency thus created has two characteristics of great merit: no more is ever issued than is needed, and it is redeemed as speedily as possible. It may be remarked that none of these certificates were issued until every other avenue for getting the needed monetary supply was closed, and they have been redeemed as soon as the necessity for issuing them passed away. In some respects it resembles the German method of increasing paper money. Whenever there is a great demand for currency by the Imperial Bank at Berlin, and the supply is short, the bank can issue an additional quantity by paying a rate of interest to the Government so high that it will seek to retire the excess at the earliest practicable moment. By this system, elasticity of the currency exists without the danger of a permanent issue of useless notes. The New York Clearing House system works quite in the same manner. It is fitting to add that to Mr. Geo. S. Coe, President of the American Exchange National Bank, more than to any other person, must the origin of this system be ascribed, in 1857. Several times since they have been issued, and always the best results have attended their use. On the present occasion a larger quantity has been issued than ever before, and the circumstances surrounding their issue in some respects have been more trying and have required greater vigilance.

Like every successful institution, all the important directorial work must be centered in a very few persons, and the direction of the Clearing House is centered in the Clearing House Committee, the members of which are William A. Nash, President of the Corn Exchange Bank; Richard Hamilton, President of the Bowery Bank; Edward H. Perkins, Jr., President of the Importers and Traders' National Bank; J. Edward Simmons, President of the Fourth National Bank; and Henry W. Cannon, President of the Chase National Bank. This committee appoint the manager and clerks, and have a general supervision of the Clearing House affairs. One of their duties is "to examine any bank member of the Association," whenever this shall be considered for the interest of the Clearing House Association. This authority was exercised in the cases of the Bank of North America and of the Farmers and Mechanics' Bank during the recent stringency.

A highly important duty was imposed on the committee by the amendment to the constitution adopted October 7th, 1890. This provided that, after the beginning of the present year, members could not make exchanges for non-Clearing House banks

without the consent of the Clearing House Committee, and also the consent on the part of the non-Clearing House banks to submit to such examinations as are required of the Clearing House banks. While no examinations have been made by direct visits of the Clearing House Committee, the statements of the non-Clearing House banks have been carefully examined. Before this amendment was passed, ninety banks that were not members cleared through sixty-four members of the Clearing House. Fifteen of these no longer have their checks cleared as before, leaving seventy-five banks and trust companies that continue to clear through the sixty-four banks mentioned. It ought to be said, though, that the fifteen which no longer have the privileges of the Clearing House were not dropped in consequence of any examination or adverse criticism, but simply because they did not wish to submit to the Clearing House rules.

It will thus be seen that the Clearing House Committee of late have had a highly important duty to perform, and which will be hardly less so in the future, as the conduct of all the banks having the privileges of the Clearing House Association are in a peculiar sense under their eye and supervision.

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*Vermont Savings Banks.*—The following statistics of the Vermont savings banks are interesting. From these it will be seen that the western investments have increased 4.18 per cent. from 1884 to 1890, a much greater ratio than that of any other class:

	1884.	1885.	1886.	1887.	1888.	1889.	1890.
In public funds and loans thereon, and to towns, counties and cities.	23.36	21.05	21.55	21.43	21.91	21.68	22.78
In bank stock and loans thereon...	4.26	3.96	3.24	3.19	3.31	2.72	2.52
In mortgages of real estate in this State.....	20.39	20.27	20.96	20.68	20.12	20.56	20.74
In mortgages on real estate elsewhere .....	31.43	32.07	35.61	36.90	36.41	37.20	35.61
Real estate.....	.99	1.14	1.07	1.29	1.26	1.29	1.18
Loans on personal security.....	10.45	10.43	9.25	8.95	9.49	9.44	9.98
Miscellaneous assets and on other collateral security.....	5.05	4.80	3.64	3.05	3.11	3.47	3.47
Deposits in b'nks, mainly on interest	3.06	5.51	3.74	3.71	3.63	2.93	3.05
Cash on hand.....	1.01	.77	.94	.80	.76	.71	.67

Of the real estate acquired by foreclosure and held by the banks, \$58,922.94 is in Vermont, and \$60,238.06 in Florida and the West; more than one-half in Florida. About \$14,000 of this one-half situated in the West has been sold without loss, and awaits the completion of papers. The increase in the amount of State, county, city, town, village, and school bonds owned by the bank during the past year has been \$701,433.18.

## THE LONDON CRISIS OF NOVEMBER, 1890.\*

The fall of powerful banking houses, the collapse of prices in the market, are the actual facts that remind one in a tangible and striking fashion of the existence of economic laws which are not to be violated with impunity.

One after another, within the space of seventeen months, the four principal financial markets of the world—Paris, Berlin, New York and London—have suffered from severe shocks, which may be regarded as the penalty of past transgressions. From this point of view the study of what is going on in the business world deserves the attention of our readers.

The Comptoir d'Escompte failed in consequence of having tried to lay down the law for the producers and consumers of copper; the Berlin exchange experienced a most intense crisis, because, upon the faith of the factitious prosperity brought to home industry by the system of protection, it was gorged with the stock of manufacturing companies or banks sold at very high prices; the Americans had the Silver bill and the McKinley tariff coming to pervert the condition of the market, to stimulate speculation, and to give an artificial value to railroad stock that paid no dividend; in London the series of mistakes was long, but the chief cause of the trouble was the exaggeration of credit, which European capital procured, by its intervention, to the Argentine Republic; this country, intoxicated by the capital which the competition of English, German, Belgian and French bankers offered it on unprecedentedly cheap conditions, has squandered immense amounts, and falling into the worst errors of paper money in all its forms, has made us understand better Law and his system.

Perhaps we are wrong in thus simplifying the analysis and reducing to so limited a number of factors the origin of the troubles that have successively come upon the world's great markets. There are more remote and more latent causes which have brought about the morbid state resulting in the crisis.

One of them we have long since pointed out, and that is the displacement, or, perhaps, the change of class of capital, which proceeds from the repeated conversions of Government securities, municipal bonds, and the stock of mortgage banks or manufacturing companies. The accumulation of capital is effected more rapidly than ever; in the periods of depression following periods of great prosperity, instead of seeking more contingent and more

\* Translated from the French of Arthur Raffalovich in the *Journal des Economistes*



remunerative openings in industry and commerce, capital, becoming timid, inclines to temporary investments in the stock market or to the purchase of personal property to be held. The slackening of the great public works in Europe, the transfer of the railroads of Prussia to the State, have likewise had their part in this evolution. The result has been a sensible lowering of the rate of interest; Governments have profited by it to make conversions—not only Germany, England and Russia entering upon this course, but also other States of the second class. The bankers have put their shoulders to the wheel vigorously, and the public has let them do as they liked; the bankers, in consequence of the maintenance of peace in Europe and the greater competition among themselves, have been led to look about for merchandise to sell their customers, for want of European Government securities, giving a satisfactory remuneration. The public, which wants high interest for its money, and blindly follows the advice of the newspapers, and does not study up matters, and even when deeming itself particularly intelligent—merely glances at the prospectus to see under whose patronage the business is started, has followed eagerly on the road thus opened. Consequently Servia, Greece, Portugal have been able to place loans at rates that were perhaps in harmony with the current market rate, but this rate was no longer in proportion to the danger which the creditors might run; the insurance premium, which raises the customary rate on money, whenever the debtor is doubtful, had to a certain extent disappeared.

These remarks apply more especially to the countries of South America, which are characterized by political instability, and by a sovereign contempt for the elementary rules of good financial management. For a long time England, by reason of its commercial relations,\* has been the banker of these countries; it has built railroads there, founded banks, and taken up loans. So long as it prevailed over this market it was able to impose a certain moderation upon the Argentine people, but when the German and French bankers and contractors offered their capital and assistance, when the exportation from La Plata became as extensive, as we know, in consequence of the development of the means of communication and the utilization of its natural wealth, the inhabitants gave way to an attack of the madness of greatness; they believed it was only necessary to set the press to printing bank notes, and bonds of national, provincial, municipal, and mortgage debts in order to create real values; they believed that everything, the ground, and the houses, might be transformed into paper; and

\* To a less extent, Antwerp, keeping up continuous relations with La Plata, has been the door by which millions of Argentine securities have entered into Belgium.

in Europe they found kind-hearted lenders of money to discount the present and the future of the country.

We know the part played by the Bank of England, as the regulator of the universal monetary market; we know how, owing to the extensive commerce of the English and the accumulation of capital in their country, London is the great place of liquidation, the office through which passes a large portion of the money for the purchase of merchandise and raw materials, and to which the necessary funds are forwarded for paying the coupons on loans of all countries and kinds. We know too that, from old habits and a tendency to economize strength as much as possible, the Bank of England is the depositary of the reserve of banks and bankers, each one keeping only what is strictly necessary; we know finally that the legislation of 1844, inspired by an opposition to the abuses of forced currency and to the immoderate issue of paper money, restricts the expansion of the Bank of England's notes, and paralyzes it at critical times. The bank is obliged to show itself a jealous guardian of its store of gold, which is destined to pay its notes beyond the narrow limit allowed it by the act of Sir Robert Peel and Lord Overstone.

The causes that may produce a loss of gold have been embodied in a sentence: *when we have too large debts to foreign countries or when we have given credit abroad too liberally.* The draining of the Bank of England's gold this time was owing chiefly to the second cause: it was because excessive credits had been opened to South America, and also perhaps because people were loaded down with securities from North America, that the crisis came.

It should not be forgotten that from 1887 to 1889 England experienced a very marked revival of business; in this interval there was an increase in its commerce of 15 per cent., in the income of its railroads of 8.6 per cent., and in the total amount of clearings in London of 25 per cent.; within three years also new securities, stock, bonds and Government funds were created there to the amount of \$2,500,000,000. A portion of these issues may figure only on paper and may not have succeeded, but there still remains enough of them to give material for speculation.

Add to that the higher prices of a large number of raw or manufactured products, the increase of wages,\* and you will have the explanation of the progressive tension of the money market in 1890, complicated by the locking up of enormous sums by the great bankers and by the engagements of speculators on a rise.

On July 31, 1890, a few weeks after the revolution that stained

\* The profits of manufactures employing numerous workmen and consuming much raw material—coal or other things—are large principally at the beginning of the revival of business, and diminish afterwards, when labor and materials become dearer.

the streets of Buenos Ayres with blood, and that, although put down, led to the retirement of President Juarez Celman, the Bank of England raised the rate of discount to 5 per cent., when its reserve was £12,000,000, and the ratio of the reserve to the liabilities was 38½ per cent., after having been below 35 per cent.

We wrote in the *Journal des Débats* of August 4 last :

"The center of uneasiness, the most vulnerable and the most troubled point just now, is London stuffed with South American Government securities and with Argentine Republic paper of every species. In the slang of the Exchange, the raising of the rate of discount by the Bank of England has been compared to a cold shower-bath. It would be nearer right to give another name to this measure; it is to some extent the sound of the alarm gun, an impressive warning that the general condition of the London market is becoming dangerous, owing to its very considerable engagements with South America. It is not a mere question of the Stock Exchange, of the speculations and securities of rich men who have been imprudent enough to acquire South American paper at much too low a rate of capitalization. Account must be taken also of the credits opened by great banking houses, of the acceptances, of the advances made upon the security of paper, and of the portfolios of the first bankers in the world crammed with securities which they have been unable to dispose of to the public. It does not seem doubtful to us that a very heavy load will soon come upon the London market; credit will be generally contracted, and the effect will be felt on the Stock Exchange."

In London it was thought that the bank statement did not justify the raising of the discount rate, but people said that the governor of the bank was as energetic as he was prudent. If he had resorted to such a measure, it was because there were good reasons for his doing so. But he had not taken the bankers of the place into his confidence.

The directors of the bank knew that at this time of the year an expansion of the circulation and exportation of gold are regular phenomena; notes and specie go to feed the various channels of circulation for the needs of the traveling public, for the necessities of the harvest; but moreover it was well to remain on the defensive against the possible consequences of the crisis in the Argentine Republic. It is reported that Mr. Lidderdale at this time advised the Barings to moderate their acceptances, which then amounted, it seems, to over £30,000,000.

Exchange becoming more favorable, and gold beginning to return, on August 21 the rate of discount was reduced to 4 per cent., but the monetary stringency being more marked in the month of September, on September 25 it had to go back to 5

per cent. The apprehensions that had been calmed began again; it was feared that money would be dear until the end of the year, which would have been unfortunate for the speculations in progress. Besides, the Buenos Ayres revolution, the increase of the premium on gold, the growing embarrassments of the Government and of all La Plata debtors in paying their European creditors, the disclosure of incredible abuses of every kind, a situation not much better in Montevideo, formed a mass of facts known to everybody, and so injurious to the credit of the South American States as to render almost impossible an appeal to the public, and injurious above all to the credit of the bankers who had issued the loans of the Argentine Republic, and who were negotiating on new advances. It was openly declared in London that certain great houses, their names being mentioned, were so deeply involved as to be completely tied up, and when the combination of a South American trust was proposed, to which all the unsalable securities would have been turned over, there was no hesitation in saying that Baring, Murrieta, and some others had believed it possible once more to unload upon the back of the public; the combination fell flat, but there remained a leaven of suspicion. Drafts bearing the acceptance of Baring Brothers were no longer in such demand as before; it was considered that there was too much paper drawn in Buenos Ayres by S. B. Hale, the Barings' agent, upon the London house. But when the uneasiness was too loudly expressed, people would reply with a shrug of the shoulders: Are not the Barings the chief banking house in the world, with the most extensive relations, and forming an almost indispensable part of the machinery of England's foreign commerce? \*

\* The present head of the house of Baring is the sixth of the name since John Baring, the son of a German minister near Bremen, who founded a business house at Exeter in 1753, and whose two sons established themselves in London in 1770 under the name of Baring Brothers & Co. The foundation of the Barings' fortune seems to have been the commerce with India; several members of the family were directors of the East India Company. Through their connection with the Hopes of Amsterdam, they participated in the great speculations in colonial products of the beginning of the century, which were so successful.

During almost a hundred years Baring Brothers & Co. have been the bankers of Governments and of the great English commerce. Most of the purchases of merchandise in India, China, Japan, and the two Americas were made by means of payments through the Barings.

Their intervention is found in all the principal business of the century. If the house largely aided in furnishing funds to the European powers against Napoleon I., it helped France during the Restoration to contract four loans that allowed of the liberation of the country (1817-1818 from 3 per cent. to 52½, 55½, 61½, and 67 per cent., £39,000,000 producing 465,000,000 francs).

Nearly all the States of Europe have employed the services of the Barings :

The summer ended gloomily enough, and autumn brought no improvement. The negotiations begun in London by the financial representative of the Argentine Republic made no progress; the object was, rumor said, to obtain a subsidy from the bankers of £4,000,000 or £5,000,000 for the purpose of assuring the payment of the coupons on the National debt during eighteen months or two years; the bankers wanted first of all to find some way of settling the Buenos Ayres Water-works and Sewers business, a company with a capital of £10,000,000 founded under the patronage of the Barings, the issue of stock by them in 1889 having totally failed, 90 per cent. remaining in the syndicate's possession, so saturated already was the market with Argentine securities.

This business of the Water-works and Sewers was the cord that was to strangle the Barings. They had accepted S. B. Hale's drafts to the amount of \$40,000,000 (£8,000,000), which were in connection with this affair, and they were going to find it impossible to meet the payment of the last half, \$20,000,000 becoming due in November.

But we must not anticipate upon the order of events. The atmosphere was charged with storm in London; in New York a terrible financial crisis came at the end of October and the beginning of November, accumulating ruin and failures.

The Stock Exchange felt the effect very severely. A great speculator, with liabilities of \$50,000,000, had to ask for time to meet his engagements. The interest on loans was raised to incredible figures in New York, where 3 per cent. a year was

Russia, the Scandinavian countries, Belgium, Holland, the Holy See, and Portugal; outside of Europe the Barings have been the prime mover of most of the South American loans. (Brazil, however, was a province of the Rothschilds, and Mexico a province of A. Gibbs & Co.)

They were also the bankers of many great railroad companies; in the United States they were especially interested in Atchison, Topeka, and Santa Fé.

For a long time the management of the business was in wise hands; the prestige of the name of Baring far surpassed that of the Rothschilds, who came less into contact with the English public.

Within ten years the house had become less prudent; it resisted less the temptation to do lucrative business; it opened its doors to issues of industrial stock (the most noted being that of Guinness, the great Dublin brewery); and it jumped headlong into transactions with the Argentine Republic and Uruguay. It is claimed that from 1882 to 1890 the Barings issued securities to the amount of \$500,000,000, of which \$140,000,000 were in 1888. All these issues were not equally successful, and notwithstanding the participation given to their friends, the Barings had large sums left to their own account, which occasioned a disastrous locking up of their resources.

The old traditions had been abandoned by the house, which no longer scrupled even to distribute bonuses; it seems that the unfortunate Water-works business was secured by a bonus of \$200,000.

The real banking business yielded, it is said, about \$1,500,000 one year with another.

paid, with an addition of 13 per cent. a day. In London the stringency increased, and the liquidation at the end of October was marked by five failures. The proportion of the reserve to the liabilities in the statement of October 30 was  $35\frac{1}{3}$  per cent. ( $40\frac{3}{4}$  per cent. in 1889). The metallic reserve was lower by £650,000, the reserve by £400,000 to the figures of the corresponding period. The statement of November 6 showed that the metallic reserve was £19,544,000 against £20,309,000 in 1889, the reserve £11,206,000 against £11,908,000 in 1889, the proportion  $34\frac{7}{8}$  per cent. instead of  $39\frac{3}{4}$ . The Bank of England announced no modification of the rate of discount on Thursday; the surprise was all the greater next day, *Friday*, at hearing that the discount rate was raised to 6 per cent., in consequence, it was said, of a withdrawal of £90,000 in gold by a Parisian dealer, who had sold to the Bank of Paris and the Netherlands 400,000 sovereigns destined for Spain.

The effect of this measure was considerable; consols fell  $\frac{1}{2}$  per cent. in London, to  $94\frac{1}{8}$  ( $97\frac{1}{4}$  in 1889); checks on London rose to 25.35 in Paris. It seems now, that the raising of the discount rate on Friday, November 7, in London, was owing less to the £90,000 drawn by the firm of Hirsch, of Paris, than to the knowledge which the governor of the bank, Mr. Lidderdale, and some of the directors had of the situation of the Barings. A few days earlier the Barings had taken into their confidence one of their friends, the head of a large London house, and he had consented to be their representative at the Bank of England. This must have been a week of anxiety; the memory of the panic of 1866, which had followed the failure of Overend, Gurney & Co. with liabilities of \$30,000,000, the memory of the run upon the banks and of discount at 10 per cent., weighed upon the minds of the bankers and merchants, of Mr. Goschen and Lord Salisbury, who were studying how to prevent another crisis; with the \$105,000,000 liabilities of the Barings and their position as a sort of universal bankers, the crisis would have been even more of a disastrous one, if they had been allowed to suspend.

The Bank of England's statement, published on November 14, shows:

	1890.	<i>Difference from preceding week.</i>	1889.
Metallic reserve.....	19,137,461	407,062	20,032,507
Reserve .....	11,104,776	101,732	11,909,327
Proportion of reserve to liabilities...	$33\frac{1}{4}$	1.64	$41\frac{3}{8}$
Notes in circulation.....	24,482,675	305,000	24,263,180

From one week to another the bills and acceptances increase by nearly £2,000,000, being £25,000,000, or an increase of £6,000,000 over 1889, the deposits of private parties progress £1,113,000, being £30,250,000, an advance also of £6,000,000 over 1889; a great deal of paper had been brought to the bank, and there

had been paid on current accounts a portion of the discount of realizations of public funds to increase resources.

This statement bears no trace yet of a transaction between the Bank of France and the Bank of England, which must have been negotiated in the last days of the preceding week and the beginning of this one, since on Tuesday, November 12, the Bank of England's broker was able to rush to the Stock Exchange, where a where panic was coming on, and announce the speedy arrival of 37,500,000 francs in gold from Paris. In reality the advance agreed upon, as is known, by the Bank of France at 3 per cent., and renewable during several quarters on the security of English Treasury bonds, is 75,000,000 francs.

We are convinced that the Bank of France did perfectly right to lend, on the best guarantee in the world, 75,000,000 francs to the Bank of England, just as it was right to do so in 1839, when it gave 48,000,000 for the discount of Baring's drafts on Paris. The Bank of France prevented the London crisis from having any effect, and the directors of the bank were right in protecting their own interests themselves, and those of the Paris market, speculating for a rise and holding many Baring acceptances.

It must be acknowledged that the governor of the Bank of England was no less well inspired; while the negotiations for saving the Barings were going on, and the bank consented to honor the acceptances of the great house in distress, on condition that a syndicate should be formed to guarantee the liabilities then existing, Mr. Lidderdale was in treaty with the Bank of France for £3,000,000 and with the Russian Government for £1,500,000.\* The negotiations were carried on in agreement with Mr. Goschen, who was even present at some of the bankers' meetings, as well as Lord Salisbury. It is claimed that the Chancellor of the Exchequer offered to the governor of the bank, if the latter made a formal request, to authorize him to violate the Act of 1844, and that Mr. Lidderdale declined to have recourse to such exceptional means.

The secret was admirably well kept, but the uneasiness of the public was great; all sorts of ugly rumors were circulated about the bankers who had introduced the South American funds to London, although the Barings' name was not yet mentioned.

The measures of defense being taken (it is said that Mr. Lidderdale called a meeting of the directors of the deposit banks in London to persuade them not to cut off all credit, as they were supposed to be on the point of doing, especially credit on the Exchange, so as not to bring on a panic), the truth was let out. On Saturday, November 15, Paris learned what the danger had

\* At 5 per cent. for six months.

been and how it had been averted in London. The *Times* appearing on that day spoke only guardedly, though clearly indicating the embarrassed house, without mentioning it by name. The trouble was with Baring Brothers & Co., the first banking house of England, whose signature was known and in demand everywhere, whose business was enormous, and whose relations were most extensive. To let their house fail would have brought on an incalculable disaster. The embarrassments of the Barings were pressing, because the \$20,000,000 drawn by their Buenos Ayres agent Hale were coming due. Having exhausted their resources in hand, the Barings would find it impossible to meet their payments.

Inspired by the same ideas that caused the intervention of M. Rouvier and the Paris bankers in favor of the Comptoir d'Escompte, in a spirit of joint responsibility and self-protection, a syndicate was formed in London, which guaranteed the acceptances of the house of Baring and the other liabilities. The guarantee fund amounts to £16,000,000, and among those taking part in it are the Rothschilds, the Hambros, the London and Westminster Bank, the London Joint Stock Bank, Glyn Mills & Co., the great Scotch banks, and all the financial aristocracy of the City. It is said that the Bank of England has an interest of £1,000,000 in this fund. The house of Baring Brothers and the partners individually have given up all their assets to the liquidation which will be effected by the Bank of England in the space of three years.

It is claimed that Baring Brothers' liabilities, on November 15, amounted to \$75,000,000 of acceptances and \$35,000,000 of deposits; the assets on paper exceeded the liabilities by \$15,000,000 to \$20,000,000, but these assets require to be realized very slowly, with much caution, and a part of them has only a contingent value. Purchasers are not to be found for Argentine Republic securities, for Buenos Ayres Water-works, and other stuff of the same kind, not to speak of Treasury advances. (Portugal owes \$4,000,000 on account current.) The Barings had lost the notion of balancing things, and could refuse nothing to a Government that wanted to borrow.

The house of Baring Brothers goes into liquidation; the business and customers are taken by a limited liability company (Mr. Thomas Baring, a retired partner of Baring Brothers, enters the new concern and places all his fortune at its disposal), with a capital of £1,000,000 in 2,000 shares of £500. The new firm has been registered under the name of Baring Brothers & Company, Limited; the first subscribers for stock were members of the Baring family, and some of the great bankers of London. The contract establishing it gives the former heads until 1895 the



privilege of taking back the house on payment of a bonus of 20 per cent. to the stockholders.

The English *Economist*, while not concealing its sympathy for the heads of the first banking house of England, which a series of mistakes often pointed out has brought to ruin, observes that it is better the Barings should give way under the burdens for which they are responsible to themselves, before they had time to unload upon the public.

The Baring liquidation, in order to show results that are not disastrous, has for its corollary the clearing up of the finances of the Argentine Republic, in which English banking now becomes interested. A committee of influential personages has consequently been formed in London, under the presidency of Mr. Goschen's brother, one of the directors of the Bank of England, who represents the interests of the guarantee syndicate, and who will see that they are not sacrificed. This committee, which includes Mr. Hansemann representing the Germans and M. Cahen, of Antwerp, for the French, is to enter into relations with the Argentine Government in order to study together the means of putting an end to the desperate situation with which the Argentine Republic is now struggling. This is not a problem to be solved in a day. We hope that the committee will bear the bondholders in mind, while it is guarding the advances made by the bankers.\*

The news that the intervention of the Bank of England and the guarantee syndicate had assured the payment of the Barings' acceptances was received with a sigh of relief, and people understood what an unprecedented danger the London market had escaped. But the Stock Exchange nevertheless had to go through several days of excitement, during which the principal speculative stocks and even securities of the first rank suffered a very considerable depreciation; Wednesday, November 19, was the worst day.† Calmness has since returned; the liquidation of the end of November took place without any trouble, and consols regained the ground lost, going up 3 per cent.

The Bank of England's statement of November 20 reflects the situation with great clearness; the bills and acceptances were increased, because people rushed to the bank in order to get

\* The only reasonable issue seems to us to be the creation of a deferred debt, the delivery to holders of Argentine securities of certificates bearing 5 per cent. interest, instead of paying the coupons in coin.

† If the market prices of November 11 be compared with those of November 19, it is seen that the Argentine 5 per cent. of 1883 falls 12 points, the Uruguay 6 per cent. 20 points, the Mexican road stock 11 points, the Brazilian 4 per cent. 12, the Portuguese 3 per cent.  $2\frac{1}{2}$ , the united Egyptian 2, the Russian 4 per cent. 0.75. Since then there has been somewhat of an improvement.

resources and turned in accounts current to their credit; the metallic reserve was enlarged by the loan of the Bank of France, and because the raising of the discount rate attracted gold, or on account of the profitable rate at which capital could be used, or because the bankers of the Continent wanted to strengthen their position with their correspondents.

For fifteen years the sums to the credit of private parties in the Bank of England have not reached £36,000,000, the figure of November 20, 1890. In a week the bills and acceptances increased £7,000,000; the product of discount to the amount of £6,000,000 went to the current account of private parties. £3,321,000 in gold from abroad came in, including what the Bank of France and the bankers of Paris sent, the reserve advanced £3,447,000 to £14,500,000, or 36 per cent. of the liabilities. The metallic reserve was £22,500,000. As the counterpart of the appearance of a new item in the statement of the Bank of France, the Bank of England's statement registers the going out of £3,174,000 in public funds, that is, the Treasury bonds given as security to Paris.

The following statement showed a metallic reserve of £24,500,000, a diminution of £1,500,000 in the deposits, of £3,000,000 in the bills and acceptances; the proportion of the reserve to the liabilities was 42½ per cent.

The monetary situation has since become easier; the Bank of England, which for a time had made the discount of paper pay 8 per cent., returned to its official rate of 6 per cent. Outside of the bank, discount was at 4¾. Unless unforeseen accidents occur we may hope to have emerged from the sharp crisis which was the consequence of the exaggerated credit given the Argentine Republic and of the excess of speculation in London and New York.



*British Investments.*—The London *Economist* gives the following as the face values (reduced to dollars) of British investments in securities, most of which would be regarded in the United States as belonging to the wildcat order: Unredeemed South American loans \$725,000,000, South American railroad investments \$290,000,000, nitrate mines \$17,500,000, South African mines \$50,000,000 and trust companies \$300,000,000. At the highest average point this year the total value of these investments was \$1,457,000,000, and at the close of October it shrunk to \$1,168,000,000, or been reduced about 20 per cent. Since then there has been further shrinkage. This list does include an investment of \$500,000,000 in Argentine securities outside the regular 7 per cent. Nationals.

## THE SILVER QUESTION.

## ACTION OF THE NEW YORK CHAMBER OF COMMERCE.

The silver controversy has reached a stage in which the action of such a body as the New York Chamber of Commerce is very important. The reports, therefore, are pretty fully published. Elsewhere will be found Mr. John Jay Knox's address before the Chamber at the time of presenting majority and minority reports. The reports were made by the Finance Committee, and related to two questions; the first was Secretary Windom's interconvertible bond scheme and an amendment "to be proposed by Senator Plumb to bill No. 3,842 in the Senate of the United States, December 9, 1890, but which is now suggested as a modification of the act permitting the free coinage of silver dollars into coins of 412½ grains standard silver so far as to require that all existing National bank notes, legal-tender notes, gold certificates, and silver certificates of every description, as they come into the Treasury, shall be canceled and destroyed, and one uniform description of legal-tender notes shall be issued in their place, 'receivable for customs and for all public and private dues,' and coupled with the conditions that the Secretary shall hereafter maintain a redemption fund of not less than 20 per cent. in gold and 20 per cent. in silver to be permitted, and no further restriction as to the retention of coin reserves for the outstanding notes than here required."

On the first question the committee reported adversely, though not for the same reasons. Their report is the following:

"The argument upon which this proposition is based is this, that the rate of interest of 2 per cent. fixed for the bonds will always serve as a sufficient restraint upon their being freely converted into currency, and that the holders of the notes will hasten to reconvert them into bonds so soon as the temporary or crop demand for money shall have passed away; that thus the volume of currency would be secured. If this were so, the plan would commend itself to general acceptance; but your committee are unanimously of the opinion that this would not be its natural operation.

"Our own fresh experience and the experience of the world in all ages has abundantly shown that when an artificial substitute for money is created by law, the enlarged volume, besides disturbing the equitable relations of men to each other, at once adjusts itself to prices of all commodities and relatively enhances their cost. It also tends to repress economy and awaken extravagant enterprise and adventure in every form, so as to absorb at once whatever volume of currency is thus produced, and even to require more and more to sustain the false condition thus created, and although the Secretary sincerely intends to limit the issue of notes within a prescribed amount.

"This is why thoughtful men see in any issue of legal-tender notes the way to inevitable destruction; and your committee, perceiving this feature in the measure proposed by Mr. Windom, regard it as impracticable and full of danger. They observe in the exchange of 4 per cent. bonds for an equivalent amount of 2 per cent. an immense increase in the principal sum of the funded debt, and therefore an enlarged basis for the proposed notes; and they believe that the bonds showing by their convertibility an indefinite amount of money always in sight would at once start rash adventure and advance prices to such an extent as to demand the immediate issue of the notes permitted, and prevent

their return into bonds in the manner expected by the Secretary. And if to this extent of possible expansion be added the existing stock of silver certificates and of gold coin, how long would it be before the latter would pass out of use as money because too valuable to keep company with the cheaper currency afloat, and become merchandise, and be hoarded or exported to meet the balance of trade, which such an expansion must naturally create against us?

"So far as this measure is practicable the Government would become a bank of temporary deposit for the notes so exchanged, giving to its dealers interest at 2 per cent. for their notes while lying idle in the Treasury, and bonds for security, until the depositors desire again to withdraw their notes, thus assuming, in addition to its present extraordinary financial attributes, other functions of a banker, without their corresponding restraints and benefits.

"In whatever light your committee regard the proposed measure, they can only see in it a new element of danger, and they unanimously believe that the benefit expected by the Secretary could never be secured as he anticipates." This report was signed by George S. Coe, John Jay Knox, John Harsen Rhoades and William P. St. John. On the second question, Messrs. Coe, Knox and Rhoades reported thus:

"While the committee are unanimous in deprecating the free coinage of silver dollars under existing conditions, as essentially unsound and dangerous to the country, they do not agree in believing that a reserve fund of 20 per cent. in gold and the same amount in silver presents sufficient guarantee to redeem the character of the measure from the radical objections inherent in free coinage and in legal-tender notes issued solely upon the credit of the Government. To the degree that circulating notes without a full equivalent of existing property behind them all made a substitute for commercial money, they stand upon the same insecure foundation as simple credit notes, and are liable to the same objections and abuses; and so long as such notes are recognized as in any degree admissible, they are constantly in danger of full recognition as money, and are a perpetual menace to the public welfare and to sound commercial operations.

"Your committee believe that free coinage of silver in the absence of an international agreement upon the subject is fraught with peril to the financial interests of the country, and further financial legislation by Congress is not at present demanded. On the contrary, that the full effect of the measures enacted at the previous sessions have not yet been tested by experience. Every vital interest of the country is suffering from apprehension of injurious financial laws. But for this all business would at once return to healthful activity; and they believe that an adjournment of Congress without further action upon the subject of currency would impart to the whole nation a grateful sense of immeasurable relief."

Mr. St. John made a minority report in which he first explained the provisions of the Silver bill under consideration, which he regarded as worthy of support. "It would provide: *First*. A new issue of U. S. notes which shall be a legal tender for all debts, public and private, including receipts for customs, and be specially secured by the definite requirement that the Secretary of the Treasury shall maintain *constantly on hand*, for their redemption, a reserve fund which shall consist of *gold* to the amount of not less than 20 per cent. of the total sum of the notes at any time outstanding, together with silver to the amount of not less than 20 per cent. of the notes outstanding. *Second*. To open the mints of the United States to equally free coinage for our standard gold and silver, but with the option always extended to the owner of gold

or silver bullion to receive in lieu of coin, at coin value, these proposed new notes of the United States. *Third.* To require that all National bank notes voluntarily surrendered, U. S. notes, gold certificates and silver certificates now outstanding, shall hereafter be canceled as received; but nothing in this act shall alter existing requirements of law as pertaining to any of the rights and security of the holders of any U. S. certificates or notes outstanding. In order to avoid any contraction of the currency thereby, these old notes and certificates are to be replaced with like sums of the proposed specially secured new notes. *Fourth.* To authorize the Secretary of the Treasury, in his discretion, to issue additional sums of these new notes, provided only that he shall never trench on the minimum required reserve of 20 per cent. in gold and 20 per cent. in silver.

#### THE MINORITY REPORT.

On these four provisions treated as one as follows: *First.* The discretion thus to be imparted to the Secretary is no greater, indeed, than such as he may, under existing law in other matters of Treasury conduct, exercise at will, but under the restraints for caution of his great office. *Second.* Under this right of note issue, the Secretary may supply well secured paper money to meet emergencies; to afford elasticity to the currency; to supply any future real deficiency of money which may be due to want of stocks of gold and silver. *Third.* He must possess this authority, to be exercised only at his discretion, in order to purchase gold or silver bullion, if any shall be needed to replenish his required reserve. Otherwise, he might need to exercise his authority under existing law to issue and sell bonds of the United States for such replenishing of these reserves.

#### OPERATION, IF ENACTED.

Any owner of gold or silver bullion not too base for minting, depositing the same at any mint of the United States, will receive gold coin for gold, at one dollar for 23.22 grains pure; and for silver, one silver dollar for 371.25 grains pure; or at his own option he may command instead of either, and at the coin value thereof, the proposed new and specially secured, legal-tender notes. Experience authorizes the assumption that he will prefer these legal-tender notes.

Now, assume his deposited bullion to be silver and the notes issued to him. The silver becomes at once the property of the United States; it is never to be paid out at less than coin value; and 20 per cent. of it must be set apart immediately, together with 20 per cent. in gold from a stock on hand or by some means obtained, to constitute together the minimum reserve against these issued notes. Upon any deposit of gold, 20 per cent. of it must likewise be set aside, together with 20 per cent. in silver, from stock or by some means obtained, to constitute together the like required minimum reserve against the issued notes.

#### PRACTICAL RESULTS.

For an estimate of results if adopted, we state gross requirements, and assume a repetition annually of last year's experiences as to Government receipts and payments; as to United States production of gold and silver; and begin with Treasury conditions of December 31, 1890:

FIRST TABLE.

Total notes to issue in gradual substitution for outstanding paper as follows.....		\$1,002,000,000
Total minimum reserve required gold.....		\$200,400,000
At outset on hand in Treasury in excess of certificates out, gold. ....	\$149,000,000	
To be released as certificates come in.....	144,000,000 gold	\$293,000,000

In sight at outset, excess of gold.....		\$92,600,000
Silver at outset on hand.....	\$28,000,000	
N. Y. stock of bullion for mint, say.....	12,000,000	
Silver certificates out .....	310,000,000	
Notes of July, 1890.....	24,000,000 silver	374,000,000
The Secretary's discretion silver may be reserved for notes as above...		\$1,002,000,000
Thus, for 100 per cent. reserve of silver to replace old paper, deficiency of silver.....		628,000,000
And for minimum gold reserve required, excess of gold.....		92,600,000
U. S. annual production ordinarily exceeds, gold.....		30,000,000
U. S. production one year largest of record, silver.....		65,000,000
World's production same year largest in history, silver.....		162,000,000

Last year's experiences aforesaid, with said outset Treasury conditions:

## SECOND TABLE.

Outset supply in sight, gold.....	\$149,000,000	
Year's release from certificates.....	45,000,000	
Year's production.....	30,000,000 gold	\$224,000,000
Contra: required 20 per cent. for notes for production.....	6,000,000	
Ditto on silver production.....	13,000,000	
Do. to replace greenbacks.....	78,000,000	
Do. do. bank notes.....	31,000,000	6,200,000
Do. do. gold certificates.....	45,000,000	9,000,000
Do. do. silver.....	55,000,000	11,000,000
		<hr/> 60,800,000
Year's excess of minimum required, net surplus gold.....		163,200,000
Year's paper replaced as above.....	209,000,000	
Year's issue for new gold and silver.....	95,000,000 y'r's notes	304,000,000
Silver, outset supply in sight.....	\$40,000,000	
Certificates to be received.....	55,000,000	
Said estimated year's production.....	65,000,000 silver	\$160,000,000
Above total notes to issue for year.....	304,000,000 of which the said	
Total silver in sight constitutes gross reserve of silver 52 $\frac{5}{8}$ per cent.		
Of which, above \$224,000,000 provide a total reserve of gold 73 $\frac{3}{8}$ per cent.		

## FOR COMPARISON WITH FREE COINAGE, PURE AND SIMPLE,

We direct special attention to the following interpretation of our tables, thus:

*First*, Our second table shows: *Surplus gold*, \$163,000,000 in the current year, with which he could purchase foreign silver, if offered, should the Secretary elect to pay for it in gold.

*Second*, From the same (2d) table will appear requisite annual replacements of paper promising the continuance of our net estimated results during a period of about five years. Also, that after gold certificates and silver certificates are retired, we must depend on new supplies of gold and silver.

*Third*, The same (2d) table shows one year's issue of notes for new gold and silver, amounting to \$95,000,000. Our present annual output against gold and silver together, estimating silver at \$1.05 per ounce, is about \$87,000,000. We would thus provide a net annual output of entirely acceptable money, to an amount which exceeds by \$8,000,000 the present annual output of money under existing law.

*Fourth*, Any foreign importations of gold or silver may, but need not, further increase the year's output of money; and with \$163,000,000 gold already in sight, from which to draw our minimum 20 per cent. gold reserve, against any paper that may be issued for imports of specie if silver only is imported.

*Fifth*, The Secretary, in his discretion, may hoard 100 per cent. reserve of the silver at any time received. Hence we provide for a manifestly safe absorption of 678,000,000, as above, if offered at our mints.

*Sixth*, The reserves in sight for the stated annual issues of notes, during the next five years, being 52 $\frac{5}{8}$  silver and 73 $\frac{3}{8}$  gold, the Treasury

may pay out annually 27  $\frac{1}{2}$  per cent., or 82,000,000 gold coin; but may not pay out any silver coin, nor issue annually any more notes than stated, without reducing its gross reserve of silver to less than 52  $\frac{1}{2}$  per cent. of the emitted notes.

*Seventh*, After certificates are all retired, our annual production of gold and silver, as above, would permit a gross annual issue of \$150,000,000 notes, upon the minimum 20 per cent. of gold, with 43  $\frac{1}{3}$  per cent. as the utmost obtained reserve of silver. Allow then for a reduction of home supplies, or a foreign demand upon our supplies, and you will let this margin of possible increase of our money volume, by an appointed issue of acceptably secured paper money, weigh against any possibility of deficient supplies of gold and silver for the money of the United States. At that point, and as may appear, we must expect an irresistible outcry for practically irredeemable issues of greenbacks, unless a measure akin to that now commended shall, meanwhile, have been enacted."

The following resolution was adopted:

"That it is the judgment of this Chamber that until a uniform coinage ratio between gold and silver is adopted by the commercial nations of Europe and the United States the passage of an act of Congress and its approval by the President, authorizing the unlimited free coinage of silver dollars of the present standard, would result in forcing United States gold coin into an article of merchandise, thereby withdrawing it from circulation and contracting the money of the country more than one-third of its present volume."

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### SENATOR SHERMAN ON THE SILVER QUESTION.

On the 13th of January, Senator Sherman delivered a lengthy and effective speech on this subject, of which the following is a portion:

Mr. President, let us go a little more closely into another examination as to the probable effects of free coinage. I say the immediate effect will be to largely increase the exportation of gold. At present, no doubt, to some extent gold is hoarded. I have a statement here that \$36,000,000 of gold has been hoarded, according to the returns made from the banks and from other sources. Whether it is true I do not know; it is not official. It is sufficient to say that the process of hoarding is going on day by day, and if this measure passes, every man of ordinary business judgment will agree with me that gold will go off more and more until an alarm will be created, and the process of hoarding will go on in our own country, and of exportation to foreign countries.

Who can doubt it? We have in this country, according to the statements submitted to us, over \$700,000,000 of gold gathered here as the result of our resumption policy. All our transactions are based upon gold. That \$700,000,000 is now being slightly diminished by the exportation caused by the purchase of silver bullion, because in most cases, as it was shown by writers in New York, the very Treasury notes that were issued for the silver purchased under the law of last year were presented and converted into gold, which is now hoarded in our country. That is the statement made. How far that has gone I do not know and no one can tell, but at the very moment this bill passes, yea, in fear of its passage, every day gold is being hoarded, and as soon

as the fate of this bill is determined, if it shall be in favor of free coinage, then the exportation of gold will necessarily and naturally increase.

It is true I cannot say what will occur in the future, but is not that the judgment of every Senator who hears me? Gold practically being then no longer as the sole standard of value, when the standard of value will be 371 grains of pure silver, worth less in the markets of Europe and in our own country than the gold in the dollar, the inevitable effect will be the exportation of gold, and the very silver that we buy at this enormous price will be paid for with gold, because the Treasury notes that are issued for this bullion can be converted into gold.

Sometimes it is said, and it was said in the debate the other day, "No; the Secretary of the Treasury may pay in silver. If these Treasury notes are presented for redemption he may pay in silver dollars." That would only accelerate the current. Let the Government of the United States once make the distinction between gold and silver, and refuse to pay gold, and pay silver, that again would be a discredit to your silver, and that again would result in the exportation and hoarding of gold. Is there any doubt about so simple a proposition as this? I think not. The result would be that, while our currency would be expanded by the issue of Treasury notes, it would also be contracted by the retirement of gold from our country, for although this gold is held in great masses, and largely in the cities, yet it is the base of all the great transactions now being had. This \$700,000,000 of gold during the recent panic was a fund which was at least a security of safety which could be drawn upon, and upon which money could be borrowed at the very lowest possible rates. It was just as much circulation as if it was passing from hand to hand in the daily wants of life.

Mr. President, another effect of the passage of this free-coinage bill would be to increase the importation of silver. Who can doubt that? It has already caused the importation of silver and reversed the whole current of our commerce in silver. Up to the time of the passage of the law of last session we always exported more or less silver. Under the Allison act we purchased about one-half of the production of the silver mines, which went into the Treasury, and the other half, less what was consumed in the arts, was exported to foreign countries. For a period of years we have exported silver bullion.

By the act of last session, however, we turned the tide and we had at once importations of silver bullion. We not only used all we produced as the basis of Treasury notes, but we imported silver. I have here a statement from the mints, showing that from July to December we imported \$13,402,023 of silver, and we exported \$10,083,113, so that the balance of importations is against us. If this bill were passed the importations of silver would come flowing in upon the country.

Mr. President, where is the stock of silver to come from? Senators have told us over and over again that every country in the world uses its silver to its uttermost extent, maintains it, holds on to it, and values it at a higher rate than we propose to pay for it—that is, at the ratio of  $15\frac{1}{2}$  to 1; but I find by this table that there is in sight, as shown by the returns of the different nations of the world, \$3,820,571.346 worth of silver. Senators must remember that all the circumstances favor the importation of silver. The Latin Union has terminated. Italy itself will be compelled to buy in its silver at gold prices, and redeem it in gold prices, and the people of Italy cannot find a better market in the world for its silver than we would furnish them.

Why, sir, they could sell to us all their silver at \$1.29 an ounce, when



they could only sell it in the markets of the world for the market value. The great dread of the termination of the Latin Union is the throwing upon the markets of an immense amount of silver held by that Union, the precise figures of which I cannot give, for I have them not now before me. If the Latin Union should attempt to settle up and close out, as a bankrupt would close out, and abandon their policy, as many of them are inclined to do, as Belgium has partially done, as Switzerland is now doing, and as Italy threatens to do, and retire from the Latin Union (for it has now expired, and each nation can retire if it will, on condition, however, that it pays in gold coin for the outstanding silver circulation), where will Italy get that gold coin easier than in the United States, and where will all these Latin nations get it? To say that France would not sell its silver because it would have to come to us does great injustice to the French people, who are as eager to see and avail themselves of a chance of a good trade as any other people in the world.

Russia is now threatening to become a gold country, and so with other nations.

At this time, when the market of silver is in the most disturbed state possible, when we alone, a giant it is true, single-handed are bulling silver against the world, and the Latin Union and the other nations are seeking a more stable standard in gold, we step into the market to buy silver at 20 per cent. above its market value. So strange a proposition strikes me, as a business man, as wonderful. I can only see in that offer, if it should be adopted as a law of the United States, an enormous draught floating hitherward millions and hundreds of millions of silver from the \$3,800,000,000 in sight in the storehouses of the world detached by having a price offered for it that no one before dreamed of, and no other nation joins in.

Mr. President, what is the result? I do not care what estimate you may make of the amount that will come into our country, whether it be \$100,000,000 or \$200,000,000, or more; it is sufficient to say that you would have first to absorb all the production of the United States and all the production of Mexico, and then you would have this draught made from all this vast mass of silver coming here to be converted into Treasury notes redeemable in coin. If you should pay silver coin in their redemption you will soon reach the silver standard, not of 16 to 1, but of the market value of 371 grains of silver, and if you should not pay in silver, and insist on maintaining the gold standard according to the established law of the land, how long can you do it? How long would your \$700,000,000 last? The great body of it is covered by existing obligations, gold certificates and other forms of obligations, a large portion of which is not the property of the United States.

Senators, is it not a serious problem to make this offer in the face of this store of silver in all the countries of the world? In the production of Mexico and the United States alone—and I have a statement before me that will show it—the amount of Treasury notes that would be issued upon the coinage value of the domestic production, as estimated by the Director of the Mint, this year and next year would be \$122,000,000 of paper money, without regard to the vast accumulated stores in other countries in a single year. That is the coinage value. Hitherto we have been counting silver by the ounce, but we shall have to count it by its coinage value, and \$122,000,000 would be required by the operation of this proposed law to cover our own production and that of Mexico, which will come to us under the operations of this amendment, without regard to the foreign export.

Suppose we should issue \$122,000,000 of Treasury notes without any

additional reserves, would not that bring us to the silver standard? Undoubtedly, because it could not be maintained upon the gold standard. But if we take any conservative estimate of the amount that would come to us from the storehouses of the world (\$3,800,000,000), and add to that our own production and that of Mexico, how will it be possible for the people of the United States to safely issue a volume of money so great as would be required by the operations of this bill?

I wish to fortify by figures what I say about the effect of absorbing the production of silver of the United States and Mexico. I find that, according to the production of 1889, the coinage value of the silver of the United States was \$64,646,000, and of Mexico \$55,517,000. This is \$120,000,000 in 1889. In 1890 it increased nearly 10 per cent. So that it will require more than I stated, or \$130,000,000, to purchase the bullion which would be produced in the United States and Mexico, without considering the bullion of the rest of the world.

The bullion of the world has a coinage value of \$161,287,927. That was in 1887. Now I have no doubt it reaches very nearly \$190,000,000. That whole amount would naturally be drawn here, and, even if not coined, it would be naturally drawn here to a market, and, in my judgment, that would rapidly bring us to the silver standard, without regard to the vast quantity that would come from foreign countries.

Without stopping to consider the state of affairs which will occur after the silver standard is reached, I must say that I contemplate with pain and almost with shame the idea that a great country like ours, richer in resources than any other country in the world, proud of its credit, growing more rapidly than any other, with unbounded facilities should be content to lower our standard of value and join with China and Japan and the South American States, which, though highly respected, have a mixed population and have a great many drawbacks. We should not leave the great company of nations which now religiously and heartily stands by the best standard of value; for, whatever may be said of silver, no one can question that in the great transactions of life, in those vast operations which are now being conducted in all parts of the world, silver will not answer the purpose. It will be too bulky for use, while gold alone will be the standard of value in international transactions. The silver standard may not bring upon our country ruin and devastation, and things may go on as they have been, still it seems to me its adoption is a lowering of our standard of value without benefit to any part of our people.

No law of ours can change the law to which I have referred, which is stronger than the law of gravitation. When you substitute an inferior standard of money it drives out of circulation the superior standard. You can have but one standard; you may maintain other things up to that standard, but you cannot have more than one standard of money or of measure or of weight. If you do, you measure by a shorter yard, and the price of your commodity will conform to that yard; the price of all articles will conform to it, and the purchasing power of the standard that you select will vary day by day according to the demands of trade.

Mr. President, I wish to test by a practical application the effects of this proposed amendment. I hope my friend from Nevada [Mr. Stewart] will give attention to this. He denounced the other day, in language that I sympathized with, the speculators who have gathered in 12,000,000 ounces of silver over in New York, and now hold that over the market and refuse to sell it to the Government at a reasonable price. He said, in alluding to that in his speech, that he did not want to help the speculators. I sympathized with him in that feeling, but now let me show him what his bill will do for these speculators.

These speculators, it is said, hold now 12,000,000 ounces of silver, and they are waiting for a market. They are not satisfied to sell to the Government of the United States at the market value of silver, and they are holding for an advance. Now, if the bill as reported by the Committee on Finance should pass, they would get the market price for their bullion. The Committee on Finance only inserted that first section in order to relieve the silver market, supposing the silver men of our country, the silver Senators and Representatives, would desire that to be done. We now learn that they do not care about it, and I am as ready and as anxious to vote to strike out that section as they.

But what will be the effect? If our bill had passed as we reported it, we would have bought that 12,000,000 ounces at 105, which would have amounted to \$12,600,000. Suppose you pass free coinage, these men have their stock in hand, and they are there at the doors of the Treasury. They will be the first to take advantage of this law, and they will dump this silver bullion into the Treasury before the sun sets on the day on which the bill becomes a law. What will they then get? They will get, at \$1.29 per ounce, \$15,480,000, or \$2,840,000 profit above the rates at which we could buy. Will not that be the first effect of this measure?

Mr. President, though my fears are groundless, as the Senator from Nevada thinks that I am a poor prophet, I can see nothing in the future of this measure except distrust, fear, hoarding of gold, the banishment of one of the great elements of the currency, a change of values, a deception and a fraud—not a fraud in the sense that fraud is designed, but a fraud actually upon the people who now believe in the free coinage of silver, who believe it will better their condition. According to my understanding of it, it will really impair and injure all those who depend upon their labor, all the great mass of our people who depend upon the productions of the farm and of the workshop.

I wish now to show another effect which will unquestionably arise from this measure. Senators probably have not thought about it. I have taken great pains with these figures. I have consulted the very best authorities, and I will give the authorities for the statements I wish to make in regard to the cost of the production of silver.

We propose now to pay \$1.29 for an ounce of fine silver. What is the cost of that production? If it costs \$1.29 in labor, or in any other way, we ought not to buy it for less than it costs, for less than it is worth. I am not in favor of cheapening any commodity, but I desire to see every commodity have a market value equal to its fair cost, with a reasonable profit to the producer.

I have a statement here which I have carefully collated from authorities which, in my judgment, shows conclusively that the entire cost of silver bullion of the United States is but a trifle over fifty cents an ounce, and that that very silver in the form in which it is left by the processes for producing it is now sought to be sold at \$1.29, or a profit of over 150 per cent.

MR. TELLER—I do not know that I understand the Senator's statement about that. Does he mean to say that that is what it costs the producer of silver?

MR. SHERMAN—Yes, sir; upon the best statistics I can find. I will give the Senator the statistics, and let him show wherein the cost is greater.

What will be the effect of forcing the production of silver by this great advance in its price and its sure and certain market at our mints? This production is now at market rates one of our most lucrative and increasing industries. As Mr. Bagehot says :

"The value of gold and silver is determined by the cost of production, just like that of all other things; that in their case, as in all other cases, what is more cheaply produced than usual would be more plentifully produced than usual, and that the purchasing power in consequence will be no doubt less."

That arises from the well known principle that where any given industry is open to the world, anybody can go into it if it turns out to be reasonably profitable; and so, if it turns out to be greatly profitable, people will rush into it, and thus, by increasing the product, will diminish the price.

It is important, therefore, to inquire what is the actual cost of producing silver in the United States and in other silver-producing countries. I shall quote two authorities. And first from the report of Dr. Kimball, the Director of the Mint, for 1887, page 115:

Arizona, cost of production, 83.2 cents per ounce fine.

California, cost of production, 51 cents per ounce fine.

Colorado, cost of production, 61 cents per ounce fine.

Montana, cost of production, 43.3 cents per ounce fine.

Utah, cost of production, 52.5 cents per ounce fine.

MR. JONES, of Nevada—I should like to ask the Senator, considering the depression of business in the last ten or fifteen years, if, according to the statements made, 30, 40 and 50 per cent. could be earned in the business of silver mining, is it not an extraordinary thing that the majority of the people of this country do not enter into it? Is it not an extraordinary thing that in Massachusetts, and all through the Eastern States, where business has been done almost at a loss, where your smelting furnaces are closing up because they cannot make a dollar, when all they have to do is to cross the Missouri River and make 50 per cent. profit, that they do not do it?

MR. SHERMAN—I will give the authorities here, and it will be for the Senator to say whether the statements are reliable or not.

The Director of the Mint, in the same report from which I have quoted, on pages 90 to 116, gives the cost of producing 17,655,387 ounces of fine silver in 1887, as \$9,242,256, or 52.4 cents per ounce fine, as the average cost of production of an ounce of fine silver in this country.

Professor Austen, of the royal mint in London, carefully investigated the cost of production of fine silver in this country, and he testified to that effect before the royal monetary commission, December 9, 1886. I have sent for the document. I think it is the same document the Senator from Colorado [Mr. Teller] quoted several times in debate.

The testimony of Professor Austen is in the first report of the royal commission, pages 62 to 67, and appendix in same volume, page 325, now before me. From his testimony it appears that the cost of production of silver is as follows:

Arizona .....	cost of production..	83.2 cents per ounce fine.
California .....	cost of production..	51.0 cents per ounce fine.
Colorado .....	cost of production..	60.2 cents per ounce fine.
Montana.....	cost of production..	43.3 cents per ounce fine.
Utah.....	cost of production..	47.7 cents per ounce fine.

Average cost of production in the United States, 51.1 cents per ounce fine. The difference between Dr. Kimball and Professor Austen is that Dr. Kimball, as to Colorado, places the cost of production at 61 cents per ounce, and Professor Austen at 60 1-5 cents per ounce. Dr. Kimball places cost in Utah at 52½ cents per ounce, and Professor Austen at 47.7 cents per ounce. Although the difference in Utah silver is almost 5 cents per ounce in favor of Professor Austen's researches, yet the dif-

ference in the average cost of production in the United States of an ounce of pure silver is only 1.3 cents per ounce between Dr. Kimball's and Professor Austen's returns.

The cost of production of silver in Mexico, according to report of Mr. Stewart Pixley, of the firm of Pixley & Abell in London, in the same document, page 325, averages for an ounce of pure silver, 1s. 6d. per ounce fine, or 37 cents.

According to Professor Austen's returns (same report, volume 1, page 329), the cost of production of an ounce fine silver, in Mexico averaged about  $44\frac{3}{8}$  cents, or 1s. 8d. per ounce of .925 fine, English standard.

In South and Central America, Professor Austen gives the cost of production of an ounce fine silver at 1s. 5d., or  $34\frac{3}{8}$  cents per ounce fine. (Same report, page 328.)

In Germany, the product of Mansfeld copper mines, according to Professor Austen (see same report, page 328) in 1883, the amount of silver produced annually in the treatment of copper ores is given as 7,200,000 ounces. Of this quantity, 6,500,000 ounces were obtained during the ordinary smelting of copper ores, at a cost of  $9\frac{1}{2}$ d. per ounce, English standard, of .925 fine, or  $21\frac{3}{8}$  cents per ounce fine silver. It also states in the same article that by the improved process of Claudet, 328,000 ounces were recovered in Great Britain from copper ores at 5d. per ounce standard (.925 fine) or at  $10\frac{3}{8}$  cents per ounce fine silver.

In Australia the cost of production of pure silver is given by Professor Austen (same report, volume 1, page 328), as follows :

The report for the year 1886 of the Broken Hill Mine, Barrier Ranges, New South Wales, a mine of considerable importance, has been published. It states that during the year 1886, the smelting of 10,397 tons of ore yielded 1,881 tons of lead and 871,665 ounces of fine silver, at a cost, including mining charges, of £4 12s.  $\frac{1}{2}$ d. per ton of ore, or at the rate of 1s. 1d. per ounce of silver produced (equal to  $28\frac{3}{8}$  cents per ounce fine silver), if the lead be considered of no value, but the lead sold at £12 per ton (\$58.32 per ton).

I am told that later reports give the production of the "Broken Hill Mines" for 1889 at over 10,000,000 ounces of pure silver and the cost of production not quite 8d. per ounce, or about 16 cents per ounce fine.

For the nine months of 1890 the production of the "Broken Hill Mines" was 17,000,000 ounces of pure silver, which, according to the bullion cost, at 16 cents, would be about \$3,000,000, while, at the price we pay for it, it would be over \$20,000,000.

My impression is that it is now going to Colorado and to other countries where they produce silver. There have been some statements made to me that these powerful corporations have such great profits as to be able to maintain in this city a kind of organization which I believe they call the National Executive Silver Committee, which has sent out all over the country, at its own expense, circulars inviting the farmers to sign petitions praying for the free coinage of silver. I should think they could afford to do it; because, with the free coinage of silver, they would get, instead of 96, for which they sold this great bonanza, 129. This lobby is now here in force. In order that I may be relieved for a moment, I will ask that what was said about this lobby by Mr. Conger, the Chairman of the Committee on Coinage, Weights and Measures in the other House, may be read by the Secretary.

THE PRESIDING OFFICER. The matter referred to will be read by the Secretary.

MR. SHERMAN. The statement having been made at the last session I think I have the right to have it read.

The Secretary read as follows :

As I said before, the bullion owners were not satisfied with this, and I wish that my colleagues upon this floor could understand, as I believe I do, and as I am sure they do not, the pressure that has been brought to bear by the men who own or speculate in bullion in this country to have some sort of silver legislation, and that legislation immediate, free, and unlimited coinage. You cannot point to a single locality where free coinage resolutions have been adopted, nor a single paper which has advocated the free coinage of silver, except you find in that locality the footprints of the silver bullion owner or his agents, or else the mark of the men who are employed by them in pressing this legislation.

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Why, Mr. President, during this winter there has been about this capitol the most persistent, courageous, and audacious lobby upon this question that I have ever seen since my term of service here began.

MR. MCCOMAS. And worse in summer than in winter.

MR. CONGER. Yes. It has been as bad all the time as it could be ; and not only have these paid lobbyists been plying their avocation here, but various other means have been resorted to by the men interested in raising the price of bullion to secure the legislation they demand. Pool after pool has been organized here in this city to speculate in this metal. Money has been deposited in the banks in this country by the thousands and hundreds of thousands, lying there ready to purchase bullion with as soon as this legislation shall pass. But they oppose our bill. Why? Simply because if our bill passes they have got to trust to the market value of their product for the profits ; while if free coinage passes Congress, the Government of the United States fixes the value at 30 per cent. above what it is worth, and they may bring in all the bullion they can buy. Why, Mr. Chairman, I have been invited time and again to join silver pools, but, as long as I hold a seat upon this floor or stand here, my vote shall be cast and my voice raised for the people of this country, for the laboring men of this country, for the savings bank depositors of this country, for the crippled and scarred soldiers of this country, instead of for a few bullion owners.

MR. SHERMAN. Now, Mr. President, in addition to the comparatively cheap cost of the production of silver, there are other causes that will add to the production of silver and reduce its price. One is the new mines that are being constantly opened. In the American hemisphere, from the great river that rises in Alaska, the Yukon, to the Straits of Magellan, there are probably not fifty miles of the vast chains of mountains through these two hemispheres, over 10,000 miles in a direct line, but what are full of silver, in such vast store in some localities as would be capable of suddenly changing the market.

Not only are new mines being opened, but the existence of silver is universal in almost every country in the world. As I said, in the whole of our almost boundless continent there are untold treasures of silver ; besides there are now improved processes of smelting and refining silver, one of which I alluded to a few moments ago. These processes, these new devices, have greatly lessened the cost of production.

Again, this is only in harmony with the tendency that has been going on for four hundred years, during which silver has been relatively declining. When America was discovered eight ounces of silver were the equivalent of an ounce of gold ; and from that time to this the disparity between the two has been growing greater and greater, until at one time it reached as high as 22 to 1. So this is only a kind of pro-

gressive arithmetic, which increases not in a geometrical ratio, but very rapidly; and the increase of silver during that four hundred years has been more than twofold as compared with gold. So the whole tendency is the decline of silver, and we are going on and jumping onto this metal, so abundant, so profuse, which has been coming down more and more and making the standard of value for the great country we represent.

So the production of silver will be increased and silver will be cheapened. Therefore it is not a sufficiently staple or sufficiently valuable metal upon which to base the commerce and wealth of a great and powerful country like ours.

No doubt gold and silver will always be the money metals of our country, and there is no difficulty in maintaining them at a parity with each other if we will do what has been done a dozen times in the history of mankind—when the two metals separate from each other in market value, and it is clearly perceived that the one metal is going down in relative value, let the ratio be changed.

There is nothing sacred in ratio. Now it is 16 to 1 in the United States;  $15\frac{1}{2}$  to 1 in France; 15 to 1 in some other countries. The market ratio is about 18 or 20 to 1. An ounce of silver is about the standard in value of a dollar in gold. Why not change the ratio, or, if you are not prepared to change the ratio, why not maintain the cheaper metal when coined up to the standard of gold? That means bimetallism. Instead of pursuing the simple, plain remedy of changing the ratio or conferring with the nations of the world as to that—a thing that is easily brought about—why fly to that extreme remedy of basing all your wealth and the value of all your property upon silver coin, which is going down in relative value, and has been for four hundred years?

Now, Mr. President, I am not in any sense a lover of money made only of metal. I believe the best money that has ever been devised by man is the money of the United States—United States notes, Treasury notes, issued under the law of last session and the laws in existence before—gold certificates, silver certificates. That is the kind of money, that will always circulate. Our people will not circulate either gold or silver. You cannot get them to do it. I tried that once very hard, and I think it cost the Government of the United States a very considerable sum of money to pay the amount of freight charges upon silver that was sent all over the United States, the minor coins worth less than a dollar; so that everywhere they might be found, in every post-office; and so that it might be said that silver coins of every denomination could be had.

It went there at great expense of money paid to express companies, and it came back again. We have twenty odd millions of fractional silver coin that we propose by this bill to put out in a form upon which we can issue certificates of deposit or Treasury notes. At this time, of the mass of silver coin, \$320,000,000 is lying in the Treasury. This is the highest evidence that the people of our country do not want either silver or gold. You give them paper money based upon silver and gold, based upon solid value, and supported by the credit of the Government of the United States, you give them United States notes with an ample reserve to meet any possible contingency, with the credit of the United States back behind it, as it is now behind United States notes, and then you will have the best money in the world.

Nevertheless you must maintain your standard, because paper money is not money in the proper sense; it is the mere representative of money. There must be a gauge, a measure, a standard of value behind

it. We have gold now as our standard. When, therefore, you deal with a silver standard you displace the gold standard and place all this paper money upon the basis of silver, which in the countries of Europe is a variable commodity, sold by the ton day by day.

Why, sometimes it is said that silver is the standard in this country. Mr. President, we buy silver as we buy any other commodity. We receive deposits only at a fixed mint value. We buy 187 tons of silver bullion per month under the law of last session—this is over six tons a day—which we hold as a deposit and security for the issue of our Treasury notes. That is all right. To the extent that it benefits our own producers it is doubly right. To the extent that it gives us a good foundation upon which to issue paper money it is right. Why not be content with that?

Now, Mr. President, I know that what I say here to-day will be met with the cry of "Demagogue" everywhere over the United States; that the men who believe as I do, although the great body of the business men of our country do so, will be called goldites, speculators, millionaires; that a kind of public opinion is created that the gold standard is the standard for the rich, while the silver standard is the standard for the poor. Why, sir, if I believed so, representing as I do, in this chamber, over 4,000,000 of as intelligent Americans as exist, with varied industries, very many of them poor, in every condition of life, hundreds of thousands of laboring men, and a still greater number of thousands of farmers, I would be derelict in my highest duty if I did not do anything to promote their interests. And yet I solemnly believe that their interests lie in maintaining the best standard of value, supported by gold and silver, and issued in ample quantity to meet the demand for circulation.

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### THE HON. JOHN JAY KNOX ON THE SILVER QUESTION.

A special meeting of the Chamber of Commerce was called upon January 12, 1891, to receive the report of the Committee on Finance, composed of George S. Coe, President of American Exchange National Bank; John Jay Knox, President of the National Bank of the Republic; John Harsen Rhoades, President of Greenwich Savings Bank; and Wm. P. St. John, President of the Mercantile National Bank.

The report, signed by the first three gentlemen named, was submitted by Mr. Coe and adopted. Subsequently, the following resolution, introduced by Mr. Alexander E. Orr, was also adopted:

*Resolved*, "That it is the judgment of this Chamber that until a uniform coinage ratio between gold and silver is adopted by the commercial nations of Europe and the United States, the passage of an act of Congress, and its approval by the President, authorizing the unlimited free coinage of silver dollars of the present standard would result in forcing United States gold coin into an article of merchandise, thereby withdrawing it from circulation, and contracting the money of the country more than one-third of its present volume."

There was a full attendance of members.

Mr. John Jay Knox made the following address:

"I have heretofore refrained from discussing financial subjects before the Chamber of Commerce, considering that being but comparatively a new member of this body the time should be allotted to older members, whose experience as merchants entitles them to the floor. I take this



occasion, however, to thank the Chamber for the honor it has conferred upon me for four years in electing me a member of its Committee on Finance. For I know of no honor which can be prized more highly by an officer of a bank than to represent the merchants of New York upon the Finance Committee of the most important business organization in North America.

"The questions before us for consideration, in addition to the proposition of the Secretary of the Treasury for an interchangeable currency, are :

"(1.) The bill now pending in the Senate which has been reported from the Finance Committee.

"(2.) The amendment of Senator Stewart providing for free coinage of silver.

"(3.) A substitute for these measures in a bill introduced by Senator Plumb in the Senate, which bill was prepared by a member of this Chamber.

"The bill reported from the Finance Committee of the Senate by Senator Sherman and now pending in the Senate, contains some excellent features. First, the bill provides for the refunding of 200,000,000 of United States 4 per cent. bonds into 2 per cents. All of the 4½ per cent. bonds which mature in September of the present year are now payable, principal and interest, at the Treasury Department, and after the payment of these bonds in September next there will be no United States bonds left unpaid except the 4 per cents, which are not payable until October 1, 1907. If the present 4 per cents can be gradually refunded into 2 per cents and the difference in value paid to holders, the Secretary will have an outlet for his accumulating surplus in the payment of such differences. The borrowing power of the Government is so low that the exchange of the 2 per cents for the 4 per cents can be so arranged that the exchange will be a great benefit—a profit—to both parties, and it will complete the refunding of the debt which was commenced at the close of the war in 1865 and was continued to the issue of the 4 per cents.

"While our Government has neglected to continue its system of refunding, owing to the difficulty of obtaining legislation, the English Government, taking the action of the Treasury Department in this country as a model, has refunded \$2,800,000,000 of its debt into 2½ per cents, with a contract for refunding into 2½ per cents, thus availing itself of the opportunity of placing its large debt at the lowest rate of any great nation. We have allowed England to steal from us our glory, to grasp the opportunity which was open to us, for we could easily have funded the whole of the 4 per cents into 2½ per cents, seven years ago, when the 4 per cents could have been purchased at 15 per cent. premium. These bonds could be readily placed in the market if the banks were authorized to receive them as a basis for circulation. But even if the banks were not authorized to receive the bonds, such legislation would be excellent.

"The Senate bill provides for reducing the amount of United States bonds which the National banks are required to keep with the Treasurer as security for their circulating notes. The advantages of a bank circulation over the inelastic, the cast-iron issues of the Government are well known to all financial men. We had the best system of paper currency in the world for a country like this, when it was equally divided between the greenbacks, which were the issues of the Government, and the issues of the National banks; but the prejudice has become so great against National bank issues that these institutions have long since given up all expectation of continuing to issue circulat-

ing notes. Instead of asking for an increase of notes, they urgently request that Congress will give permission to retire their notes now in circulation, and a bill has been pending in Congress for the last four years allowing each bank to reduce its circulation to \$4,500, and permitting National banks hereafter to organize upon the deposit of \$5,000 of United States bonds. This request is certainly most reasonable, and would gradually retire the notes of banks and make room for the silver issues which have already been authorized. The only reason given for not complying with this request is that a large reduction of the bank circulation may bring about contraction; but a section in the silver law, which was passed during the last session of Congress, provides that upon the retirement of National bank notes by depositing lawful money in the Treasury, the Secretary is authorized to purchase United States bonds with the money thus deposited.

"With this law enforced no possibility of contraction can follow until the notes are returned to the Treasury for redemption. The process of redemption is very slow. November 30, 1889, there was \$70,000,000 of lawful money on deposit in the Treasury for the retirement of National bank notes, but only \$17,000,000 of these notes were presented for redemption during the entire year. During the month of November last less than \$1,500,000 were presented, while nearly \$5,000,000 of new silver certificates or notes were issued.

"Banks should have the right to surrender their circulation and deliver their bonds to the Secretary for sale. All moneys deposited in the Treasury for the purpose of retiring National bank notes under the law passed during the last session of Congress can be immediately invested in Government bonds, so that if all the National bank notes should be returned in three years there would be no contraction, and the Government would save a large amount of interest upon its bonded debt.

"The whole amount of National bank notes now outstanding is less than \$180,000,000. If Congress should give the banks permission to deposit lawful money and return all of the National bank notes now outstanding, it is not probable that \$60,000,000 of these notes would be redeemed during the next three years, and during that time at least three times that amount of new silver notes would be issued. Judging from the experience of the last fifteen years, a considerable portion, probably one-half, of these notes would not be presented for redemption during the next ten years; and at least \$15,000,000 will never be presented, which amount will be a net profit to the Government.

"If Congress should give the banks the privilege of retiring their own notes, which are now issued not with profit, but at a loss in many cases, the operation would have the effect of reducing the value of the bonds in the market, which the Secretary is continually purchasing. But the prejudice in Congress against the banks has been so great during the last five years, that while on the one hand Congress will not allow the banks to issue circulation at a remunerative rate, on the other hand it will not even allow the banks to retire the circulation, which is issued at a loss.

"Another section of the bill authorizes the purchase of additional silver and the issue of additional silver certificates. In my opinion, no additional paper currency is needed at the present time. During the last twenty years the circulation of the country has been nearly doubled; during the last year nearly \$100,000,000 has been added to the circulation. It is true that during the last three months there has seemed to be a scarcity of currency. It originated in the fact that the people of this country prefer paper currency to coin, which is abundant; that small National bank notes have been rapidly retired, and only large notes

issued in place thereof, and that while Congress authorized a large addition of silver certificates during its last session, it did not give the Treasury the facilities for furnishing small notes to the banks for use in the fall business. There was, therefore, a temporary deficiency. But the banks in the West and South are now full of these notes. The fall business is over, and there will be no urgent demand for a large portion of these notes again until the fall season of 1891. The silver certificates are rapidly being returned to the large banks in the cities.

"When National bank notes are returned in excess, they can be sent to the Treasury for redemption, where they are redeemable in legal-tender notes, and these notes can be converted into large certificates, which can be held by the banks in the large cities for Clearing House purposes, or they can be returned to the Treasury and be redeemed in gold. But the silver certificates, which are being returned in large amounts, have but one outlet, and that is by the return of the certificates to the Government in the payment of its dues. The paper circulation of the country is abundantly sufficient, and if not sufficient, the addition of \$60,000,000 in the bill already passed during the last session of Congress will supply every possible deficiency.

"It is now proposed by Senator Stewart, before the effect of the act of the last session is known, providing an addition of \$60,000,000 of silver certificates, to authorize the conversion of all the silver bullion which may be presented at the mints into paper currency!

"The issue of a large amount of additional silver certificates now, after the fall business is over, and the produce of the country delivered at the home and foreign market, may be compared to the purchase by a large railroad corporation of thousands of freight cars for the movement of freight after the principal freight business of the year is over. The cars would be of no use whatever; they would be worse than useless, for they would obstruct the business of the road. They must be placed upon side tracks and await the revival of trade or the growth of business, or sold to other corporations at a considerable loss both of interest and of principal. The freight car is a medium of transportation, the currency a medium of exchange. The wealth of the country consists not in its coin and currency, but in its great resources—its houses and lands, its railroads, its fences, and other improvements; in the grain and cotton and wool and hay and rice and cattle; in its ores and lumber and coal; in its immense amounts of raw material and manufactured goods, which are the result of the industry of millions of people.

"The freight car and the currency are nothing but the machinery—the tools—for moving the freight and developing the business of the country; and it is as foolish to invest large amounts of capital in silver that we do not want, as for a railroad company to manufacture a hundred thousand freight cars to move the produce of the country when one-tenth of the number would be more than sufficient for the purpose. It is as culpable for a great nation as for a corporation to purchase a commodity it does not need.

"The country had an excellent and economical circulating medium before the purchase of silver in such large amounts was commenced. It does not need any additional legislation for this purpose. The silver hereafter produced should be sold in the world's market for gold, or exchanged for some other product which we need even more than gold.

"He who advocates the gold standard is the true bimetalist, for he is earnestly in favor of using as much silver as can be used, and maintain gold payments.

"He who advocates free coinage is the true monometalist, for free coinage of silver will drive the gold, except that held as a reserve by the

banks, entirely out of use, substituting temporarily loan certificates and other paper issues for money in place thereof, until finally our standard of value shall become the same as the standard of China, Japan and India, instead of that of the advanced nations of Europe."

After discussing briefly the proposition of Mr. St. John, which was in favor of free coinage, coupled with the issue of Treasury notes based on forty per cent. of reserve, composed of equal parts of gold and silver coin and bullion, Mr. Knox said :

"Two months ago it was believed by many that it would be desirable to increase the paper currency of the country. The financial crisis is over. We have now to deal with its results. The currency is being withdrawn from its hiding places; it is returning from the West and from the South, and the vaults of the banks during the next few months will hold too much, rather than too little paper money. What the country needs most of all at the present time is rest. It needs to recover from the financial shock. The discussion of the currency question tends not to revive, but to impede and unsettle business. Capital is timid, and many persons believe that free coinage will bring gold to a premium. Even if they are mistaken, the result will be the same. If free coinage is imminent, gold will be withdrawn from use and hoarded, and every dollar withdrawn has a bad effect. If Congress would dismiss from its consideration the subject of the currency the country would be relieved.

"The Chamber of Commerce believe in the best money, the world's money. It has no prejudice against gold; it has no prejudice against silver. A ten-dollar gold piece contains 258 grains of gold. If ten of these pieces are melted into a bar of gold, that bar of gold will buy \$100 worth of goods the world over. But if 100 silver dollars are melted into silver bars they will purchase in China and Japan and India, countries upon the silver standard, only about \$80 worth of goods. The purchasing power of the gold is as great without the stamp of the Government, without the legal-tender quality, as with it. Silver coin not redeemable in gold has a purchasing power only equal to its intrinsic worth.

"The merchants comprising the Chamber of Commerce have business dealings directly or indirectly with every nation of the globe. They are as generous, as charitable as any body of business men anywhere. But the Chamber of Commerce is not a charitable or eleemosynary institution. It is not a missionary society. It is not a speculative institution. It is not organized to try new experiments in finance on a large scale for the benefit of this country or for the benefit of other countries. It is a business association of merchants. Its object is to encourage trade, to extend commerce, to make this city more and more the financial and commercial center of North America.

"In order to do this the merchants of this city must continue to do business upon the basis of the best money. The records of this Chamber show that from the beginning to the present time for a hundred and twenty years it has pursued but one course, it has had but one opinion upon the subject of the true standard for money. I feel certain that now, when no legislation upon this subject is needed, the Chamber of Commerce will again record its vote, as it has always been recorded, in favor of a gold standard, and in favor of the report which has been made by its Finance Committee.

"This Chamber has from the beginning shown itself to be a careful and judicious body in the consideration of all questions of finance. I know of no financial measure it has ever recommended to Congress of which it should be ashamed.

"If the Congress of the United States shall insist upon legislation contrary to the experience of all other nations; if it shall insist upon trying a great monetary experiment for the benefit of the human race, without concurrence of even one other great nation—not even of France—let Congress alone take the responsibility; let it do so without the indorsement of this Chamber."

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### THE WORKING OF THE AMERICAN SILVER LAW IN INDIA.

The London *Financial Times* of December says: It was quite a new experience for the India Council on Wednesday to find that it had out-run its market. Since the American silver boom commenced, council bills and telegraphic transfers have been much easier of sale than they used to be. Not only were higher prices bid for them, but the biddings were larger and business was much more easily transacted. But Wednesday gave a sudden check to that smooth and pleasant flow of events. The council offered its usual thirty lakhs, and only nine lakhs were bid for. A paltry 8,000 l. was tendered for on Calcutta, 20,000 l. on Madras, and 50,000 l. on Bombay. Whatever the cause may have been of such poor bidding, it is a singular incident, and quite out of harmony with what was supposed to be the strong tendency of the silver market. Silver had risen twopence an ounce in the preceding few days, and all the Indian Exchanges were quoted higher. Active competition for council bills would have been the natural sequel to these events, and the marked absence of it was a startling surprise. But it only furnished another proof how utterly abnormal the course of the silver market and of silver securities has become since they were taken in hand by the American silver boomers. There is nothing but surprises to be looked for in such a campaign, and not a single day knows what the next may bring forth.

The American Silver law has created almost as paradoxical a position in India as in the United States. It has upset the usual course of events and made everything happen, as it were, by contraries. The outflow of exports has been checked by the fall in sterling prices in relation to the silver prices in which the exporter has to make his purchases. What he used to pay ten rupees for in India he could well afford to sell at a pound in London when the pound was equivalent to fourteen rupees, but when, through the advance in silver, it only realizes twelve rupees, he must either buy proportionally cheaper in India or cease to export. Sterling prices having risen little, if anything, the other alternative has had to be accepted, and exports from India have been greatly curtailed. On the same principle, working the other way about, Indian imports have also suffered through the sudden confusion in which the currency of the country was plunged a few months ago. Shippers of Lancashire cotton had to ask more rupees for it in Calcutta or Bombay when the pound sterling became convertible into only twelve instead of fourteen rupees.

India trade was cut at both ends by the silver boom, and its disastrous effects are just beginning to be realized. The new Silver law came into operation about the middle of August, and the India Board of Trade returns for September show how rapid was its paralyzing effect. The exports fell off by seventy lakhs as compared with the same month of 1889, and were only twenty-two lakhs above the very poor September

of 1888. Every staple product of the country suffered in the general restriction. Cotton shipments fell from fifty-six to thirty lakhs, wheat from forty to twenty-seven lakhs, tea from ninety-one to seventy-one lakhs—and China tea had a proportionately much heavier drop—seeds from seventy-eight to sixty-one lakhs, and so on all through the list, with hardly a single exception. Shippers at Bombay and Calcutta could not afford to pay the old prices to the native producers, when these meant so much more in sterling. The native producers may, in the end, have to submit to what political economists glibly talk of as a readjustment of values; but meanwhile, they sit still or look about for new markets.

The import list exhibits similar reaction, complicated, however, with a peculiar exception. While manufactured imports have invariably been checked, a sharp increase is to be observed in the influx of the precious metals. While the total shows a nominal gain of five lakhs for the month—540 against 535 lakhs—if we deduct the 177 lakhs excess on silver, that is turned into a loss of 172 lakhs on merchandise. Evidently, India has been taking a hand in the silver boom on her own account, and very naturally so. The acute Parsees and Mahometans of Bombay and Calcutta could foresee as quickly as any European or American speculator what the effect of the July law was going to be, for a time at least. They plunged *con amore* into the silver gamble, and bought the white metal for a rise. They scoured the Old World and the New for it, buying largely in every silver market. From the United Kingdom they got ninety-three lakhs, from Austria twenty-nine lakhs, from the Straits forty-one lakhs, and from China seventy-one lakhs. Though this silver buying fever was hottest in September, it had begun long before.

All through the current financial year, dating from the 1st April last, the precious metals have been pouring into India, until now everybody—banks, traders and private capitalists—is glutted with money. It is almost unlendable at two per cent. per annum, or not much more than one-fourth of what used to be the standard rate of discount. The imports of the six months from 1st April to 30th September indicate a movement entirely outside of the usual course of trade, as may be seen below :

	1888. Lakhs.	1889. Lakhs.	1890. Lakhs.	Increase, 1890 over 1888. Lakhs.
Gold.....	94	246	292	198
Silver.....	472	499	845	373
Total.....	566	745	1,137	571

Since April last, India has been absorbing the precious metals at double its usual rate at the same season of the year. In the six months it imported fully three times as much gold as in the same six months of 1888. Its absorption of silver in the same period was nearly eighty per cent. greater than it had been either in 1888 or 1889. *Prima facie*, this was not a genuine trade movement, for the balance of trade in favor of India might easily have been settled by council drafts, without any importation of specie at all. During the current financial year over 1,350 lakhs of bills and telegraphic transfers have been sold, which is at the rate of thirty-seven lakhs per week. The amount realized in sterling is nearly 10,300,000 l., fully as much as was got in the same period of last year for over 1,500 lakhs. The council has still to draw an average of thirty-eight lakhs per week for the rest of the financial year, reckoning the average exchange at 1s. 6½d per rupee.

In the light of facts like these it is difficult to account either for the strength of Indian Exchange or for the active demand for silver to ship to India. With a greatly reduced export business, and a large supply of council bills, the natural tendency should be entirely the other way. The current debts of this country to India are smaller than usual, and the money they have to be paid in goes farther than it used to do; nevertheless, speculators in silver would have us believe that there is more silver needed to pay those reduced debts. The rupee has since the 1st of April averaged 1s. 6.33d. sterling, as compared with 1s. 4.31d. last year, but more of these dearer rupees are supposed to be needed to perform less work.

There are anomalies and paradoxes in this Indian exchange business of the present day which quiet people had better be on their guard against. The gold and silver which is being shipped in such quantities to Bombay and Calcutta is not, as we have shown, wanted for trade purposes. It is going into the banks or being hoarded up the country. This will, perhaps, go on until money becomes a drug in India, and then the useless accumulation may be let loose again. We are, perhaps, on the eve of unexpected events in the far East.

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### THE SENATE SILVER BILL.

The text of the Silver bill as it passed the Senate is as follows:

An act to provide for the free coinage of gold and silver bullion, and for other purposes.

SECTION 1. That from and after the date of the passage of this act the unit of value in the United States shall be the dollar, and the same may be coined of 412½ grains of standard silver, or of 25 and 8-10 grains of standard gold; and the said coins shall be legal tender for all debts—public and private. That hereafter any owner of silver or gold bullion may deposit the same at any mint of the United States to be formed into standard dollars or bars for his benefit, and without charge; but it shall be lawful to refuse any deposit of less value than \$100, or any bullion so base as to be unsuitable for the operations of the mint.

SEC. 2. That the provision of Section 3 of "An act to authorize the coinage of the standard silver dollar, and to restore its legal-tender character," which became a law February 28, 1878, is hereby made applicable to the coinage in this act provided for.

SEC. 3. That the certificates provided for in the second section of this act shall be of denominations of not less than \$1 nor more than \$100, and such certificates shall be redeemable in coin of standard value. A sufficient sum to carry out the provisions of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated. So much of the act of July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes and for other purposes" as requires the purchase of 4,500,000 ounces of silver bullion per month, be and the same is hereby repealed.

SEC. 4. That the certificates provided for in this act and all silver and gold certificates already issued shall be receivable for all taxes and dues to the United States of every description, and shall be a legal tender for the payment of all debts, public and private.

SEC. 5. The owners of bullion deposited for coinage shall have the option to receive coin or its equivalent in the certificate provided for in this act, and such bullion shall be subsequently coined.

## REPORTS OF THE BANK COMMISSIONERS FOR SEVERAL STATES.

### NEW HAMPSHIRE.

The board of Bank Commissioners have issued their annual report of the institutions under their supervision, which include one State bank, seventy-two savings banks, three banks authorized to do a general banking business, seven trust companies, ten building and loan associations under the act of 1887, and one building and loan association under a special charter. Six new savings banks have been organized since the last report, three having been chartered as savings banks proper and three as savings banks authorized to do a general banking business. Three new trust companies have been organized under charters granted by the Legislature of 1889, making a total of nine additional savings banks and trust companies since the last report.

The total number of banks, trust companies and building and loan associations in the State is ninety-five, a second building and loan association having been recently organized in this city, too late, however, for examination by the Commissioners. The aggregate deposits of the seventy-two savings banks, September 30, 1890, were \$65,727,019.04, an increase since the last report of \$8,426,428.57, the largest increase ever made in a corresponding period in the history of the savings banks of New Hampshire. In addition, the savings banks doing a general banking business, and the trust companies, showed on that date, \$1,045,208.66 of savings deposits, giving a total of \$66,772,227.70 savings deposits in the savings banks and trust companies of the State.

If the increase continues in the same ratio there will be, April 1, 1891, in the savings banks and trust companies, savings deposits, subject to taxation, to the amount of \$70,000,000. The guaranty fund was \$3,791,339.34; the surplus and interest were \$2,379,469.30 and the total accumulations, \$71,916,491.52. The total number of depositors was 159,782, and the average to each depositor was \$411.35. If the deposits of the savings banks were equally divided among the population of the State, the division would give to each individual \$175 in round numbers. The average last year to each depositor was \$395.12, and to each inhabitant, \$161.40.

As the classification of their securities by the savings banks is not uniform, a comparative table is made from the examination papers of the Commissioners, which show an increase in deposits of \$5,394,425.72; guaranty fund, \$503,608.42; surplus and increase, \$207,956.80; total liabilities, \$5,991,064.32; Western farm loans, \$1,508,552.79; Western city loans, \$1,111,905.90; local real estate, \$650,004; personal security (local), \$550,855.71; personal security (Western), \$602,959.44; collateral security (local), \$151,727.88; collateral security (Western), \$468.85; miscellaneous bonds and stocks, \$1,486,257.20; bank stock, \$214,606.38; manufacturing stocks, \$34,272.50; real estate purchased for the banks, \$24,562.46; cash on hand and on deposit, \$117,250.85; total resources, \$5,991,064.32. Decrease—Miscellaneous indebtedness, \$114,926.62; United States and State bonds, \$3,090.15; county, city, town and district bonds, \$166,519.49; railroad bonds, \$196,707; railroad stock, \$30,797.40; miscellaneous investments, \$38,957.69; real estate by foreclosure, \$26,287.71.

The accumulations of the savings banks are invested as follows: In New Hampshire, \$20,172,027.38; in New England, \$21,998,213.71; out of



New England, \$46,720,549.78. Of the amount invested out of New England, \$25,855,954.65 is in Western loans and \$20,864,595.13 is in the United States, State, county, city, town, district, railroad and miscellaneous bonds and in railroad, bank, manufacturing and miscellaneous stocks. The aggregate amount of home loans—real estate, personal and collateral—is \$15,882,717.81, an increase since the last report of \$1,352,587.59, or a little over 9 per cent. The increase in Western loans—real estate, personal and collateral—is \$3,223,886.97, or a little over 14 per cent. The last report showed an increase in home loans of 10 per cent., and in Western loans of 4 per cent.

The Commissioners recommend that the law in relation to the dividends of savings banks be amended so that savings banks shall not pay their depositors interest at a greater rate than four per cent. annually, but may divide any surplus beyond their guaranty fund that may have accrued every two years, and shall do so every five years; provided, however, that no savings bank shall divide any of its surplus until its guaranty fund is full, or while it is carrying any of its securities at a premium on its books.

#### NEW YORK.

In his annual report, Superintendent Preston of the Banking Department says that fifteen new banks have been authorized to do business during the year, with a capitalization of \$1,085,000. Five of these, with a capital of \$600,000, are located in New York City, the other ten being located in different parts of the State. One of the fifteen, the Mechanics' Bank of Lockport, was converted from the National system.

At the close of the last fiscal year there were in existence 160 State banks, four individual bankers, and thirty-two trust companies. The resources and liabilities of the banks of the State, on the morning of Sept. 27, 1890, the date on which the last quarterly statement was made, show: Total resources, \$254,068,296; increase in the year, \$8,904,408. Total liabilities, \$254,068,296; increase in the year, \$8,904,408.

There has been no decrease in the capital of any bank during the year.

Four banks have closed during the year, and one of the closed banks reopened and is now doing business, namely, the Lenox Hill.

Three new trust companies have been organized during the year—two in New York City and one in Binghamton, N. Y., with an aggregate capital of \$1,900,000. The condition of the trust companies on July 1, 1890, as appears from their reports, was: Total resources, \$293,427,787.05; increase in the year, \$23,910,431.11; total liabilities, \$293,427,787.05; increase in the year, \$23,272,112.29.

The aggregate capital of the seventeen safe deposit companies on Oct. 1, 1890, was \$3,033,900.

The Superintendent suggests that there be a thorough revision of the entire banking laws, and calls special attention to the following points:

“First—The responsibility of stockholders for the debts of the corporations should be to an amount equal to their shares of stock, in addition to the stock held by them, whether they are banks of issue or not. Under the present law stockholders would be thus liable if the banks were issuing circulation, but since the act of Congress imposing a tax of 10 per cent. upon all State bank circulation, the State banks have ceased to be banks of issue, and, therefore, the stockholders have been relieved from liability beyond the amount of stock held by them. While this is so, it evidently was not the intention of the Legislature to exempt them, and I have no doubt that if this additional liability under the present condition of things was imposed, greater care would be

exercised in the management of banks, and fewer failures would be the result.

"Second—A vacancy in the board of directors should not be filled by the directors, but by the stockholders; for, inasmuch as directors are first elected by the stockholders, the same authority which constitutes them in the first instance should have the naming of their successors.

"Third—The experience of the past year has convinced me that State banks should be compelled to keep a money reserve always on hand and available.

"While common prudence and a sense of duty to the affairs of others on the part of the officers of the bank should be sufficient to cause them to keep a liberal reserve on hand in case of sudden need, yet I have found that this duty is not always observed as it should be, and that ruin and disaster have followed in one notable instance recently, by reason of the lack of such care; and inasmuch as the zeal for gain is stronger than the desire for conservatism in some cases, it seems to me that a legal enactment should regulate this matter. While it perhaps is not strictly necessary that the State banks should keep as large a money reserve as the National banks are required to keep, I am of the opinion that for banks doing business in cities of over 500,000 inhabitants, 20 per cent. of its deposits would not be too large a reserve, and for cities and places of less than 500,000, and more than 50,000, 15 per cent. would be reasonable, and in places of less than 50,000 probably 10 per cent. would be sufficient. Although I do not undertake to say that this grading of the percentage should be done precisely upon these lines, I offer it as a suggestion for the consideration of your body.

"Fourth—Legislation is desirable to distinguish with greater particularity the difference between individual bankers and private bankers. Individual bankers are those who have voluntarily placed themselves under the supervision of the Banking Department, and are subject to its requirements, while private bankers are under no supervision whatever."

#### CONNECTICUT.

The State Bank Commissioners have submitted their annual report. There has been no increase in the number of savings banks which is eighty-six. October 1 the deposits amounted to \$116,406,675.39, an increase of \$6,035,713.09. The increase in surplus is \$375,856.32. The assets are \$123,432,832.24. There are 305,863 depositors; an increase of 10,967. Of the loans there is \$46,860,898.17 placed on real estate, \$25,900,966.24 invested in bonds and \$23,646,830.41 in railroad stocks and bonds. The number of depositors having less than \$1,000 is 273,292, an increase of 8,143. There are 147 having over \$10,000. The largest amount due a single depositor is \$101,300.64. The average amount due depositors is \$380.58. The dividends declared during the year were \$4,426,784.94, an increase of \$172,423.59. The office expenses and salaries amounted to \$312,243.76. The largest amount loaned to one individual or corporation was \$250,000.

There are eight State banks, with a capital of \$2,340,000 and a surplus of \$365,000. Their loans and discounts amount to \$4,836,970.45.

There are also eight trust companies doing a banking business with a capital of \$1,036,600. Their loans and discounts are \$2,664,848.88, stocks, bonds and mortgages, \$1,402,113.08; surplus, \$179,581.

There are ten investment companies, with a paid-up capital of \$4,116,170, and debenture bonds \$8,098,730.99. The number of investment companies of other States authorized to transact business in the State was fifty-five. Several companies have, since November 1, made appli-

cations for authority to transact business in the State. The 55 companies report capital of \$19,171,261.70, and liability for debenture bonds outstanding is \$41,470,327.84. The repeated failure of crops in some sections, and the suspension or withdrawal of many loan companies, have to some extent checked the reckless demand for loans bearing a rate of interest.

#### MINNESOTA.

The report of the Public Examiner gives in detail the result of the work accomplished in his department: "Under the provisions of an act passed by the last Legislature, a large amount of work has been entailed upon the Bank Examiner in connection with the building and loan associations. I doubt very much the desirability of placing the various loan and building societies under State management, unless the laws under which they are organized and regulated are uniform and more strict. It is an impossibility for State officers to properly look after institutions formed upon a business basis so insecure and be officially responsible to those who invest their savings. Many of the associations guarantee profits that are not obtainable if ordinary business methods are pursued, and proper care exercised in the way of prudent investments and economy in management. Building societies, founded upon right principles and conducted upon a safe and prudent basis, have proved remunerative investments, and in many instances have been of advantage to the community, but institutions organized for the purpose of providing large salaries for officers and directors, and conducted upon plans utterly foreign to well-known commercial rules, result in final disaster and loss to unsuspecting stockholders. If the State is to assume the guardianship of institutions of this kind, let the law be so amended as to give the fullest opportunity to protect the public by means of ordinary safeguards. The work entailed upon this department is increasing so rapidly that some means must be devised to defray the expense of further clerical help. In order to meet this additional sum it would be well to collect of every bank, trust company or building and loan association a fee commensurate with the capital invested, to be paid into the State treasury. Quite an amount would be thus obtained to defray the expense of maintaining the office of the Examiner."

#### MICHIGAN.

The annual report of Hon. T. C. Sherwood, Commissioner of Banking, is a very interesting document. It shows that there are now 107 State banks in Michigan, with total assets of \$56,648,415. This is an increase of \$17,684,998 in two years. Of the above number 67 are savings banks with deposits amounting to \$27,779,136 distributed among 124,664 depositors.

During the past year 15 banks, with an aggregate capital of \$917,000, have been authorized by the Commissioner to organize and commence business. Six of the latter institutions were formerly National banks which surrendered their charters and reorganized under the State law.

But one State bank has gone out of business during the year, and this one consolidated with another bank doing business at the same place, experience having demonstrated that the village was not large enough to support both.

The Commissioner commends the present banking law in general, but suggests that it be amended so that time certificates of deposit shall be classed as savings deposits and demand certificates as commercial deposits; and also that banks with a capital of \$15,000 be permitted to organize in places the population of which does not exceed 1,000.

The operations and functions of private banks and building and loan associations is very exhaustively and intelligently discussed by the Commissioner, who concludes his report by recommending to the Legislature the passage of some measure calculated to control the business of these institutions. This recommendation will doubtless result in the adoption of an amendment to the banking law placing all such banks and associations under the supervision of the Commissioner of Banking.

#### MAINE.

The savings banks of the State, as shown by the able and interesting report of the Bank Examiner, are in a prosperous condition. The total deposits amount to \$47,781,166.90. This is an increase of \$3,804,081.81 over the amount at the close of the year 1889. The total number of depositors is 140,521, a gain from last year of 8,329. The total amount of State tax paid in 1890 was \$323,549.98, an increase of \$27,738.38 over 1889. The total amount of municipal taxes paid in 1890 was \$13,517.13. The Bank Examiner finds that, as a rule, a wise and conservative policy prevails in the management of our savings banks. Owing to the condition of the market that has prevailed during the past few years, the temptation has been very strong to secure greater returns, at the risk of safety. This temptation cannot be too strongly guarded against. No part of the securities of our savings banks should be of an uncertain or speculative character. The deposits intrusted to these banks represent the accumulations that have grown out of the industry and enterprise of the State, and should be watched over with jealous care.

#### NEBRASKA.

The *Omaha Bee* says that "there are several very encouraging features of the statistics concerning State and private banks in Nebraska reported by the Auditor's Department.

"The figures show that during the period between July 1 and October 18, 1890, 65 of these institutions were discontinued, and 52 new ones were organized, the total now in operation being 513. Both facts are hopeful. The discontinuance of a considerable number of small banks shows that the weaker institutions are being gradually weeded out, and that a number of capitalists who were tempted into this field by reason of the high rates of interest that prevailed have taken their rate-shaving apparatus elsewhere. There was a time when this class of petty bankers were multiplying very rapidly and fattening upon the necessities of the people. The fact that the same opportunities for satisfying their greed do not now exist is creditable to the State. On the other hand, the fact that nearly as many new banks have been organized in the same period demonstrates that there is still capital in the State to meet legitimate demands, and that it has confidence in the value of Nebraska loans. That this is the true significance of the matter other portions of the report amply prove.

"Since June 30, 1890, the resources of the State and private banks have increased \$1,126,083.27. This fact strikingly demonstrates their prosperity and solidity as a whole. This alone would not be evidence that the business interests of the State have been correspondingly prosperous, because the banker sometimes makes money out of the misfortunes of the public. But the item of deposits throws a strong light on this side of the subject. On June 30 the total deposits in these banks was \$14,579,151.50. On October 18 this item had grown to \$17,513,696.97—an increase of \$2,934,545.47. While a year of good crops would doubtless have made the sum much larger than it was, the figures are still on the right side of the ledger, and furnish ground for congratulation."

## RHODE ISLAND.

From the report of State Auditor Bucklin we extract the following: Statements were received from eight State banks, 38 institutions for savings, and six trust companies.

The capital of the eight State banks has been reduced from \$1,766,-685 to \$1,049,602.

The loans of the institutions for savings on mortgages of real estate in other States amount to \$5,780,395.17, an increase over last year of \$31,695,65. Total number of depositors, November 18, 1890, was 131,652, an increase since last report was rendered of 3,754. Total amount of deposits \$63,719,491.57, an increase during the year of \$3,239,783.92.

During the last few years a large number of organizations doing business as loan, security, savings, investment, trust, co-operative, building associations, etc., of other States have been operating in Rhode Island, and the number of these organizations is constantly increasing. The method adopted by many of them, and the large number of solicitors, render it necessary that the General Assembly should enact a law governing companies of this description, that this department should have jurisdiction over organizations of this kind, and the right to admit and examine companies desirous of doing business in the State. A law requiring these companies to be registered at this office, and an annual statement of the business done in Rhode Island, would, in my opinion, be beneficial, and increase the revenue by the payment of a tax upon business done in the State, equivalent to the same amount as paid by local savings and investment companies.

The large amount invested in Western securities by our State institutions, viz.: \$5,780,395.17, and without doubt an equal amount contributed through organizations doing business, that make no report, gives cause for some alarm; so much capital invested out of the State for the slightly increased percentage that a glittering prospectus offers, with a probable shrinkage that is liable to occur at any time, would, in my opinion, affect the credit of institutions making such investments.

There are 38 institutions for savings in this State having 131,652 depositors, of whom 16,599 have \$500 and under \$1,000 on deposit, and 18,934 \$1,000 and upwards. The average amount deposited is \$483.99, while the largest amount due any depositor is \$169,148.21. Of these institutions 31 have declared dividends during the last six months, with an average of 3 1-31 per cent.

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PROPOSED STATE BANK LEGISLATION.

## MISSOURI.

The Governor of Missouri, in his message to the Legislature, remarks:

"It is an occasion for frequent remark that there are no savings banks in Missouri. In many other States less populous, and not so wealthy, there are institutions of this character which have a deposit of millions of dollars of the frugal poor. Several movements have been started looking toward the establishment of savings banks in Missouri in order that people of small means might be afforded opportunity to provide for misfortune, and that the improvident might be led to form habits of economy. In every instance, however, the effort has failed, and the cause assigned was the imperfection or inadequacy of the laws of the State governing such depositories. I desire to call your attention to

the subject, and hope you will amend the present law so as to encourage the founding of such beneficial institutions."

A bill has been introduced into the Legislature on the subject. The first five sections of the bill provide the means by which savings and safe deposit institutions may become incorporated, which provisions are those of manufacturing and business companies, except as to statement of purposes. Public interest in the measure will begin at Section 6, which provides that "corporations may be created under this act for the purpose of receiving, for accumulation and safe keeping, any deposits of money, from any persons, corporation or society, and investing, holding and repaying the same, crediting and paying interest thereon, as in this act authorized and provided, and not otherwise. And also, at its option, in connection therewith, for the purpose of taking and receiving, as bailee for safe keeping and storage only, jewelry, plate, money, specie bullion, stocks, bonds, securities and valuable papers of any kind and other valuables, and guaranteeing their safety upon such terms and for such compensation as may be agreed upon, and to let out vaults, safes and other receptacles for the uses, purposes and benefits of such corporations."

All sums so received, except those held as bailee for safe keeping and storage only, and the income derived therefrom, and all moneys entrusted to any such corporation, shall be invested only in bonds or interest-bearing notes or obligations of the United States, or those for which the faith of the United States is pledged for the payment of the interest and principal; in bonds of this State bearing interest, or in other ways as specified.

Then follow provisions for the purchase and holding of real estate, the method of application for loans and granting them; the non-payment of directors, their meetings, etc. Section 11 prescribes the amount of deposits such institutions may receive according to their capital. The sections providing for the carrying on of the business are very full and carefully drawn, the interest of the depositors being rigidly guarded. Each corporation shall, on or before November 1, file with the Secretary of State a report of its condition on September 1. Provision is made for any bank, trust or safe deposit company, organized under the laws of this State, whose capital is fully paid up and unimpaired, to accept the provisions of this act. It shall be unlawful for any institution to advertise as or receive funds as a savings bank, except those created under this act. Regulations are made for the payment of dividends, the division of profits, etc.

#### ILLINOIS.

It is proposed that the Legislature be urged to pass the mutual savings act of 1887, providing for the establishment of mutual savings institutions under State supervision and control, which will be empowered to deal in the bonds of Chicago and the other cities of Illinois.

The law provided for the creation of a new State officer to be known as the "superintendent of banks," whose duty it shall be to examine into the condition of all the savings institutions. The expenses of the office, including salaries and everything else, are to be paid not by the State, but by the banks. The savings institutions are to be conducted by the trustees, who are not to be salaried. The assets of the banks must be made up of United States bonds, the bonds of certain States, the bonds of counties and cities in Illinois only, mortgages, certain mortgage bonds, the stocks of certain railroads and real estate under certain conditions. The banks are to have no capital stock, but must maintain a surplus to a fixed amount.

## MASSACHUSETTS.

The report of the treasurer and receiver-general, transmitted to the Legislature yesterday, states that the total amount of the regular funded debt, December 31, 1890, was \$25,011,158.30, against \$25,521,287.85 a year ago. After a discussion of the various sinking funds, he says: The matter of trust deposits in the Treasury under the recent legislation has become of great importance. These deposits, required of certain insurance companies, beneficiary corporations, endowment associations and foreign co-operative banks, aggregated December 31, 1889, \$759,456.13, and December 31 1890, \$3,094,464.88. This adds not only a very heavy responsibility to the Treasury, but the vast amount of detail involved in the constant changes, the furnishing of certificates of deposits, the collection of income on the securities deposited with almost innumerable inquiries from persons all over the country as to these deposits and the organizations making them, is an almost intolerable burden when added to the regular work of the office, in the case of the legitimate financial business of the State. These deposits are rapidly increasing month by month, and will continue so to do as long as the organizations are allowed to exist and do business. It is therefore recommended that the treasurer be given authority to appoint a competent clerk, to be known as the trust fund clerk, at an adequate salary, to have the charge of these deposits under the treasurer, and that the expense incident thereto be assessed upon an equitable basis upon the several organizations making these deposits.

## DEPOSIT OF FORGED CHECK.

SUPREME COURT OF PENNSYLVANIA.

*Rapp, et al v. National Security Bank.*

A depositor brought to his bank a check which the cashier, simply from its amount, and not from any appearance of fraud, advised him not to take, as it might be raised, but said it could be deposited for collection, and, if it was not returned, they would suppose it all right. It was left and credited to the depositor, who, two days later, without making further inquiry, completed the sale in which it was offered in payment. The bank's correspondent credited it with the check, but about a month later it was returned by the bank on which it was drawn as being raised, and the correspondent charged it up to the depositor's bank, which charged it to the depositor. *Held*, That the depositor could not recover the amount of the bank on the ground of negligence or because of the credit to his account.

PAXSON, C. J.—This was a suit against the defendant bank to recover an alleged balance of \$900. There was no dispute that they would have been entitled to this balance but for the reason that a raised check, which they had deposited for collection, and for which they had received credit, had been charged back to them. The facts in regard to this check are substantially as follows: The plaintiffs are dealers in furniture. On the 12th of August, 1885, a stranger, introducing himself as L. H. Martin, called at their place of business to buy furniture. He selected goods to the amount of \$146, and offered in payment a check on a New York bank for \$900, and requested to be paid the difference, \$754, in cash. The check was marked "Good," and there was nothing upon its face to show any irregularity. Before accepting it, Jesse Rapp, Sr., a member of the firm, called at defendant bank, in which they kept an account, and submitted the check to Mr. Cox, the cashier. Mr. Cox said to him: "Mr. Rapp, if I were you, from the experience I have had in these matters, I would not touch this check. These men who are going about

with raised checks are doing this very thing—passing altered checks on innocent people, buying a small lot of goods, and getting a large amount of money in exchange.” I said to him: “I do not know that the check is good or not, or that it is properly certified; but if I were in your case I would not take the check or have anything to do with them, unless you know the parties with whom you are dealing.” He said to me: “I don’t know them. They are strangers. They are there to buy the goods, and I would like to sell the goods.” “Well,” he said, “what can you do, Mr. Cox?” I said: “The only thing that I can do in the matter that I know of, if you just leave this check for collection, I will send it to New York to-day with the rest of the checks. If the check is kept, not forged, and not returned, then we will suppose that it is all right. That is all we can do. If you want to leave this check for collection, take it out to the discount and collection clerk, and give it to him.” This is the material part of Mr. Cox’s testimony. I have given it somewhat at length, as it is the only evidence of what took place at this interview. Mr. Rapp was deceased at the time of the trial, and we need not speculate as to what he would have testified to if living. In the absence of any conflict of testimony, we must assume the facts to be as detailed by Mr. Cox. His advice to Mr. Rapp was just what any prudent cashier, fit for his position, would have given. This interview occurred on 12th August, 1885. Before Mr. Rapp left the bank he deposited the check in question for collection. He did not have his bank-book with him, and, of course, the check could not be entered therein. It came to the bank on the 12th, when the check was entered as cash. The bank forwarded it to the First National Bank of New York for collection, which bank received it, and credited the defendant bank with the amount. Nothing more was heard of it until September 12th, when the New York bank notified the defendant bank by wire and letter that the check in question had been altered from \$7.75 to \$900. The First National Bank of New York refunded the money to the Merchants’ National Bank, which had paid it, and charged the same to the defendant bank. The latter, on September 14th, charged the check to Rapp & Sons, who had deposited it, and at the same time notified them thereof. On the 14th of August, the second day after they had deposited the check, Rapp & Sons closed the transaction with Martin, and paid him the difference between the check and the bill. They did not wait to hear from the check, nor do they appear to have called at the bank at any time to inquire about it, until they received the notice of its dishonor. Reuben P. Rapp, one of the plaintiffs, testified: “I never made any inquiry at the bank until after that day they notified us that the check was bad, and then brother and I went down.” The plaintiffs claim to recover against the bank, for three reasons, viz.: (1) The bank was negligent. (2) The loss to plaintiffs occurred after they had been credited with the amount of the check. (3) The defendant bank was a volunteer in reimbursing the New York bank. These propositions can be readily disposed of. The defendant bank assumed no duty, and was chargeable with no duty, except that of forwarding the check for collection in the usual manner. There was nothing upon the face of the check to indicate that it had been forged or raised. The mere possibility of such a thing was suggested by the cashier, not from any indications upon its face, but from the proposed transaction between Martin and Rapp & Sons. The latter were warned that it was the practice of those who altered checks to buy a small bill, and get a large amount of money in return. The signature to the check being admittedly genuine, and the raising of it so skilfully done as to avoid detection, it was promptly paid when presented to the



Merchants' National Bank, upon which it was drawn. In such case the fraud would only be detected when the bank came to settle the account of the depositor who drew the check. This might involve a delay of weeks. When the check was called to the attention of Edward L. Lewis, who drew it, the forgery was at once detected, and the check was promptly started on its way back to Rapp & Sons, by the same channel it had been forwarded. We see no evidence of delay or negligence in this branch of the case, and it needs no argument to show that each bank or person who received the money or a credit for this check was bound to restore it when the fraud was discovered. This is the general rule, and we need not discuss it at length, as the court below was not asked for instruction as to the effect of the payment of the check by the Merchants' National Bank, and its right to reimbursement therefor.

The proposition that the loss to the plaintiffs occurred after they had been credited with the check, and by reason thereof, cannot be sustained. Checks deposited for collection in city banks are entered as cash unless there is some reason to distrust the depositor. There was no such reason in this case, and the evidence shows that the check would have been entered as cash on August 12th, when it was deposited, but for the reason that Mr. Rapp had not his bank-book with him. It was so entered on the 14th of August, when the book came to the bank. It has never been supposed that, when a bank credits a depositor with the amount of a check left for collection, it may not be charged back to him in case it turns out to be worthless. Such a rule would occasion much inconvenience to banks, and much more to their customers. Upon a careful review of the case, we fail to find any evidence of negligence on the part of the defendant bank. If there was negligence on the part of any one, it was that of the plaintiffs themselves in dealing in the manner they did with an entire stranger, after warning to have nothing to do with him. In their eagerness to make a sale, they overlooked the risk; and, without waiting until assured of the genuineness of the check, they sold the goods, and advanced a large amount of money besides. Fortunately, the goods were recovered, but the money is gone, unless they can make innocent parties pay it. I have not referred to the conversation between Jesse V. H. Rapp and Mr. Cox, as testified to by the former, for the reason that I do not regard it as bearing upon the case. Mr. Rapp was not present at the conversation between his father and Mr. Cox at the time the check was deposited, and had no knowledge of what occurred at that time except from hearsay. His version of the transaction, so derived, was flatly denied by Mr. Cox. I have not discussed *Clews v. Bank*, 89 N. Y. 418; *Espy v. Bank*, 18 Wall. 619; *National Bank v. National, etc., Banking Association*, 55 N. Y. 215; and *National Park Bank v. Seaboard Bank*, 114 N. Y. 33, 20 N. E. Rep. 632—for the reason that I do not think they apply to the facts of this case as developed by the testimony. If it had been shown that the defendant bank had misled the plaintiffs, and that the latter had acted upon the faith of it, to their injury, we would have had a different case before us. It is true the cause was argued upon that theory, but the facts are not so. The plaintiffs had no right to be misled by the mere credit of the check as cash. They made no inquiry at the bank after depositing the check until it was dishonored, but sold the goods, and cashed the balance of the check, not only without due caution, but in the face of warning not to do so. Under such circumstances, they cannot throw their loss upon the bank. We are of opinion that the court below committed no error in refusing to charge as requested by the plaintiffs' first and second points. Judgment affirmed.

## BANKING AND FINANCIAL ITEMS.

## GENERAL.

**WHO HAVE SOLD U. S. BONDS.**—A correspondent of the *N. Y. Daily Commercial Bulletin* has received the following information from a Treasury official concerning the sources from which they have come, covering the period between July 19 and December 31, 1890 :

Purchased from—	
National banks...	\$17,426,850
Dealers.....	46,433,400
Trust companies, savings banks, insurance companies, &c....	10,730,950
Individuals.....	15,626,850
	<hr/>
	\$90,218,050

**STATE CHECKS.**—A check should be banked with a reasonable diligence after it comes into the receiver's hands. Business men are sometimes very careless about this matter, and suffer loss by the failure of the party on whose account the check is drawn. A Maine firm recently lost \$1,000 by holding a check one day. If they had banked it on the day they received it, they would have been all right. Not long ago a check came to the Norway National Bank, of Maine, which had been out ten years. The signer had long since gone out of business and closed his account with the bank. His attention was called to the check, and notwithstanding that he was not legally holden for its payment, as it had become outlawed, he passed out twenty dollars and took it up.—*Lewiston Journal*.

**YOUTHFUL CASHIERS.**—A correspondent of the Worcester (Mass.) *Spy* having stated that Mr. Holmes, of Natick, was the youngest man ever elected cashier of a bank in that State, another correspondent remarks that Mr. Frank A. Drury was elected cashier of the Spencer National Bank, April 1st, 1889. He was born July 12th, 1868. Consequently he was 20 years 8 months and 20 days old when he was elected and commenced his duties. N. G. Hollister, cashier of the National Bank of Commerce, of Hutchinson, Kan., is only 21 years old.

**LONDON BANKS.**—The joint stock banking system of Great Britain is represented by 121 parent establishments and 3,286 branches. The aggregate assets amount to \$3,361,826,846. The chief offices of thirty colonial banks are in the United Kingdom. They have 1,753 branches, and assets of \$1,299,036,000. There are eighteen foreign banks, largely organized with British money, with offices in London, having 102 branches, and assets of \$663,634,500.

**LIEBER'S TELEGRAPHIC CIPHER**, compiled by Mr. B. Franklin Lieber, of New York, is highly endorsed by the bankers and brokers throughout the United States and Europe. It is the most complete work of its kind yet brought to our notice. The list of subscribers published bi-monthly in Lieber's Manual adds much to the usefulness of the code.

WE are in receipt of Vick's Floral Guide for 1891. It is the Pioneer Seed Catalogue of America, and contains complete list of Seeds, Vegetables, Flowers, Bulbs, and Small Fruits with descriptions and prices and many new and elegant illustrations. All bank presidents, cashiers, directors and their employes should have this Catalogue.

## EASTERN STATES.

**GUILFORD, ME.**—The business men of Guilford are taking steps toward establishing a National bank.

**CONCORD, N. H.**—Plans have been made for the fitting up of apartments in the Statesman building for the First National Bank and Union Guaranty Savings Bank.

**CONCORD, N. H.**—Among the directors of the National State Capital Bank of

Concord, are James S. Norris, who has served twenty-eight years, Lyman D. Stevens, twenty-five years and Lewis Downing, Jr., twenty-four years. Mr. Downing has also served as president thirteen years

BOSTON, MASS.—“Good cheer” and “New Year” are made to rhyme by the poets, but it would take but very little persuasion to make the famous “bank squad” of the Boston police force, Inspectors Houghton, Skelton and Watts believe that there is considerably more than a mere rhyme in it, for the “good cheer” of the “New Year” came to them in a purse of \$2,000—the gift of the banks, bankers, brokers and trust companies of Boston, as a testimonial of their appreciation of the fidelity of these officers.

BOSTON.—The Old Colony Trust Co have moved into other quarters in the new Ames building. The Boston *Gazette* says: “Entering the great corridor, you step upon its tiled floor, and cast the eyes upward over the magnificent stairway of solid Italian marble, just twenty-one feet in width, while above, the arched walls are after the design of an English mosaic pattern in the same chiseled stone. In the lesser corridor leading to the Old Colony’s apartments a glow of coloring heightens the red tones of the solid mahogany reredos that separate the public from the employes. One looks about for the yule log, with its flickering light, but finds instead a mass of coals blazing in an old English fireplace. Everything is upon the most luxuriant scale, solid mahogany being brought into play as if it were but an ordinary product of the Northern forests. The offices of T. Jefferson Coolidge, Jr., president, and C. S. Tuckerman, treasurer, reach the acme of comfort, if mahogany, Derby desks, Brussels carpeting and easy chairs can be considered factors of that aggregate. The first floor is reserved for banking purposes, while the basement is set apart for storage. Brass screens apportion off the quarters for the paying and receiving tellers and bookkeepers. The building is heated by steam, which regulates itself by the process of the National Electric Service Company, a thermometer indicating the exact pressure, while the cold air box permits of instantaneous cooling off. Clothes presses for employes, electric bells, telephone and telegraphic conveniences, all contribute to active work. Each drawer and closet is fitted with Yale locks, and no key unlocks the other. The Irving & Casson patent slides are used. It is safe to assume that men may feel every security in placing under the care of the gentlemen comprising the Old Colony Trust Company their costly goods and chattels.”

BOSTON.—A Boston bank is protecting itself against the possible effects of the free coinage of silver by inserting the condition in all its notes and mortgages, that they must be paid in gold coin or its equivalent. It is recalled that the Massachusetts Legislature, in 1878, when the greenback foolishness was current, passed an act that all Massachusetts State obligations should be paid in gold coin, or its equivalent, and the consequence was that the State’s credit abroad was even better than that of the United States.

The American Loan and Trust Company have taken possession of their elegant and very convenient banking rooms in the new Stock Exchange Building, where they have unsurpassed facilities for the prompt prosecution of their large business, and where they are glad to welcome their friends and customers. This fine company has a capital of \$1,000,000, and a surplus (earnings) of \$350,000.

LAWRENCE, MASS.—The Arlington National Bank has declared a dividend of \$3 per share, payable January 1. The Arlington Bank has been in existence only eight months, and is the first bank in the city to pay a dividend in its first year. The other banks have run along two years or more without dividends. Aside from a steadily increasing business, the Arlington has the good showing to make of charging off some \$4,000 on the premium account, and \$2,000 in the account on fixtures.

WORCESTER, MASS.—The Worcester *Spy* remarks concerning the returns of the savings banks in the city for the year: “Worcester has over 61,000 depositors carrying accounts in its four savings banks to-day, and that the system steadily grows more popular is shown by the increase in the number. Five years ago there were only 50,000, and during the past year alone the increase has been almost 3,000. The exact figures show that at the time of rendering the annual report to the bank commissioner a few days ago, the local banks reported 61,329 depositors with open

accounts, against 58,681 the year before. A careful summary and review of the combined reports shows that all the banks have done a healthy business, the volume of which is considerably increased over that of the preceding year. The four Worcester banks must certainly be credited with economical management. They have cared for \$25,562,775, the amount of the total deposits, at an expense of only \$52,708, which includes rent, salaries, counsel fees, and the thousand other incidentals of banking business. The percentage of operating expenses is surprisingly small. Probably few people realize how many small deposits and small depositors this \$25,000,000 represents. According to the reports made last year, as required by the bank commissioners once in five years, the small depositors vastly outnumber those who have larger sums. One local bank then reported as having on its books 2,649 depositors, whose accounts were \$50 or less, against 118 who had more than \$500 or less than \$1,000, and 170 who had \$1,000 or more. Of the number reported, too, 2,100 were women."

WORCESTER, MASS.—A satisfactory settlement has been made by the People's Savings Bank of Worcester, with the Fidelity Insurance Company of New York concerning the \$10,000 bond of the latter on Frederick Kimball, the absconding teller of the bank. The \$3,000 reward offered by the bank for the capture of Kimball has not yet been paid by the bank, as the two persons who had the most to do in the matter have as yet been unable to come to an agreement.

AMHERST, MASS.—Damon & Co., of Boston, have contracted to put in the vault at the new quarters of the First National Bank in Hunt's block. The vault will be large and commodious, will contain a number of safe-deposit boxes, will be steel-lined and provided with a time-lock and all modern devices to make it fire and burglar-proof. The rooms which the bank will occupy are to be handsomely fitted up and work will be begun at an early date.

NEWBURYPORT, MASS.—The Massachusetts Loan and Trust Company has doubled its capital, putting it at two millions, and has adopted the personal liability provision, putting the personal responsibility of the stockholders on the same basis as in the case of stockholders of National banks.

NEW YORK CITY CHANGES IN BANK MANAGEMENT.—William Dowd, for seventeen years President of the Bank of North America, sent in his resignation at the annual meeting of the directors of the bank, pleading ill health as a cause for his retirement. The resignation was accepted, but Mr. Dowd was continued on the pay roll at half salary for life. His regular salary was \$9,000. His successor is Warner Van Norden, a wealthy retired business man, who has been a director of the bank for many years. William F. Havemeyer succeeds John J. Donaldson as vice-president. Jacob D. Vermilye, President of the Merchants' Bank, was made a director, in the place of William D. Leonard. The Bank of North America, during the trouble in Wall Street, took out \$1,100,000 in clearing house certificates. But this has all been paid up. Gen. John B. Woodward of Brooklyn, was elected president of the Third National Bank. A number of months ago William Booth for many years president, resigned, and R. M. Galloway, of the Elevated Railway Company, was elected in his place. Mr. Galloway served a month and then retired, as the condition of the bank at the time did not appear to please him. Since then Mr. Booth has been acting president. It was understood from excellent authority that Gen. Woodward only takes the place temporarily. He has been a director in the bank for a number of years. M. Thalmessinger, for a long time president of the Mechanics and Traders' sent in his resignation, saying that ill health demanded his retirement. His place was taken by L. Boskowitz, a rich merchant in the fur business. Other changes occurred in the Seaboard Bank, where Stuart G. Nelson was elected vice-president. He had been cashier. J. F. Thompson, the assistant cashier, becomes cashier. A. S. Apgar was elected vice-president of the Merchants' Exchange National Bank. He has been cashier and is a director of the bank. Theodore Dreier was elected vice-president of the German-American Bank. C. H. Fancher was made president of the Irving National Bank, in place of John L. Jewett, who died a short time ago.

THE COLONIAL BANK OF LONDON has established its own direct agency in New York, in order to meet the requirements of the large and expanding commerce between the West Indies and the United States, in which the bank is heavily interested.

BUFFALO, N. Y.—The Bank of Buffalo has issued its very convenient table of holiday dates for the State of New York, showing when paper maturing on holidays in 1891 is payable.

BUFFALO, N. Y.—The First National Bank has increased its capital from \$50,000 to \$100,000.

BUFFALO, N. Y.—In their annual report the clearing house committee state currency clearings were adopted in September, 1889. Their effect was to immediately increase the amount of currency and specie carried in Buffalo by banks, making the local situation just so much stronger, and the city financially more independent and better prepared to meet such emergencies, either local or National, as might present themselves. The official statements of clearing house banks taken September 7, 1889, before currency clearings were fairly under way, show the total amount of specie and currency carried by the banks to be \$1,190,000, and in September, 1890, a year later, the amount is \$1,647,000 an increase of \$457,000; the percentage of increase being over 38 per cent. Your committee, under instruction of the meeting of January 22, 1890, prepared clearing house loan certificates similar to those in use by the New York Clearing House; and the Association was in position at any time during the late extreme condition of the money market to take advantage of this method of temporary relief; but fortunately, and to the credit of banking conditions in this city, it was at no time necessary. The statements of Sept. 27, 1890, show the clearing house banks to have had on hand a reserve of \$6,046,576, being  $24\frac{2}{3}$  per cent. of the deposits, and on Dec. 20, 1890, after a period of nearly three months of continuous pressure, the reserve of the associated banks showed a total of \$5,781,797, or  $26\frac{3}{4}$  per cent. of deposits. This percentage of reserve is a good one for an interior city like our own, which is not in any sense a money center, and may be attributed in part to establishment of settlements by currency, necessitating the keeping on hand of a larger amount of actual cash reserve, and so swelling the total reserve footings. The effect of all this has been to give the banks greater freedom in caring for their regular customers during a very trying period, with the result that in Buffalo there was no real distress at any time, and no failures among business men caused by the inability of the banks to take care of them."

ROCKVILLE CENTRE, N. Y.—The certificate of association of the Bank of Rockville Centre, which is formed to do a discount and a deposit business in Rockville Centre, Queens County, has been filed in the State Banking Department. The capital of the bank is fixed at \$25,000. Among the subscribers to the capital stock are Robert A. Davison, Samuel F. Phillips, John T. Davison, and Austin Jayne, of Rockville Centre; Oliver Davison, of East Rockaway; Van Wyck Hewlett, of Woodsburg; John J. Campbell, of Cedarhurst; Austin Cornwell, of Oceanville, and George W. Smith, of Hempstead.

TICONDEROGA, N. Y.—The Comptroller of the Currency has authorized the First National Bank of Ticonderoga, N. Y., to begin business with a capital of \$50,000.

AUBURN, N. Y.—Miss Emily Howland, who has been elected a director of the First National Bank of Auburn, N. Y., is probably the first woman to hold such a position in America. She is a woman of wealth and great intelligence, has traveled extensively, and has always managed her own business affairs.

DANVILLE, N. Y.—The Merchants and Farmers' National Bank has opened for business. D. O. Batterson is cashier and teller, and Ray Cheney is bookkeeper. The bank opens with bright prospects, and there is every indication that it will do a successful business.

JAMAICA, L. I.—The remarkable success achieved by the Bank of Jamaica since its establishment, a year and a half ago, must be a source of rare gratification to the president of the institution, Mr. F. W. Dunton, Cashier William L. Wood and its board of directors, as it certainly is to every citizen who has the welfare and progress of the town and village at heart. The quarterly report just issued speaks volumes for the bank's excellent management.—*Brooklyn Times*.

PITTSBURGH, PA.—Very few clerks in the Pittsburgh banks go out to dinner or lunch at midday now. It is not that they are emulating Succi or practicing

economy. They eat their noon meal within the precincts of the bank. The custom of serving the meal in the bank building has long been the custom in certain Old World banks—notably at Childs' Bank and Coutts' in London—and it found favor in certain Eastern houses as long as a quarter of a century ago. The banks in Pittsburgh have been falling into line in this regard steadily during the past five years, and now, I believe, nearly all the banks here serve their employes with a midday repast—usually exceedingly good. The saving in time and money which the retention of the clerks within the bank all through the business day effects is said to be quite considerable. Several manufacturing concerns have adopted the same plan.—*Pittsburgh Dispatch*.

PITTSBURGH, PA.—According to Bank Examiner Sheppard, Pittsburgh's National banks stand away out of sight in comparison with other cities that claim anything like an equality in population. Since the establishment of the National banks in 1863-64, Pittsburgh has undergone a remarkable improvement, as the statistics will show. From a very meager beginning the number of banks of this character has increased to twenty-seven. During all this time there has not been a single failure. Amid all the storms and tempests that have assailed these institutions they have stood with colors flying. Mr. Sheppard, when questioned on the point, said there was not a city in the country of the same size with as good a record. Through thick and thin the National banks had maintained their integrity, to the honor and the credit of the men behind them, and the future looked decidedly encouraging. For that matter, he said that all the banks were in good condition and he regarded this as a compliment to the conservative methods of local financiers, who, while having plenty of money, knew when and where to use it.—*Pittsburgh Times*.

WILKESBARRE, PA.—The People's Bank, Luzerne County, will build a handsome edifice during the coming year. Several Philadelphia architects have submitted designs in competition.

CARLISLE, PA.—The new bank, the Merchants' National, is now open for business.

LOCK HAVEN, PA.—The Lock Haven Trust and Safe Deposit Company, with \$250,000 capital, has commenced business. The officers are: President, H. T. Harvey; secretary and treasurer, Thomas K. Mann; assistant secretary and treasurer, George W. Brown.

LEBANON, PA.—The Lebanon *Daily News*, in reviewing the banking institutions of that city says with respect to the Lebanon National Bank that it is the oldest, "having been organized under the laws of the State of Pennsylvania in 1831, and was for almost a quarter of a century the only bank between Harrisburg, the capital of the State, and Reading. It was incorporated a National bank in 1864, and in 1884, upon the expiration of its first charter, was re-chartered for twenty years longer. It has a capital of \$200,000, a surplus of \$100,000, and an undivided profit fund of thousands more. Its standing, stability and reputation grew with each succeeding year, and in 1884 a building—the one it now occupies—was erected for its special use, which in its material strength, symmetry and safety is typical of the moral strength and financial standing of its owners and management."

The Lebanon Trust and Safe Deposit Bank "was first organized under the State laws, as the Lebanon Dime Savings Bank, on March 14th, 1871, with a capital stock of \$25,000; and later secured a special charter for bank, trust and safe deposit business. Its capital stock was increased to \$50,000 some time after, and this increase was made entirely from the profits of the institution during the few previous years. The surplus fund now amounts to more than \$15,000 and rumor has it that it will be but a short time until this surplus fund will form a portion of the \$100,000 to which the capital stock will be increased."

The Valley National Bank was organized "as a State Bank in 1857, and originally known as the Lebanon Valley Bank. Its career has been one of unbroken success, and it has been second to none in the State as to the elements of solidity and unvarying prosperity that have attended its financial life. In 1864, after a career of seven years as a State institution, the bank became National in its character, and again in 1884, its chartered privileges having expired under the National Currency Act, they were extended twenty years longer, or until 1904. The capital

of this bank is \$100,000, the surplus fund has reached \$100,000, and the undivided profits amounted to about \$17,000 on December 1st of this year. The confidence reposed in its management is abundantly evidenced by the number of its patrons and the amount of their deposits, the fact being that its deposits are almost \$500,000—the largest in the entire Lebanon Valley—and constantly on the increase."

The People's Bank, the youngest in the city, first opened its doors for business in conformity with a charter from the State, on April 10, 1888, with a capital of \$50,000 and at once took high rank among the fiduciary institutions of the State. It was soon found that the capital was not large enough to accommodate the demands made upon the bank, and on May 1, 1890, the capital was increased to \$100,000, being readily taken at ten per cent. premium. The business of the bank has increased very much since that time, and an idea of the hold it has already gained on the public may be inferred from the fact that the daily deposits average more than \$100,000.

The First National Bank grew out of a partnership, formed in 1856, of which George Dawson Coleman, Simon Cameron, James Young, George Smuller, Levi Kline and Augustus Boyd were partners. At that time there was but a single bank in the town and charters were granted with reluctance, as by special act of Assembly. After some years they procured a charter and were known as the Lebanon Deposit Bank. Immediately after the passage of the "National Banking Act" they applied for the privileges and rights granted thereby, and came within its provisions. It was numbered 240, being the two hundred and fortieth in the United States to accept the National Bank Act, and has since that date—1863—been "doing business at the old stand." Pursuing the even tenor of its way, attending strictly to business, the First National Bank has ever been careful to accommodate its customers and provide for such contingencies as the financial situation of the times may create. With a surplus fund equaling its capital, and an excellent line of depositors, it stands in the forefront of thoroughly reliable banking institutions.

#### WESTERN STATES.

ST. JOSEPH, MO.—The Frederick avenue office of the Schuster-Hax National Bank is ready for business, with Mr. Julius Rosenblatt manager. This new departure on the part of the Schuster-Hax Bank will prove a great convenience to the Frederick avenue and up-town business men, and that it is appreciated by them is shown by the fine line of business with which the new bank opens. The stockholders and directors of the Frederick avenue bank are a guarantee of its character, and that it will rank from the first among the leading financial institutions of the city.—*Gazette*.

BISMARCK, N. D.—Quite a number of private bankers in this State have incorporated within a few days, to escape the penalty which is provided by the law passed last winter. A heavy fine attaches to any banker not incorporated who receives deposits after January 1, 1891. The private bankers tested the constitutionality of the law in the District and Supreme Courts, and were beaten. A few still hold out and have organized to secure the repeal of the bill. Friends of the law, after a careful canvass of the Legislature, say that the law will be sustained. They claim that its principal provisions are to secure the safety of depositors and compel the equal payment of bank taxes. All banks are subject to examination by the public examiner. Members of the Illinois Legislature have written here for a copy of the law. It is claimed that under the North Dakota law such a failure as that of Banker Kean in Chicago would be impossible.

DUBUQUE, IOWA.—The statement of the Iowa Trust and Savings Bank shows deposits of \$500,000 an increase of \$50,000 in three months. This is a most excellent showing, but it merely supplements the prosperity this institution has enjoyed ever since its establishment. The increase of the capital stock from \$100,000 to \$200,000 is a move made necessary by the increasing volume of business. This state of affairs, while exceedingly flattering to the bank, inspires the confidence of the community.—*Telegraph*.

LAKE PARK, IOWA.—A State bank has been organized at Lake Park with a capital of \$25,000, and with John W. Cravens, president and M. D. Green, cashier.

PUEBLO, COL.—On the 2d of January the Pueblo National Bank opened for business in the Board of Trade building. The capital stock is \$250,000, all paid up, and the bank is officered as follows: Andrew McClelland, president; A. E. Graham, vice-president; George W. Robinson, cashier, and N. D. Hinsdale, assistant cashier. The directors are: A. McClelland, James L. Lombard, R. W. Woodbury, W. W. Strait, B. F. Baldwin, H. J. Fitch, T. A. Sloane, J. J. Thomas, J. J. Stanchfield, J. C. Elwell, A. E. Graham, N. S. Walpole and George W. Robinson.

DENVER, COL.—Of the People's National Bank building, which has just been completed, the *Denver Times* says: "It is a magnificent structure, which for metropolitan beauty, massive strength, convenience of arrangement and modern equipment, has no superior in the West. This building, which is justly the pride of all Denver, was built and is owned by the People's National Bank, an association whose brief history is quite in keeping with the structure itself. Chartered but one year ago last August, its growth and stability has been no less a cause for wonder and congratulation than the erection of the splendid building. It now transacts the banking business of over one thousand firms and individuals, and the reports of the clearing house show that it is fast climbing towards an equality in the amount of business transacted, with its most prominent older rivals. Its entire history demonstrates a strong, energetic and aggressive management. Its capital stock, fully paid in, is \$600,000, with an actual earned surplus and undivided profits of \$61,000. Under the same management and in the same building is the People's Savings Bank, organized a little over two years ago, and the second institution of the kind in the State. During its brief existence it has opened 6,618 purely savings accounts, and now has an average of half a million dollars on deposit. In interest it has paid on deposits the sum of \$23,465.45. The officers of both institutions are: President, M. J. Lawrence; vice-president, C. A. Raymond; cashier, J. C. Mitchell.

TRINIDAD, COLO.—The contract for the new First National Bank Building has been let to Morrison Brothers, of Pueblo. The building will be five stories in height, of stone, and, when completed, the handsomest building in the city.

STEAMBOAT SPRINGS, COLO.—Mr. F. A. Metcalf, second, has purchased the interest owned by Mr. Perry A. Burgess in the banking house of Milner & Co. Mr. Burgess will still continue his loan and real estate business with Mr. C. B. Jones as a partner.

PROVO CITY, UTAH.—The new building on the corner of H and Center street, which is now nearing completion, has been rented to the National Bank of Commerce.

TOLEDO.—The question is often asked why Toledo has no clearing house. Other cities much smaller and with a smaller banking capital have established clearing houses, and business of the banks is conducted on rules which are mutually agreed upon. Rates of exchange and for making collections are determined, and the relations between the banks are thus made more cordial and beneficial. Here in Toledo it is a sort of everyday go-as-you-please affair. Each bank has its own ideas regarding exchange, and conducts all its business independently of all the others. Clearings are made in an office which Spitzer & Co. furnish free of cost, and here the bank clerks meet every afternoon and strike their balances. But this method is very crude and very unsatisfactory. It is a sort of acknowledgment that a clearing house is needed, and all the transactions pertaining to one are conducted on a Cheap John basis. No report of the proceedings is published, and Toledo is practically unknown to the banking world.—*Toledo Commercial*.

HAMILTON, OHIO.—Charles E. Heiser, the cashier of the Second National Bank, has been presented with a handsome gold watch and chain by the directors. Each of the other employees of the bank received a Christmas present of \$20 in gold.—*Hamilton Democrat*.

EVANSVILLE, IND.—Upon the 1st of December, 1870, the German National Bank of Mt. Vernon, N. Y., was organized, and upon the 24th day of the same month it received its charter from the Government. By a special Act of Congress the directors of the Mt. Vernon bank were permitted to transfer the bank from that town to the city of Evansville, which was accomplished upon January 11, 1873.



At the expiration of the charter of the German National Bank, upon the 24th of December, 1890, the bank went into liquidation. It was decided to reorganize under the State law, which was immediately done, and from now the German National Bank is no more, but will be known henceforth as the German Bank. Its officers are John A. Reitz, president; Phillip C. Decker, vice-president, and Henry L. Cook, cashier. The capital of the old bank was \$250,000, so that the new bank starts out with an increased capital of \$150,000, making a total of \$400,000. *The Courier* predicts that the German Bank will not only enjoy the prosperity of its ancestor, the old National, but will flourish and prosper until it is recognized as one of the most prominent and reliable monetary institutions of this vast continent.—*Evansville Courier*.

NORTH VERNON, IND.—A new State bank has been organized at North Vernon, with \$30,000 capital. J. B. McMillan is president, and J. C. Cope, cashier.

ATHENS, IND.—A banker of Terra Haute, Ind., contemplates starting a bank at Athens, to be a State or National bank.

CHICAGO.—The Globe Savings Bank has introduced into Chicago the Nickel Savings System, which had its origin in Germany.

MINNEAPOLIS, MINN.—On the 2d of January the banks made their semi-annual dividends, except in a few cases, in which they will be made later. These are as follows:

	<i>Per Cent.</i>		<i>Per Cent.</i>
Metropolitan .....	4	City .....	3½
First National .....	4	Citizens .....	3
Northwestern .....	4	National Bank of Commerce .....	3
Security .....	4	Farmers & Merchants .....	3
Commercial .....	4	Flour City .....	3
Franklin State .....	4	Union National .....	2
German American .....	4		

The Nicollet National Bank declared no dividend, but passed it to the surplus account. The City Bank passed 2 per cent. to the surplus, in addition to the dividend. The Metropolitan makes a splendid showing for the last three months, the profits being at a rate in excess of 17 per cent. for the year. This is one of the young banks, and with others of its class uniformly declares the highest dividend.—*Minneapolis Journal*.

NEW BRIGHTON, MINN.—B. J. Kelsey has resigned as cashier of the Twin City National Bank, and is succeeded by W. N. Carroll, its former president. Mr. Kelsey is connected with a bank at Aurora, S. D., and will devote his attention to that institution, unless he decides to engage in another banking enterprise at the stock yards.

ST. PAUL, MINN.—The St. Paul National Bank, alive to the spirit of progress, and desiring to locate in the business center, negotiated for the spacious banking room, on the corner of the Manhattan block, and contracted for it before it was known to the public that the building was to be erected. We are assured that every convenience for the public is being provided for, and at an early day will be published a description in detail of a banking office that will be a credit both to this city and the bank named for it.—*Pioneer Press*.

DULUTH, MINN.—The new bank to be reorganized to take the place of the Bell & Eyster Bank, will be called the Commercial National Bank, and has made application to Washington to start with a capital of \$400,000, all of which is now pledged and will be paid in before the doors are opened.

ST. PAUL, MINN.—The Ramsey County Savings Bank has introduced the nickel savings stamp system which was described in the December number of the magazine. Although but a few months old, the Ramsey County Savings Bank is firmly established and already doing good business, as is shown by the fact that the deposits for the first four months of its business reached the sum of \$30,000. The main object of the nickel saving system is to place the bank in contact with a class of investors not easily reached by any other means. To this end agencies will be established in every district of the city, so that wherever you may live you will find an agent in your neighborhood.

RACINE, WIS.—The Chicago *Inter-Ocean* contains the following account of the banking institutions of Racine: In March, 1871, about seventy-five of the leading merchants and manufacturers of Racine organized the Manufacturers' National Bank, with a capital of \$250,000. It was founded more especially for the convenience of the manufacturers of Racine, and has the largest capital of any bank in the State, outside of Milwaukee. The Hon. J. I. Chase was elected president; Henry J. Ullman, vice-president, and Byron B. Northrop, cashier. The officers of the bank have been annually re-elected, thus continuing the bank under the same management to the present time. The business shows a steady increase from the time of its foundation, and the bank now has a surplus of \$100,000 and \$1,000,000 of loans.

The First National Bank of Racine has long been connected with the history of the city. It was first organized in 1854, under the State law, as the Racine County Bank. In 1864 it was changed to a National bank, with a capital of \$100,000, and has continued a prosperous career to the present time, as is shown by its surplus of \$95,000. The officers are: Nicholas D. Fratt, president; E. O. Hand, vice-president; H. B. Monroe, cashier. While the bank has always been ready to assist in every legitimate movement to aid in developing the wonderful resources of Racine, it has yet pursued a wise and conservative course, and has thereby been saved from any material losses. It has grown with the growth of Racine, and is recognized as one of its most substantial institutions.

The Union National Bank was organized in 1881, with a paid-up capital of \$150,000. Electing a board of directors from among the substantial business men of the city, it has steadily increased its business, and now has a surplus of \$50,000. The officers of the bank are: O. R. Johnson, president; H. E. Smieding, vice-president; E. C. Deane, cashier. It transacts a general banking business, and at its present rate of progress promises to become one of the strongest financial institutions of the country.

SOUTH OMAHA, NEB.—The new bank building of the South Omaha Stock Yards Company is rapidly nearing completion. The building is 45x67 feet in dimensions, two stories high. It is being built of pressed brick with stone trimmings. The first floor will be used by the officers of the Stock Yards Company, and the second floor by the Union Stock Yards Bank. A bridge or viaduct will connect this building with the exchange building. The interior is to be finished in hard wood with tile flooring.

LINCOLN, NEB.—The Holstein Bank has been incorporated with a paid-up capital of \$5,000, divided in shares of \$100 each. The bank is owned by McAuley Bros., of Holstein, and is doing a thriving business in the young village.

BANKING LEGISLATION IN KANSAS.—A bill has been submitted to the Legislature, providing for the organization and incorporation of banks with a capital stock of not less than \$10,000, 50 per cent. of which shall be paid in when business is begun. These banks are prohibited from loaning money on real estate or from engaging in trade or commerce. The bill imposes heavy penalties for receiving deposits when the bank is in an insolvent condition, provides for a safe cash reserve to be always kept on hand, prohibits the declaring of dividends when the capital has become impaired, and provides for the dissolution of the association by the district court, upon the demand of the owners of two-thirds of the capital stock. The bill also provides for the appointment of a bank commissioner, by whom examinations of all State banks shall be made at least once each year, and to whom all such banks shall report at least four times each year, and oftener if required; and that all fees received by him for examining banks, filing reports, etc., shall be paid into the State Treasury.

LAWRENCE, KANSAS.—The *Lawrence Journal* remarks that "foremost among the various financial institutions of Lawrence is the Merchants' National Bank. The bank was organized and began business on November 16, 1886, and in the four years of its existence has declared four per cent. semi-annual dividends and has a surplus of \$18,000, showing a solid and substantial growth. As the cashier is virtually the manager of the bank, it is essential that he be a popular man. This qualification is possessed by Col. Jamison, he being acknowledged the most popular bank cashier in Lawrence."

KANSAS CITY, KANSAS.—The stockholders of the Husted Investment Company, at a special meeting in Kansas City, Kansas, December 27th, 1890, voted to increase its capital stock from \$500,000 to \$1,000,000. The company was incorporated in 1888 under the laws of the State of Kansas, succeeding to the extensive real estate business established a decade ago by Mr. James D. Husted, and to that of the large mortgage and loan business carried on by the Fidelity Investment Company, of which Mr. Husted was president and founder. The present company's capital was \$500,000; \$300,000 was fully paid and shortly increased to \$350,000. Upon this a dividend of five per cent. has been paid in cash each six months since, and a handsome surplus accumulated in addition thereto. Its headquarters and the center of its business operations are in Kansas City, Kansas (on the Missouri and Kaw rivers, adjacent to Kansas City, Mo.), which the recent U. S. census shows to be by nearly one-third the foremost city in the State, having made a gain of over 308 per cent. in population in the past ten years, and acquiring within that period more inhabitants than any other in the State possesses. No city in the West has made more rapid strides during the past four years, both in its own development and in fixing its identity in the minds of the people, than Kansas City, Kansas. It is exclusively the seat of the immense live-stock and packing interests that have become famous as being in magnitude next to those of Chicago, the foremost in the world. "Without doubt," says the *Kansas City Journal*, "there has never been a more auspicious time for broadening the foundations of such an institution, situated as this one is, already solidly established in the leading and much the largest city in its State, thoroughly familiar with its field, and possessing an equipment and acquaintance rarely excelled. No other one house has done so much to promote the growth and good name of the prosperous city where it is located, and now that its promoters have embarked in an effort to still further enhance its usefulness to our community, they should have hearty encouragement from the business men and capitalists from both Kansas Citys, as they no doubt will. Mr. James D. Husted, the company's president, is known to all in this region as a man of wonderful energy, judgment and resource, and his official associates are gentlemen peculiarly fitted to fill the station occupied by each in the management of the large interests under their control, and make them, as a whole, vastly profitable. The company's wide circle of acquaintances throughout the country will unanimously congratulate it on this timely and aggressive new departure, and wish it deserved success in its widened field of usefulness."

KANSAS CITY, MO.—The Missouri National Bank has begun business with a half million dollars capital, at its quarters in the New York Life building. The officers are: D. V. Kieger, president; C. E. Barnhart, cashier, and R. D. Covington, assistant cashier. The directors are: Frank H. Kump, Peter Soden, Henry C. Kumpf and Seth S. Serat. The Dollar Savings Bank has also opened in its new quarters on the Delaware street floor of the Heist building.

#### SOUTHERN STATES.

SOUTHERN BANKS.—The *Louisville Courier-Journal* says: The year has brought a material increase in the number of banks in the South, and in the increase of facilities for exchange in the interior towns and cities. The banking capital of the South is to-day estimated at \$171,690,671, or 86 per cent. more than it was in 1880. The increase in the amount of capital invested in business enterprises other than banks in the South since 1880 is estimated at \$2,339,170,000.

LURAY, W. VA.—The town of Luray will have a National bank with a capital stock of \$150,000.—*Norfolk Virginian*.

MEMPHIS, TENN.—The *Avalanche* says: Savings banks have multiplied in Memphis within the past two years, and there are few cities in America, of the size of Memphis, having so many. This argues that the wage workers of the city are promptly and well paid, and that they are disposed to live economically. We know of nothing that speaks so forcibly of the prosperity of the people and the thrift of the community as the number of savings banks now supported in this city.

NASHVILLE, TENN.—The Bank of Commerce has added a savings department.

HUMBOLDT, TENN.—The following is the first quarterly statement of the Tennessee State Bank. It certainly is a very excellent showing:

RESOURCES.	
Notes discounted.....	\$52,004.64
Loans secured by cotton.....	15,998.51
Cash on hand and in banks.....	54,948.60
Banking house, vault, furniture.....	9,000.00
Expenses and taxes paid.....	719.45
	<hr/>
	\$132,671.20
LIABILITIES.	
Capital stock paid in.....	\$50,000.00
Deposits subject to check.....	76,908.55
Accrued profits.....	2,253.45
Cashier's checks outstanding.....	1,298.10
Bills re-discounted.....	2,211.10
	<hr/>
	\$132,671.20

WILMINGTON, DEL.—The *Wilmington News* thus speaks of the Wilmington Savings Fund Society, against which some angry person recently sought to excite distrust: "It has been in operation for nearly sixty years, and has never failed to meet all its obligations. Its assets are sound and readily negotiable—that is, quick—and they exceed its liabilities by the large sum of \$269,000. It could pay off every depositor to-day and still have this handsome surplus left. No security for one's savings could be better than this, and instead of any notion of drawing one's money out of such an institution, every sensible and prudent workingman or workingwoman in Wilmington will steadily continue to try to get all the money possible into it in his or her name."

LOUISVILLE, KY.—Among the many changes that have taken place in financial circles, following the opening of the new year, is the assuming full control by the Columbia Finance and Trust Company of their handsome and commodious permanent quarters in the building on the southwest corner of Fifth and Main streets, formerly occupied by the Kentucky National Bank. This new financial institution has obtained the most prominent location in the city, and, with its capital all paid in and its organization unusually complete, bids fair to give its older rivals a lively brush for business.—*Courier-Journal*.

MT. STERLING, KY.—The banks of Mt. Sterling make a good showing, with a total of \$1,014,921.31 individual deposits, December 31, 1890, an increase of \$55,885.54 over the amount on deposit at the close of the year 1889, in spite of the fact that a sum estimated at \$200,000 has been drawn out of the banks of Mt. Sterling during the past year, for investment at Middlesborough, Pineville, Big Stone Gap and other places. One bank reports an increase of \$20,000 in its deposits since January 1, and all the banks have declared a semi-annual dividend of 4 per cent.

RALEIGH, N. C.—The Raleigh Savings Bank makes a very good showing. It has \$120,000 in deposits, and is prosperous in every way.

FORT WORTH, TEXAS.—The banks all make a good showing for the year. Fort Worth's banking capital, not including surplus, has been increased in 1890 by \$1,000,000. The City National Bank directors have declared a semi-annual dividend of 6 per cent. This bank increased its capital during the year. The Merchants' National Bank have declared a semi-annual dividend of \$30,000—6 per cent. of the capital stock, and passed \$77,000 to the surplus fund, making the surplus \$127,000. The Traders' National Bank shows net undivided profits \$34,955.85, of which \$25,000 was carried to surplus account, and \$9,955.85 to undivided profits. Brought forward from 1889 was \$8,187.08. Earning for 1890, after charging off all expenses and past-due paper not collectable, \$26,768.77. The Fort Worth National, First National and Farmers' and Mechanics' National all make fine showings. The Security and Construction Company, the new charter name of the Fort Worth Loan and Construction Company, begins business this year with largely increased capital.—*Gazette*.

SEYMOUR, TEXAS.—The First National Bank, according to the *Sun*, reports deposits growing and business increasing. They contemplate increasing their capital to \$100,000 after they get into their handsome new block.

EAGLE PASS, TEXAS.—The First National Bank of Eagle Pass, Texas, has been authorized by the Comptroller of Currency to do business.

SAN ANTONIO, TEXAS.—The new National bank with a capital of \$250,000, which has been chartered at San Antonio, will commence operation about March 1, 1891. Mr. Charles Hugo, of that city, is president of the new institution.—*Banner*.

#### PACIFIC STATES.

SAN FRANCISCO.—A very flattering testimonial has been presented to Assistant Cashier Byron J. Murray, Jr., by the employes of the California Bank, for his uniform courtesy and consideration to them. His health is not good, and he has a six months leave of absence. We cordially concur in the sentiments of the testimonial, and hope that by the time his leave of absence has expired he will be able to resume his duties with superadded health and vigor. It speaks well for the bank authorities that they have extended this kindness to him. Irving F. Moulton, a very capable gentleman, has been appointed assistant cashier *interim*.—*San Francisco Journal of Commerce*.

SANTA BARBARA, CAL.—The work on the Commercial Bank's new building is now sufficiently in hand to show its massive structure and fine appropriate ornamentation. A large amount of terra cotta trimmings give a finish and richness that will make the building one of the handsomest of its class in the city.—*Independent*.

SEATTLE, WASH.—One of the strongest banking institutions in Seattle is the First National Bank. It was established in 1882, with a capital stock of \$150,000 and power to increase to \$300,000. With each succeeding year since its establishment its business has increased with a steady, healthy growth, until to-day it is many times as large as it was eight years ago. At a recent meeting of the board of directors the surplus fund of the bank was increased by \$75,000 making it now \$125,000. At the head of the affairs of the First National is Mr. J. H. McGraw, Sheriff of King County, while Mr. Lester Turner, as cashier, is in charge of its active workings. The bank in the near future will remove to elegant quarters in its new building now in the course of erection.—*Seattle Intelligencer*.

#### CANADA.

CANADA—INTEREST ON DEPOSITS.—Some comment was aroused in financial circles by the receipt by the managers of certain insurance companies, who are large depositors in our local banks, of letters inquiring why they could not secure better terms than  $3\frac{1}{2}$  per cent. on deposits, when the very identical banks in which their money was deposited were giving 4 per cent. compounded at their country agencies. They were further instructed that if they could not secure four per cent. or better in this city they had better remit their spare funds to headquarters at once. The managers in question at once laid the matter before the banks, with the result that, sooner than lose these deposits, the latter at once consented to pay 4 per cent. The difference in the rate offered at the head offices of the banks, and at the branches, is explained by the fact that in country towns they have to meet the competition of the loan companies, whereas in Montreal they have still a monopoly of deposits. This is the reason that, up to recently, money in western towns has been apparently worth from a half to one per cent. more to the same banks than it is in Montreal.—*Canadian Journal of Commerce*.

MONTREAL.—The Bank of Montreal has recently added a savings bank department to a number of its branches throughout the Dominion. The following is a complete list of the branches now in operation: Almonte, Belleville, Brantford, Brockville, Chatham, Cornwall, Goderich, Guelph, Hamilton, Kingston, Lindsay, London, Ottawa, Perth, Peterboro, Pictou, Sarnia, Stratford, St. Mary's, Toronto, Ont.; Montreal, Montreal West End, Quebec, Que.; Chatham, Moncton, St. John, N. B.; New Westminster, Vancouver, B. C.; Calgary, Alberta; Regina, Assinaboia; Winnipeg, Manitoba; Halifax, Nova Scotia.

NEW WESTMINSTER, B. C.—The Bank of British Columbia have decided to open a savings bank department in connection with their general banking business, and are now prepared to receive deposits of \$1 and upwards, upon which interest

will be allowed at current rates. The current rate paid by the bank is 4 per cent. per annum, which is very liberal indeed on small deposits. Deposits will be received for fixed periods, at interest which may be obtained on application. This new feature in connection with the Bank of British Columbia, which was the first established in Westminster will make the bank more popular than ever with the general public.—*Columbian*.

PRINCE EDWARD ISLAND.—The Farmers' Bank of Rustico, P. E. I., has given notice of application to the next session of the Dominion Parliament to continue its incorporation until the first day of July, 1901. The bank was incorporated by the Legislature of Prince Edward Island in 1863, and in 1883 an act was passed by the Parliament of Canada, continuing the incorporation to the 1st July, 1891.

Sterling exchange has ranged during January at from 4.83½ @ 4.87¾ for bankers' sight, and 4.79½ @ 4.85¾ for 60 days. Paris—Francs, 5.20½ @ 5.17½ for sight, and 5.23¾ @ 5.16¾ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.84¾ @ 4.85; bankers' sterling sight, 4.86¾ @ 4.87; cable transfers, 4.87 @ 4.87½. Paris—Bankers', 60 days, 5.20 @ 5.19¾; sight, 5.18½ @ 5.17½. Antwerp—Commercial, 60 days, 5.23½ @ 5.22½. Reichmarks (4)—bankers', 60 days, 95¼ @ 95¾; sight, 95¼ @ 95¾. Guilders—bankers', 60 days, 40⅞ @ 40 3-16; sight, 40 7-16 @ 40½.

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	Jan. 5.	Jan. 12.	Jan. 19.	Jan. 26.
Discounts.....	8 @ 8½	7 @ 8	7 @ 8	6 @ 7½
Call Loans.....	5 @ 3	4 @ 3	3 @ 2½	2½ @ 2
Treas. balances, coin.....	\$148,588.746	\$149,643,453	\$150,422,880	\$151,001,015
Do. do currency.....	4,012,895	4,803,379	5,535,758	6,541,494

The reports of the New York Clearing-house returns compare as follows:

1891.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.	Surplus.
Jan. 3....	\$385,678,500	\$78,663,200	\$26,571,700	\$386,632,100	\$3,599,900	\$8,576,875
" 10....	383,955,400	81,133,000	29,832,500	390,325,000	3,537,800	13,384,250
" 17....	333,444,800	85,765,100	32,063,100	398,177,500	3,558,600	19,183,825
" 24....	355,557,300	90,162,000	35,295,600	405,471,300	3,562,600	24,089,775
" 31....	389,688,900	90,268,900	36,435,400	411,044,700	3,505,000	23,943,125

The Boston bank statement is as follows:

1901.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.
Jan. 3.....	\$153,716,700	\$10,213,700	\$5,478,100	\$131,443,400	\$3,243,800
" 10.....	155,972,400	9,272,700	5,635,800	133,200,500	3,251,500
" 17.....	154,767,700	9,151,200	5,678,500	132,464,400	3,245,600
" 24.....	155,498,500	9,466,500	5,635,100	131,425,600	3,238,400

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1891.	Loans.	Reserves.	Deposits.	Circulation.
Jan. 3.....	\$96,815,000	\$25,685,000	\$91,956,000	\$2,185,000
" 10.....	96,783,000	25,763,000	92,007,000	2,178,000
" 27.....	97,146,000	26,332,000	91,492,000	2,180,000
" 24.....	96,709,000	26,871,000	91,193,000	2,181,000

**DO YOU WANT TO SELL** your interest in your Bank in whole or part and retire from active work, transferring stock and position to a young banker possessing all the requisites for developing the business to the utmost? If so, correspond with "INVESTOR," care of this office.

## CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from January No., page 562.)

<i>Bank and Place</i>	<i>Elected</i>	<i>In place of</i>
N. Y. CITY... Clinton Bank.....	Augustus C. Bechstein, <i>P.</i>	D. R. Satterlee.
" .. Fourth National Bank ....	Frederick E. Pitkin, <i>V. P.</i>	.....
" .. Garfield National Bank ..	Douglass R. Satterlee, <i>C.</i>	C. B. Outcalt.
" .. Mechanics National Bank..	C. N. Bliss, <i>2d V. P.</i>	.....
" .. Merchants National Bank..	R. W. Poor, <i>Ass't Cas.</i>	.....
" .. National Park Bank....	G. W. Garth, <i>Ass't Cas.</i>	.....
" .. Southern National Bank...	A. S. Appar, <i>V. P.</i>	Wm. H. Thomson.
ARK.... Exchange National Bank,	Arthur Leary, <i>2d V. P.</i>	.....
Little Rock.	Jno. H. Carr, <i>Ass't Cas.</i>	L. R. Bergeron.
COL.... Colorado National Bank,	W. P. Homan, <i>P.</i>	J. H. McCarthy.
Denver.	P. H. Pfeifer, <i>V. P.</i>	J. S. Pollock.
CONN... City National Bank, Bridgeport.	J. S. Pollock, <i>Cas.</i>	A. A. Mandlebaum.
" .. Middlesex Co. N. B., Middleto'n.	G. B. Berger, <i>Cas.</i>	C. B. Berger.*
" .. Second Nat. Bank, Norwich....	J. C. Heinz, <i>Ass't Cas.</i>	G. B. Berger.
D. C.... Columbia N. B., Washington..	Fred. J. Banks, <i>Cas.</i>	T. L. Bartholomew.
" .. Lincoln Nat. Bank, Washington.	W. B. Hubbard, <i>Cas.</i>	Edwin T. Sheldon.
" .. Traders Nat. B'k, Washington.	C. P. Cogswell, <i>P.</i>	E. R. Thompson.
GA.... N. B. of Columbus, Columbus..	A. F. Fox, <i>V. P.</i>	A. T. Britton.
ILL.... First National Bank, Belvidere.	H. B. Davidson, <i>V. P.</i>	.....
" .. Alexander Co. Nat. Bank,	Wm. A. Gordon, <i>V. P.</i>	.....
Cairo.	Wm. Slade, <i>Ass't Cas.</i>	.....
" .. Canton National Bank, Canton.	A. E. Loop, <i>Ass't Cas.</i>	.....
" .. Amer. Exchange N. B., Chicago.	F. J. Kerth, <i>Cas.</i>	Henry Wells.
" .. Commercial Nat. B'k, Chicago.	J. H. Galligan, <i>Ass't Cas.</i>	F. J. Kerth.
" .. Continental Nat. B'k, Chicago..	E. A. Heald, <i>Cas.</i>	C. T. Heald.
" .. Lincoln Nat. Bank, Chicago...	F. L. Hankey, <i>2d A. Cas.</i>	.....
" .. First Nat. Bank, Englewood...	O. W. Potter, <i>V. P.</i>	Henry Field.*
" .. Havana Nat. Bank, Havana...	Isaac N. Perry, <i>2d V. P.</i>	.....
" .. Grundy Co. Nat. B'k, Morris...	H. F. Vehmeyer, <i>V. P.</i>	Z. L. Holbrook.
" .. German-Amer. N. B., Peoria...	E. L. Roberts, <i>V. P.</i>	V. E. Prentice.
" .. Rochester Nat. Bank, Rochester.	G. T. Meyer, <i>V. P.</i>	E. B. Harpham.*
" .. Streator National Bank,	J. W. McKindley, <i>A. Cas.</i>	.....
Streator.	Frank Trefzger, <i>Ass't Cas.</i>	.....
IND.... First Nat. Bank, Knightstown.	M. D. Hathaway, Jr., <i>Cas.</i>	John C. Craft.
" .. New Albany N. B., New Albany.	F. Plumb, <i>P.</i>	M. J. Luther.
IOWA... Union National Bank, Ames...	F. M. Ryon, <i>V. P.</i>	J. C. Ames.
" .. First National Bank,	W. R. Hill, <i>Ass't Cas.</i>	.....
Dubuque.	W. P. Brewer, <i>Ass't Cas.</i>	.....
" .. First National Bank,	Geo. G. Tilden, <i>V. P.</i>	D. A. Bigelow.
Fort Dodge.	C. H. Eighmey, <i>P.</i>	D. N. Cooley.
" .. First Nat. Bank, Marshalltown.	John V. Rider, <i>V. P.</i>	C. H. Eighmey.
" .. First National B'k, Sutherland.	Geo. A. Burden, <i>A. Cas.</i>	.....
" .. First National Bank,	Harry Jones, <i>Cas.</i>	J. W. Campbell.
Tama City.	C. D. Ottoson, <i>Ass't Cas.</i>	C. D. Strow.
KAN... Atchison National Bank,	H. Gerhart, <i>Ass't Cas.</i>	.....
Atchison.	E. E. Brintnall, <i>Ass't Cas.</i>	.....
" .. First National Bank, Beloit....	T. L. Williamson, <i>Cas.</i>	Arthur P. Starr.
" .. First Nat. Bank, Burlingame...	D. E. Goodell, <i>Ass't Cas.</i>	.....
" .. First Nat. Bank, Cherryvale...	M. Barratt, <i>P.</i>	C. J. Drury.
" .. First National Bank,	Norman Barratt, <i>Cas.</i>	Milton Barratt.
Coldwater.	A. D. Moon, <i>V. P.</i>	Alex. Campbell.
" .. First National Bank, Howard...	Wm. P. Deming, <i>P.</i>	C. M. Sheldon.
" .. First National Bank, Kingman.	S. M. Pearson, <i>V. P.</i>	Geo. Elkin.
" .. Merchants National Bank,	H. H. Rich, <i>P.</i>	Edgar Henderson.
Lawrence.	Geo. W. Duncan, <i>V. P.</i>	H. H. Rich.
	J. M. Hughes, <i>Ass't Cas.</i>	W. H. Ingeman.
	R. L. Hanscome, <i>A. Cas.</i>	.....
	A. Monroe, <i>P.</i>	Geo. W. E. Griffith.
	M. Newmark, <i>V. P.</i>	A. Monroe.

\* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
KAN....	McPherson National Bank, { McPherson	Philo S. Mead, <i>V. P.</i> .....	John R. Wright.
" ..	Salina National Bank, { Salina	Elmer Williams, <i>Cas.</i> .....	W. H. Cottingham
" ..	First National Bank, St. John..	W. T. Welch, <i>Cas.</i> .....	F. C. Miller.
" ..	Wichita Nat. Bank, Wichita...	P. D. Lookwood, <i>A. Cas.</i> ..	W. T. Welch.
KY.....	Merchants Nat. B., Louisville..	F. S. Vedder, <i>P.</i> .....	W. B. Thompson.
" ..	Second National Bank, { Louisville.	C. A. Walker, <i>Cas.</i> .....	.....
ME.....	First National Bank, { Lewiston.	J. J. Harbison, <i>V. P.</i> .....	W. G. Anderson.
" ..	Searsport Nat. Bank, Searsport.	Wm. R. Belknap, <i>P.</i> .....	John E. Green.
" ..	Ticonic Nat. Bank, { Waterville.	Clint. C. McClarty, <i>A. C.</i> .....	.....
" ..	.....	J. Y. Scruton, <i>P.</i> .....	J. G. Coburn.
" ..	.....	F. H. Packard, <i>V. P.</i> .....	J. Y. Scruton.
" ..	.....	Chas. E. Adams, <i>A. Cas.</i> .....	.....
" ..	.....	C. K. Mathews, <i>P.</i> .....	.....
" ..	.....	Nat'l Meader, <i>V. P.</i> .....	C. K. Mathews.
MD.....	Citizens Nat. Bank, Baltimore.	W. H. O'Connell, <i>Cas.</i> ....	J. W. Guest.
" ..	Drovers & Merch. N. B., Balt..	Henry Clark, <i>V. P.</i> .....	.....
" ..	Manufacturers N. B., Baltimore.	Chas. W. Dorsey, <i>V. P.</i> ...	.....
MASS...	Hamilton Nat. Bank, Boston...	Rufus F. Greeley, <i>V. P.</i> ...	Edw. A. Strong.
" ..	N. B'k of Commerce, Boston...	N. P. Hollowell, <i>P. (pro tem.)</i>	C. H. Warner.
" ..	Metacomet Nat. B., Fall River...	Chas. B. Cook, <i>Cas.</i> .....	Geo. H. Borden.
" ..	First National Bank, Grafton...	Geo. H. Sprague, <i>Cas.</i> ....	.....
" ..	Hopkinton National Bank, { Hopkinton.	Chas. L. Claffin, <i>P.</i> .....	L. B. Mabry.
" ..	.....	L. B. Mabry, <i>V. P.</i> .....	Sam'l Crooks.
" ..	Lee National Bank, Lee. ....	C. C. Holcombe, <i>V. P.</i> ....	.....
" ..	Mercantile Nat. Bank, Salem...	David Moore, <i>V. P.</i> .....	.....
" ..	Crocker Nat. B., Turners Falls.	W. H. P. Gilmore, <i>A. Cas.</i> .....	.....
MICH...	Kalamazoo N. B., Kalamazoo...	T. Y. Sebring, <i>Cas.</i> .....	T. S. Cobb.
" ..	First National Bank, Marquette...	F. J. Jennison, <i>Ass't Cas.</i>	Peter Rubendall.
" ..	First Nat. Bank, Menominee...	T. E. Hicks, <i>Ass't Cas.</i> ...	Chas. S. Brown.
" ..	Sault Ste Marie Nat. Bank, { Sault Ste Marie.	N. A. Burdick, <i>Ass't Cas.</i>	C. T. Bailey.
" ..	National Bank of Sturgis, { Sturgis.	Wm. Allman, <i>P.</i> .....	N. I. Packard.
" ..	First National Bank, { Three Rivers.	Levant E. White, <i>V. P.</i> ...	Wm. Allman.
" ..	.....	S. A. Walton, <i>V. P.</i> .....	W. J. Willitts.
" ..	.....	Geo. T. Wolf, <i>Ass't Cas.</i> ...	.....
MINN...	First National Bank, { Albert Lea.	August Paulson, <i>Cas.</i> .....	D. W. Dwyer.
" ..	Austin National Bank, Austin...	M. M. Jones, <i>Ass't Cas.</i> ...	August Paulson.
" ..	Citizens National Bank, { Fergus Falls.	J. L. Mitchell, <i>Cas.</i> .....	Henry Birkett.
" ..	.....	J. W. Mason, <i>P.</i> .....	James Compton.
" ..	Capital Bank, St. Paul.....	G. O. Dahl, <i>V. P.</i> .....	.....
" ..	.....	Geo. H. Prince, <i>Cas.</i> .....	Henry S. Johnson.
MISS....	First Nat. Bank, Yazoo City...	W. D. Lawson, <i>V. P.</i> ....	Jno. Lear.
MO.....	Missouri Nat. B'k, Kansas City.	Henry C. Kumpf, <i>V. P.</i> ...	.....
MONT...	Dillon National Bank, { Dillon.	R. J. Moore, <i>Cas.</i> .....	J. B. Crow.
" ..	Stock Growers N. B., Miles City.	T. W. Schenck, <i>Ass't Cas.</i>	R. J. Moore.
NEB....	First National Bank, Humboldt.	H. F. Batchelor, <i>P.</i> .....	Wm. R. Stebbins.
" ..	City National Bank, Kearney...	Frank Suethey, <i>Ass't Cas.</i>	A. T. Timmerman.
" ..	German Nat. Bank, { Lincoln.	I. E. Spaulding, <i>Ass't Cas.</i>	.....
" ..	First National Bank, { Madison.	C. E. Montgomery, <i>P.</i> ....	H. H. Schaberg.
" ..	.....	H. H. Schaberg, <i>V. P.</i> ....	C. C. Munson.
" ..	Merch. & Farm. Nat. Bank, { Wood River.	Peter Rubendall, <i>P.</i> .....	A. W. Wohlford.
" ..	.....	M. C. Garrett, <i>Cas.</i> .....	Peter Rubendall.
" ..	.....	F. E. Slusser, <i>Ass't Cas.</i>	S. M. Jordan.
N. H....	First Nat. Bank, Francetown...	Mary B. Morrison, <i>A. Cas.</i>	.....
N. J....	Hunterdon Co. Nat. Bank, { Flemington.	J. W. Priestly, <i>P.</i> .....	J. Higgins.
" ..	Nat. Iron Bank, Morristown...	John Shields, <i>V. P.</i> .....	David Van Fleet.
" ..	Phillipsburg N. B., Phillipsburg.	Edmund D. Halsey, <i>V. P.</i>	.....
" ..	First Nat. Bank, Washington...	Jos. C. Kent, <i>V. P.</i> .....	.....
N. MEX.	New Mexico Nat. B'k, Socorro...	Wm. S. Rittenhouse, <i>Cas.</i>	Louis J. Hann.
N. Y....	Farmers N. Bank, Amsterdam...	H. M. McChesney, <i>V. P.</i> ...	.....
" ..	First National Bank, Canton...	J. E. Williams, <i>Ass't Cas.</i>	J. C. Smith.
" ..	First National B'k, Gouverneur.	R. B. Ellsworth, <i>V. P.</i> ....	B. Hodgkin.
" ..	National Hamilton Bank, { Hamilton.	F. M. Burdick, <i>V. P.</i> .....	Newton Aldrich.
" ..	First National Bank, Ithaca....	D. B. West, <i>P.</i> .....	Alvah Pierce.
" ..	First National Bank, { Kingston.	Wm. M. West, <i>Cas.</i> .....	D. B. West.
" ..	.....	J. C. Stowell, <i>V. P.</i> .....	E. S. Esty.
" ..	.....	Edwin Young, <i>P.</i> .....	S. D. Cuykendall.
" ..	.....	H. C. Soop, <i>V. P.</i> .....	A. Benson.*

\* Deceased.



	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of</i>
N. Y....	Nat. Mohawk Valley Bank, Mohawk.	J. Diefendorf, <i>P.</i>	Eli Fox.
"	.. First National Bank, Nunda.	H. A. Deimel, <i>V. P.</i>	J. Diefendorf.
"	.. Flour City Nat. B'k, Rochester.	John M. Griffith, <i>P.</i>	M. Dowling.
"	.. Nat. Bank of Sandy Hill, Sandy Hill.	Wm. C. Barry, <i>2d V. P.</i>	.....
"	.. Sherburne National Bank, Sherburne.	L. W. Cronkhite, <i>P.</i>	N. W. White.
"	.. First Nat. Bank, St. Johnsville.	John W. Wait, <i>V. P.</i>	L. W. Cronkhite.
"	.. Merchants Nat. Bank, Syracuse.	Homer G. Newton, <i>V. P.</i>	.....
"	.. First Nat. Bank, Ticonderoga.	Mason J. McPherson, <i>Cas.</i>	Homer G. Newton.
"	.. First National Bank, Wellsville.	O. W. Fox, <i>Ass't Cas.</i>	.....
OHIO...	City National Bank, Canton.	H. W. Plumb, <i>Ass't Cas.</i>	.....
"	.. First National Bank, Canton.	G. C. Weed, <i>V. P.</i>	.....
"	.. Atlas National Bank, Cincinnati.	W. F. Jones, <i>P.</i>	E. J. Farnum.
"	.. Citizens Nat. Bank, Cincinnati.	Edward J. Farnum, <i>V. P.</i>	W. F. Jones.
"	.. Mercantile N. B'k, Cleveland.	H. S. Kaufman, <i>Cas.</i>	Henry A. Wise.
"	.. Nat. Bank of Commerce, Cleveland.	Henry W. Harter, <i>P.</i>	Geo. D. Harter.*
"	.. First National Bank, Jackson.	W. B. Kahn, <i>P.</i>	Henry Meyer.
"	.. First National Bank, Massillon.	Henry Meyer, <i>V. P.</i>	Julius Engelke.
"	.. Merchants National Bank, Massillon.	Wm. A. Proctor, <i>2d V. P.</i>	.....
PA.....	German National Bank, Allegheny.	Edwin R. Perkins, <i>P.</i>	Truman P. Handy.
"	.. First National Bank, Braddock.	G. A. Garretson, <i>P.</i>	J. H. Wade.
"	.. First Nat. Bank, Connellsville.	Wm. Chisholm, <i>V. P.</i>	G. A. Garretson.
"	.. Citizens National Bank, Corry.	David Bryan, <i>P.</i>	F. S. Mathews.
"	.. First National Bank, Lock Haven.	Jas. Tripp, <i>V. P.</i>	Moses Sternberger.
"	.. First National Bank, Mifflintown.	Frank Crumit, <i>Cas.</i>	T. J. Edwards.
"	.. First National Bank, Montrose.	E. H. Lewis, <i>Ass't Cas.</i>	.....
"	.. First Nat. Bank, New Castle.	J. M. Schackers, <i>Ass't Cas.</i>	.....
"	.. First National Bank, Newtown.	S. A. Conrad, <i>V. P.</i>	.....
"	.. First Nat. Bank, Norristown.	I. M. Taggard, <i>Ass't Cas.</i>	.....
"	.. Citizens Nat. B'k, Pittsburgh.	F. N. Hoffstot, <i>P.</i>	L. Walter, Sr.
"	.. Tradesmens N. B., Pittsburgh.	L. Walter, Sr., <i>V. P.</i>	Fred. H. Eggers.
"	.. First National Bank, Saltsburg.	W. H. Watt, <i>P.</i>	Jesse H. Lippincott.
"	.. Sellersville N. B., Sellersville.	H. C. Shallenberger, <i>Cas.</i>	W. H. Watt.
"	.. First National Bank, Tyrone.	Jos. R. Stauffer, <i>V. P.</i>	J. T. McCormick.
"	.. First National Bank, Tyrone.	Martin Stark, <i>V. P.</i>	.....
"	.. First National Bank, Tyrone.	Wm. Postlethwait, <i>A. Cas.</i>	.....
"	.. First National Bank, Tyrone.	F. S. Johnson, <i>P.</i>	T. C. Kintzing.
"	.. First National Bank, Tyrone.	Wilson Kistler, <i>V. P.</i>	F. S. Johnson.
"	.. First National Bank, Tyrone.	Ezra C. Doty, <i>Cas.</i>	D. S. Kloss.
"	.. First National Bank, Tyrone.	James G. Thompson, <i>A. C.</i>	Ezra C. Doty.
"	.. First Nat. Bank, New Castle.	H. L. Beach, <i>P.</i>	W. D. Lusk.
"	.. First National Bank, Newtown.	O. A. Gilbert, <i>V. P.</i>	H. L. Beach.
"	.. First Nat. Bank, Norristown.	F. W. McKee, <i>V. P.</i>	Luther Woods.*
"	.. Citizens Nat. B'k, Pittsburgh.	Lewis Beeckman, <i>V. P.</i>	N. Martin.
"	.. Tradesmens N. B., Pittsburgh.	F. G. Stinson, <i>P.</i>	James Hoooven.
"	.. First National Bank, Saltsburg.	S. W. McElroy, <i>A. Cas.</i>	.....
"	.. Sellersville N. B., Sellersville.	J. M. Schoonmaker, <i>V. P.</i>	W. Van Kirk.
"	.. First National Bank, Tyrone.	John M. Stewart, <i>P.</i>	Archie Deery.
"	.. First National Bank, Tyrone.	A. H. Beattie, <i>Ass't Cas.</i>	.....
"	.. First National Bank, Tyrone.	Chas. N. Cressman, <i>P.</i>	Henry C. Moore.
"	.. First National Bank, Tyrone.	Jos. K. Cass, <i>P.</i>	John S. Morrison.*
"	.. First National Bank, Tyrone.	J. F. Van Valzale, <i>V. P.</i>	.....
R. I....	Fifth Nat. Bank, Providence.	Josiah W. Crooker, <i>V. P.</i>	J. B. Knowles.*
"	.. First National Bank, Providence.	Geo. L. Littlefield, <i>P.</i>	H. H. Thomas.
"	.. Third National B'k, Providence.	Geo. H. Dart, <i>V. P.</i>	Geo. L. Littlefield.
"	.. Traders Nat. Bank, Providence.	A. L. Sayles, <i>V. P.</i>	.....
TENN...	First National Bank, Athens.	Lewis W. Anthony, <i>P.</i>	H. A. Webb.
"	.. South Chattanooga Sav. B'k, Chattanooga.	J. D. Williams, <i>V. P.</i>	W. M. Nixon.
"	.. North'n B'k of Tenn, Clarksville.	T. R. Preston, <i>Cas.</i>	S. M. Fugette.*
"	.. Elk Nat. Bank, Fayetteville.	James L. Glenn, <i>V. P.</i>	.....
"	.. Springfield Nat. B., Springfield.	Jas. W. Feeney, <i>A. Cas.</i>	.....
"	.. First Nat. Bank, Bonham.	John Y. Hutchison, <i>V. P.</i>	J. S. Brown.
TEXAS..	First National Bank, Bowie.	J. A. Abernathy, <i>A. Cas.</i>	.....
"	.. First National Bank, Bowie.	B. F. Wilhite, <i>V. P.</i>	.....
"	.. First National Bank, Brenham.	E. Reichardt, <i>V. P.</i>	J. T. Swearingen.
"	.. Commerce National Bank, Commerce.	H. A. Engelke, <i>Cas.</i>	J. N. Brown.
"	.. Commerce National Bank, Commerce.	J. D. Crawford, <i>P.</i>	C. B. Jones.
"	.. Commerce National Bank, Commerce.	W. J. Tyler, <i>V. P.</i>	B. F. Orr.

\* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
TEXAS..	Central Nat. Bank, Dallas. ....	Wm. J. Caven, <i>V. P.</i> .....	B. Blankenship.
"	.. North Texas Nat. B'k, Dallas..	C. R. Buddy, <i>Ass't Cas.</i> ....	.....
"	.. Merch. Nat. Bank, Fort Worth..	E. E. Powell, <i>3d V. P.</i> ....	.....
"	.. Sturgis Nat. Bank, Hillsboro...	John S. Scofield, <i>V. P.</i> ....	C. N. Brooks.
"	.. Commercial National Bank, {	W. B. Chew, <i>P.</i> .....	E. P. Hill.
	Houston. }	E. P. Hill, <i>V. P.</i> .....	.....
"	.. Planters & Mechanics N. B'k, {	Jas. A. Patton, <i>P.</i> .....	W. O. Ellis.
	Houston. }	O. C. Drew, <i>Cas.</i> .....	Jas. A. Patton.
"	.. First National Bank, Jacksboro..	John R. Hoxie, <i>V. P.</i> ....	.....
"	.. First National B'k, La Grange..	J. Lane, <i>V. P.</i> .....	H. A. Washburn.
"	.. Rio Grande Nat. Bank, Laredo..	J. D. Wilson, <i>V. P.</i> ....	.....
"	.. First National Bank, Llano....	F. R. Malone, <i>P.</i> .....	T. W. Kellogg.
"	.. Lockwood N. B., San Antonio..	C. E. Arnold, <i>2d A. Cas.</i> ..	.....
"	.. First Nat. Bank, San Marcos...	Eugene Green, <i>Ass't Cas.</i> ..	D. F. Hardy.
"	.. First Nat. Bank, Stephenville..	John S. Hyatt, <i>Cas.</i> .....	W. A. Bassel.
"	.. Wolfe City N. B'k, Wolfe City..	J. H. Nail, <i>P.</i> .....	John A. Pierce.
UTAH..	National B'k of Commerce, {	Richard Brereton, <i>V. P.</i> ..	.....
	Provo City. }	Jas. W. Wallace, <i>A. Cas.</i> ..	.....
"	.. Commercial N. B., Salt L. City..	Thos. Marshall, <i>2d V. P.</i> ..	Thos. J. Noble.
VT.....	Bennington Co. Nat. Bank, {	S. M. Sibley, <i>P.</i> .....	Chas. Thatcher.*
	Bennington. }	John S. Holden, <i>V. P.</i> ....	S. M. Sibley.
"	.. First Nat. Bank, Fair Haven...	Z. H. Phelps, <i>V. P.</i> .....	Cyrus Jennings.
"	.. First National Bank, {	Chas. Dewey, <i>P.</i> .....	John A. Page.
	Montpelier. }	J. W. Ellis, <i>V. P.</i> ....	Chas. Dewey.
"	.. First National Bank, {	C. E. Richardson, <i>P.</i> ....	Amasa Woolson.*
	Springfield. }	G. L. Closson, Jr., <i>A. Cas.</i> ..	W. H. Tinker.
WIS....	First National Bank, Ashland..	E. E. Tennant, <i>Ass't Cas.</i> ..	.....
"	.. First National Bank, {	S. W. Chadbourn, <i>P.</i> ....	R. W. Chadbourn.
	Columbus. }	J. R. Goff, <i>Cas.</i> .....	S. W. Chadbourn.
"	.. First National Bank, Hudson..	J. B. Goss, <i>Ass't Cas.</i> ....	.....
"	.. First Nat. Bank, Janesville....	L. B. Carle, <i>P.</i> .....	J. D. Rexford.
"	.. First National Bank, {	E. G. Newhall, <i>P.</i> .....	A. E. Bosworth.
	Stephens Point. }	A. R. Weed, <i>V. P.</i> .....	E. G. Newhall.
"	.. Waukesha Nat. B'k, Waukesha..	Richard Weaver, <i>V. P.</i> ....	M. Field.

\* Deceased.

## NEW BANKS, BANKERS, AND SAVINGS BANKS.

\*(Monthly List, continued from January No., page 565.)

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
N. Y. CITY.....	.....	Columbus Nat. Bank....	.....
	\$200,000	Wm. F. Foster, <i>P.</i> .....	A. G. Glick, <i>Cas.</i> .....
COL....	La Junta.....	First National Bank....	.....
	\$50,000	T. M. Dickey, <i>P.</i> .....	R. Phillips, <i>Cas.</i> .....
"	.. Pueblo.....	Pueblo National Bank...	Western National Bank.
	\$250,000	Andrew J. McClelland, <i>P.</i> ...	Geo. W. Robinson, <i>Cas.</i> ...
		A. E. Graham, <i>V. P.</i> ...	N. D. Hinsdale, <i>Ass't Cas.</i> ...
DAK. N.	Ellendale.....	Farm. & Merch. State B.	Third National Bank.
	\$10,000	H. O. Barratt, <i>P.</i> .....	Arthur M. Bushell, <i>Cas.</i> ...
		L. Van Hecke, <i>M'gr.</i> .....	.....
GA....	Eatonton.....	Putnam Co. Banking Co.	Kountze Bros.
	\$40,000	J. F. De Jornette, <i>P.</i> .....	E. M. Brown, <i>Cas.</i> .....
			C. M. Davis, <i>Ass't Cas.</i> .....
"	.. Ellaville.....	Planters Bank.....	Bank of America.
	\$25,000	W. D. Murray, <i>P.</i> .....	James E. Clark, <i>Cas.</i> .....
"	.. Valdosta.....	Citizens Bank.....	Hanover National Bank.
		J. F. Lewis, <i>P.</i> .....	W. Lang, <i>Cas.</i> .....
		W. H. Briggs, <i>V. P.</i> ...	C. W. Lamor, <i>Ass't Cas.</i> ...
"	.. Waynesboro... Bank of Waynesboro....	American Exchange Nat'l Bank.	.....
	\$25,000	Wm. A. Wilkins, <i>P.</i> .....	Wm. E. Jones, <i>Cas.</i> .....
ILL.....	Chicago.....	West Chicago Bank.....	Hanover National Bank.
	\$50,000	(Cheverton, Martin & Co.)	.....
"	.. Golconda.....	Pope County Bank.....	Hanover National Bank.
	\$25,000	Wm. P. Sloan, <i>P.</i> .....	E. B. Clark, <i>Cas.</i> .....

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
ILL....	Marion.....	First National Bank.....	.....
	\$50,000	J. W. Westbrook, <i>P.</i>	J. M. Burkhart, <i>Cas.</i>
" ..	Mt. Sterling....	Bloomfield, Skiles & Co. ....	.....
	\$25,000		
" ..	Vandalia.....	Farmers & Merch. Bank..	Hanover National Bank.
	\$100,000	Rich. T. Higgins, <i>P.</i>	Edward L. Wahl, <i>Cas.</i>
		Wm. Sonnemann, <i>V. P.</i>	F. I. Henry, <i>Ass't Cas.</i>
IOWA...	Mediapolis.....	State Bank.....	.....
	\$25,000	Wm. Harper, <i>P.</i>	W. V. Lloyd, <i>Cas.</i>
		I. N. McClure, <i>V. P.</i>	
" ..	Odebolt.....	First National Bank.....	.....
	\$50,000	W. W. Field, <i>P.</i>	W. F. Bay, <i>Cas.</i>
" ..	Ottumwa.....	State Bank.....	Fourth National Bank.
	\$50,000	Geo. A. Brown, <i>P.</i>	Henry P. Colt, <i>Cas.</i>
		Chas. E. Boude, <i>V. P.</i>	
" ..	Seymour.....	Bank of Seymour.....	Hanover National Bank.
	\$20,000	R. S. Lowry, <i>P.</i>	Robt. E. Lowry, <i>Cas.</i>
" ..	Sioux City....	Northwestern Nat. Bank.	.....
	\$100,000	Fred. T. Evans, <i>P.</i>	Edwin M. Donaldson, <i>Cas.</i>
KAN....	Independence...	Commercial Nat. Bank..	.....
	\$100,000	Phineas V. Hockett, <i>P.</i>	Geo. T. Guernsey, <i>Cas.</i>
" ..	Morantown....	Moran Bank.....	.....
	\$5,000	Joshua Rumbel, <i>P.</i>	Fred. W. Fox, <i>Cas.</i>
MD....	Cockeysville....	N. Bank of Cockeysville.	.....
	\$50,000	Joshua F. Cockey, Jr., <i>P.</i>	Wm. H. Buck, Jr., <i>Cas.</i>
MICH...	Alma .....	Gratiot Co. Savings B'k..	Fourth National Bank.
	\$25,000	Marcus Pollasky, <i>P.</i>	C. D. Ransom, <i>Ass't Cas.</i>
		D. R. Sullivan, <i>V. P.</i>	
" ..	Coopersville....	D. C. Oakes.	Chase National Bank.
	\$7,000		
" ..	Owasso.....	Owasso Savings Bank...	National Bank of Republic.
	\$60,000	David M. Estey, <i>P.</i>	Asa D. Whipple, <i>Cas.</i>
		E. Salisbury, <i>V. P.</i>	M. Miner, <i>Ass't Cas.</i>
MINN...	Lake Benton...	First National Bank.....	.....
	\$50,000		John S. Tucker, <i>Cas.</i>
MO.....	Golden City....	Aldrich Banking Co.....	Kountze Bros.
	\$10,000		
" ..	Guilford.....	Bank of Guilford.....	.....
		Albert Roceket, <i>P.</i>	Erwin M. Austin, <i>Cas.</i>
		Geo. W. Clawson, <i>V. P.</i>	
" ..	Kansas City...	Mechanics Savings Bank.	National Bank of Republic.
	\$50,000	Robt. M. Snyder, <i>P.</i>	Jas. W. Jones, <i>Cas.</i>
NEB....	Fremont.....	Commercial Nat. Bank..	Washington National Bank.
	\$100,000	Ernest Schurman, <i>P.</i>	Francis McGiverin, <i>Cas.</i>
		C. Christenson, <i>V. P.</i>	S. J. Dunn, <i>Ass't Cas.</i>
N. Y....	Hobart.....	National Bank of Hobart.	.....
	\$50,000	James R. Cowan, <i>P.</i>	James A. Scott, <i>Cas.</i>
		J. M. Olmsted, <i>V. P.</i>	
" ..	Walton.....	First National Bank.....	.....
	\$50,000	Geo. O. Mead, <i>P.</i>	John Olmsted, <i>Cas.</i>
		Samuel H. Fancher, <i>V. P.</i>	
OHIO...	New Phila.....	Kaldenbaugh Bank.....	Importers & Traders Nat. Bank.
	\$50,000	A. Kaldenbaugh, <i>P.</i>	J. F. Kaldenbaugh, <i>Cas.</i>
" ..	Shawnee.....	Bank of Shawnee .....	Importers & Traders Nat. Bank.
	\$50,000	H. H. Todd, <i>P.</i>	Vernon C. Todd, <i>Cas.</i>
" ..	Sweden.....	Marine National Bank...	E. W. Savage, <i>Cas.</i>
		Geo. B. Raser, <i>P.</i>	
PA.....	Bangor.....	Merchants Nat. Bank....	.....
	\$50,000	John Buzzard, <i>P.</i>	Andrew Eyer, <i>Cas.</i>
" ..	Dushore.....	First National Bank.....	.....
	\$50,000	Geo. H. Welles, <i>P.</i>	M. D. Swarts, <i>Cas.</i>
TENN...	Harriman.....	First National Bank.....	United States National Bank.
	\$50,000	Walter C. Harriman, <i>P.</i>	W. H. Julian, <i>Cas.</i>
		Orlando F. Janes, <i>V. P.</i>	
" ..	Jonesboro.....	Merch. & Traders Bank..	Chase National Bank.
		Edward H. West, <i>P.</i>	Tate L. Earnest, <i>Cas.</i>
		Newton Hacker, <i>V. P.</i>	
TEXAS..	Cooper.....	First National Bank.....	.....
	\$50,000	G. M. Terrell, <i>P.</i>	R. M. Walker, <i>Cas.</i>

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent</i>
VA.....	Basic City.....	Basic City Bank.....	.....
	\$20,000	G. G. Gooch, P. J. A. Wise, <i>Cas.</i>	
		J. M. Quarles, <i>V. P.</i>	
" ..	Covington....	Covington Nat. Bank....	.....
	\$50,000	R. L. Parrish, P. J. E. Rollins, <i>Cas.</i>	
W. VA.	Huntington....	Commercial Bank.....	Fourth National Bank.
	\$50,000	Geo. N. Bigg, P. Wm. B. Prickitt, <i>Cas.</i>	
		F. F. McCullough, <i>V. P.</i>	
Wis....	Oshkosh.....	National Union Bank....	.....
	\$200,000	Daniel L. Libbey, P. Morris Jones, <i>Cas.</i>	

## APPLICATIONS FOR NATIONAL BANKS.

The following *applications* for authority to organize *National Banks* have been filed with the Comptroller of the Currency during January, 1891.

- COL.... Monte Vista. . . First National Bank, by R. B. Wallace and associates.  
 DAK. N. Bathgate . . . . . First National Bank, by Charles T. Harmon and associates.  
 ILL.... Fairfield..... First National Bank, by Thomas W. Scott and associates.  
 IOWA... Lyons..... Citizens National Bank, by L. B. Wadleigh, Clinton, Iowa, and associates.  
 MD.... Baltimore..... Continental National Bank, by J. W. Guest and associates.  
 " .. " .. . . . . . Equitable National Bank, by J. D. Ferguson and associates.  
 MASS... Lynn..... Manufacturers' National Bank, by W. A. Clark, Jr., Boston, and associates.  
 N. J.... Red Bank.... Navesink National Bank, by E. L. Cowart and associates.  
 N. Y... Fredonia . . . . . Citizens' National Bank, by S. H. Albro and associates.  
 N. C... High Point .... Commercial National Bank, by W. G. Bradshaw and associates.  
 PA. .... Reedsville. .... Reedsville National Bank, by John Wilson and associates.  
 TEXAS.. Aransas Harbor First National Bank, by F. P. Knott, Quanah, Texas, and associates.  
 " .. Baird. .... Farmers' National Bank, by J. N. Rushing and associates.  
 " .. Brownsville.... First National Bank, by W. O. Richardson, Waco, Texas, and associates.  
 " .. Ladonia. .... Weldon National Bank, by W. E. Weldon and associates.  
 WASH.. Snohomish .... Snohomish National Bank, by Fred. Ward, Seattle, Wash., and associates.  
 Wis.... Marshfield..... First National Bank, by H. M. Harshaw, Oshkosh, Wis. and associates.

## OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

*(Monthly List, continued from January No., page 567.)*

<i>No.</i>	<i>Name and Place.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
4493	First National Bank..... Earlville, N. Y.	Henry G. Green,	Guy H. Clark,	\$50,000
4494	Missouri National Bank..... Kansas City, Mo.	David V. Rieger,	Chas. E. Barnhart,	500,000
4495	First National Bank..... Walton, N. Y.	Geo. O. Mead,	John Olmstead,	50,000
4496	National Bank of Cockeysville.. Cockeysville, Md.	Joshua F. Cockey, Jr.,	Wm. H. Buck, Jr.,	50,000
4497	National Bank of Hobart..... Hobart, N. Y.	James R. Cowan,	James A. Scott,	50,000
4498	Pueblo National Bank..... Pueblo, Col.	A. J. McClelland,	Geo. W. Robinson,	250,000
4499	Commercial National Bank.... Independence, Kan.	Phineas V. Hockett,	Geo. T. Guernsey,	100,000
4500	First National Bank..... Cooper, Texas.	G. M. Terrell,	R. M. Walker,	100,000
4501	First National Bank. .... Harriman, Tenn.	Walter C. Harriman,	W. H. Julian,	50,000
4502	First National Bank..... Marion, Ill.	J. W. Westbrook,	J. M. Burkhart,	50,000
4503	Covington National Bank..... Covington, Va.	R. L. Parrish,	J. E. Rollins,	50,000
4504	Commercial National Bank.... Fremont, Neb.	E. Schurman,	F. McGiverin,	100,000
4505	First National Bank..... Dushore, Pa.	Geo. H. Welles,	M. D. Swarts,	50,000
4506	Marine National Bank..... Sweden, O.	Geo. B. Raser,	E. W. Savage,	50,000
4507	First National Bank..... La Junta, Col.	T. M. Dickey,	R. Phillips,	50,000
4508	National Union Bank..... Oshkosh, Wis.	Daniel L. Libbey,	Morris Jones,	200,000
4509	First National Bank..... Lake Benton, Minn.		John S. Tucker,	50,000
4510	Northwestern National Bank... Sioux City, Iowa.	Fred. T. Evans,	Edwin M. Donaldson,	100,000
4511	First National Bank..... Odebolt, Iowa.	W. W. Field,	W. F. Bay,	50,000
4512	Columbus National Bank..... N. Y. City, N. Y.	Wm. F. Foster,	A. G. Glick,	200,000
4513	Merchants' National Bank..... Bangor, Pa.	John Buzzard,	Andrew Eyer,	50,000

## CHANGES, DISSOLUTIONS, ETC.

*(Continued from January No., page 566.)*

- COL.... Akron..... Farmers & Traders Bank, reported assigned.  
 " .. La Junta..... Bank of Eastern Colorado now the First National Bank.
- CONN... New Haven.... Henry L. Hill & Co., reported assigned.
- DAK. N. Ellendale..... Security Bank succeeded by Farmers & Merchants State Bank.
- GA..... Eatonton..... Brown, E. M. & Co., now Putnam Co. Banking Co.
- ILL.... Chicago..... United States National Bank has changed its title to the Columbia National Bank.  
 " .. Golconda..... W. P. Sloan & Co. now Pope County Bank.  
 " .. Vandalia..... Farmers & Merchants National Bank has expired by limitation and succeeded by the Farmers & Merchants Bank, same officers.
- KAN... Atchison..... United States National Bank has gone into voluntary liquidation.  
 " .. Augusta..... Farmers State Bank, reported failed.  
 " .. Ellsworth..... First National Bank, reported suspended.  
 " .. Frankfort..... First National Bank has gone into voluntary liquidation.  
 " .. Wichita..... West Side National Bank has gone into voluntary liquidation.
- MICH... Owosso..... Second National Bank has gone into voluntary liquidation and succeeded by the Owosso Savings Bank, same officers and correspondents.
- MO.... Golden City... Golden City Bank (J. W. Aldrich) is now the Aldrich Banking Co., same correspondents.
- NEB.... Fremont..... German-American Bank now Commercial National Bank.  
 " .. Hastings..... City National Bank is insolvent and has been placed in the hands of a receiver.
- PA.... Philadelphia... Barker Bros. has resumed business under the firm name of Barker & Co.
- TENN.. Harriman..... Bank of Harriman now the First National Bank, same officers and correspondents.
- UTAH.. Provo City.... Bank of Commerce is now the National Bank of Commerce.
- WIS.... Oshkosh..... Union National Bank has expired by limitation, and succeeded by the National Union Bank, same officers.

**DEATHS.**

BERGER.—On January 3, aged twenty-four years, CHAS. B. BERGER, Cashier of Colorado National Bank, Denver, Col.

BLAIR.—On January 30, aged eighty years, CHAUNCEY B. BLAIR, President of Merchants' National Bank, Chicago, Ill.

FUGETTE.—On January 18, aged thirty-four years, S. M. FUGETTE, Cashier of South Chattanooga Savings Bank, Chattanooga, Tenn.

ROSS.—On January 16, aged sixty-three years, EDWARD ROSS, President of Peoples National Bank, Independence, Kan.

STEARNS.—On January 20, aged thirty-seven years, WM. J. STEARNS, Cashier of Fitchburg National Bank, Fitchburg, Mass.

Opening, Highest, Lowest and Closing Prices of Stocks and Bonds in January.				
Interest Periods.	Open- ing.	High- est.	Low- est.	Clos- ing.
<b>GOVERNMENTS.</b>				
4½s, 1891... reg.	103	103¼	102	102
4s, 1891... coup.	103½	103¾	103	103
4s, 1897... reg.	121	121	120	120
4s, 1897... coup.	121	121	120	120
Quarterly				
6s, cur'cy, 1895, reg.	109	110	109	109
6s, cur'cy, 1896, reg.	112	113¼	112	112
6s, cur'cy, 1897, reg.	114	116	114	114
6s, cur'cy, 1898, reg.	117	118	117	117
6s, cur'cy, 1899, reg.	120	121	119½	120
<b>RAILROAD STOCKS.</b>				
Atlantic & Pacific.	—	6	5	—
Canadian Pacific.	73¼	75½	72¼	—
Canada Southern.	49½	51¾	48½	49½
Central of N. J.	108¾	118	106	109½
Central Pacific.	—	31	30	—
Ches. & Ohio.	17	19½	17	—
Do	44½	49¾	44	—
Chic. & Alton.	—	130	128½	—
Chic. Do	90¾	93¾	85½	86½
Chic., B. & Q.	—	49½	41¾	—
Chic. & East'n.	84½	92	83	—
Do	52½	57½	50½	53½
Chic., M. & St. P.	105	112	105½	—
Do	106½	108½	104½	104½
Chic. & N. W.	105½	138½	133½	104½
Do	71½	72½	67½	68½
Chic., R. I. & P.	23½	27	23	24½
Chic., St. P., M. & O.	—	82½	77½	—
Do	61½	65½	59½	63
C., C. & St. L.	—	—	—	—
<b>RAILROAD STOCKS.</b>				
Col. Coal & Iron.	33½	38½	33	36½
Col., H. Valley & Tol.	26¼	29	25¼	26¼
Del. & Hudson.	136½	136½	130½	134¼
Del., Lack. & W.	133¾	139½	131	137¼
Den. & Rio Grande.	17½	20¾	17½	19½
Do	57½	62½	57	60½
East Tenn. V & G.	7¼	8¼	7	7½
Do	60¼	66	60¼	—
1st pref.	17	19½	16	—
2d pref.	—	115	112	—
Evansville & T. H.	—	103½	97¼	—
Illinois Central.	14½	15½	13½	14¾
Lake Erie and Western.	55	58¼	54¼	56½
Do	108	109½	106½	109½
Lake Shore.	—	88	86	—
Long Island.	73½	79½	71¾	74¼
Louisville and Nashville.	20	27	19	—
Louisville, N. Alb. & Chic.	100	105	96¼	103
Manhattan Consol.	—	—	—	—
Memphis & Charleston.	91	93	91	91
Michigan Central.	—	93	88	—
Mil., L. S. & W.	—	111	105	—
Do	—	6½	4½	—
Minn. & St. Louis.	—	12½	10	—
Do	—	14	11½	—
Mo., Kan. & Texas.	61½	67½	60¾	66
Missouri Pacific.	—	95	93	102½
Nash., C. & St. L.	101¼	104	100¾	—
N. Y. C. & Hudson	—	13½	11	—
N. Y. C. & St. L.	58½	70	57	—
Do	107½	119½	107½	20
N. Y., L. E. & W.	—	52	48½	—
Do	33¾	41¾	32¾	37½
N. Y. & New Eng.	15½	17½	15½	—
N. Y., Ont. & W.	9	9½	7½	—
N. Y., Sus. & W.	30½	36½	28½	—
Do	—	16½	14½	—
Norfolk & Western.	—	57½	53½	—
Do	—	—	—	—
<b>MISCELLANEOUS.</b>				
Northern Pacific.	—	—	—	—
Do	—	—	—	—
Ohio & Mississippi	—	—	—	—
Ohio Southern.	—	—	—	—
Oregon Impt.	—	—	—	—
Oregon R. & N.	—	—	—	—

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BANK EXAMINATIONS.

The unusual number of bank failures during the last few months has awakened public attention to the necessity of subjecting State banks and private bankers to public regulation or supervision. In Illinois, particularly, a keen interest exists, and three bills have been introduced into the Legislature, which appear in the present number. In the Legislatures of Ohio, Michigan, Missouri, Tennessee, West Virginia, and New Jersey, bills relating to the subject have been introduced, and are in various stages of progress.

If those who favor such legislation did not believe that the State could do something to protect depositors, these measures would not be proposed. For a long period, supervision has been exercised by most of the States, and, on the whole, good results have followed. Perhaps we are more familiar with the history of National bank examinations than with those conducted by State officers. While they have sometimes failed to detect irregularities and frauds, they have accomplished much. Those who are opposed to State supervision, on the ground of inefficiency, either do not know or ignore what bank examiners have done in discovering and correcting irregularities, which are unknown to the public. All will admit that these examinations, which are made at such times as the examiner may deem expedient, have a deterring effect on unfaithful officers. The strong proof of their worth is the uniform testimony of National bank officials that they are desired by the banks as well as by the public. Finally, it may



be added, that in England some of the large private banks have voluntary examinations by well-known accountants, whose results are made known to the world. Their proprietors believe that such examinations, when properly conducted, strengthen the public confidence in their institutions; and so, instead of shrinking from them, have turned on more light. Are they not wiser than those banks or bankers who still believe in concealing their business as much as possible? Some of the National banks, in the beginning, were strongly opposed to the examination feature of the law; they contended that the Government had no right to meddle with their affairs and expose their business; but this feeling long since passed away, and they have learned that the more the public knows about their business, if wisely conducted, the more perfect will be the confidence of the public in banking institutions. It may also be added that since 1879 public bank examinations are required in Great Britain.

An argument can be drawn from the statistics of failures that ought not to be omitted. The failures of State banks and private banks, which are not subject to public examinations, are much greater in proportion to the entire number, than the failures of National banks in proportion to the number of these institutions. This proves one of two things: either that National banks are more carefully organized and managed than banks and bankers that are not examined, or that the public examinations to which National banks are subjected have a conserving effect. From these facts the conclusion may be fairly drawn, either that those who desire to engage in banking should be incorporated, as they must be in California and in North Dakota, and as the Michigan bill now under consideration in the Legislature of that State proposes, or that public examinations should be required. In the two States first mentioned, both requirements are imposed as conditions for engaging in the business.

The same conclusion may be reached by the admission of a State banker, in a State where no public examinations are had, to a committee of the Legislature who were examining him on the subject. He was asked whether the State Treasurer ought to be permitted to deposit the public funds in State banks and with private bankers. He unhesitatingly answered in the negative. But if it is not prudent for the State to deposit its money in such a bank, or with such a banker, is it not equally imprudent for a municipal or private corporation, a trustee or an individual to do so? The State can sustain a loss of this kind with less suffering than any other corporation, certainly much less than an individual. If the State Treasurer ought to be prohibited from making deposits with an unexamined bank or banker, ought not every corporation and individual to be included in the prohibition?

There are some considerations, however, that cannot be too seriously considered before establishing such a system. The chief object of the examinations is to create more protection for the depositors of money. Passing over the question whether this class of persons is more worthy of, or better entitled to protection than any other, it may be remarked that, if examinations are not likely to yield this result, they ought not to be made. Many doubtless will believe, as soon as the system of examinations is introduced, that their interests will be properly guarded, and consequently whatever caution they may have exercised heretofore will be abandoned. Unless a State can exercise more vigilance than has been previously exercised by those dealing with banks, surely the change will be for the worse, and the public welfare will be injured, and not promoted, by the introduction of the system. This, then, is the first fact to keep clearly in mind: Can the State, by establishing the system, efficiently promote the public security? If it cannot, serious as the existing evils may be, the State should not attempt to cope with them; but leave individuals to contend with them by methods of their own devising.

Another fact that should be kept clearly in view is, wherever such a system is to be established this should be done with great caution. A bank examiner should have wide latitude, especially in the beginning. If he should find irregularities, and immediately expose them, he might wreck the entire system of State and private banking. Confidence in banking institutions is more quickly destroyed than acquired. Let an examiner discover crookedness in one or two banks and herald his discovery abroad, and the worst consequences might follow. We suppose that the danger of his doing this is one of the chief causes of opposition to the introduction of the system by some of the most conservative bankers. They fear that an incompetent official may be appointed, who, desirous of acquiring notoriety or of displaying his efficiency, as soon as he had discovered some irregularity might immediately begin to cackle about it, and thus make trouble for all the other banks and bankers. The person appointed, therefore, should be an experienced man, who would exercise his duties with the utmost circumspection. It has been proposed in some cases to surround him with an advisory board, but this we believe to be entirely unnecessary. If he is properly qualified and needs advice, he can decide more wisely from whom to seek it than can the Legislature; and he doubtless would get more from other examiners or experienced bankers than from other State officials who knew but little about the matter in hand or who took no special interest in it.

For his own protection, as well as for that of the bank, he should be forbidden absolutely from making any communications

about the condition of the banks or bankers examined, except in his official reports, to the courts and to those from whom advice is sought. The National bank examiners are very careful in this regard, and have explicit instructions from the Comptroller of the Currency. A State bank examiner should be kept within as rigid lines. The need of such a rule is evident without further explanation.

If a competent officer was appointed, with large discretionary powers at first, especially in States where public examinations have not been conducted, and adequate time was given to the banks and bankers to adjust their business in conformity to the law, before holding them amenable for infractions, such examinations would prove a good thing for the banks and bankers as well as the public. It would put the banks and bankers thus subject to examination more nearly on a plane with other banks that are publicly examined. Of course, there are many banks and bankers that enjoy the highest credit, whose business is never unveiled to the eye of a public officer, but in general it may be said that banks which make returns of their business to public officers and that are publicly examined, enjoy a better credit than those which do not. The examinations count for something, and this benefit all ought to share and desire to share. We are confident that, wherever the system has been adopted and been properly administered by competent and faithful officers, it has the approval of the banks that have felt its strengthening power. All well-managed banks are the stronger, not the weaker, for having it. They have nothing to fear. But we repeat once more that unless a proper official is likely to be appointed in the event of establishing the system, only harm, and no good, will be the inevitable result.

With respect to the right of the State to regulate or supervise private banking, the question, in our judgment, is not a serious one. It is admitted that a State bank can be subjected to such an examination, but the reason for examining a State bank applies just as strongly to a private banker. There is no reason for supposing that an incorporated bank cannot and does not transact its business quite as faithfully and efficiently as a private banker. If, therefore, a State bank ought to be subjected to public supervision, a private banker ought to be. It is a monstrous proposition that the State can examine the business of a State bank simply because it happens to be a corporation, and forbid it from doing things which cannot be examined and forbidden if done by a private banker. The State regulates the business of fire and life insurance companies and imposes restrictions thereon. This is done on the ground that the business requires public regulation. The regulation is aimed at the *business*, regardless of the personnel

by which it is carried on. Suppose that a rich man should insure lives generally like an insurance company, will any one contend that the State could not regulate his business because, forsooth, it was done by an individual? The regulation of the *business* is the important thing, and the State has complete power to do so whenever the public welfare requires that this should be done. Whether that business is transacted by a corporation, a partnership, or an individual, is of no conceivable consequence. Whenever a business needs regulation or supervision by the State, the duty should be performed, and individuals, if engaged therein, cannot escape by acting individually. Surely all will agree that the law cannot be set at naught in that manner. And if the business of *such* individuals ought to be examined, why should not the business of all individuals which is similar? No reason can be given for examining some and passing over others engaged in the same business. From what we have said, it clearly follows that if the State ought to regulate the conduct of State banks, fix the amount of reserve which they should keep, and prescribe their mode of dealing with their depositors and the like, it ought to enforce the same regulations whenever the same business is done by private individuals. Not to do this would be a discrimination without reason or justice. It would be saying to the world, the State banks are not worthy of confidence, therefore they must be examined, while the bankers are worthy of confidence and therefore they need not be. We all know that the reverse of this is true; and that examinations of private bankers are as much needed for the protection of the public as examinations of the State or National banking institutions.

The committee on law reform of the State bar association of Illinois have considered this subject, and a short extract from their report is worth adding:

"Neither the constitution nor the statute takes any notice of individuals or firms doing banking business without becoming incorporated. There are many of these, and some of them, on account of their known integrity and responsibility, deservedly command the highest confidence. There are others, some lacking the responsibility, some the ability, and some the integrity requisite to the business, and still others who enter the business with the deliberate intention to defraud those whom they are able to deceive into dealing with them. Banking is unlike other kinds of business, and is so recognized by our constitution and throughout the world. Hence the safeguards that the constitution and State and National laws throw around it in the case of regularly organized institutions. The word bank itself carries with it to the ordinary mind responsibility and solidity, a place where it is safe to deposit money, buy exchange, and deal in money and securities. All the reasons for governmental supervision in the case of incorporated institutions apply with equal force to individuals and firms engaging in the same business."

In California, Ohio and Michigan, the legislators seem to have no doubt of the authority of the State to supervise the business of private bankers as well as that of State institutions. Furthermore, this question was answered by the Supreme Court of North Dakota in the case of the State against Woodmanse, last October. The Dakota law is a copy of the California one in this regard, and prohibits all persons from doing a banking business unless they are incorporated for that purpose. It was contended that this law was unconstitutional, but the court decided otherwise. Justice Wallin, who delivered the opinion of the court, said that the matter of regulating and prohibiting private and all banking, not expressly authorized by law, was strictly within the legislative discretion, and under that branch of the police power relating to the public safety. The court would not interfere and declare such legislation unconstitutional and as an invasion of individual rights. In California the law prohibiting private banking was enacted in 1878, and no one has questioned the legality of the prohibition. Surely if a State can prohibit a business, it can prescribe the terms under which it may be permitted to exist.

In conclusion, we repeat, banks and bankers that are now not subjected to public examinations, unless they fear that incompetent officials will be appointed, ought to welcome the extension of the system of bank examinations. Nothing can more effectually advance their interests by strengthening the public confidence in them. Of course, there are numerous State banks and private bankers that are not examined in which the public repose as much confidence as in the National, or other examined institutions. But we refer to the unexamined banks and bankers as a class. Every one worthy of confidence has nothing to lose, and in many cases much to gain, by State supervision.



## THE FREE COINAGE OF SILVER.

The probable consequences of the free coinage of silver are becoming better understood with the more careful study of the subject. One of these is, that the enactment of such a law will carry gold to a premium. It cannot be denied that the agitation of the subject during the early days of the session led to the hoarding of gold, nor is there any way of counteracting this effect. If those who possess gold determine to keep it, or to sell it only at a premium, they are masters of the situation. It is possible for Congress to enact a law forbidding banks and other corporations, and possibly individuals, from making contracts payable only in gold, and thus discriminating against the use of the other metal, but Congress certainly is powerless to prevent banks or persons having gold from retaining it or selling it on such terms as they like. Congress may indeed direct that the Government gold shall be exchanged for silver or paper, as may now be done, but it can go no further in this direction.

The gold in the country not in the Government vaults is therefore wholly outside of governmental control, and the holders or possessors can do whatever they please with it. It does not follow that, even if the holders should demand a premium in the event of the adoption of a free silver coinage policy, the holders of gold would not continue to use it as they have done heretofore. They certainly would not permit it to remain idle long; either they would exchange it for securities, held in this country or abroad, or they would lend it at a premium. During the suspension of specie payments there was a very considerable quantity of gold in the country which was loaned and payable in the same metal; in fact, no large quantity of gold during that long period remained permanently in disuse. It circulated, but far more slowly than it had before; and this is precisely what would happen if gold should go to a premium again. There would be some contraction to the extent of the exchange of our securities in foreign countries therefor, but no further. The gold remaining would be used, but its circulation would be slower. This would be injurious to business, for the effect would be the same as the retirement of a considerable portion of our circulation. The quantity of circulating medium needed by a country is of hardly greater importance than the rapidity of its circulation; when money circulates slowly a much larger sum is needed than when the opposite conditions exist. This truth has been illustrated many times; consequently, if gold should go to a premium and

it should circulate only through the medium of loans, and not in making ordinary payments, as is the case at the present time, its usefulness would be greatly diminished.

Another error into which we think the silver producers have fallen is, if gold goes to a premium the anticipated profits arising from the enactment of the proposed law would fail. The silver producer would get no more for his metal under the new condition of things than he is receiving now. In order to obtain greater profits from producing silver, two things are needful—first, the enactment of this law; and secondly, power to get as much for a silver dollar as for a gold one. The moment that gold goes to a premium, the profit which the silver producer expects to receive instantly vanishes. If he should take a quantity of silver to the mint, for example, and have it coined into a hundred silver dollars, and then endeavor to exchange these for gold ones, he would speedily find out what had happened, and that he was no better off under the new law than he was under the old one. If, therefore, it is quite impossible, or beyond the power of the Government, to maintain the same purchasing relation between gold and silver in the event of the enactment of this law as prevails at the present time, wherein is the benefit to the silver producer from enacting it? Will not his condition remain the same? Surely, if he intended to exchange his coined silver for gold he could derive no benefit from this proposed legislation. Would he derive any benefit if he exchanged his silver for other products? It is possible that he would if gold went to a premium and the prices of all other things remained the same. But would they remain unchanged?

We are more convinced than ever, from all the discussions that have taken place, that the late Secretary Windom's recommendation contains the most feasible plan that has been proposed by any one. In the first place, if certificates are issued for the bullion or market value of silver, they rest on an impregnable basis, and no one would hesitate to take them; they would be true or real representatives of value; and neither banks or individuals would hesitate to take and retain them. In the second place, the silver producers would get just as much for their silver as they will get under a free coinage law, if gold goes to a premium.

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## A REVIEW OF FINANCE AND BUSINESS.

## THE COUNTRY WAITING FOR CONGRESS TO GO HOME.

There has been very little change and but few new features in the business situation during the second month of the year. It has been what in Wall Street parlance is termed a waiting market; and the business of the whole country, like that of the Stock Exchange, has been waiting for Congress to adjourn, go home, and cease meddling, for the next six months at least, with the commercial and financial affairs of everybody, as it has been, for the past year or more. In popular phraseology, the country wants a rest from "business legislation," and it would not much care if it were for four years, like the repose between Presidential elections, during three of which business could be prosecuted with some certainty regarding the future, instead of the doubt, uncertainty, and change in financial and tariff laws the last three years, between which upper and nether millstone every business interest in the country has been ground more or less severely. February has, therefore, been an off month, during which little, if anything, has been gained towards a recovery from the depression following the panic of last fall. On the other hand, there appears to have been no general retrograde movement, though some interests, from special causes, have been less active than in the first month of the new year. Things have, therefore, remained practically in statu quo the past month, with little development or change in tendency of any class of business, or basis of values. When Congress is out of the way, after the 4th of this month, until next December, it is to be hoped we may look for some improvement in the general business situation, though it remains to be seen where any special activity can come from, in any branch of trade, until the prospects of the next crops can be forecast some months hence. This even has come to be more a matter of speculation than of certainty, in view of the fact that last year's crops are holding out beyond all estimates, Government and private, and everybody is nonplussed at the continued heavy movement of them all since the new year came in, when the bulk of the "short crops" of 1890 were believed to have come to market, and that from the first of January receipts would continue to fall steadily off until another crop. Instead, however, they have increased over those of the first half of the crop year, and still keep ahead of those of a year ago, except in corn, when we had unusually large crops as a whole.



## WERE THE CROPS OF 1890 UNDER-ESTIMATED?

The above question has therefore come to be uppermost in every produce and railroad man's mind, and it is being answered by a growing conviction in the affirmative. How this could come about is also asked by those not familiar with the manner in which these crop reports and estimates have been worked the past year by the Farmers' Alliance and its members and organs. That there has been a systematic effort, on their part, to control both Press and official reports and estimates of the crops during 1890, has been charged by close observers in the grain trade for the past nine months, and this conviction has at last become general in that trade, in view of these continued receipts in excess of last year's, on large crops. That this object could be accomplished, and both Press and State and National officials used to serve the farmers' interests, may seem incredible to those who are ignorant of the way these reports are all collected. If any one supposes they are gathered by disinterested traveling experts, sent through the country to inspect the condition of the crops and compile reports of the same, they are evidently new in the business. The few experts who do travel, or pretend to go through the grain fields, or "drive through those sections in a wagon," are mostly such as are paid by large speculators, whose interests in these markets will warrant the expense, or such as are sent out by the Professional Crop Reporters, whose "information" is often for sale to the highest bidder. The balance of the reports on the crops, and by far the larger part of them, are obtained from resident correspondents in each locality who are engaged in business in their own sections, and hence their interests are more closely allied with those of the farmers, than with any other business interest, even if they are not themselves farmers. It is therefore easy to see that all these reports will be made as much in their own and the farmers' interests as possible, even if honestly made, with the benefit of all doubts in their own favor, while the opportunity to exaggerate anything unfavorable to the crops, as well as the temptation, are both always present. To absolutely falsify these reports is also equally possible, as there is no check on those correspondents, as few are under more than nominal, if any pay whatever. It is not claimed that anybody is to be blamed for this condition of things, for it is difficult to see how the system can be much different, unless the State and National Crop Bureaus are authorized to employ a corps of fully paid and employed correspondents to travel through and inspect the crops in sections where they are either strangers or disinterested citizens. But this would be an expensive system, that might not be warranted by the benefits, although it would confessedly be better to

pay for true reports than to accept false ones free, and better to publish none at all than misleading ones.

#### EFFECT OF LAST YEAR'S CROP REPORTS ON PRICES.

The course of the grain and provision markets, so far on this crop, is proof of this statement, by the fact that more money has been lost in them, on the belief in the truth of their reports of a general and heavy shortage in everything but hay and cotton, than it would have cost to pay an army of expert crop reporters. It is true that the bulk of it has thus far come out of the pockets of speculators and the public who operate in the Produce and Stock markets, in each of which the crops are the chief factors. But it is now only a question of how long present receipts are to continue, whether the farmers themselves will not be the heaviest losers before their crops are all marketed. For it is one of those curious things, that the farmers themselves come to believe these short crop reports, either on the theory that they have heard the lie repeated until they come to believe it too, or that they think the truth has been told about all other sections but their own, where their own observations may discover the falsehood. Besides, it has come to be believed that the speculative adage, that "a lie is as good as the truth so long as it is believed," is true, and will hold prices up until each farmer can get out at the top price before the falsehood is discovered. Here is where the farmer appears to have deceived himself on this crop, while the panic nipped the short crop boom in the bud that had been swelled by the silver irrigation, until it gave great promise to the agricultural interests of a "return to old-time prices and prosperity." The collapse of the latter and the waning of the former have caught the farmers who were able to hold their crops through the panic, and now they are apparently trying to market them before any further decline. There are those who attribute the heavy movement since January to this theory, and still believe that the last quarter, instead of the last half, of the crop year will prove that the last crops were not under-estimated. Upon this, therefore, or damage to the coming crops, the produce Bulls now are compelled to hang their hopes, while the Bears in railroad stocks have apparently been abandoning the same hope and getting out of, or on the other side of that market.

#### THE RAILROAD SITUATION AND STOCK MARKET.

The improvement in the situation of the grain railroads since the new year, has been chiefly caused by this unexpected and unusually heavy movement of the crops after the first of January, when they naturally fall off sharply, except in corn, even on large crops. Especially have the wheat roads and the live stock roads been

doing a larger business than usual in the past two months, and in cases more than ever before. And even the corn roads have come nearly up to former years, and in a few cases gained. Hence the gross earnings have shown material increases in many cases, and fair general gains, while the net has compared more favorably with the gross, than for any previous equal period during the last twelve months. This condition of affairs, instead of expected decrease in both traffic and earnings, has checked the downward tendency in the stock market, noted in last issue, and deterred both speculators and investors from further selling. Yet no Bull movement has followed this changed condition of things, as the cliques seem to have all they care to take on, until the balance of the crops back in farmers' hands is more definitely ascertained, while investors are more afraid of further rate troubles in the West or of Farmers' Alliance legislation in those States, than they are tempted by "low prices" and larger earnings, and are still holding off. At the same time Europe continues to be a much less important factor in the market for stocks, either way, since the shaking up and settling down it had last fall, by which its bank account has become too depleted to speculate much, while it has very little ready cash to invest, as it had been previously and permanently invested in Argentine Funds, that are refundable instead of available. Hence, the Stock Market has relapsed into extreme dullness, from which it has been only occasionally aroused during the month, and then only temporarily and on some local or special influence. There has, however, been a steady and fair domestic investment demand for good interest-paying bonds of undoubted security all the month, and offerings were light. Southern roads are doing a large and paying business. The Pacific systems have done fairly well with the mild weather until the damage by floods in California at the end of the month. The condition of the coal roads is shown below.

#### THE MONEY MARKET AND GOLD EXPORTS.

Sterling exchange has gradually crept up on light exports and small offerings of commercial bills against them, to a point where we have unexpectedly been shipping some gold to Europe. Yet the amount has been small, and seems to have been on special orders connected with the return of the gold loans made during the panic, when the movement was from the Continent of Europe to London, of which New York got several millions more than it has yet returned, and which London has been sending back to Paris and Berlin. This, and some moderate shipments to the Argentine States, seems to account for this gold movement, which does not promise to be important, if, indeed, it is not already over, unless further financial troubles arise in London, of which there have been

renewed rumors the last of the month, though without giving names of houses, while stating with specific clearness that they relate to a large house that had to be helped through the panic, and yet was not named then or now. Otherwise the money and financial situation seems to be free from any present or prospective disturbance, unless the storm center of last fall—London—should develop another cold wave, which is not generally expected. The movement of currency to the West and South, however, has materially increased, in order to pay for the large movement of grain, live stock, and cotton that have been coming forward. The exports of specie from this port since January 1 have been as follows :

	1891.	1890.	Inc.
Gold exports.....	\$3,983,702	\$926,948	\$3,056,754
Silver exports.....	2,404,223	1,002,269	1,401,954
Total specie.....	\$6,387,925	\$1,929,217	\$4,458,708

Imports of specie at the port of New York since January 1 :

	1891.	1890.	Inc.	Dec.
Gold imports.....	\$813,624	\$1,059,428	....	\$245,804
Silver imports.....	319,487	248,127	\$71,360	....
Total specie.....	\$1,133,111	\$1,307,555	....	\$174,444

The money market here has ruled easy all the month at an average of 2 to 3 per cent. on call loans, and at 4 to 5 per cent. on time loans on choice collateral. Single named commercial paper closes at  $5\frac{1}{2}$  to 8 per cent. for sixty days or four months, double named paper from 5 to 6 per cent., two or four months.

#### THE INTERIOR AND EXPORT CROP MOVEMENT.

The following returns and comparisons with former years show the movement of the present crop, at interior points and into export for the past month and past year, and give point to the foregoing remarks on the crop estimates and the amount back to come forward the balance of this crop year. The receipts of flour, grain, provisions, and live stock by the leading railroads centering in Chicago for the third week of the month, which are a fair average for the whole month, with comparisons, were as follows :

	1891.	1890.	1889.	1888.
Flour, bbls.....	75,874	65,486	61,483	193,981
Wheat, bu.....	172,000	103,000	177,000	170,000
Corn, bu.....	1,011,000	1,197,000	928,000	1,048,000
Oats, bu.....	1,033,000	1,060,000	698,000	789,000
Rye, bu.....	56,000	30,000	18,000	16,000
Barley, bu.....	291,000	311,000	302,000	252,000
Total grain, bu.....	2,563,000	2,701,000	2,123,000	2,275,000
Provisions, lbs.....	7,213,000	6,082,000	4,766,000	5,575,000
Hogs, No.....	197,028	116,349	124,121	93,140
Cattle, No.....	63,824	43,555	50,651	39,485
Sheep, No.....	36,954	29,134	30,903	19,030

The number of car loads of grain received during the previous four weeks, and the roads by which they were delivered, also for the corresponding time last year, compare as follows:

	Feb. 21.	Feb. 14.	Jan. 31.	Jan. 24.
Atch., Top. and S. F.....	210	160	35	84
C., B. and Q.....	465	423	169	269
C., R. I. and P.....	365	288	138	193
Chicago and Alton.....	156	241	76	104
Chicago and Northwest....	582	523	447	576
Chicago and East Illinois...	79	102	89	82
Chicago, Mil. and St. P.....	584	482	339	469
C., St. P. and K. C.....	123	154	110	68
Illinois Central.....	608	644	431	672
Wabash.....	119	172	72	83
Wisconsin Central.....	12	29	17	27
Total cars.....	3,303	3,218	1,923	2,627
Same weeks in 1890.....	2,519	2,380	1,552	2,094

The following is a comparison of the exports from the United States of live stock, provisions, and dairy products for the month of January:

	1891.	1890.	Changes.
Cattle.....	\$2,255,245	\$1,724,952	Inc. \$530,293
Hogs.....	39,605	39,802	Dec. 197
Provisions.....	10,660,941	10,444,517	Inc. 216,424
Dairy products.....	524,642	647,458	Dec. 122,816
Total.....	\$13,480,433	\$12,856,729	Inc. \$623,704

The number of cattle exported during that month was 27,235 head, against 20,617 for the same month last year, and the average value per head was \$82.80, against \$83.60 in 1890. The number of hogs exported during the month was 5,148, of an average value of \$7.69, against 4,865 in 1890, of an average value of \$8.18.

The imports of general merchandise and dry goods at New York, for the third week of the month, were valued at \$9,896,388, against \$11,206,601 for the corresponding week in 1890, and \$9,691,434 in 1889. Since January 1st the imports aggregate \$66,538,018 against \$67,355,240 in 1890, and \$70,161,858 in 1889.

#### THE COAL TRADE AND COAL ROADS.

The Philadelphia *Ledger*, which is one of the best authorities on the coal trade, in its last weekly report says:

The anthracite coal trade is in a state of stagnation, and there appears to be no immediate prospect of improvement. Reports from nearly all quarters are of plethoric stocks of coal, very little new demand, and low prices. Until recently the prices for anthracite to the local line and city trade were well maintained. Within the past week some of the individual Lehigh and Schuylkill operators have diverted their shipments of coal to Philadelphia and vicinity from New York harbor and other places, and the consequence has been a cut in prices to induce sales, but with little effect. The weekly output of anthracite continues in excess of the market requirements. This is chiefly due to the large tonnage produced by the corporations. Many of the individual operators have either shut down their collieries entirely or else they are working only a day or two at a time, when they can obtain

sufficient orders for coal to do so. The Lehigh Valley Railroad is reported to have embargoed all shipments of coal for two days each week, to prevent too much coal being forwarded from the mines. The Reading Company is also believed to be effecting a restriction of production in its own way, but we understand that company has also given notice to its competitors that it does not propose to stand by and see a large tonnage being produced without getting its full quota of the same.

Nor are the coal roads themselves in any better shape than the trade is above shown to be. The decrease in the amount of anthracite coal marketed in 1890, 35,800,000 tons, as compared with 38,150,000 tons in 1888, was a large reduction, and equal to a decrease of \$6,000,000 or \$7,000,000 of receipts to the coal companies, but it appears that this decrease is likely to continue, as the present glutted condition of the coal market has compelled the Lehigh Valley to refuse to furnish any more cars to individual shippers along its lines, and as the action of the Lehigh Valley will probably be followed by the other companies, in order to reduce the output of coal, it looks now as though the amount of anthracite coal marketed in 1891 would be a good deal less than in 1890, and that the average of prices would be considerably lower. At the same time, bituminous coal is in good demand, and stocks small, with prospects of a good business ahead, from which is plainly visible that the latter is steadily supplanting the former for all purposes where the making of steam is required, and it seems that the only limit to the demand for bituminous coal is in that for steam making, while anthracite is likely to fall behind until it is restricted to the demand for domestic purposes. This is a blue outlook for both anthracite coal and the anthracite roads.

#### THE SILVER SPECULATION COLLAPSING.

The speculation in silver bullion has received another set-back since the defeat of free coinage by this Congress became practically assured, and it is still in a position where some important fluctuations in the price may be expected before long. The price in London has been 44¼, while the price of silver bullion certificates here were 97¼. The London price has declined, while the New York price has been marked up. It is expected that the holders of the large accumulations of silver in this market will decide, or be compelled to liquidate in preference to carrying their silver another year on the chances of the next Congress helping them out. These are already too large to get up any speculative advance without additional legislation, and a liquidation of the silver pool may result in a further decline in the price. Whether another Congress will be any more likely to agree upon such a measure is now too remote a question to be even discussed with any intelligent basis of calculation, as ex-President

Cleveland's silver letter seems to be working like leaven in the party that will control the next, which may be even more hostile than the present House, rather than less so, as has been assumed from the recent action of that party on the late Silver Bill. There will be at least a breathing spell before anything can be done and the country may call a halt in further silver legislation, until there has been time for business to adjust itself to that we have already had, and to show, as claimed for it, that it is a lever with which to lift prices. So far, it seems to have been more of a cudgel with which to depress them and keep them down. At all events, the only excuse for the last Bill before Congress, was to relieve the money stringency during the panic. Now there is more of a plethora than scarcity, and the only excuse left for free coinage is to relieve the Silver Ring that has loaded up, in expectation of unloading on the Government.

H. A. PIERCE.

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*Secretary Windom and His Successor.*—The appointment of Mr. Foster as successor to Secretary Windom is highly satisfactory. He has had large experience, his executive capacity has been demonstrated, his views on finance are eminently sound, and his integrity is unquestioned. The death of his predecessor has been deeply deplored by all. He was an unusually fit man for such a position. In the first place, he possessed the highest character, and the utmost courtesy. We venture to say that no one was ever received by him with the slightest disrespect. While always demeaning himself with dignity, he was cordial in his manner, and thus put every person in a situation to present his wishes to the best advantage. Furthermore, while possessing well-defined opinions, he was ready to re-examine them, and to correct them if occasion required. This is a great merit in such an official; infinite harm is often done through obstinacy, especially of an unintelligent kind. Secretary Windom's conduct on the silver question is a noteworthy illustration of what we are saying. He did not believe last year that an extension of the silver coinage was needful for the interests of the country, but perceiving that great difference of opinion existed on the subject, and that some action was probable, he recommended a plan which, in our judgment, is more worthy of adoption than any other which has been presented. In short, he was a model official, and the country may well rejoice if Mr. Foster shall follow closely in his footsteps.

## FINANCIAL FACTS AND OPINIONS.

*Bank Reserves and the New York Clearing House.*—This most important institution is moving in a right direction in requiring other members than National banks to keep as large a reserve as they are required by law to keep. A policy has prevailed among some of the State banks to keep a smaller reserve than that required by the National banking law, believing that in times of pressure that the stronger institutions would come to their relief. Of course, the object of thus keeping a smaller reserve was to enhance their profits. There are two ways of competing with others in business. One way is by fair, open and energetic action; another way is by taking advantages which require no superior skill or judgment, but which are questionable, and which, for that reason, will not be taken by all. This policy of keeping smaller reserves, with the expectation of assistance on the part of stronger banks, is one which some banks have adopted, and which all could, unless prevented by positive law, but which their sense of fairness has led them to shun. Nevertheless, the stronger banks have felt keenly of late this unfair method of banking, and the Clearing House has finally taken action to put them more nearly on the same plane. This action must be commended, for it is in the line of conservative banking, and experience clearly teaches that, in the city of New York especially, large reserves at all times are required. Every prudent banker regards the twenty-five per cent. limit low enough, and the more generally it is maintained among the banks the stronger will all of them be. Why does not the State Legislature adopt some rule in this matter? Surely it is well worth the consideration of that body.

*The Risk of taking Securities from Brokers for Loans.*—The English Court of Appeals has recently decided an important case to bankers who receive securities from brokers for loans. In the case of Simmons against the London Stock Bank, a broker obtained a loan from a bank and pledged securities therefor which did not belong to him, and which it was proved he had no right to use in that manner. The broker failed, and the bank, having sold the collaterals, was sued by the owner for their value. The owner contended that as the securities never belonged to the broker the bank obtained no title thereto, and the court adopted this view, and therefore decided that the bank must pay. If this decision were applied in the United States it would be needful for every bank, before making a loan to a broker on collaterals, to inquire carefully into the ownership of them in order to be secure in



taking them. It is true that banks are sometimes very careless in this matter, and the English rule would operate as a great protection to the holders of securities. This question perhaps is involved in the Bank of Albion case, which is now pending before the United States Supreme Court, and in which Judge Wallace, of the Circuit Court, decided that the cashier had no authority to pledge the securities that he did with the brokers in New York, for they must have known that they were wrongfully taken by him and pledged for his own debt. By a closer application of the English rule, some of the worst speculations that occur from time to time in this country, would surely be cut up by the roots.

*Examination of Depositors' Bank Books.*—A fraud was unearthed some time ago in the Stockbridge Savings Bank of Massachusetts, which was perpetrated by one of the officers in entering on the bank books smaller deposits in many cases than were actually made, but correct amounts on the books of the depositors. Of course, a comparison of books would have unearthed the fraud. A cashier in an Eastern National bank perpetrated a fraud of the same kind several years ago. To prevent such a fraud, a law was enacted in Massachusetts in 1888, providing that once in three years the books of depositors shall be called in and verified. Notwithstanding the law, the fraud was perpetrated by permitting the same man to examine the books as made the wrong entries. The possibility of covering up an irregularity in this way has, however, not escaped the commissioners in their report of 1889, for they particularly refer to it, and point to the need of having a special officer, who has not been connected with the receiving of deposits, to do this work. Evidently the act of 1888 should be amended in this direction.

*Interest on Deposits in Canadian Banks.*—Some of the discount banks in Canada have increased the rate on deposits to four per cent., and this has occasioned some discussion of the subject in that country. The Government pays three and a half per cent. on the deposits which are made in the Government Postal Savings Banks, and in order to induce depositors to put their savings in other banks a higher rate is offered to them. This is a high rate to pay for ordinary deposits, but the banks which make the offers are very well managed institutions and know what they are doing. Of course, they expect that a margin of profit will be left to them, even after paying this high rate, otherwise it would not be offered. It is said that this high rate is diverting a very considerable sum from the Government banking institutions.

*Payment of Interests on Deposits.*—In the above paragraph mention has been made of the high rate of interest paid by some

Canadian banks to attract deposits. The *Louisville Courier-Journal* contends that this is a vicious practice and condemned by the best bankers. It says:

The bank must reduce its reserve to the lowest line, in order to earn the interest which it agrees to pay. The depositor knows further that, in order to keep all its funds actively employed, a bank subjects paper offered to less scrutiny than it would usually apply. Hence it is that the depositor grows nervous, and at the first sign of danger draws his money from the bank which pays interest, and puts it in banks that refuse to follow this method.

It will not take long for the business community to understand two things:

First, banks which do not pay interest on deposits can afford to charge less interest on loans.

Second, banks which loan money at the lowest rates get the very best security that is offered.

This is an old question, but one of the practical aspects of it is, and which bankers must now face in many cases, if they do not allow interest on deposits they will be put in the trust companies. There is a growing tendency in some places to put deposits into these institutions, and the banks are finding out that they must make better terms with depositors in order to retain what they have or to attract more. Of course, the more paid for them the greater is the danger of making unwise loans, as the *Louisville Courier-Journal* states, but if interest is not paid, then deposits will shrink, and the banks will have smaller resources with which to accommodate customers.

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*Gold Contracts.*—Congressman Sweet, of Idaho, has introduced a bill into the House, prohibiting National banks from making loans payable in gold, and directing that any bank thus attempting to degrade the currency of the country, by demanding other than lawful money, shall forfeit its charter. Contracts payable in gold have been recognized at all times as valid, even during the suspension of specie payments. Of course, it is competent for Congress to change the National banking law and require banks to receive silver or nothing but silver, but Congressman Sweet cannot succeed in compelling banks to make loans or to remain under the law. They are not so strongly wedded to the system that they would continue to live thereunder amid all conditions that might be imposed. The adoption of a measure like that proposed would doubtless lead them to reorganize as State banks. As the privilege of issuing notes has ceased to be of much value, the chief reason for continuing to exist as National banks is to keep the reserves of other National banks. In short, the more valuable features of the system are diminishing in importance, and, therefore, Mr. Sweet, and all like him, should be slow in trying to have any measure adopted that will render the system less popular among

the banks that are now living under it, unless they wish to destroy it.

*Bogus Investment Companies.*—The Vermont Inspector of Finances, Mr. L. O. Greene, is calling attention to the dangerous character of the "numerical investment companies" which are flourishing in Massachusetts and are trying to do business in Vermont. Thus far licenses have been wisely refused to them. In Massachusetts it is reported that their success is having a serious effect on the investments in savings banks. As Inspector Greene says, the sole resource of these institutions is the gullibility of the class upon whom they prey, and a sorry feature of the business is that hundreds of people are to be found in every community anxious to be gathered into the nets of the sharpers who are at the bottom of all such schemes. Worse still, the victims, in nine cases out of ten, are poor men. The work of accumulation from surplus earnings seems tame enough when compared with the gilt-edged promises of the traveling agents of these humbug "numerical" companies, and it is not greatly to be wondered at that the poorer people are the first to seize an opportunity to get what appears to be something for nothing.

*Taxation of Foreign Capital in Kansas.*—Many of the farmers in Kansas, feeling grieved over the conduct of foreign lenders of money, propose to square the account somewhat by imposing a heavy tax thereon. In almost all States, and perhaps there are no exceptions, personal property, which of course includes money, is taxed at the place where the owner resides, and therefore every dollar of foreign capital that has been invested in Kansas is taxed elsewhere. It is possible that the owners in many cases escape taxation simply by making false returns, but the legal requirement above mentioned is imperative. So long as the rule prevails of taxing capital, and which, it may be remarked, prevails as well in Kansas as in other States, it is a gross injustice to attempt to tax it a second time in the State where the borrowers reside. The effect, however, of throwing such a bill into the legislative hopper was soon known. The lenders straightway called for a settlement. The borrowers tried to get their loans renewed by others, but without effect. No lenders could be found who desired to send or keep their money in Kansas under such conditions. The borrowers might have known that this would have been the inevitable consequence of trying to tax the lenders a second time on their capital. The Senate, far wiser than the House, have adopted the following resolution:

*Whereas*, The passage of the House bill, commonly called the Elder Tax bill, and others of like character, by the House of Representatives of this State, has caused great apprehension and distrust among the

holders of Kansas securities, and is, as we believe, doing the people of this State great and irreparable injury, by causing the withdrawal of all foreign capital from our State, thereby rendering it impossible for the debtor class of our people to renew their mortgages or even pay their interest accruing thereon; therefore, be it

*Resolved*, That it is the sense of this Senate that no wild or visionary measure, calculated in its nature or by its provisions to injuriously affect the people of this State or the credit of the same, can or shall pass this body.

There is much sympathy in all quarters for the farmers who are in debt, but it must also be said that no one has forced them to borrow. It is true that the temptations to do so were very great in many cases. Not all of the money borrowed has gone for land improvements; in many cases they have borrowed for the purpose of buying other lands, believing they would prove a good investment. Yet it certainly is worth while for the lenders to consider whether easier terms should not be made. We have no doubt that if the rates of interest were reduced we should hear less about silver money and currency inflation, Government lending, and similar schemes. The way out of all this wild scheming is a generous reduction in interest rates.

Indeed, we are informed that they have done so very generally, and that the farmers have obtained very considerable relief.

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*Liability of Banks for Mistakes in Payments and Erroneous Entries.*—The rule is very harsh which holds a bank liable for mistakes in paying checks and other instruments that are not detected by the depositor himself soon after the return of his pass book and accompanying vouchers. It does not prevail in many States and ought not to exist anywhere. The United States Supreme Court has established, we think, the correct rule on the subject. A depositor should have a reasonable time after the return of his pass book to examine it, to have errors in entries and mistakes in payments corrected; and if he does not do this within such time, the bank should not be regarded as liable for them any longer. This subject was fully considered in the last September number of the MAGAZINE. Ought not the principle thus established to be embodied in a statute, substituting, however, an arbitrary time within which reclamations may be made, for a reasonable one? We have formulated the rule in the following proposed law: *Be it enacted, etc.*, That whenever a depositor shall receive his deposit book from his depository bank or banker, containing the entries of the deposits made with said bank or banker, and the sums withdrawn therefrom, from the date of the last entry by the bank or banker in the book (or from the beginning of the account, if no entries have been made in the deposit book), and he shall not, within sixty days from the date of receiving

the book and the accompanying checks, notes, bills of exchange or other vouchers of payments made by the bank or banker, make reclamations for errors that may be discovered in the entries of the amounts deposited or amounts paid on the checks, notes, bills of exchange or other vouchers, or on forged indorsements, or on forged signatures as makers, or in any other assumed capacity, or on alterations in the amounts, of such instruments, then the depositor shall have no recourse against the bank or banker for damages, *unless* he can prove that such erroneous entries or payments, or omissions of entries that should have been made, were caused by the fraudulent conduct of the employees or officials of the bank.

*Silver in England.*—The movement in favor of a larger use of silver in England is making progress. Those who have been strongly opposed to extending the use of the white metal are beginning to see that the quantity of gold is quite inadequate to fulfill the enormous and expanding requirements of that metal. At last Mr. Goschen, Chancellor of the Exchequer, has thrown out the suggestion of issuing ten-shilling silver notes. The proposal is received with much favor in some quarters and strongly condemned in others. The London *Economist*, which represents the ultra conservatism of English finance, scents the significance of the suggestion and strongly opposes it. It says:

It is with some surprise that we find Mr. Goschen hinting at the possibility of his proposing an issue of ten-shilling notes against silver. But notes cannot be thus substituted for silver without considerable expense. There is a saving in substituting paper for gold coins, because we lose more through the wear and tear of the gold coinage than it costs to emit and maintain the notes. But there is no such gain to be realized by substituting notes for silver. On the contrary, the cost of maintaining the silver notes would be greater than the cost of maintaining the silver currency. And for whose benefit would this loss be incurred? Not for that of the working population, who are quite content with the silver coins, and would probably prefer them to notes, but for the benefit of bankers and employers of labor, who wish to be saved some little trouble or inconvenience. It may be said that the small notes will take the place of the half-sovereign. To whatever extent they do that, however, they will produce the very effect which Mr. Goschen is sedulous to guard against in connection with the £1 notes. "I will not," he declared, "be a party to the expulsion of gold from this country by any excessive issues of any fiduciary currency whatever." But the silver notes will be in the main a fiduciary issue. It is not proposed that we should buy some millions of silver to hold against them, and it would be a rash speculation if such a thing were attempted. Nor is it proposed that any portion of the gold they may displace is to be retained as security for them. That is to be left free to flow out of the country, and out of the country it will flow. Many other objections to such a note issue may be urged, but it is probably hardly necessary to press them upon Mr. Goschen's attention. He is evidently rather dubious in his own mind as to the propriety of compli-

cating his measure by this uncalled-for experiment, and we are inclined to believe that the longer he reflects upon the matter the more indisposed he will be to countenance the introduction of such a bad form of paper currency.

The suggestion is a sign of the change in the English mind; the necessity of enlarging the metallic basis, and thus relieve the strain on the Bank of England and the other great banks of Europe that are keeping the gold reserves. The violent fluctuations in the bank rates; their anxiety over the withdrawals of gold; their efforts to increase the supply, even at a heavy cost to business, which is experienced in the increase in the bank rate; all these facts clearly point to the conclusion that, in spite of all that is said, the gold supply is quite inadequate for the enormous demands made of the metal for monetary purposes.

*The Press on Free Coinage.*—It is worth remarking that, in the controversy for the free coinage of silver, all the leading newspapers between the Allegheny Mountains and the Missouri River are opposed to it. The Cincinnati *Commercial*, the Cleveland *Leader*, the Indianapolis *Journal*, the Detroit *Tribune*, the Chicago *Tribune*, the Chicago *Inter-Ocean*, the Milwaukee *Sentinel*, the St. Paul *Pioneer Press*, the Minneapolis *Tribune*, the Des Moines *Register*, and the St. Louis *Globe-Democrat* are emphatically opposed to the free and unlimited coinage of silver. In 1874 some of these newspapers and the neighborhoods in which they are printed were the fiercest in the demand for more "soft money," as an increased issue of greenbacks was called. The difference between the attitude of the States in the Mississippi Valley, then and now on this question, shows the great progress sound currency ideas have made in the Western States in sixteen years.

*Mexican Coinage.*—The Finance Minister of Mexico has submitted to the Congress of that Republic a plan for an entire revision of the monetary laws and coinage. It provides that the monetary system of the Republic shall consist, as at present, of gold, silver copper and brass coins. The monetary unit shall continue to be the silver dollar of 27 grammes and 73 milligrammes, 903-1000 fine. The fractions of this dollar shall be represented by silver coins of 5, 10 and 20 cents, 903-1000 fine, of the following weights: For the 20-cent pieces the weight shall be 5 grammes and 415 milligrammes; for the 10-cent pieces, 2 grammes and 707 milligrammes. The toleration as to weights shall never be greater or less than the following: For the \$1 piece, 3-1000; for the 20-cent piece, 7-1000; for the 10-cent piece, 10-1000; for the 5-cent piece, 15-1000. The gold coins shall be pieces of \$5, \$10 and \$20, all of them 900-1000 fine. The weight of the gold coins shall be as follows: For the \$20 pieces, 35 grammes and 48 milligrammes; for

the \$10 pieces, 17 grammes and 524 milligrammes; for the \$5 pieces, 8 grammes and 762 milligrammes. The lowest subdivision of the dollar shall be 1 cent, represented by a copper coin of 8 grammes in weight, with a diameter of 25 millimeters. The Government shall have authority to replace this coin by another of brass of the same weight and diameter, if thought to be advantageous. The silver dollar shall retain its present form, but the design thereof shall be improved, and its inscriptions relative to its fineness and value shall be modified so as to express the former in thousandths and give the latter, written in full, without abbreviation. The fractionary coins shall have the same emblems, and also such legends as are required to make a good distinction. On one side of the gold coins the coat-of-arms of the nation shall be engraved, as in the silver coins, but the engravings on the other side shall be the bust of Hidalgo, accompanied with the proper inscription. The copper or brass coins shall have also on one side the coat-of-arms of the nation, and on the other a wreath of laurel and oak with the necessary inscription.

*Local Taxes in Europe.*—Local taxes, says a correspondent, have increased greatly everywhere in Europe during the past twenty years. In Switzerland they have nearly trebled, in Zurich they have more than quintupled. In Munich they are four dollars per capita. The average for all Switzerland is over two dollars, while in 1868 it was still less than eighty cents. Yet perhaps the Swiss have got their money's worth in schools, roads, and public institutions, which then were sadly behindhand, and are now among the best in Europe. It is interesting to note that in many cantons the State has a voice in local taxes, and fixes a maximum rate which the town may not exceed. As in Germany, the taxation is based on the State estimates, since these are found to be less open to local influence. Some cantons have made an interesting attempt to distribute the burdens among the people according to their supposed advantage from the appropriations. Thus in Valais there are two categories of taxations, one for all townsmen, another in addition for tradesmen and owners of real estate.

*Debt of the Dominion.*—The increase of the public debt of the Dominion is the subject of much adverse criticism on the part of the opposition to the present ministry. Since the return to power of the Conservative party, in 1878, the net debt of Canada has been carried up to \$237,533,211, at which it stood at the close of last June, an increment of \$97,171,142, or an average annual increase of \$8,097,000 during the last twelve years. The organ of the existing Government says, in defense: "In the last ten

years the Canadian Pacific Railway has been built, and the contributions to the work from public funds have amounted to no less than \$61,940,000. The value of such an investment from a national point of view needs not to be argued at this day, but it is worth while pointing out that, apart from the subsidies to the Pacific Railway, the net debt of Canada on June 30 last amounted to only \$175,592,000, or \$33.80 per head of the population; while in 1880 the net debt was \$35.90 per head, showing a relative decline in the public debt, exclusive of the item of the Canadian Pacific Railway, as to the wisdom of which both political parties are now agreed."

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*Post-Office Savings Banks in Japan.*—The development of the system of post-office savings banks in Japan during the past fourteen years has been remarkable. According to an article in a native journal, they were established by Government in 1875, with the object of encouraging thrift, and to collect the small sums scattered about in private keeping. At first they attracted so little attention that at the end of 1875 there were only 2,000 depositors, with \$15,320. Henceforth, however, the figures increased at a remarkable rate. In 1876 the deposits amounted to \$41,845; in 1882, to \$1,058,000; in 1885, to \$9,050,000; and in 1889, to \$20,451,000. In Tokio the number of depositors is 356,000, and the amount of their deposits \$10,400,000. It is believed that the poorest people are not depositors, inasmuch as during the recent distress due to the comparative failure of the rice crop, the bulk of the deposits has undergone no diminution.

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*Counterfeiting French Bank Notes.*—Recently the police visited the offices of the journal *Le Moniteur Industriel* and the house occupied by M. Schlumberger, a chemist, and made some seizures. The reason for this visit, as explained by the *Soleil*, is that M. Schlumberger recently published in the journal, imitations of fifty-franc bank notes, with the object of proving that the notes at present issued by the Bank of France do not offer the security which is to be desired, as they are easily falsified. The chemist, who desired the bank to adopt a new model for their notes, of which he is the inventor, demonstrated by lecturing, and then in an article, the means of reproducing the present notes, and in support of his statements had some reproductions of the fifty-franc note made by his process. The police immediately seized these, but discovered that 15,000 false notes had already been sent by post in all directions, Belgium having received about a thousand. In order to escape conviction as a counterfeiter, M. Schlumberger substituted the word "liards" for "francs," omitted the signatures, and used paper which had no water mark. He is nevertheless liable to prosecution for imitating bank notes.



*A London Opinion of National Bank Reserves.*—The BANKER'S MAGAZINE has maintained that the National banking law ought to be so amended as to give the banks greater freedom in the use of their reserves. One suggestion which we think possesses considerable merit is that the banks should be permitted to use certain portions at different periods of the year. What is the use of a reserve if it cannot be used? It becomes no reserve at all. It is true the banks sometimes cut into their reserves, and the Comptroller, in the exercise of a lawful discretion, may do nothing about it, nevertheless the law has been administered too strictly, we think, in this regard. The remarks of the London *Statist* are worth adding.

"The hard and fast rule requiring every bank to hold a cash reserve equal to twenty-five per cent. of its deposits practically prevents any reserve being held at all by the banks. The law requires explicitly that the reserve shall be kept at all times, and it empowers the Comptroller of the Currency, where a bank fails to comply with this provision, to call upon the bank to make up the reserve within thirty days, and to wind it up if it fails to comply with the requirement. But as a reserve is kept in ordinary times for the purpose of being used in extraordinary times, the provision practically comes to this, that there is no available reserve held by the banks. It is curious that opinion in the United States does not demand some change in this curious arrangement, either by allowing the banks to use their reserves on paying a duty, or by some other device having the same object in view. . . .

"They (the banks) are required by law to keep a certain proportion of their deposits always unemployed, and the surplus they use up to the hilt in lending and discounting. When, therefore, an exceptional demand arises, they expect the Treasury to provide them with the means to meet it, and the Treasury is compelled to do so. The whole system is utterly wrong. The banks nominally keep a reserve, but when the time arrives for using it they are forbidden to do so. And the Treasury locks up immense sums in its vaults in ordinary times, and then pleads that it is justified in doing so, because it pays them out again when a crisis comes. It would, however, not be sufficient for the Treasury to employ a bank or banks in collecting and holding its revenue. That would be a great improvement, but it is not all that is required. In addition, the banks ought to have power, under certain conditions, to use their reserves when the occasion arises."

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## THE CLEARING HOUSE TRANSACTIONS OF 1890.

There are now in the United States fifty-nine Clearing Houses, as compared with fifty-one reporting in 1889. Eight have been organized or report for the first time during 1890.

As to the territorial distribution of these Clearing Houses, there are nine in New England, nine in the Middle States, nine in the Middle Western States, twelve in other Western States, six in the Pacific States, and fourteen in the South.

The reports from some of these Clearing Houses are imperfect but from the best data within reach, it would appear that the exchanges for 1890 amount to \$61,110,424.350.36, the balances to \$4,754,000,000, or about 7 $\frac{3}{4}$  per cent. of the exchanges. The number of banks associated is about 800. Of the total exchanges, \$37,458,607,608.75 represent transactions at New York, and \$23,651,-816,741.61 those at other cities.

The only additional Clearing House reporting in New England is that of New Bedford, which was established in September, 1888, and embraces five banks. The name of the manager, December 31, 1890, was Mr. J. H. Tallman, who has served since the organization of the Clearing House. The hour for making exchanges is one o'clock P. M., and the time occupied is about three minutes. The time for paying balances is 1:20 o'clock P. M. All balances over \$100 are paid in drafts upon some Boston bank. All matter passing the Clearing House must bear a written or stamped indorsement of the member from whom it is received. The expenses are borne equally. The exchanges for 1889 were \$21,010,034.85; for 1890, \$21,103,735.33.

The Clearing House at Rochester, N. Y., embracing thirteen banks, commenced business May 1, 1890. The exchanges are made at 11.15 A. M. The time required for completing the exchanges is five minutes. Banks are to pay their balances at 12:15 P. M. The manager is Mr. Edward H. Vredenburg.

The Clearing House at Washington, D. C., was established in May, 1887, with seven banks, since increased to eleven. Exchanges are made at 11 A. M. Balances must be paid at 1 P. M. in cash. The time occupied in making the exchanges is twenty minutes. The manager is Mr. George H. B. White, who has been in office since May 15, 1887.

The Clearing House at Lexington, Ky., was organized February 5, 1889, with ten banks and bankers, since increased to eleven, representing the entire banking fraternity of the city. The exchanges are made daily at 12:30 P. M., and occupy from ten to fifteen minutes. The balances are settled the next day, or at any

time after clearing that the banks may choose to draw checks on each other therefor. The manager is Mr. R. H. Courtney. The clearings for 1889 were \$17,670,438.18; for 1890, \$23,660,032.56.

The Clearing House at Chattanooga was organized in January, 1890. The business is done substantially after the method in use at New Orleans. Eight banks belong to the Clearing House, and two clear through some of these eight banks. The daily exchanges are made at 3:15 P. M., and occupy one-half an hour, balances being paid at 5 P. M. by means of managers' checks. The manager is Mr. L. C. Ivy.

The Clearing House at Salt Lake City was established April 1, 1890, and embraces nine banks. The exchanges are made at 12:15 P. M., and occupy fifteen minutes. Balances are paid in the afternoon by means of managers' certificates. The manager is Mr. Cyrus L. Hawley.

The Portland, Oregon, Clearing House was established July 15, 1889. Its regulations and blanks are similar to those of the New York Clearing House. The manager is Mr. J. L. Hartmann.

The following table gives, so far as reported, the date of the establishment of the various Clearing Houses in the United States, their exchanges, balances, and the number of banks associated in 1890:

	<i>Date of Establishment.</i>	<i>Clearings.</i>	<i>Balances.</i>	<i>No. of Members.</i>
New York.....	1853	\$37,458,607,608 75	\$1,728,586,917 40	64
Boston.....	1855	5,130,878,745 00	552,367,294 00	54
Providence.....	1866	267,584,600 00	79,367,200 00	33
Hartford.....	1872	104,999,438 10	30,129,527 14	15
New Haven.....	1873	67,585,095 40	15,846,772 76	10
Springfield.....	1872	66,141,137 77	21,373,806 46	10
Worcester.....	1861	60,048,318 00	14,951,247 00	8
Portland.....	1865	61,606,058 00	13,338,003 00	7
Lowell.....	1876	39,964,353 43	12,003,429 91	7
New Bedford.....	1888	21,103,735 33	.....	5
Total New England..		\$5,819,911,481 03		149
Philadelphia.....	1858	\$3,710,248,015 00	\$343,663,705 00	42
Pittsburgh.....	1866	786,694,231 17	115,685,793 90	19
Baltimore.....	1858	753,095,193 24	111,095,759 94	23
Buffalo.....	1889	352,891,396 98	24,678,518 03	12
Washington.....	1887	85,231,228 34	14,690,890 75	11
Wilmington, Del.....	1887	42,693,704 29	7,947,614 32	6
Syracuse.....	1874	41,305,671 74	8,838,715 16	8
Rochester (8 months)...	1890	50,726,803 84	12,044,285 01	13
Total Middle.....		\$5,822,886,244 50	\$638,645,282 11	124
Chicago.....	1865	\$4,093,145,904 48	\$328,139,164 90	20
Cincinnati.....	1866	640,579,450 00	90,386,600 00	17
Milwaukee.....	1868	361,270,394 53	61,596,453 75	11
Detroit.....	1883	300,648,010 00	48,778,442 00	20
Cleveland.....	1858	264,470,453 00	.....	13
Indianapolis.....	1871	211,127,354 73	22,482,750 43	6
Peoria.....	1880	84,706,288 00	20,242,136 00	10
Columbus.....	1868	*77,376,500 00	.....	16
Grand Rapids.....	1885	38,286,226 53	6,995,056 99	7
Total Mid. Western..		\$6,071,610,581 27		120

\* One-half the figures given by *The Commercial & Financial Chronicle*.

	<i>Date of Establishment.</i>	<i>Clearings.</i>	<i>Balances.</i>	<i>No. of Members.</i>
San Francisco.....	1876	\$851,066,172 60	\$118,824,559 86	16
Portland.....	1889	93,439,224 75	17,785,075 34	10
Seattle.....	1889	156,753,230 00	.....	..
Tacoma.....	1889	46,511,668 14	11,132,001 74	..
Los Angeles.....	1887	32,164,083 26	7,271,890 27	7
Salt Lake City.....	1890	62,431,310 00	.....	9
<b>Total Pacific.....</b>		<b>\$1,142,365,688 75</b>		
Kansas City.....	1873	\$492,207,771 70	.....	10
Minneapolis.....	1881	303,913,022 81	\$51,724,301 37	17
St. Paul.....	1874	225,564,896 84	37,446,289 06	14
Omaha.....	1884	255,168,293 00	48,411,920 00	8
Denver.....	1885	255,497,797 38	46,273,245 45	11
Duluth.....	1887	105,297,809 45	24,324,459 09	6
St. Joseph.....	1877	79,497,693 65	.....	9
Sioux City.....	1889	48,910,563 33	13,590,789 88	13
Des Moines.....	1887	33,137,827 00	.....	10
Wichita.....	1888	† 38,739,635 01	.....	8
Lincoln.....	....	† 29,774,112 00	.....	..
Topeka.....	1887	18,398,197 90	8,378,940 00	6
<b>Total other Western..</b>		<b>\$1,836,107,620 07</b>		
St. Louis.....	1868	\$1,118,573,210 00	\$163,780,097 00	19
New Orleans.....	1872	528,883,431 00	63,177,656 00	16
Louisville.....	1876	400,181,266 83	83,708,608 55	22
Memphis.....	1879	130,792,233 00	29,219,033 29	9
Richmond.....	....	† 113,255,353 00	.....	..
Galveston.....	1885	182,158,433 00	.....	8
Nashville.....	1889	113,934,738 00	.....	..
Dallas.....	....	128,826,340 80	.....	11
Fort Worth.....	1888	49,221,706 80	20,439,328 76	7
Norfolk.....	1871	48,210,486 00	7,255,898 00	6
Chattanooga.....	1890	32,100,000 00	5,480,000 00	8
Birmingham.....	1889	39,137,895 00	11,040,000 00	11
Lexington.....	1889	23,660,032 56	.....	11
Houston.....	....	No return.	.....	6
<b>Total Southern.....</b>		<b>\$2,908,935,125 99</b>		
<b>Total all.....</b>		<b>\$61,110,424,350 36</b>		
<b>Outside New York..</b>		<b>\$23,651,816,741 61</b>		

The following table shows the growth of the Clearing House transactions in the United States since the establishment of our first Clearing House at New York in 1853:

	<i>No. of Associa- tions.</i>	<i>No. of Associa- tions Reported.</i>	<i>Aggregate Exchanges U. S. Millions.</i>	<i>Gold &amp; Currency Exchanges N. Y. Millions.</i>	<i>Exchanges Outside N. Y. Millions.</i>
1853.....	1	1	*\$1,304.9	*\$1,304.9	.....
1854.....	1	1	5,798.6	5,798.6	.....
1855.....	1	1	5,673.7	5,673.7	.....
1856.....	2	2	8,404.2	7,346.8	\$1,057.4
1857.....	2	2	8,591.4	7,196.1	1,395.3
1858.....	5	3	7,215.7	5,376.2	1,839.5
1859.....	5	3	9,069.3	6,598.8	2,470.5
1860.....	5	3	10,022.0	7,393.8	2,628.2
1861.....	6	4	7,507.4	5,516.4	1,991.0
1862.....	6	4	10,120.1	8,234.9	1,885.2
1863.....	6	4	20,442.4	17,427.7	3,014.7

† From *The Commercial & Financial Chronicle*. † From the *Boston Post*.

\* From October 11.

	No. of Associa- tions.	No. of Associa- tions Reported.	Aggregate Exchanges U. S. Millions.	Gold & Currency Exchanges N. Y. Millions.	Exchanges Outside N. Y. Millions.
1864.....	6	4	30,053,4	25,640,0	4,413,4
1865.....	8	5	30,437,0	25,858,0	4,579,0
1866.....	11	7	36,235,9	31,466,5	4,769,4
1867.....	11	7	30,322,1	25,811,2	4,510,9
1868.....	14	7	36,079,7	31,159,7	4,920,0
1869.....	14	9	41,157,1	35,541,1	5,616,0
1870.....	14	9	32,849,7	27,086,3	5,763,4
1871.....	16	10	37,200,4	30,643,0	6,557,4
1872.....	20	12	43,581,6	36,369,6	7,212,0
1873.....	21	13	37,686,6	29,840,5	7,846,1
1874.....	23	14	31,822,0	24,450,0	7,372,0
1875.....	23	15	32,339,7	24,313,8	8,025,9
1876.....	26	18	29,579,9	21,476,7	8,103,2
1877.....	27	23	31,944,1	23,800,6	8,143,5
1878.....	27	24	30,133,1	22,401,1	7,732,0
1879.....	28	24	38,591,1	29,235,6	9,355,5
1880.....	29	26	50,113,9	38,614,4	11,499,5
1881.....	30	27	63,414,6	49,376,9	14,037,7
1882.....	30	29	60,877,4	46,917,0	13,960,4
1883.....	31	31	51,827,1	37,434,3	14,392,8
1884.....	32	32	44,201,9	30,985,9	13,216,0
1885.....	35	35	41,453,5	28,152,2	13,301,3
1886.....	36	35	49,186,5	33,676,8	15,509,7
1887.....	42	38	51,156,1	33,474,6	17,681,5
1888.....	46	44	49,458,8	31,100,0	18,358,8
1889.....	54	54	56,344,5	35,895,1	20,449,4
1890.....	59	58	61,110,4	37,458,6	23,651,8
			1,223,307,8	926,347,4	297,260,4

It will be noticed that the Clearing House transactions of the past year have been exceeded only once—that was in 1881—while the exchanges outside of New York are the largest on record. If the exchanges at New York had increased in the same proportion as those outside since 1881, the total for the past year would have been more than one hundred millions. As is well known, stock speculation greatly affected the exchanges at New York in 1881 and 1882.

As showing the effect of Stock Exchange transactions upon the volume of clearings, the following table from the *Commercial and Financial Chronicle*, giving the stock transactions at New York since 1875, will be instructive:

Year.	Shares Sold.	Average Selling Price.	Values (approximate.)
1875.....	53,813,937	53.20	\$2,862,503,683
1876.....	39,926,990	53.40	2,132,050,483
1877.....	49,832,960	52.20	2,601,280,512
1878.....	39,875,593	54.10	2,157,269,581
1879.....	72,765,762	56.85	4,136,633,570
1880.....	97,919,099	69.60	6,819,086,054
1881.....	114,511,248	71.59	8,197,506,403
1882.....	116,307,271	66.12	7,689,453,476
1883.....	97,049,909	64.51	6,260,809,961
1884.....	96,154,971	61.77	5,939,500,000
1885.....	92,538,947	64.1	5,479,859,840
1886.....	100,802,050	65.6	5,885,662,200
1887.....	84,914,616	61.1	4,508,778,899
1888.....	65,179,106	62.5	3,539,519,143
1889.....	72,014,600	61.0	4,059,231,891
1890.....	71,282,885	60.2	3,977,664,193

During the past year the value of stocks sold at the New York Stock Exchange was \$4,200,000,000 less than in 1881, and the clearings were \$12,000,000,000 less. If the reduction in the volume of Stock Exchange transactions were the sole cause of this reduction in the volume of the exchanges, the result would indicate that sales of stock affected the clearings to the extent of three times the volume of the former.

The exchanges at London in 1890 were £7,801,048,000, or \$37,958,700,000, being a trifle larger than at New York. The other English Clearing Houses, so far as reported, show considerable gains in their transactions.

DUDLEY P. BAILEY.

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### RELIEF FOR BANKS AND DEPOSITORS IN TIMES OF MONETARY STRINGENCY.

After the severe experience of the banks and the business community alike in the panic of last November, it would seem as if the former would surely by now have devised some plan through which to protect themselves from the serious inconvenience, if not actual danger, to which they were then exposed, as a consequence of the sudden call upon them, for payment in cash, of liabilities that in the ordinary current of affairs would have been liquidated by a simple interchange of credits. Yet no digested proposition as yet appears to be even under consideration by financial leaders; and so far as any disposition has been shown, it is rather in the direction of resorting to assistance through legislation. Twice before within comparatively few years has the system of payment through Clearing House balances been brought so near a breaking point, as to prompt the suggestion of Mr. Henry Carey Baird, quoted in your January number, that it would be well for American commerce if it could be induced 'to return to the antiquated and extravagant custom of cash settlements still in vogue to so great an extent in France. We are hardly likely to do that; but it does seem that it might be prudent to supplement the important service rendered by our own more advanced methods with new safeguards; preferably to be provided by as spontaneous an evolution as has been the Clearing House system itself, rather than by the objectionable dependence upon governmental intervention. Our experience in the panics of 1890 and 1884—still more that learned in the crisis of 1873—point most clearly to the source of the trouble; and at least one of these to the remedy.

It is hardly necessary at this late day to emphasize the true nature of exchanges as now conducted; to point out that by the admirable machinery of our banks, so associated in Clearing Houses

as to become for this purpose one great bank (or, reversing the illustration, so carrying down the principle of the Clearing House to its individual members that each serves chiefly as a clearance agent for its own customers), the great bulk of the business of to-day is carried on without the use of any but the smallest percentage of currency at all; the exchange of values being effected by means of a simple writing off of one against another. We all know that in ordinary times every one is perfectly content and even anxious to dispense with the necessity of handling coin or bills, and that it is only when a strain is put upon commercial confidence that the timid ones seek to abandon this most useful system, and the selfish ones to profit by the artificial stringency of money thus created. It is an absolute truism to say that in no way can the strongest bank ever be in a position to meet all its liabilities in cash. Yet the danger that the unreasoning fear of its customers may require of it an approximation to this impossibility, may at any time cast the entire machinery of exchange into confusion, or perhaps overwhelm it with disaster.

What is less fully recognized than the axiomatic propositions just stated, is the fact that banks are intrusted to only a small extent, comparatively, with deposits in the form of cash, and ought not to be subject to a demand to pay in anything but what they receive. That is the title to goods or services which have been transferred to them for collection in the shape of checks or notes and similar representatives of value; the collection being usually satisfied with a corresponding piece of paper, which ultimately, in the final analysis, represents merely a reciprocal demand upon the original depositor. Just what they have received is all that they should be required to pay, in all fairness, and justice here coincides closely with safety. In other words, there should never be a time when banks might be called upon to cash checks for deposits that were not made in cash; but should only be bound to transfer the credit intrusted to them by the depositor to his appointed agent through the Clearing House, through which they had made the collections which constituted his account.

Stress of circumstance brought the banks to this very logic in 1873, and forced them to violate what had been understood tacitly to be the terms of their contract at the time; they refused to pay cash except where it was absolutely needed, and compelled the community to adhere to its ordinary method of exchanging values—then even less universally accepted than now. The relief was immediate. As in the later panics, the anomaly had existed of an apparent scarcity of money, although the amount in existence was in no way diminished, and the amount of work for it to do was much less because of the smaller amount of business being transacted. What had really happened was an attempt on the part of

merchants to dispense with their usual machinery, and to get along with the always utterly inadequate volume (for such a purpose) of cash. The action of the banks was on every hand admitted to be wise.

Where they made a mistake was in treating it as a sort of war measure, to be adopted only as an extreme resort, instead of at once going to work to establish it as the normal condition of things. This might have been more easily done then, but it is not too late now. To induce customers to give up a privilege that they have always had but would never dream of exercising, except when by so doing they might hopelessly cripple the banks, and react with even more crushing force upon themselves; to persuade them to make their accounts payable through the Clearing House only—except such special accounts as might have to be carried by large employers of labor for the payment of wages, &c.—would doubtless need some sort of bonus to be offered. A greater obstacle might be found in the reluctance of some of the strongest banks to give up their right to boast that they were always ready to meet all obligations in cash. But such pride as this, when it stands in the way of public safety, is, after all, somewhat boyish, and might be relinquished if our Clearing House authorities would but take up such a plan heartily. We might still have commercial panics that were due to other than strictly financial causes, but they would not be aggravated by “tight money”; and the liquidation that invariably follows would not be synonymous with loss, if it were unnecessary to settle a great mass of liabilities in a currency artificially contracted by partial elimination of its largest and by far most important percentage.

E. J. SHRIVER.

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### SOME GOOD EFFECTS OF THE RECENT MONETARY STRINGENCY.

The evils arising from the scarcity of money during the last six months are well understood, but some good results have followed which are worth considering. One of these is the ending of many worthless schemes, involving in the aggregate a large expenditure of money. These were forming in various parts of the country, especially in the South and West—land companies, mining companies, railroads, and indeed a great variety of enterprises. The sudden lack of money has effectually chilled very many of them. Had the stringency not occurred, doubtless the promoters would have succeeded in obtaining a large amount of capital which would have been permanently sunk, or if returns were forthcoming, doubtless they would have been long delayed. But the pro-



motors did not care, they were simply thinking of the present, and of getting out in time themselves. Of course, the Argentine bubble has overshadowed all others, but our country has been full of smaller ones. Had not the money market tightened, doubtless this class of speculators would have gone on for some months, perhaps years, in their very questionable business.

This leads us to remark that the utterance heard in so many quarters, that the extension of confidence by the banks in the discounting of paper and the renewal of obligations was the true remedy for the state of things that existed, to a large extent was irrational. There are some concerns and enterprises afloat which are not worthy of confidence, and the banks ought not to do anything for them, whether they have the means or not. So, then, there are really two phases to the stringency that has happened—a lack of money, and a lack of confidence arising from the unsoundness of the enterprises in which not a few persons are engaged. The banks cannot discriminate too sharply between legitimate business which is worthy of confidence, and speculative schemes which have but little or no merit in them.

If this stringency had not occurred, and these promoters had succeeded in obtaining money with ease, as they have been obtaining it for the last two or three years, nothing is more certain than that a collapse would have happened later, and of far larger proportions.

Probably there are other speculations of varying merit, the weakness of which will come to the surface in succeeding months, but the most of them are probably now known, and, therefore, we may rationally hope for a sounder business of all kinds during the future. Caution is the watchword with every one, and enterprises, if growing more slowly in the future, will grow more healthfully, and this will be a gain to all concerned. These explosions are never welcome, but they are the inevitable results of the scheming which is one of the features of modern business. First, there is an era of excessive confidence, followed by a sudden discovery of weakness, which leads to a collapse. Doubtless there is no cure for these things, they happen again and again, and we suppose we are to be treated to them in the same manner in the future. About the only cause for rejoicing is, whenever they do occur, if like this last, that it was no worse. As compared with the losses of the British investor from his South American and South African bubbles, ours are very slight.

## NEGOTIABLE INSTRUMENT.

NEW YORK COURT OF APPEALS.

*Canajoharie National Bank v. Diefendorf.*

Where the maker of notes has shown that they were procured from him by fraud, the burden is upon the holder to show that he is an innocent purchaser for value.

That negotiable notes offered to the cashier of a bank before maturity were made by a farmer whom he knew, and who had no outside business to call for such large transactions, that they had been executed in a city two hundred miles from his home, and were offered for discount by an utter stranger, *held*, were sufficient to put the cashier upon inquiry; and where he purchased them without the least investigation, the jury were warranted in finding that the bank was not an innocent holder for value, although it paid about eighty-five per cent. of the face of the notes.

RUGER, C. J.—The evidence tended to prove that Henderson and Van Valkenburgh procured from the defendant at Rochester, on December 7, 1886, eight promissory notes of \$1,000 each, payable to Henderson or bearer at various times, from three to twelve months from date, by fraud and misrepresentation, and under an agreement that they should be retained in the possession of the payee to be paid from the receipts of a business to be carried on as partners by the said parties, and under such circumstances as would not have authorized their payee to enforce them against the maker. Two of these notes were purchased by the plaintiff of Henderson at its banking office in the village of Canajoharie, nearly two hundred miles from the place where the notes were executed, on the 9th and 10th days of December, 1886, respectively, and these notes are the subject of this action. The purchase of the notes by the plaintiff, was conducted by its cashier, and the circumstances attending their transfer were not materially different, in respect to the two notes, except in the fact that the transfer of the second note indicated a larger indebtedness of their maker at the time of the last transaction than was inferable from the first sale. The circumstances of the transfer were testified to by the cashier alone, and constituted a part of the plaintiff's affirmative case. It may be assumed in the further consideration of the case that such evidence established the fact that the notes were purchased before maturity, and that the plaintiff paid nearly their face value therefor. The cashier also testified that he had no knowledge or notice of the consideration of the notes, and that he took them for the bank in the usual course of its business. Other circumstances affecting the purchase appear from the uncontradicted evidence, and are substantially as follows: The defendant was a resident of the town of Root, and had for many years lived about six miles from Canajoharie, where the plaintiff's banking institution was located. There is no evidence in the case showing his pecuniary condition; but it does appear that he was a farmer, upwards of sixty years of age, and had never been engaged in any business requiring the discount of negotiable paper to any noticeable extent. He was known to the cashier of the plaintiff, by whom the purchase was effected, but Henderson, from whom the notes were bought, was, as he says, a "perfect stranger" to him, and he did not know his place of residence, except that he had said he lived in Colorado. The transaction connected with the purchase of the notes took place in the outer office of the bank, and occupied only about ten minutes. One Vosburg, a resident of Canajoharie,

introduced Henderson to the cashier, stating that his name was Henderson, and that he wanted to get the money on the note. The cashier requested Vosburg to indorse it, which he declined to do. The cashier then stated what he would give for the notes, payment to be made in drafts, and Henderson assented, and the transaction was closed. Henderson indorsed the notes, but it does not appear that he gave any information to the plaintiff as to his residence—the place where he might receive notice of protest—or his pecuniary circumstances, and none was required of him. It did not appear that the cashier was acquainted with the handwriting of Diefendorf, or made inquiry of any one who knew it. The amount of the purchase price was paid to Henderson in drafts on plaintiff's correspondents in other cities, for which a percentage was charged by it, and these drafts were cashed on the day after they were respectively received by the plaintiff, upon the statement by Henderson that he wanted the cash, and did not want drafts. There was no haggling about terms in the negotiation. The cashier dictated the price, and the funds in which the payment was to be made, and Henderson accepted the offer without demurrer or hesitation. The notes bore interest, and the plaintiff paid Henderson a sum amounting to their face value less a discount, which insured the bank from fifteen to eighteen per cent. profit upon the transaction. As might naturally have been expected, after the lapse of a short time Henderson disappeared, and has not since been heard from. The notes were, apparently, for unusual amounts for a farmer in ordinary circumstances to give, and would naturally have excited curiosity in those who knew him, as to the circumstances under which such an indebtedness was incurred. The plaintiff's cashier, however, studiously refrained from acquiring any information in regard thereto, even such as might be, under many circumstances, desirable for the bank to have. He made no inquiry as to the consideration of these large notes; the influence which had taken this farmer so far from home; or the circumstances attending their execution. He asked no questions as to the responsibility, employment or associations of his vendor; but apparently bought the notes upon the security of a single name, evidenced by a signature unfamiliar to him, and indifferent to the manner in which they were obtained, or the responsibility of the person with whom he was contracting. For aught that he knew, his vendor was utterly irresponsible, and might have been a man of infamous character, capable of any crime, and able to place himself beyond the reach of criminal process if circumstances rendered such a precaution necessary or prudent. Even Vosburg refused to approve the responsibility of the parties, although he went to the bank professedly to enable Henderson to get the money on the notes. The notes might have been given for a gambling transaction, or for a usurious consideration, and have been uncollectible by their holder, or impaired in value; but the plaintiff took no heed of these circumstances, and embarked the funds of the bank in the purchase of questionable obligations from a perfect stranger, in violation of the customary rules which prevail in financial institutions. The notes were transferred at a prohibited rate of interest, and would have been void for usury, within the doctrine of *Hall v. Wilson*, 16 Barb. 550, in the hands of any other transferee than a National bank. This fact limits the forfeiture to the interest, but does not make the taking of usury by such banks lawful. The history of the negotiation is best described by negatives, and is more significant from what was omitted than what was avowed. (*Stewart v. Lansing*, 104 U. S. 510.) Greater caution in avoiding the most natural information could not have been exhibited by the plaintiff if the cashier had known the notes were

obtained by fraud or crime, and desired to remain in ignorance of those facts. His conduct indicated something more than negligence. He exhibited a studious desire to avoid any information which might throw light upon the origin of the notes, or the existence of equities in favor of their maker. Henderson, a "perfect stranger," to the plaintiff, coming red-handed from the perpetration of his fraud, and desiring to realize its fruits, while his confederate kept Diefendorf employed at a distance from his residence, could not have discovered a less scrupulous or more accommodating instrument than this National bank, if he had sought the customary agencies for the negotiation of feloniously-acquired securities. Henderson displayed a cautious reticence in recommending the paper he had to dispose of; and the cashier, with a delicacy as novel as it was considerate, appreciated his situation, and refrained from putting any questions which might embarrass his vendor in negotiating a successful sale. Without being called upon to make the explanation usually required by banking institutions, in respect to the most ordinary transactions of every-day customers, this stranger, it is claimed, walked into a National bank and converted his feloniously-acquired property into money without difficulty or delay. Common prudence, and a decent regard for the rights of those who might be injured by his conduct, required more than this from the least scrupulous of men, and much more, it would seem, from the managers of a chartered financial institution. Such institutions have no right to advertise the purchase by them of unlawfully acquired notes, bonds or negotiable paper, without inquiry or question, neither have they the right to deal in such securities in defiance of the salutary rules regulating the acquisition of title to personal property. It cannot be seriously contended that a business carried on in such a manner is conducted according to the usual and ordinary course of such institutions, within the meaning of those words as used in relation to transfers of personal property. Promissory notes purchased at a usurious and illegal rate of interest before inception, and being void in the hands of their transferrer, under circumstances so strange and unusual as accompanied this transaction, cannot be said, as matter of law, to have been acquired in good faith, in the usual course of business.

No material question arises in this case as to which party had the burden of proof, as the plaintiff voluntarily assumed that burden in the outset of the trial, and no contradictory proof as to the circumstances attending the transfer of the notes was given by the defendant. The burden of proof to establish this fact, as we shall hereafter see, rested upon the plaintiff; and upon all the evidence, the question, we think, was for the jury to determine. The claim that the plaintiff's cashier was a disinterested witness, whose testimony must be regarded as controlling, if not contradicted, cannot be sustained. Aside from the alleged improbability of his statements, he was the financial agent of the plaintiff, and the owner of one-fifth of its capital stock, and aside from his direct interest, responsible to his principal for the care, fidelity and prudence with which he discharged his official duties. His interest in the transaction was co-extensive with that of the plaintiff, and brings him directly within the cases which hold that the credibility of such a witness is a question for the jury to determine. (*Elwood v. Telegraph Co.*, 45 N. Y. 549; *Honegger v. Wettstein*, 94 *Id.* 252.) Such evidence is also for the jury, where the evidence of the witness shows his conduct to have been unusual, imprudent, and inconsistent with the character which he seeks to maintain as a *bona fide* holder. (*Stilwell v. Carpenter*, 2 Abb. N. C. 239; *Moody v. Pell*, *Id.* 275; *Kavanagh v. Wilson*, 70 N. Y.

177.) At the close of the evidence the plaintiff requested the court to direct a verdict for it upon the ground "that upon the undisputed evidence in the case plaintiff purchased the notes before maturity, paid value therefor, and without notice of any facts constituting a defense to the notes." This request was denied, and the plaintiff excepted. The trial court submitted the case to the jury under instruction that if they found the notes were procured from Diefendorf by fraud, and under such circumstances as would not entitle the payee thereof to recover against him, they should consider the further question whether the plaintiff purchased said notes for value, and in good faith, and if it did not, that the defendant was entitled to a verdict. The jury found for the defendant. Upon appeal, the judgment entered on this verdict was reversed, upon questions of law, and a new trial ordered. The ground upon which this result was reached was said to be that there was no evidence of bad faith in the purchase of the notes on the part of the plaintiff, and that the trial court erred in not directing a verdict for the plaintiff. The plaintiff claims that the proof showing it purchased the notes before maturity, paying value therefor, conclusively establishes its character as a *bona fide* holder, and entitles it to recover, in the absence of proof showing that it had notice, or knowledge of facts constituting a defense to the action. The plaintiff's contention eliminates the element of good faith from the transaction, and assumes that the language, "a holder for value," as used in the authorities, is satisfied by proof that the notes were purchased before maturity, and value paid therefor. We think this contention is contrary to the weight of authority in this State, even if it is not wholly unsupported by it. The payment of value for negotiable paper is a circumstance to be taken into account, with other facts, in determining the question of the *bona fides* of the transaction, and, when full value is paid, is entitled to great weight; but that fact is never conclusive, except in the absence of evidence tending to show notice of bad faith. Those who seek to secure the advantages which the commercial law confers upon the holders of bank bills and negotiable paper must bring themselves within the conditions which that law prescribes to establish the character of a *bona fide* holder. They are entitled to the benefits of that rule only when they have purchased such paper in good faith, in the usual course of business before maturity, for full value, and without notice of any facts affecting the validity of the paper. This has been the law in this State since the case of *Bay v. Coddington*, 5 Johns., Ch. 54; 20 Johns. 636. The fact that they took the paper before maturity, and paid the full value thereof, in the absence of other facts, undoubtedly affords a presumption of the good faith of the transaction; but where it further appears that such property has been fraudulently or illegally obtained from its owner or maker, and under such circumstances that the person putting it in circulation could not maintain an action thereon, it is incumbent upon the holder, in order to succeed, to go further and show the circumstances under which it came into his possession, and that he has acted in good faith in the transaction. What constitutes good faith in such transactions has been the subject of frequent discussion in the books; and while differences of opinion may exist on some points, there is perfect uniformity among them upon the point that a want of good faith in the transaction is fatal to the title of the holder, and that gross carelessness, although not of itself sufficient, as a question of law, to defeat title, constitutes evidence of bad faith. The requirement of good faith is expressed in the very term by which a holder is protected, and is fundamental in the maintenance of the character claimed to be protected. (1 Pars. Notes & B. 258.) It was held in *Seybel v. Bank*, 54 N. Y.

288, that gross negligence, though not conclusive, was evidence of bad faith; and impliedly, that a verdict of a jury based upon such evidence would be upheld. This doctrine is conceded even by the case of *Goodman v. Harvey*, 4 Adol. & El. 870, the leading case in England in upholding the rights of the holders of commercial paper. Justice Swayne, in the case of *Murray v. Lardner*, 2 Wall. 121, says: "The rule may be said to resolve itself into a question of honesty or dishonesty, for guilty knowledge and willful ignorance alike involve the result of bad faith." Chief Judge Church said in the case of *Insurance Co. v. Hachfield*, 73 N. Y. 228, that "bad faith is predicated upon a variety of circumstances—some of them slight in character, and others of more significance. . . . A perfectly upright, honest man might sell a bond which had been stolen, and the explanation might prevent even the taint of wrong on his part; while the explanation, although falling far short of proof of actual guilt, might leave upon the mind an apprehension that he either directly or impliedly connived at the wrong, or at least that he was willing to deal in securities, and keep his eyes and ears closed so that he should not ascertain the real truth." In the "American and English Encyclopedia of Law" (vol. 2, pp. 390) it is said that "to constitute a *bona fide* holder of a note or bill it must be obtained for value before the real or apparent maturity of the paper, and in the due course of business, and in good faith." Numerous authorities are there cited to maintain the doctrine of the text. The late Judge Allen, in the case of *Hall v. Wilson*, 16 Barb. 548, defined the conditions necessary to render a person a *bona fide* holder within the meaning of the mercantile law, in the following language: "To entitle the holder of negotiable securities which have been fraudulently, feloniously or without consideration obtained and put in circulation, to the benefit of this rule, he must have become such holder, in good faith, for a full and fair consideration, in the usual course of business, and without notice of the defect or infirmity in the title." The opinion in respect to each of the conditions mentioned by the Judge was supported by numerous authorities, and the case has been repeatedly cited and approved in the subsequent reports of this State. The case seems to be in point. The action there was brought upon a note for \$120 made by the defendant, and stolen by one Bundy from the maker's desk. Bundy sold the note to one Bigelow for \$115, before maturity. Bundy was introduced to Bigelow by another man, who told Bigelow that Bundy had been at work for the defendant. It was held that the note, never having been delivered to Bundy, had no inception until Bigelow bought it, and he having purchased it at a usurious rate of interest, had not acquired it in good faith, and in the usual course of business. The defense of usury was not set up, and the fact that usury was taken was regarded only as evidence upon the question of good faith in the purchase.

The rule is also laid down in Daniel on Negotiable Instruments (2d ed., § 819), as taken from plaintiff's brief, that after proof by the defendant that the paper was fraudulently or feloniously procured from him, and "when the holder responds by showing that he did acquire the instrument *bona fide* for value, in the usual course of business, while it is current and under circumstances which do not operate as constructive notice of the facts which impeach the original validity, the defendant must then prove that he had actual notice of such facts." Clearly by this rule the burden of showing that the holder had notice of the facts impeaching the validity of the paper did not fall upon him until the holder had proved that he purchased in good faith, for value, and in the usual course of business. So also the rule laid down in Chitty on Bills (12th Am. ed., § 643), quoted by the plaintiff, is to the same effect.

The author says: "In an action by the indorsee of a bill of exchange, if it appears on the part of the defendant that the defendant or a prior party made it under duress, or was defrauded of it, or had only part of its value, the plaintiff must be prepared to prove under what circumstances and for what value he became the holder." Can it be claimed under this rule, if the circumstances showed the holder acquired the paper in bad faith, or by an unusual course of business, that he could recover upon it? Most certainly not; and yet it seems to us that that is just what the plaintiff claims here. The case of *Vallett v. Parker*, 6 Wend. 615, also cited by plaintiff, is authority for the defendant's position. Chief Judge Savage there says: "If there are any suspicious circumstances as to the *bona fides* of his [the holder's] possession, and the defendant has a good defense against the payee, then he must show that he paid value for it. For instance, if the note has been lost or stolen, or fraudulently put into circulation, etc., then the plaintiff must show that he came lawfully and fairly by it, and paid value for it. (Citing *Duke of Cumberland v. Codrington*, 3 Johns. Ch. 260.)" In *Bank v. Green*, 43 N. Y. 300, Judge Rapallo said: "The ground taken at General Term, that the burden of proof was on the defendant, not only to show the defense of duress, but also to impeach the title of the plaintiff as a *bona fide* holder for value, cannot be sustained. If the defendant had been permitted to prove and had proved the defense of duress, the burden would have been thereby thrown upon the plaintiff to prove that it gave value for the note, and the circumstances under which it was received." This case is also cited by the learned counsel for the plaintiff to sustain his contention. Upon what theory this is done it is difficult to understand; for if the burden is cast upon the plaintiff, by proof of the illegality of the paper, to show the circumstances under which it received it, this can be for no other reason than to compel it to show whether it received the paper in good faith or not. We find no authorities holding that this obligation is discharged by simply proving that value was paid for the property. It was said by Judge Church, in *Bank v. Carll*, 55 N. Y. 441, that "the only point presented for the consideration of this court is that the plaintiff failed to prove that it was a *bona fide* holder for value of the note upon which the action was brought. The possession of the note was sufficient, *prima facie*, to establish this; but when it was proved that the note was given without consideration, and fraudulently put in circulation, it was incumbent upon the plaintiff to prove the fact." In *Nickerson v. Ruger*, 76 N. Y. 282, the court said: "At the close of the plaintiff's case they had, by the admission in the answer, proof of Taylor's indorsement, and production of the note established a *prima facie* case, and for the time being their own right to recover and the defendants' liability. But if the facts offered in evidence by the defendants had been proved, the latter would have established, not merely that the note was without consideration, and made for the accommodation of Taylor, but that it was fraudulently put in circulation, and diverted from the use intended. It would then have been necessary for the plaintiffs to prove, if they could, that they were *bona fide* holders of the note for value, or fail in the action."

A sufficient number of authorities have been cited to show the uniformity with which the cases in the highest courts of the State hold that upon proof by the defendant that his obligations have been fraudulently or illegally obtained, and put in circulation, the person seeking to recover upon them must show, not only that he bought before maturity and paid value, but also the circumstances under which he acquired the paper, with the view of enabling the jury to determine whether he acted in good faith or not. It makes no difference in the question presented,

whether the plaintiff pursues the orderly course of first presenting and proving his note, relying upon the presumptions of *bona fides* which accompanies the possession of the paper, and delays making proof of the circumstances of his purchase until after the defendant gives evidence of his defense, or, as in this case, he makes the proof of such circumstances as part of his affirmative case. The burden of making out good faith is always upon the party asserting his title as a *bona fide* holder in a case where the proof shows that the paper has been fraudulently, feloniously or illegally obtained from its maker or owner. Such a party makes out his title by presumptions, until it is impeached by evidence showing the paper had a fraudulent inception; and when this is done the plaintiff can no longer rest upon the presumptions, but must show affirmatively his good faith. The question of law involved in this case was considered in the case of *Vosburg v. Diefendorf*, 119 N. Y. 360, and there received the unanimous approval of the court. That case involved questions relating to a note procured in a manner similar to those now under discussion, and we might well have rested our decision upon that case if there had not been some slight difference in the facts and the manner of their presentation, which have been urged upon us in this appeal.

The order of the General Term should be reversed, and the judgment entered upon the verdict affirmed, with costs.

All concur.

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## COLLECTIONS.

### SUPREME COURT OF NEW YORK, GENERAL TERM.

*The Saint Nicholas Bank of New York, respondent, v. The State National Bank of Memphis, Tenn., appellant.*

A collecting bank is not responsible to the sending bank for a loss which was not caused by any negligence on its part.

A New York bank sent a draft drawn by a firm in Dallas, Texas, on a Dallas bank payable to a party in New York, who deposited the same with the New York bank, to a Memphis bank for collection. This bank sent it to a responsible banking firm in Dallas, and received in return their sight draft on responsible bankers in New York for the amount, and which was sent by the Memphis bank to the New York bank. Before the draft could be presented for payment, both the drawers and the drawees failed, and the debt was lost. It was held that the Memphis bank was not liable for the loss, it having selected a reputable sub-agent to collect the amount, and having forwarded the original draft promptly to the sub-agent, as well as the draft on New York sent by such sub-agent in return to the New York bank.

Appeal from a judgment recovered on a verdict directed by the court.

DANIELS, J.—The verdict was directed for the amount of a draft sent by the plaintiff, a banking corporation located and carrying on the business of banking at the City of New York, for collection, to the defendant, a banking corporation located and carrying on a like business at Memphis, in the State of Tennessee. Previous business transactions of a similar nature had taken place between these banks, without any special agreement or arrangement, beyond that of defining the defendant's commission, of one-fourth of one per cent., and the necessary expenses attending the collections. The draft in this instance transmitted is as follows:



"Dallas, Texas, Nov. 6, 1884.

"The National City Bank of Dallas.

"Pay to the order of Henry Levy & Son, Four Hundred Seventy Three 57-100 Dollars.

"473 57-100.

"A. D. ALDRIDGE & Co.

"Indorsed, 'Deposit St. Nicholas National Bank,

"HENRY LEVY & SON.'

"Pay M. S. Buckingham, Cashier, or order for collection for St. Nicholas Bank of New York,

"THOS. G. POLLOCK, Cashier."

On the day of the receipt of the draft, the defendant sent it forward to Adams & Leonard, at Dallas in Texas, for collection there. They were a banking firm at that place, in good credit, and the correspondents of the defendant, through whom their collections had previously been made. For that purpose, its cashier indorsed the draft payable to Adams & Leonard for collection on its account. And they, on the 17th of November, 1884, presented it to the National City Bank for payment, which was then made to them; Adams & Leonard then drew their sight draft on Jemison & Co., of the City of New York, for the amount to be transmitted, and sent it to the defendant, and the latter forwarded the same draft to the plaintiff. But before it could be presented for payment, both Adams & Leonard, the drawers, and Jemison & Co., the drawees, failed, and the debt was lost. The court at the trial held this to have been the loss of the defendant, and directed a verdict against it for the amount, to which an exception was duly taken.

It has not been maintained or charged that the defendant had become involved in any wrong, inattention or carelessness, but that where the proceeds of a collection of this nature have not been realized by the holder of the paper, the collecting agent will necessarily be liable for the loss. And whether that is the legal rule to be applied is the point upon the determination of which this appeal must depend.

Authorities have been brought to the attention of the court, as they were also at the trial, which are supposed to dispose of this point in the plaintiff's favor. They commenced with, and have chiefly followed the case of *Bank of Utica v. McKinstler*, 11 Wend 473, where it was held that the bank with which a note was left for collection was liable for the failure to give the notice of non-payment, which was necessary to charge the indorsers. In the case of *Allen v. Merchants' Bank*, 22 Wend. 214, this liability was again affirmed, and so far extended as to render the collecting agent liable for the default of agents employed by it, for the effectual collection of the debt. There the bank receiving the bill from the plaintiff sent it to the Philadelphia Bank, in the City of Philadelphia, for collection, and that bank delivered it to its notary, who presented it for acceptance, which was refused. He then noted the bill for acceptance, but omitted to give notice thereof to the indorsers. When the bill became due, it was in like manner presented for payment, and payment refused, when the notary protested it for non-payment. The question there was whether the Merchants' Bank of New York, which received the bill from the plaintiff, was liable to him for this omission of the notary to protest the bill for non-acceptance, and the court held that it was, although the defaulting notary was not selected to act by it, and was not its own agent or servant. The conclusion arrived at by the decision was declared by a formal resolution, holding that when a bank, broker or other money dealer, receives upon a good consideration a note or bill for collection in the place where such bank, broker, or dealer carries on business, or at a distant place, the party receiving it for collection is liable for the neglect, omission, or other

misconduct of the bank or agent to whom it is sent, either in the negotiation, collection, or paying over the money, by which it is lost, or other injury sustained by the owner, unless there be some agreement to the contrary, express or implied. (*Id.* 243.) And this has been followed, although differing from the rule followed in several other States, in *Montgomery Co. Bank v. Albany City Bank*, 3 Seld. 459; *Commercial Bank v. Union Bank*, 1 Kernan 203; *Ayrault v. Pacific Bank*, 47 N. Y. 570; *Exchange National Bank v. Third National Bank*, 112 U. S. 282; and in cases also decided in other States. In this latter case, the bill was sent to the defendant, and under its authority presented to the drawee for acceptance, and he accepted it personally, when it had been drawn on him, as secretary of the Newark Tea Tray Co. Here, as well as in the other cases mentioned or referred to, there was a distinct act of misconduct or neglect producing the loss, on which the liability was directly placed; while in the present case there was neither wrong, inattention, nor carelessness, on which the liability of the defendant could be placed. But the prevailing mode of transmitting the funds collected was adopted and followed.

The case also differs in a very material respect from *MacKersey v. Ramsays*, 9 Clark v. F. & F. 818, where the correspondent was held liable because it had received the money, and afterwards omitted, by reason of their failure, to remit or pay it over. The same result was reached, after a very full examination of the authorities, in *Bradstreet v. Everson*, 72 Penn. 124. But the principle followed by these cases cannot logically determine the one presented by this appeal. For here the defendant did not receive or retain the money, neither was there any default in that respect on the part of its correspondents in Dallas. For they at once remitted the proceeds of the collection, by the means usually taken for that object. And they were lost, not by any misconduct at either place, but by failures in business, which will at times occur, but which ordinarily cannot be expected or anticipated. They are the misfortunes of business, entailing losses, without fault or misconduct, which must be sustained by the parties upon whom they fall.

In the case of *Indig v. National City Bank*, 80 N. Y. 100, the important facts were like those now presented. The plaintiff delivered a note for collection to the defendant. It was payable at the Bank of Lowville, to which the defendant sent it for payment. The maker was a depositor in that bank, but resided about thirty miles therefrom. His balance was sufficient within thirty dollars to pay the note, and the bank thereupon sent back its draft on New York for the amount of the note, but before it could be presented, the Bank of Lowville failed, and payment of the draft was refused, and the action there was to recover the loss. But the court held that the defendant was not liable, as the ordinary course had been followed, and there was no fault or negligence in selecting and using the means adopted for remitting the money. And the principle followed in deciding the case has also been sanctioned in Massachusetts (*Buell v. Chapin*, 99 Mass. 594); and that seems to be likewise the law in the State of Tennessee (*Bank of Louisville v. Bank of Knoxville*, 8 Baxter 101).

The case of *Faulkner v. Hart*, 82 N. Y. 413, justifies the application of no different rule to the decision of this case. That relates to a different subject in no way including the present controversy. It is true that it is to be disposed of under the general rules of the commercial law. But there is no authority for holding the rule necessarily invoked for this case, to be in any respect at variance with that which was declared and followed in the cases last mentioned.

There is no well-sustained principle declaring the liability of the

defendant under the facts now appearing, and the judgment should be reversed, and a new trial ordered, with costs to the defendant to abide the result. Concur, C. H. V. B. Concur, J. R. B.

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## THE RIGHT OF THE STATE TO EXAMINE BANKS AND BANKERS.

SUPREME COURT OF NORTH DAKOTA.

*State ex rel. Goodsill v. Woodmanse, Sheriff.*

Section 27, c. 23, Laws N. Dak. 1890, entitled "An act to provide for the organization and government of State banks," which prohibits all persons from doing a banking business in this State, except corporations which are organized under said chapter, examined and held to be constitutional. Said section does not contravene either section 1 of article 1 of the State Constitution or section 1 of the fourteenth amendment to the Federal Constitution.

Said section 27 is upheld as a proper exercise by the Legislature of that branch of the internal police power of the State which relates to the public safety.

Held further, that said section 27 is not a violation of section 61 of the State Constitution, which provides that "no bill shall embrace more than one subject, which shall be expressed in its title; but a bill which violates this provision shall be invalidated thereby only as to so much thereof as shall not be so expressed."

WALLIN, J.—Defendant's return to the writ shows that the relator is detained in defendant's custody, as sheriff of Kidder county, by virtue of a certain warrant of commitment for the alleged offense of doing business as an individual banker, contrary to the provisions of section 27 of the act entitled "An act to provide for the organization and government of State banks." Chapter 23, Laws N. Dak. 1890, p. 106. Section 27 of the act reads as follows: "It shall be unlawful for any individual, firm, or corporation to continue to transact a banking business, or to receive deposits for a period longer than six months immediately after the passage and approval of this act, without first having complied with and organized under the provisions of this act. Any person violating the provisions of this section, either individually or as an interested party, in any association or corporation, shall be guilty of a misdemeanor, and, on conviction thereof, be fined not less than five hundred (\$500) dollars, nor more than \$1,000, or imprisonment in the county jail not less than ninety days, or either, or both, at the discretion of the court." The other provisions of the statute need not be quoted. For the purposes of this case, it will suffice to state that the statute contains 30 sections, which, taken together, provide fully and minutely for the organization and government of banking corporations in this State. By its terms, the business of conducting banks of discount, deposit, and exchange is made an exclusive corporate franchise; and all other kinds of banks, whether conducted by individual firms or other corporations, are forbidden, under the penalties prescribed by section 27 of the act. The statute throws around the business of banking in North Dakota numerous restraints, checks, and regulations which do not exist at common law. Many, if not all, of the features of the statute were borrowed from the existing laws of the United States regulating the organization and government of National banks, and similar enactments have likewise been passed by the Legislatures of many of the States.

While not assailing the whole act as unconstitutional, the relator con-

tends that section 27, above quoted, so far as it concerns individuals or firms doing business without incorporation, contravenes both the Federal and State Constitutions. Counsel for relator cited section 1 of article 1 of the State Constitution, and also section 1 of the fourteenth amendment of the Constitution of the United States, and claim that the relator's constitutional rights and personal liberty, as secured by these organic acts, have been ruthlessly violated and taken away by section 27 of the statute, for the reason that the section, among other things, prohibits individuals from carrying on the business of banking in a private capacity, and punishes all who violate the prohibition. This contention of the relator was urged with great learning and ability by the eminent counsel representing the prisoner, but we find no support in the authorities cited for the relator for the contention. It is true that it has been held that the provision relative to personal liberty found in our Constitution might be violated by the enactment of a statute which operated to deprive a citizen of the right to pursue a lawful trade or avocation. (*In re Jacobs*, 98 N.Y. 98; *People v. Marx*, 99 N.Y. 377, 2 N. E. Rep. 29.) But, on the other hand, it is conceded that the business of banking, by reason of its very intimate relations to the fiscal affairs of the people, and the revenues of the State, is and has ever been considered a proper subject of legislative control, and strictly within the domain of the internal police power of every State. As a matter of fact, we have been unable to find an authority, and we have searched diligently, which has ever questioned the right of the Legislature in the exercise of police power to regulate, restrain, and govern the business of banking. The relator, however, complains that section 27 does not merely regulate; it goes further, and prohibits individuals from banking in a private capacity. But the prohibition of private banking necessarily results from the inauguration of a banking system for the State, in which the business is made an exclusive corporate franchise; *i. e.*, a business which can be carried on only by those who become incorporated, and are willing to subject their business to the restraints and safeguards found in the banking law under which they acquire the right to carry on such business. It would avail little, in our view of the matter, to provide salutary rules and wholesome safeguards for the business of banking when carried on by a corporation, if at the same time private persons, firms, and corporations are permitted to carry on the business unhampered by such restrictions and safeguards. But, as a matter of precedent and authority, the legislative prerogative, in the exercise of its police power in promoting the public safety, not only to regulate and restrict the business of banking, but also to grant the right to one class, and to prohibit to others, or even to forbid it altogether, has never been questioned in the courts, and the Legislatures of other States have frequently exercised the right of supreme control over the business. Morse, in his treatise on Banking (2d Ed. p. 1), uses the following language: "At common law, the right of banking pertains equally to every member of the community. Its free exercise can be restricted only by legislative enactment; but that it legally can be thus restricted has never been questioned. After laws upon the subject have been passed, the business must be undertaken and conducted in strict accordance with all the provisions contained in them. It is not in its nature a corporate franchise, though it may be made such by legislation, and individuals may be prohibited from transacting it, either altogether in all its departments or partially in any specified ones. A law which forbids the carrying on of 'any kind of banking business' is a total prohibition against each particular department of the business, though conducted singly, and may be infringed equally by exercising any separate one of the various bank-

ing functions as by exercising all." (See, also, the following authorities: *People v. Barton*, 6 Cow. 290; *People v. Insurance Co.*, 15 Johns. 358; *People v. Brewster*, 4 Wend. 498; *Pennington v. Townsend*, 7 Wend. 276; *Hallett v. Harrower*, 33 Barb. 537; *Nance v. Hemphill*, 1 Ala. 551; *Austin v. State*, 19 Mo. 591.) It is clear from these citations that the matter of regulating and prohibiting private banking, and all banking not expressly authorized by law, is strictly within the legislative discretion, under that branch of the police power relating to the public safety, and that the courts will not interfere and declare such legislation unconstitutional as an evasion of individual rights.

The relator further contends that said section 27 is unconstitutional for the reason that it violates the provisions of section 61 of the State Constitution, which reads as follows: "No bill shall embrace more than one subject, which shall be expressed in its title; but a bill which violates this provision shall be invalidated thereby only as to so much thereof as shall not be so expressed." Relator's contention is that section 27, in prohibiting and punishing private banking, does not relate to the subject-matter of the act as expressed in its title. There is absolutely nothing in this point. The subject of the law, as expressed in the title, is "State Banks"; but that subject includes and comprehends not only State banks, but all other banking in the State which is related to State banking. In creating State banks, and providing for their government, the law makes the business of banking a corporate franchise; and to prohibit and punish all other banking is, in our opinion, strictly auxiliary to that subject-matter. Similar constitutional provisions may be found in most, if not all of the States, some of the States using the word "object" instead of "subject," as it appears in our Constitution. This provision is intended to forestall what Judge Cooley denominates "log-rolling" legislation, and prevent legislation not fully understood by members of the Legislature, as well as to prevent surprises or misapprehensions on the part of the public. But it has been uniformly held that such provisions should receive a reasonable and not a technical construction, and that no matter should be held to invalidate a statute so long as such matter related exclusively to the same subject, or was germane or auxiliary thereto. The provision has been before the court in numberless cases, and while the construction has been uniform, the application has covered so wide a scope of legislation, and subjects so variant, that the cases seem confused and inconsistent, and no great benefit can arise from a citation of authorities. But see, however, as fully sustaining our views in this case, the following authorities: Cooley, Const. Lim. (5th Ed.) 176; *People v. Parks*, 58 Cal. 635; *Davis v. State*, 61 Amer. Dec. 331, and note; *Fahey v. State*, 27 Tex. App. 146, 11 S. W. Rep. 108; *O'Leary v. County of Cook*, 28 Ill. 538; *Allegheny County Home's Case*, 77 Pa. St. 77. It is perfectly clear to us that the statute in question is vulnerable to neither objection urged against it. Relator is therefore remanded to the custody of the respondent, as such sheriff, to be held under the terms of his original commitment. All concur.

## LEGAL MISCELLANY.

**BAILMENT—SAFE DEPOSIT COMPANY.**—A safe deposit company is liable for property taken from the vault of a renter by officers acting under a search-warrant, which does not describe the property found in the vault, but which, nevertheless, the officers take away. Such a taking is a trespass, which should have been prevented, if possible, by the officers of the company, or they should have used legal means to regain possession of the property. [*Roberts v. Stuyvesant Safe Deposit Co., N. Y.*]

**BILL OF EXCHANGE—ALTERATION.**—The acceptor of a bill of exchange, which has subsequently been rendered void by a material alteration, may maintain an action of replevin therefor against the holder. [*Smith v. Eals, Iowa.*]

**CORPORATION—OFFICERS AND AGENTS.**—The president of a corporation, who had served without agreement as to pay, sold his stock to three persons, who thereby acquired control of the corporation, and made themselves directors. They then voted a sum of money to the president for his past services, and paid the money to him in part consideration for their stock: *Held*, that they were liable for said sum to the receiver of the corporation, since the president was not entitled to salary. [*Ellis v. Ward, Ill.*]

**CORPORATION—STOCK SUBSCRIPTION.**—Where a subscription for corporate stock is obtained by the representation that a prominent business man has subscribed for a large amount, and the fact that he paid nothing for his stock is concealed, such concealment makes the representation fraudulent. [*Coles v. Kennedy, Iowa.*]

**CORPORATIONS—SUBSCRIPTION TO STOCK.**—Complainants subscribed to the capital stock of a corporation without knowing that, by a fraudulent contract between the corporation and one of its officers, its stock had already been issued to such officer to be by him transferred to the subscribers on payment to him of 40 per cent. of its par value: *Held*, that the existence of such contract did not change complainants from subscribers to assignees of the stock. [*Bates v. Great Western Tel. Co., Ill.*]

**GAMING—LOAN OF MONEY.**—Mere knowledge, on the part of a person loaning money, that the borrower intends to use it by engaging in the purchase of options on grains in the market of another State, or investing it in wagering or gambling contracts, will not defeat a recovery. [*Jackson v. City Nat. Bank, Ind.*]

**NEGOTIABLE INSTRUMENTS—PAYMENT BY CHECK.**—Where a depositor, having sufficient funds standing to his credit, tenders his check on his bank in payment for negotiable paper which he has for sale, and the bank accepts a check, and charges it against the deposit, and delivers over the paper, the depositor is a purchaser of the paper for value, the antecedent debt of the bank to him being to that extent extinguished. [*Mayer v. Heidelberg, N. Y.*]

**PARTNERSHIP—NEGOTIABLE INSTRUMENT.**—Where, in an action on a note executed by one partner in the name of the firm, it appears that the other subsequently recognized it as a firm obligation, and paid interest on it, it is immaterial that the partner executing signed the firm name as "Max, Melsheimer & Co.," when in fact it was "Melsheimer & Co." [*Melsheimer v. Hommel, Colo.*]

**PRINCIPAL AND AGENT—RATIFICATION.**—A woman as local agent of a manufacturing company sold notes, belonging to her principal, to a bank, supposing that she had a right to do so, and remitted the proceeds to the company. The sale was, in fact, without authority, of which circumstance the bank had constructive notice from the form of the notes: *Held*, in replevin by the company, that by retaining the proceeds of the sale after being informed of it, it ratified the transaction, though the money had been applied to a different account from that to which it would have gone if it had been known from what source it came. [*Wm. Deering & Co. v. Grundy County Nat. Bank*, Iowa.]

**BOND—LIABILITY OF SURETIES.**—In an action by a bank on a bond conditioned that the principal should faithfully account to the bank for all money that should come into his possession, as receiving teller, the sureties, by their answer, sought to avoid liability by alleging that the principal was permitted to perform the duties of other officers of the bank, and to discharge the duties of his office in an irregular manner, and to engage in business outside the bank, contrary to its by-laws: *Held*, that these allegations, failing to show that anything was done or left undone by the bank or its officers, which impaired the power of the teller to honestly account to the bank for money and effects that come into his hands, were properly stricken out. [*Third Nat. Bank v. Owen*, Mo.]

**BROKERS—COMMISSIONS.**—Defendant wrote to plaintiff offering him a certain commission for securing him a loan at a named rate. Plaintiff secured the money, but when defendant was informed that it was ready for him he declined to receive it, giving as his reasons that the rate of interest was not satisfactory; that he could not invest the money at once; and that he had concluded that he did not want it: *Held*, that a right of action thereupon accrued to plaintiff to recover the stipulated commission. [*Squires v. King*, Colo.]

**CONTRACT OF INDEMNITY—PARTIES.**—Defendant wrote to plaintiff on the letter-head of a National bank the following letter: "A replevin suit has been commenced in your county by B. & H. of this place, against W., of your place. They [B. & H.] being non-residents, are required to give bonds. They are good customers of ours, and if you will sign said bond we will stand between you and all harm." Defendant signed this, adding thereto the word "Cashier": *Held*, that as this was an agreement, into which a National bank could not enter, and as it did not clearly and unequivocally appear that defendant was claiming to act for the bank, and was not intending to bind himself, it would be considered his contract. [*Knickerbocker v. Wilcox*, Mich.]

**NEGOTIABLE INSTRUMENTS—INDORSER.**—Where one pays a note, on which he is indorser, by executing his own notes to the holder, who accepts them as payment, and either cancels or delivers up the former note so as to extinguish the maker's liability to him, this is such a payment of the note as will entitle the indorser to maintain an action against the maker for the amount so paid. [*Stanley v. McElrath*, Cal.]

**NEGOTIABLE INSTRUMENTS—RAILROAD BONDS.**—In a suit to enforce the collection of railroad bonds which had been declared fraudulent it appeared that the bonds were given to a firm of which plaintiff was a member, in payment for work alleged to have been done for the railroad company, and that another member of said firm was an active participant in the fraud which rendered the bonds invalid: *Held*, that plaintiff was not an innocent holder. [*Smith v. Florida Cent. & W. R. Co.*, U. S. C. C., Fla.]

## PROPOSED STATE BANK LEGISLATION.

## ILLINOIS.

In Illinois several bills have been submitted to the Legislature, the chief object of which is to require bank examinations, adequate capital, and the keeping of a proper reserve. The bill first presented was drawn, at the request of the Taxpayers' Association of Cook County, by a committee composed of prominent bankers and lawyers.

*License.*

SECTION 1. Whoever, not having a license to keep a bank, shall by himself or another engage in doing a banking business, or shall by sign or any other way give out or advertise that he is a banker, shall, on conviction, be fined not less than \$100 nor more than \$1,000, or imprisoned in the county jail not exceeding one year, or both, in the discretion of the court. For a second offense he shall be imprisoned in the penitentiary not less than one year nor more than five years.

SEC. 2. Applications for license to keep a bank may be made to the auditor of public accounts. Every application shall be under the oath of the person or persons who are to engage in the business as principals. In no case shall it contain fictitious names or the name of any person not engaged in the business. The amount of capital, and whether the same is in cash or partly cash and partly in other bankable funds or assets, and how much in each, shall be stated.

*Amount of Capital Required.*

SEC. 3. In no case shall a license be granted to keep a bank with a less capital than as follows:

1. In a city, town, village or place having 5,000, not less than \$25,000 capital.
2. In a city, town, village or place having over 5,000 and less than 10,000 inhabitants, not less than \$50,000.
3. In a city, town, village or place having 10,000 and less than 50,000, not less than \$100,000.
4. In a city, town, village or place having 50,000 or more inhabitants, not less than \$200,000 capital.

SEC. 4. Upon the filing of such application and depositing reasonable expenses of making the examination required, the auditor in person, or some responsible person of his selection, shall make a thorough examination of the truth of matters stated in the application, and, if any part of the capital is other than cash, see that the same is in bankable funds or assets of the value specified, and if so he shall grant license. The auditor may refuse to grant such licenses where he is satisfied that the application is not made in good faith or the persons to engage in the business are not reputable and responsible persons. No such license shall take effect until a copy thereof, together with a copy of the application, shall be filed in the recorder's office of the county in which the bank is to be kept.

SEC. 5. The license shall continue in force as to the persons only mentioned therein, until the same is surrendered, revoked or annulled according to law. Whenever the license is to several persons, and any one or more of them shall die or cease to engage in business, the license shall be annulled by the auditor and the business closed, unless the person or persons wishing to continue the business shall procure a



new license. Such license shall be procured as shall be allowed by the auditor, not exceeding ninety days from the time of such death or dissolution.

*Reports to the Auditor.*

SEC. 6. Whoever shall falsely assume a partnership name by using the word company or co., or shall in any way falsely assume or give out in any way that any other person is engaged in the business with him, shall on conviction be fined not less than \$100 and not more than \$1,000; or imprisoned in the county jail not more than one year, or both, at the discretion of the court.

SEC. 7. All persons licensed to keep a bank shall make to the auditor a report in writing, exhibiting in detail his resources and liabilities, before the commencement of business of any day he may choose. The auditor shall call for such reports at least once every three months in the year. Such reports shall be under oath of some one of the persons mentioned in the license; also under the oath of the cashier, if there be one, and shall be transmitted to the auditor within ten days after the call therefor, with \$5 to defray the expense of examining the same and preparing it for publication. The auditor shall cause such report to be published at the expense of such bank in some newspaper published in the city, town, village or place where the bank is kept, or, if no newspaper is published therein, in the nearest newspaper thereto. Whoever shall fail to make such report shall forfeit and pay the sum of \$100 for each day he shall be in default, to be recovered in an action of debt, in the name of the people, on complaint of the auditor of public accounts.

*Examination of Banks.*

SEC. 8. The auditor shall, as often as he thinks necessary or proper, and at least once in each year, appoint some suitable person, not an employe or interested in the business to be examined, whose duty it shall be to make a thorough examination into the affairs of any bank licensed, and make a full and detailed account thereof. In making such examination any of the principals engaged in such business, clerks, or employes, may be examined under oath or otherwise. Every person appointed to make such examination shall receive for his services at the rate of \$10 per day for each day he is employed, and \$2 for each twenty-five miles he shall necessarily travel in the performance of his duty, which shall be paid by the persons whose business is so examined.

SEC. 9. The total liabilities of any bank licensed under this act shall exceed in amount one-tenth of the capital stated in the application for license.

SEC. 10. Whenever the capital stated in such petition shall become impaired, the auditor shall give notice to the person or persons keeping such bank to make good such capital, and if the capital shall remain impaired for thirty days after such notice, or if there is not kept on hand, applicable to other payment of deposits, cash liens equal in amount to 25 per cent. of the deposit, or if the keepers of such bank shall fail or refuse to keep any of the requirements of this act, the auditor shall file a bill in the proper court, praying for the appointment of a receiver. The court or the judge in vacation shall, on the filing of such bill, if satisfied that sufficient cause is shown, appoint a suitable and disinterested party as receiver, upon his giving such bond and security as requested. The court shall further proceed as in other cases of equity.

*Another Bill for the Inspection of Private Banks.*

SECTION 1. That each and every private bank doing business in the

State of Illinois shall, from and after the passage of this act, be subject to State inspection by the auditor of public accounts, at such times and in such manner as the said auditor may deem advisable, which inspection and examination shall be made at least once in each year hereafter.

SEC. 2. That said auditor shall have the power to appoint a suitable and competent person to make said examination, who shall also have the power to make a thorough and complete examination into all the affairs of all of said private banks, and in so doing he may examine any and all of the officers, agents, employes of said banks, on oath, as to the exact condition of said banks, which report shall be forwarded to the auditor. The person making such examination shall be allowed for his services the sum of \$10 for each day's necessary work in making such examination, and \$1 for each twenty-five miles traveled in going to and returning from the place where said examination is made, which shall be paid by the bank so examined.

SEC. 3. That each of the said private banks by its proper officer shall prepare January 1st and July 1st of each succeeding year, from and after the passage of this act, a complete and correct report, verified by the oath or affirmation of the proper officer of said bank, which report shall exhibit in detail the resources and liabilities, the amount of loans, and the securities in the possession of the said bank, which report shall be published in some newspaper in the city or town where said bank is operated, or in the nearest paper thereto (in the absence of a paper in the immediate locality of said bank), and said verified report shall be forwarded by said bank to the auditor, to be filed by him in his office for preservation.

SEC. 4. Any officer of any private bank in this State, who shall fail or refuse to comply with the foregoing requirements to permit a semi-annual report, or permit an inspection of the books of said bank by the auditor or his assistants, or pay the fare and charges of said examination as heretofore set forth, shall be deemed guilty of a misdemeanor, and upon conviction thereof the offender shall be subject to a fine of not less than \$500 nor more than \$5,000; or imprisonment in the penitentiary for not less than one year, nor more than ten years, or by both fine and imprisonment, in the discretion of the court.

#### *The Regulation of Savings Banks.*

A bill has also been introduced for the regulation of savings banks, prepared by Mr. W. K. Reed, cashier of the Dime Savings Bank of Chicago, which has been thus summarized by the *Chicago Evening Post*: In the first place, the trustees, who are to have the entire management of the banks, must be men above reproach, able to stand the scrutiny of the State auditor of public accounts or his successor, the superintendent of the banking department, who shall be empowered to remove any objectionable trustee at any time. The law further declares:

"No trustee shall, as such, directly or indirectly, receive any pay or emolument for his services, and no trustee, officer, or servant of such corporation shall, directly or indirectly, for himself, or as the agent or partner of others, borrow any of the funds of the said corporation or in its custody, or in any manner use the same, except to make necessary current payments, or to make investments, or to deposit for safety under the direction and by the authority of the board of trustees; nor shall any trustee, officer or servant of such corporation be an indorser or surety, or in any manner be an obligor, for moneys loaned by or borrowed of such corporation.

"It shall be unlawful for trustees acting as officers or committees of such corporation, whose duties require and receive their regular and

faithful attendance at or for the bank, to receive such compensation as in the opinion of the majority of the board of trustees shall be just and reasonable; but such majority shall be exclusive of any trustee to whom such compensation shall be voted. But it shall not be lawful to pay any trustee, as such, for their attendance at meetings of the board, more than five dollars each for any regular monthly meeting at which they are personally present."

The trustees, being themselves watched, are in turn required to watch their subordinates. The law says:

"The trustees of any such bank shall have the power, and it shall be their duty, to require of the officers, clerks, and agents of the bank such bond for their fidelity and the faithful performance of their duties, as they shall deem necessary, or as shall be required by the superintendent of the banking department; such bonds shall be made payable to the people of the State of Illinois for the use of any person interested, and shall be filed and approved by such superintendent."

The bank once on a solid footing, with trustees and subordinates guarded, the law takes care that it shall be run on business principles by this provision:

"It shall be the duty of the trustees of every such bank to regulate the rate of interest or dividends, not to exceed 4 per cent. per annum upon the deposits therewith, in such manner that the depositors shall receive as nearly as may be all the profits of such bank, after deducting the necessary expenses, and reserving such amount as the trustees may deem expedient as a surplus, which, to the amount of 15 per cent. of the entire deposits, the trustees may gradually accumulate and hold to meet any contingency or loss from depreciation of its securities or otherwise. Provided, however, that the trustees of any such bank may classify their depositors according to the character, amount, and duration of their dealings with the bank, and regulate the interest or dividends allowed, in such a manner that each depositor shall receive the same rateable proportion of interest or dividends as all others of his class, and upon deposits made not later than the fifteenth day of January, April, July, and October, interest or dividends may be allowed from the first day of each month. No dividend shall be declared until the trustees of such corporation cause an examination to be made, and find that the amount thereof has actually accrued, and no dividend or interest shall be paid or credited except semi-annually, unless authorized by a vote duly entered on the minutes by ayes and nays after such examination. And whenever the surplus amounts to 15 per cent. of the entire deposits, as aforesaid, the trustees shall, at least once in three years thereafter, divide equitably the accumulation beyond such authorized surplus as an extra dividend, in excess of the regular dividends hereinbefore authorized. Notices posted conspicuously in the room where the business of such corporation is transacted shall be equivalent to personal notice to each person or other party interested. In determining the per cent. of surplus so held, the interest-bearing stocks and bonds shall not be estimated above their par value, or above the market value, if below par; its bonds or notes and mortgages not in arrears of interest for a longer period than two years, at their face; its real estate and tax liens at not above cost; and all other investments at such valuation as the superintendent may determine. The trustees shall make and publish a full and accurate quarterly statement of its affairs, which shall be certified to under oath by one or more of its officers."

It is provided, further, that on or before the first day of November in each year every mutual savings bank shall make a full and complete report to the superintendent of banking, exhibiting in detail its condi-

tion on the first of July preceding. To secure accurate reports the following wholesome section is included in the bill:

"The report shall be verified by oath of the two principal officers of the institution, and the statement of assets shall be verified by the oath of a majority of the trustees who examine the same, pursuant to the requirements of this section. And any willful false swearing in regard to such report, or any report made to the superintendent pursuant to the provisions of this act, shall be deemed perjury and be subject to the prosecutions and punishments prescribed by law for that offense. It shall be the duty of the trustees, by a committee of not less than three of such trustees, on or about the first day of July in each year, to thoroughly examine the books, vouchers, and assets of such institution and its affairs generally, and the statement of assets and liabilities reported to the superintendent for the first day of July in such year shall be based upon such examination; but nothing herein contained shall be construed as prohibiting the trustees from requiring such examinations at such other times as they shall prescribe. Any savings bank failing to furnish to the superintendent any report or statement required by this act shall forfeit \$100 per day for every day such report or statement shall be so withheld; and the said superintendent may maintain an action in his name of office to recover such penalty, and, when collected, the same shall be paid into the treasury of the State and be applied to the expense of the banking department; but the superintendent may, for sufficient cause, extend the time for making such report not exceeding thirty days.

"It shall be the duty of the superintendent of banking department, on or before the first day of February in each assembly year, to communicate to the Legislature a statement of the condition of every such corporation from which a report has been received for the two preceding years; also the name and location of savings corporations authorized by him during the two previous years, with the date of their incorporation."

The law goes beyond this and gives the superintendent the power to personally examine each savings bank, whenever in his judgment it may be necessary or expedient, and further declares it his duty to make such an examination once in two years.

#### TENNESSEE.

The bill introduced into the Tennessee Legislature provides for a State bank examiner, who shall visit each bank at least twice a year. He shall count the cash, notes, securities, etc., and a refusal on the part of the bank to permit this shall be punishable by a fine of \$500. The examiner is to be appointed by the Governor for four years, to give a bond of \$10,000, to receive a salary of \$2,500 per annum and to receive \$30 for each examination. The bill is carefully drawn, and its author claims he will have little trouble in passing it. The proposed law is in accord with the provisions heretofore suggested by the *Whig*, but it should be amended so as to include building and loan associations and insurance companies in the inspection. With this improvement it would be a wise measure, and would do much to popularize such institutions, as well as secure depositors against loss.

#### WEST VIRGINIA.

The Governor, in his message to the Legislature, said: "Your attention is called to the fact that the law authorizing the incorporation of State banks fails to require such banks to make any exhibit of their condition or otherwise give any public information as to their solvency.

National banks are subject to rigid examinations by bank examiners, and in addition thereto are required to publish at stated periods reports of their condition. Such reports were required to be made by State banks by the laws of Virginia, prior to the formation of this State. I submit that depositors should not be compelled to rely solely upon the personal honesty and business capacity of the officials and managers of such banks for the security of funds placed therein. It is suggested, therefore, that the law relating to State banks be so amended as to require quarterly or other periodical reports to be made under oath to the auditor, and published in one or more newspapers printed in the counties wherein such banks are respectively located."

#### MASSACHUSETTS.

A bill has been introduced into the Legislature to enable National banks to reorganize as State banks or trust companies.

#### NEW HAMPSHIRE.

The bank commissioners recommend that the rate of taxation on savings banks deposits be reduced from one per cent. to three-fourths of one per cent.

#### MAINE.

Hon. Fred. E. Richards, ex-savings bank examiner, has written a letter in which he recommends that the savings bank tax be reduced from three-fourths of one per cent. to one-half of one per cent. upon all funds invested in the various kinds of Maine securities, and upon all investments made out of the State that the tax be made one per cent. An effort was made before the Legislature of 1889 to have the tax reduced to one-half of one per cent., but after a careful hearing the committee decided that the three-fourths of one per cent., the present rate, should not be reduced.

#### NEW YORK.

Five bills have been introduced in the Legislature which lay taxes on banking institutions and private bankers, impose penalties for non-payment, and make provision for the collection of the same by the State Controller.

Bill No. 1 extends the provisions already in force for taxing foreign banks and bankers doing business in this State. It fixes the rate of tax at one-half of one per centum, to be computed on the daily average of money received on deposit and on the money outstanding on loans. This accounting to be taken each month. It also provides for making returns to the Controller annually, and also permits the last-named officer to make examinations for himself and to issue executions to collect taxes in case of default.

Bill No. 2 provides for levying a tax upon capital stock at the rate of one and one-half mills upon each dollar of valuation. The principal object of the bill, it is claimed, is to prevent corporations from avoiding the tax on dividends where part only of the earnings are distributed in dividends and the residue passes into the surplus account, and thereby escapes taxation.

Bill No. 3 imposes a tax upon the indebtedness of corporations in the shape of scrip, bonds, notes, or other obligations delivered or issued by corporations or institutions, the rate being one-quarter mill upon each one dollar of the valuation thereof for every one per centum of the interest payable annually upon such bonds or other indebtedness as may be held or owned by residents of this State.

Reports are required to be made annually, in the month of November, by all corporations, joint stock companies or associations issuing bonds or other indebtedness, and they are permitted to deduct the tax to be paid on the interest or income from the holder or owners, and pay the same into the State Treasury, and for every failure to make report, the Controller is entitled to add to the annual tax ten per cent. thereon as a penalty, and interest shall be charged in every case at the rate of six per cent. per annum upon the tax after it is due and payable.

The Controller is also authorized to make examinations and investigations for the purpose of ascertaining the proper basis for the tax. After the expiration of thirty days from the service of notice of settlement of taxes, the Controller is authorized to draw his warrant or warrants, under his hand and official seal, directed to any Sheriff within the State, to collect, as in the case of an execution under a judgment, from the delinquent corporation or joint stock association the amount of the taxes and settlement due, together with interest and costs.

All taxes imposed and revenue derived under the law shall be paid into the treasury of the State Government of the general fund, and be applicable to the payment of the usual and current expenses of the State.

Bill No. 5 lays a tax of \$1 upon every \$100 of the actual value thereof, above the amount or value of \$100,000, upon the property, or interest in property which shall pass by deed, gift or grant, or by will, under the interstate laws of this State; or by any person who may die possessed of the same while a resident of this State.

Bill No. 5 provides for the refunding of erroneous payments of taxes and authorizes the Controller to direct County Treasurers and the Controller of New York to refund such taxes, provided the application be made within three years from the date of such erroneous payment.

MICHIGAN.

*Use of "Bank" and "Banker" forbidden.*

The people of the State of Michigan enact, That any person, persons, firm or corporation, engaged in the business of buying or selling current or uncurrent money, or bank notes, or in the exchange thereof, or in the buying or selling exchange, or in the exchange of coins, or in the receiving of deposits of money or bank notes, or in the discounting of notes, or bills of exchange, unless incorporated under the banking laws of this State or of the United States, are prohibited from using the words, "Bank," "Banker," or "Bankers," upon their signs, checks, drafts, or letter heads; neither shall any such person, persons, firm or corporation advertise or put up signs, or use any device or contrivance whatever tending to convey the impression that the place of business of such person, persons, firm or corporation is an organized bank; but in all such cases such person, persons, firm or corporation, if they advertise at all, must use their individual or firm name, and state in such advertisement the names of every member of such copartnership or firm.

In case any person or persons, or officers of any corporation shall violate any of the provisions of this act, they shall be deemed guilty of a misdemeanor, and on conviction thereof shall be punished by a fine of fifty dollars for each offense, or by imprisonment in the county jail for not more than ninety days, or both fine and imprisonment, at the discretion of the court. And each day during which such words "Bank," "Banker," or "Bankers," is used in violation of the provisions of this act, shall be deemed to constitute a separate offense.

The Commissioner of the Banking Department shall, when his atten-

tion is called to violations of any of the provisions of this act, with the concurrence of the Attorney-General, institute proceedings for the punishment of all offenses under this act, and for the collection of all fines imposed. All suits or proceedings for the violation of any of the provisions of this act shall be commenced in the county in which the business office of said person or firm is located.

OHIO.

*Bank Examiners and Examinations.*

The Governor of the State shall appoint, by and with the advice and consent of the Senate, a suitable person whose duty it shall be to make, as often as necessary, and not less than once a year, an examination of every banking institution, corporation or association of persons engaged in the business of banking, receiving deposits, discounting notes, or loaning money, organized under the laws of this State, which is required in section 3,817 to make semi-annual reports to the Auditor of the State. The person appointed shall have power to make a thorough examination into all the affairs of each banking institution, corporation, or association of persons engaged in the business of banking, as above recited in this section, and shall have power to examine under oath any of the officers or agents thereof, and shall make a full and detailed report of the condition of every such institution so examined to the Auditor of the State. No person shall be eligible for bank examiner who is a director, or other officer of any banking institution, and no visiting or inquisitorial authority other than that provided for in this act, or now vested in this courts, shall be herein conferred. The person appointed as bank examiner, under the provisions of this section, shall receive as his compensation from the Auditor of the State, as follows: As salary for each year the sum of two thousand dollars, payable quarterly on the first Monday in April, July, October and January in each year; and for his actual and necessary traveling expenses incurred in the discharge of his duties, he shall file with the Auditor of the State a sworn detailed statement of such traveling expenses for the preceding month, and shall be entitled to be paid on the warrant of the Auditor the sum so expended. The fees to be collected by the Auditor of the State provided for in this act, shall be for institutions having a nominal capital of twenty-five thousand dollars or less, twenty dollars; and all institutions having a nominal capital of over twenty-five thousand dollars, "and not exceeding fifty thousand dollars," twenty-five dollars, "and in all institutions having a nominal capital of over fifty thousand dollars, forty dollars," which fees in all cases shall be collected by the Auditor of the State on receipt of the statement from the examiner on completion of each examination, and be by him turned into the State treasury on the warrant of the Auditor of the State. Every examiner appointed under this section shall execute a good and sufficient bond of not less than ten thousand dollars, with not less than two sureties to be approved by the Auditor and Treasurer of the State, and before entering upon his office shall take and subscribe to an oath to faithfully and impartially discharge the duties of the same. The term for which each examiner shall be appointed shall be for two years, except in the case of the first examiner appointed. The Governor shall, after the passage of this act, appoint a bank examiner to serve until the third Monday in January, 1892, and until his successor has been appointed and qualified, unless sooner removed for cause by the Governor; and the term for each succeeding examiner shall begin on or after the third Monday in January, 1892, and on the same day of the week and month in every second year thereafter. Every

corporation or association of persons receiving deposits, discounting notes or loaning money in this State shall be held liable to examination under the provisions of this act.

NEW HAMPSHIRE.

An amendment has been offered to the report of the commissioners on the revision of the public statutes, providing that trust companies doing a savings bank business shall conduct the latter amenable to the laws governing savings institutions in New Hampshire.

MISSOURI.

*Bank Examinations.*

It shall be the duty of the Secretary of State, upon complaint, made in writing and under oath, by any two shareholders thereof, that any State bank, incorporated or private, in this State, is not in a safe condition or properly conducted; or whenever in the judgment of the Secretary of State, it may be deemed necessary or expedient, to examine every such banking institution. For the purpose of such examination the Secretary of State may employ some competent person, and the Secretary of State and every such examiner shall have power to administer an oath to any person whose testimony may be required on any such examination, and to compel the appearance and attendance of any such person for the purpose of such examination, by summons, subpœna or attachment, in the manner now authorized in respect to the attendance of persons as witnesses in the courts of record of this State; and all books and papers which it may be deemed necessary to examine by the Secretary of State or examiner so appointed shall be produced, and their production may be compelled in like manner. The expense of every such examination shall be paid by the bank which is examined, in such amount as the Secretary of State shall certify to be just and reasonable; but whenever such examination shall be made by the Secretary of State in person, or by one or more of the regular clerks in his department, no charge shall be made except for necessary traveling and other actual expenses. The result of every such examination shall be certified by the Secretary of State, and made part of the papers of the banking institution examined, and publication thereof shall be made one time in one newspaper where the bank is located, to be paid for by said bank. Provided, That when such examination is made upon the complaint of shareholders, and the Secretary of State shall find the bank sound and doing business in a lawful and proper manner, and that there was no foundation for the complaint, then the expenses of the examination and publication shall fall upon the shareholders who made the complaint and caused the examination. The result of all the examinations made shall be embodied in a biennial report to be made by the Secretary of State to the Legislature.

Whenever it shall appear to the said Secretary of State, from any such examination or report, that any such bank is conducting its business in an unsafe or unauthorized manner, he shall, by an order under his hand and seal, direct the discontinuance of such illegal and unsafe or unauthorized practices, and whenever any such bank shall refuse or neglect to make a report of compliance, or to comply with any such order as aforesaid, or whenever it shall appear to the Secretary of State that it is unsafe for any such bank to continue to transact business, that extraordinary withdrawals of money are jeopardizing the interests of remaining depositors, or that the securities held are insufficient, or that any officer of said bank has abused his trust or been guilty of misconduct or malfeasance in his official position injurious to the institution, or that it has suffered a serious loss by fire, burglary, repudiation or otherwise, he shall communicate the facts to the Attorney-General, who shall there-



upon institute such proceedings as the nature of the case may require. Such proceedings may be for an order requiring a change in the manner of doing business of said bank, a strengthening of the securities held, or for the appointment of a receiver to wind up its affairs. And the court before which such proceedings shall be instituted shall have power to grant such orders, and, in its discretion, from time to time to modify or revoke the same, and to grant such relief as the evidence, situation of the parties and the interests involved shall seem to require; and whenever in such proceedings an order shall be granted temporarily restraining such bank from paying out or disposing of any moneys or property of or held by such bank, some person appointed by the court shall take temporary possession of all the assets, property, and rights of or held by such bank, and hold possession until restored to the officers thereof.

#### WISCONSIN.

##### *Bank Examinations.*

A bill has been introduced into the Wisconsin senate for the appointment of a State bank examiner, with a salary of \$2,500 a year and traveling expenses. He must be a "competent person, who shall be a skillful accountant and well versed as an expert in the theory and practice of bookkeeping and banking, and who is not a stockholder, officer, trustee, assignee or employe of any banking, moneyed or savings institution or corporation created under the laws of the State of Wisconsin, and must give a bond, with at least three sureties, to be approved by the Governor, in a penal sum of not less than \$20,000, for the faithful discharge of his duties. He shall hold his office for the period of two years, or until his successor is appointed and qualified."

The second section of the bill defines the duties of the proposed officer as follows:

The examiner shall visit at least twice in each year each banking, savings, trust and other moneyed corporation created under the laws of this State, and every firm or person doing business as a banker or broker in the State, and thoroughly examine their affairs and ascertain their financial condition. It shall also be his duty to carefully inspect and verify the validity and amount of the sureties and assets held by such institutions, count the money, inspect all bills and loans, examine into the solidity and amount of the bonds and mortgages held by such bank or moneyed institution, and ascertain the nature and amount of any discount or any other banking transaction, which he may deem foreign to the legitimate and lawful purposes of banking or savings institutions, and generally take such steps as to give him personal and reliable knowledge of every feature of its business.

#### TENNESSEE.

##### *Bank Examinations.*

A very elaborate bill has been introduced to protect the depositors in savings banks, and banks for discount, and banks and banking companies and corporations, and safe deposit and trust companies, and to regulate the same. In the seventh section it is provided "that whenever the Secretary of State shall have reason to suspect the correctness of any statement furnished him, or that the affairs of any savings bank and bank for discount, or bank, banking company, or corporation, or safe deposit and trust company are in unsound condition, or conducted contrary to law, it shall be his duty, by himself or his deputy, or whenever he shall deem it expedient so to do, at his option, to appoint one or more persons, not officers or employes of any savings bank and bank for discount, or bank, banking company or corporation or safe deposit and trust company, who, before entering upon the discharge of the duty, shall take an oath to perform faithfully and impartially the business with

which they are charged, to examine into the affairs of such corporation ; and it shall be the duty of the officers of such corporations to cause their books to be opened for inspection of the Secretary of State or person or persons so appointed by him, and otherwise to facilitate such examination, so far as it may be in their power to do ; and for that purpose, the Secretary of State, or person or persons so appointed by him, shall have power to examine under oath, the officers of any such corporation, relative to the business of said corporation. The expense of every such examination, if any, shall be paid by the corporation examined, in such amount as the Secretary of State shall certify to be just and reasonable."

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## HISTORY OF BANKING IN MINNEAPOLIS.

The banking history of Minneapolis covers a period of thirty-six years. These have been years of splendid growth, ranging from the small private bank of '56 to the strong financial institutions of '90. The story of this growth is an interesting one. Minneapolis was not much of a town in 1854. There were a few scattering houses, business places, and they were of a very humble order. There was a much larger settlement on the east side of the river, known as St. Anthony. It was at this period in 1854 that Snyder & McFarlane opened the first banking house in Minneapolis, and they continued in the capacity of bankers for four years, retiring in 1858. C. H. Pettit was the second banker in Minneapolis. He began business in 1855 and continued to 1859. Beede & Mendenhall, bankers and brokers, organized in April, 1856, and they afterwards organized the State Bank of Minnesota, with R. J. Mendenhall president and R. J. Baldwin cashier. Dorman & Phinney commenced business in the spring of 1857, and continued till 1861. Grow & Phinney began in 1857, continuing to 1862 as bankers and brokers.

The business was not very profitable in those days. No one had much money, and security was as limited as in a country village, which Minneapolis then was. Thousand dollar business was not plenty, loans being mostly of small amounts.

R. J. Baldwin opened a banking office in 1857, and continued the business until 1862, when he organized the State Bank with R. J. Mendenhall, as mentioned above. The State National Bank, the first National bank in Minneapolis, was the outgrowth of this institution, and it remained in existence fourteen years, winding up its business in 1876. The National Exchange Bank started in 1867, with Henry Miller president and W. P. Westfall cashier, and it closed its business in 1875, one year in advance of the State National. The State Savings Association was organized in 1866 and continued until 1873. The Exchange Savings Bank remained in existence but three years, from 1868 to 1871. The National Exchange was organized in 1869 and soon after was merged into the Merchants' National of Hastings, but was subsequently removed to Minneapolis and changed to the Merchants' National Bank. In 1881 it went into liquidation. The Scandinavian population of the city was large enough in 1873 to induce some local financiers to launch the Scandinavian Bank, but it survived only a short time. Sparks & McPherson opened in 1870 and in 1875 wound up. The Lumbermen's Bank was opened in 1876, but it closed soon after. This may be termed the experimental banking period of Minneapolis, as the institutions were short-lived and business was not very profitable. Mention has not been made of some of the banks which date from this period, but which weathered the early years and have now become permanent fixtures in the banking field. They are referred to elsewhere.

There are now twenty-three banks in the city, having an aggregate

paid-up capital of \$7,750,000. The First National is the oldest of the present banks, as it can trace its origin back to 1857, when, in October of that year, Sidle, Walford & Company opened a bank and for three years did a prosperous business. In 1860 they organized a bank of issue under the State law as the Bank of Minneapolis. They enjoyed a prosperous business until 1864, when the system of National banks was instituted, and the name was changed to the First National Bank, and since then the history of the institution has been one of solid growth.

The Security Bank, though not as old as some of the present banks, has made rapid strides as a financial institution. It was organized in January, 1878, with a cash capital of \$300,000. Early the next year \$100,000 was added to this, and a year from that time, or two years after organization, \$600,000 was added, making it the first bank in the city to have a \$1,000,000 capital, and paid up. Nearly all this stock is now owned in Minneapolis. The Security was the only bank that had \$1,000,000 capital 10 years ago.

There are now in the city 23 banks, of which 8 were in existence 10 years ago. The oldest existing bank is the First National, organized in 1864; second, Bank of Minneapolis, 1867; third, City Bank, 1869; fourth, Hennepin County Savings Bank, 1870; fifth, Northwestern National, 1873; sixth, Farmers & Mechanics' Savings Bank, 1874; seventh, Citizens', 1876; eighth, Security, 1878.

The growth of banking in Minneapolis is most emphasized by the figures. The total deposits in 1880 were \$4,200,000, or less than the deposits now held by each of three banks. The deposits of only one bank, the Security, exceeded a million in 1880, while this year the deposits of six banks exceed a million. The total deposits for 1880 were \$4,264,692, while this year they reach the splendid total of \$27,752,517, based on a statement made about October 1, and which is a very little changed at the present time. The following comparative table for 10 years will be of interest in this connection:

<i>Banks.</i>	<i>1890.</i>			
	<i>Capital.</i>	<i>Surplus.</i>	<i>Undivided Profits.</i>	<i>Deposits.</i>
Bank of Minneapolis.....	\$150,000	\$15,000	\$18,768	\$440,189
Citizens'.....	250,000	20,000	5,000	275,000
City.....	300,000	.....	26,040	1,029,052
Commercial.....	200,000	.....	33,890	539,890
Farmers and Mechanics'.....	.....	185,000	41,549	4,582,548
Farmers and Merchants'.....	60,000	5,400	1,848	81,898
First National.....	1,000,000	200,000	253,253	4,562,167
Flour City.....	825,000	80,000	32,619	812,334
Franklin State.....	50,000	.....	1,905	51,517
German-American.....	60,000	7,500	5,246	295,000
Hennepin County Savings.....	100,000	30,000	3,750	1,065,564
Irish-American.....	100,000	.....	12,000	312,984
Metropolitan.....	150,000	15,000	10,000	300,000
National Bank of Commerce.....	1,000,000	60,000	50,000	1,025,000
Nicollet.....	500,000	20,000	28,441	903,170
Northwestern.....	1,000,000	200,000	168,264	3,386,570
People's.....	100,000	10,000	12,412	270,707
Scandia.....	60,000	40,000	4,689	547,188
Security.....	1,000,000	250,000	178,571	5,551,754
*Standard.....	25,000	.....	2,500	57,642
State.....	75,000	5,000	2,000	363,568
Swedish-American.....	250,000	5,000	56,201	598,769
Union National.....	500,000	42,000	10,000	700,000
Totals.....	\$7,750,000	\$1,189,900	\$958,850	\$27,752,517

1880.

Bank of Minneapolis.....	\$25,000	\$2,000	\$1,500	\$83,589
Citizens'.....	50,000	.....	2,000	56,000
City.....	200,000	.....	10,135	396,080
Commercial.....	.....	.....	.....	.....
Farmers and Mechanics'.....	.....	.....	10,771	269,902
Farmers and Merchants'.....	.....	.....	.....	.....
First National.....	600,000	49,958	58,540	1,239,789
Flour City.....	.....	.....	.....	.....
Franklin State.....	.....	.....	.....	.....
German-American.....	.....	.....	.....	.....
Hennepin County Savings.....	59,800	14,000	.....	386,246
Irish-American.....	.....	.....	.....	.....
Metropolitan.....	.....	.....	.....	.....
National Bank of Commerce.....	.....	.....	.....	.....
Nicollet.....	.....	.....	.....	.....
Northwestern.....	500,000	.....	44,830	504,893
People's.....	.....	.....	.....	.....
Scandia.....	.....	.....	.....	.....
Security.....	1,000,000	.....	65,568	1,328,192
*Standard.....	.....	.....	.....	.....
State.....	.....	.....	.....	.....
Swedish-American.....	.....	.....	.....	.....
Union National.....	.....	.....	.....	.....
Totals.....	\$2,434,800	\$65,958	\$193,345	\$4,264,692

\* Not commercial bank.

The figures for 1890 are taken from a statement prepared for the manager of the Clearing House in October.

The gain in deposits of the Farmers & Mechanics' Saving Bank alone has been \$4,280,000 in 10 years. The following shows the increase over the preceding year:

1881.....	\$355,000	1886.....	\$35,000
1882.....	335,000	1887.....	180,000
1883.....	375,000	1888.....	350,000
1884.....	250,000	1889.....	465,000
1885.....	470,000	1890.....	1,235,000

This large deposit of millions has been made mainly by workingmen, salesmen and saleswomen, on which compound interest is being drawn at 5 per cent.

The Security Bank deposits now reach five and a half millions, a gain of \$4,989,563 in twelve years since its organization. The Northwestern National Bank, organized ten years ago, has increased its deposits over two millions. The Nicollet National, organized in 1884 with \$500,000 capital and no deposits, now has \$800,000 in deposits. The Metropolitan, though a young bank, having been organized last year, has gained \$300,000 in deposits. The Union National has been organized seven years and has deposits running to three-quarters of a million. The Scandia Bank, supported almost wholly by Scandinavians, has a deposit account of nearly \$600,000. The German-American Bank makes a showing of \$300,000 deposits after four years. The Commercial Bank is the only one on the East Side, deposits reaching nearly \$600,000 after five years. The Swedish-American Bank was organized in 1888 and has grown rapidly, its deposits now averaging \$450,000. The deposits of the Hennepin County Savings Bank are over a million. The National Bank of Commerce carries \$850,000 in deposits. The banks not mentioned all carry as large deposit accounts, and as the aggregate is nearly \$30,000,000, it indicates the great growth of Minneapolis business, and this does not include the private banks and building and loan companies.

The Minneapolis Clearing House was organized ten years ago, the anniversary occurring recently. Its operations have proved valuable and satisfactory to the banks. Perry Harrison is now the manager, having succeeded W. E. Burwell, its organizer, upon his retirement from the banking business. Mr. Harrison keeps the records, every day's transactions being recorded in the most systematic manner, so that any total is available at a moment's call. The Clearing House meets every morning at 11.30 in a room on the ground floor of the Guaranty Loan building.—*Minneapolis Journal*.

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### TOTAL COINAGE OF THE UNITED STATES MINTS FROM THEIR ORGANIZATION.

By the Report of the Director of the Mint, the precious metals received at the mints and assay offices of the United States, during the fiscal year 1890, aggregated in value \$92,793,958, an increase of \$2,436,055 over the deposits of the preceding fiscal year. There were 2,521,361 ounces of gold of a coining value of \$46,909,041, and 65,293,056 ounces of silver of a coining value of \$75,977,373 operated upon in the coining department alone, and the total quantity operated upon in the mints and assay offices aggregated 240 tons of gold and 4,817 tons of silver. The value of the operative wastage and loss on sale of sweeps was \$26,141.05, while the incidental gains in the operations on bullion were valued at \$36,683.87, leaving a net gain in the operations of the mint during the year of \$10,542.82.

On account of the diversity in the character and amount of the coinages executed at the various units, it is impossible to make comparisons as to relative cost. At Philadelphia all the minor coinage is executed, while the mint at San Francisco turns out the bulk of the gold coins, which require greater care and skill. At New Orleans the coinage consists exclusively of silver dollars, and affords thus an opportunity of obtaining the cost—1.8 cents per piece.

The Director of the Mint adds in his report an interesting description of the vaults for the storage of silver which are being constructed at the mints at San Francisco and New Orleans. There are to be two in San Francisco, each 29 feet 4 inches by 11 feet 10 $\frac{7}{8}$  inches by 17 feet 9 inches, with a cubic contents of 6,161 cubic feet. The capacity of each vault is \$42,000,000 in silver dollars, stored in boxes and bags. The vaults are to be lined with three layers of  $\frac{3}{8}$ -inch steel, 5-ply welded steel and iron and Bessemer ductile steel, each furnished with outer and inner doors, the former to be single, made of six layers of  $\frac{1}{2}$ -inch welded steel and iron and Bessemer ductile steel, fitted with bolts made of 7-ply welded chrome steel. The inner door is to be folding, made of four layers of the same material, all hardened, drill, saw and file-proof. Each door is fitted with four tumbler combination locks. The two vaults are estimated to cost \$25,196.

## BOOK NOTICES.

*Webster's International Dictionary.* Published by G. AND C. MERRIAM & Co., Springfield, Mass.

The first edition of Noah Webster's Dictionary was published in 1828. Nineteen years afterward the first revision appeared. The next revision was in 1864, in which the more scientific principles of modern lexicography were applied, and a large store of additional matter, partly gleaned from old authorities and partly afforded by the world's advance, was included. Following the several supplements by which that book has been enlarged, the publishers now present Webster's International Dictionary, which embodies substantially the amplification and enrichment of the language during another generation, as it has been noted by a wide and close scrutiny, and registered by scientific methods, with scholarly conscientiousness and vast labor. The enumeration in the preface of the staff employed upon the general work of this revision, and of the special contributors to various departments, will show something of the wealth of labor and scholarship bestowed upon the volume. The preceding edition, with all its supplementary matter, has been re-studied line by line. A close comparison has been made with a whole library of the most recent authoritative works in philology and in all branches of knowledge that include new usages of speech. Upon technical subjects eminent specialists have been employed, and their contributions have been carefully harmonized in form with the general principles of the revision. Great care has been devoted to the pictorial illustrations; the number has been increased from three thousand to nearly four thousand, and about two-thirds of them are entirely new. There has been elimination of many errors, large amplification and enriching by new material, and a judicious conservatism toward those excellent definitions of standard words which were Dr. Webster's especial merit. Some increase of the amount of matter in the book was inevitable; it is partly represented by the enlarged page and the greater number of pages. But increase of size has not been sought, and the difference in bulk between this volume and its predecessor hardly begins to measure the difference in value. A comparison of the two in any part, page by page, will reveal how frequent are the changes and how great is the improvement.

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*Wright's Australian, India, China and Japan Trade Directory and Gazetteer.*

A Hand-Book of Trades, Professions, Commerce and Manufactures in the Australian Colonies, India, China and Japan, including Canada, South America, Central America, West Indies, Mexico and South Africa. Third Edition; Enlarged and Improved to latest dates. GEO. WRIGHT, Publisher, 278 Pearl St., New York.

This work contains a complete list of all trades and professions in the various countries of which it treats; it is also a gazetteer of each town, city and village. It need hardly be said that such a work is of the high-

est value to merchants and manufacturers who are constantly seeking opportunity to extend their trade. The work professes to have the latest information; events even within a fortnight of its publication are given. It bears many evidences, too, of care in preparation; and while such an enormous work cannot be entirely free from errors, we should judge from a somewhat extended examination of this that it ought to satisfy every reasonable being in this regard. Mr. Gaylord Watson, 278 Pearl St., New York, is the agent for the United States.

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*Hand-Book of the American Republics.* Bureau of the American Republics. Washington, D. C., 1891.

This is a timely publication. The chapter on "Historical Notes about America" gives the enterprising Northmen due credit, and gives a synopsis of the patents granted by the crown of Spain to Columbus, and by the crown of England to the Cabots, to Gilbert, Raleigh, and to the London and Plymouth companies. Other chapters treat of "Credit System in Latin America," "Trade Mark Laws of America," "Commerce of the American Continent," "Breadstuffs in Latin America," "Sugar and Coffee," "The Trade in Fruits and Nuts," "Coinage, Weights and Measures," and lists of diplomatic and other officials. Various tables concerning steamships, postage and tariff charges are also given. It is a useful but far from flattering book. The negligence of North American manufacturers to secure South American trade is emphasized. Faithful are the wounds of a friend, and the suggestions of the conference may bear fruit in an extension of our commerce with the Latin American powers.

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*The Rare Coins of America, England, Ireland, Scotland, France, Germany, and Spain.* Published by NUMISMATIC BANK, Boston, Mass.

This book contains a list of prices paid for rare American gold, silver, nickel, brass, tin, and copper coins, fractional currency, Colonial, Continental and Confederate paper money; a list of all counterfeit U. S. Treasury and National bank notes, and Canadian bank notes, and also a list of prices paid for rare English, Scotch, French, German and Spanish coins.

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*Financial Review (Annual) 1890.* Commerce, Banking, Investments. WILLIAM B. DANA & CO., Publishers. Office of the *Commercial and Financial Chronicle*, 79 and 81 William Street, New York.

The worth of this annual review of banking, finance, trade and commerce, is so widely known that no other mention need be made of it than that it has been completed and published for 1890. The most important statistics on the above topics are presented, beside others pertaining to the money market, the production of gold and silver, the prices of foreign exchange, stocks and bonds and National securities. We do not hesitate to say that this is one of the most valuable statistical manuals published. Much of the information here given can be found in no other.

## BANKING AND FINANCIAL ITEMS.

## GENERAL.

**POSTAL SAVINGS BANKS.**—The special committee on post-offices and post-roads favorably reported on the bill introduced by Representative Evans, of Tennessee, to establish postal savings banks and encourage small savings among the people.

**A POCKET SAVINGS BANK.**—The latest is a bank in the shape of a small tube which you carry in your pocket. It is for dimes, and only opens when \$5 is deposited. A young fellow in a downtown saloon had one of them the other day. He told the barkeeper he had \$3 in the tube, that he couldn't get a cent out, and that he wanted a few drinks. The barkeeper handed him out \$2 in dimes, which, being deposited, opened the bank. Its owner then paid back the barkeeper and proceeded to blow in the balance.—*Omaha Bee*.

THE losses of the Massachusetts savings banks from bad investments and frauds or defalcations for the 72 years of their existence have been less than 14 cents on each \$100 deposited.

## EASTERN STATES.

**HARTFORD, CONN.**—Mr. Henry Kellogg, president of the Phoenix Insurance Company, of Hartford, who died recently in that city, was born in East Hartford, Conn., in 1820. In 1849 he became connected with the Connecticut Mutual Life Insurance Company. Here he remained until 1854, when he prepared a charter for and helped organize the Phoenix Company, of which he became secretary. Upon the death of President Loomis, of this company, in 1863, Mr. Kellogg succeeded to that office and continued in it until his death. In recognition of his valuable services in the company's behalf, the directors, upon the failure of his health about two years ago, continued him in office though the greater part of the executive management fell upon Vice-President D. W. C. Skilton. Mr. Kellogg was formerly president of the Hartford National Bank and a director in several financial institutions of Hartford.

**NEW HAVEN, CONN.**—The directors of the Second National Bank of New Haven have voted in favor of reducing their capital stock from \$1,000,000 to \$500,000, as there is no demand for the larger investment. The bank has been paying 8 per cent. dividends, and the stock stands at 135 in the market.

**MAINE.**—The Comptroller of the Currency has authorized the Merchants' National Bank of Bangor to begin business, with a capital of \$50,000.

**ME.**—The Gardiner Savings Institution has declared its customary semi-annual dividend of 2 per cent. The institution has 5,310 depositors, with deposits amounting to \$2,027,978.92, and is one of the largest savings institutions in the State.

**WATERVILLE, ME.**—By the last statement of the condition of Ticonic National Bank, it appears that the capital stock paid in is \$100,000; surplus fund, \$21,000; undivided profits, \$5,783.90; National bank notes outstanding, \$22,500; dividends unpaid, \$564; individual deposits subject to check, \$70,326.88.

**AUBURN, ME.**—The changes and improvements on the property of the Auburn Trust Co. are progressing as fast as possible, considering their extent. The company are to have a first-class burglar-proof vault with 150 steel boxes, a large number of them provided with combination locks, and are to do generally a safe deposit business in connection with their other business as a trust company. There is not a burglar-proof vault in the county at present, the burglar-proof arrangement owned by the banks at present being confined to the steel chest inside their fire-proof vaults. We have seen a sketch of the front of the Trust Company's building as it will appear when completed, and we can assure our readers that it will be a great ornament to the city.—*Auburn Gazette*

**AMESBURY, MASS.**—The Amesbury National bank has increased its circulation \$12,000.



LYNN, MASS.—Lynn can now boast of having one of the best equipped banking institutions in the country. It is the National Security Bank, reinforced by the Security Safe Deposit and Trust Co., the latter but recently organized and established. The main banking room is 40 feet deep and about 50 feet wide. It is handsomely finished in oak. The ceiling is decorated with heavy six-inch oak moldings laid in squares, the latter varying in size from four to six and eight feet. The counters are of antique oak, made to order by the Andrews Manufacturing Company, of New York, and above the counter desks, completing the bank proper inclosure, are beveled plate glass panels, crystallized. The wickets, grills and teller's guards are of the best brass, the style of finish of all railings being termed lacquered zapon.—*Item*.

BOSTON.—Mr. Paul Adams, a well-known citizen of Boston for many years, who died in his 94th year, was the first president of the Five Cent Savings Bank, and held that office for twenty years. At the time of his death he was one of the vice-presidents of the bank. He was also one of the founders and a director in the National Bank of the Commonwealth. In 1854 he served in the Massachusetts Legislature as a Representative from Boston, having been a member of the Common Council in the two preceding years. Mr. Adams was a sterling representative of that class of old-fashioned New England business men who would carry out their contracts to the letter with perfect fidelity and integrity.

READING, MASS.—From the annual report of the Savings Bank Commissioners, just presented to the Legislature, we learn the following facts about the Reading Co-operative Bank. The institution has been in existence four years; has 379 members, and the number of shares in force is 2,178; loans on real estate, \$54,740.

ADAMS, MASS.—For some time, in a quiet way, arrangements have been making to establish another bank in Adams. The First National Bank of \$150,000 does a large business, but the heavy financial interests that make their headquarters in and near that town are so great that one bank is unable to handle the business that is concentrated within the limits of a few miles. Several Springfield capitalists have looked over the ground and have decided that there is a good opening for another bank there.—*North Adams News*.

WEST QUINCY, MASS.—The leading business men are making an earnest move toward establishing a National bank, of which they feel a need, owing to the rapidly increasing business of this growing section.

LYNN, MASS.—The Manufacturers' National Bank has been organized. W. A. Clark, Jr., of the Suffolk Trust Company, Boston, has been elected president; W. B. Littlefield, vice-president; A. L. Winship, clerk; Frank L. Earl, teller of the National Security Bank, cashier. The board of directors is composed of 28 prominent business men.

LYNN, MASS.—It is reported that there will soon be organized in that city a new savings bank. There are no more savings banks in Lynn to-day than when the population was about 30,000. It is understood that the Savings Bank Commissioners believe in the policy of extending the savings bank system, as the policy of small banks, and many of them, procures to the depositors greater security and income, and holds the institution in touch with the people, for whose benefit the savings banks were originally designed. It is understood that the new savings institution has no connection whatever with the new Manufacturers' National Bank.

NEW HAMPSHIRE.—The Lisbon Savings Bank and Trust Company has recently declared a dividend of 4 per cent. During the year the bank has earned 8 per cent. net, for the stockholders, which is a very good showing for the first year. President Woods and Treasurer Johnson have proven very efficient officers, and every way acceptable to the patrons of the bank.—*Plymouth Record*.

CONCORD, N. H.—Concord is represented among the stockholders of the new National bank at Berlin Falls, of which Alfred R. Evans, of Gorham, is president, ex-Senator Paine, vice-president, and A. H. Eastman, cashier.

PETERBORO, N. H.—The assets of the Contoocook Valley Savings Bank at Peterboro increased over \$20,000 last year.

NEW YORK.—The total resources of the savings banks of this State on January

1, 1891, were \$667,865,396. From the statistics prepared in the banking department some interesting facts are gathered. The bonds and mortgages held by banks amount in the aggregate to \$258,326,578; the par value of stocks and bonds, \$292,347,360; the estimated market value, \$338,321,886; cash on deposit, \$36,366,201; on hand, \$8,433,657. There was due to depositors \$574,669,972, and the surplus amounts to \$89,741,231. The open accounts number 1,478,819, making the average deposits \$388.20. There was paid in salaries, \$1,324,133. The interest credited and paid in 1890 was \$19,235,506. Rensselaer County savings banks hold \$1,031,841 in bonds and mortgages, and have stocks and bonds of a par value of \$4,670,333. The amount due depositors by the banks in this county is \$459,912, and the surplus credited to them is \$1,300,371. The officers of the Rensselaer County savings banks receive \$12,911 a year in salary, and the amount deposited during the year was \$1,407,312, and the amount withdrawn \$1,269,228.

NEW YORK CITY, N. Y.—The stockholders of the Third National Bank have effected a practical reorganization by making a nominal reduction of the present capital stock to \$750,000, but restoring it immediately to the old amount of \$1,000,000, by the addition of \$250,000 in new cash subscriptions. During the last few years the bank had accumulated a number of claims which were slow of collection, and which have now been charged to profit and loss.

NEW YORK CITY.—The Columbus National Bank will open its doors at Columbus avenue and Ninety-fourth street, and will be the only bank on the west side of the city between Seventy-second and 125th streets. The bank, which will also do a safe deposit business, will have a capital of \$200,000 and a surplus of \$100,000. William F. Foster is president, I. P. Woodbury is vice-president, and A. G. Glick, cashier. These officers, with T. F. Paul and T. N. Foster, form the present board of directors, and complete the list of stockholders. The Messrs. Foster and Mr. Paul are of the Foster & Paul Glove Co. Messrs. Woodbury and Glick were respectively the vice-president and cashier of the First National Bank of Marshalltown, Iowa.

ALBANY, N. Y.—Mr. John H. Van Antwerp tendered a dinner to the officers and directors of the Albany National Savings Bank, at the Fort Orange Club, in honor of the bank's twenty-fifth anniversary. Many congratulatory speeches were made, and a most pleasant evening passed. The following enjoyed Mr. Van Antwerp's hospitality: The Hon. James H. Manning, John G. Myers, Horace G. Young, James H. McClure, John Woodward, Charles J. Buchanan, William G. Rice, Garrett A. Van Allen, Nathan B. Perry, S. W. Rosendale, Paul Cushman, D. L. Van Antwerp, Robert L. Fryer.

BUFFALO, N. Y.—Ex-Comptroller Joseph E. Barnard has accepted an important position in the Third National Bank. Mr. Barnard is an able accountant, and the bank is to be congratulated on securing his services.

BUFFALO, N. Y.—The new Union Bank will be open for business May 3.

LONG ISLAND, N. Y.—Under many disadvantages the Peconic Bank, of Sag Harbor, was started, and for its president the principal of the village school, Mr. J. J. Harrison, was chosen. A number of the best citizens of Sag Harbor associated themselves with Mr. Harrison, and, as a board of directors, have the credit of presenting their first annual statement, showing an earning of  $6\frac{1}{2}$  per cent. on its capital, paying a dividend of  $2\frac{1}{2}$  per cent. and carrying the remainder as a surplus.

SENECA FALLS, N. Y.—Of the Exchange National Bank of that place, the Rochester Times says that it was organized with H. Chamberlain, one of Seneca Falls' most prosperous business men, as president and principal shareholder; with J. H. Gould, widely known from his connection with the Gould Manufacturing Company, as vice-president; and with N. H. Becker, cashier. Conducted by financiers of large experience, on principles of the strictest integrity and on a broad and liberal policy in close harmony with the progress of the community, the Exchange National Bank has gained a reputation as an institution of its class second to none in the United States. The gentlemen above mentioned as officers have for years controlled and directed great enterprises with perfect success, and have gained thereby a reputation as financiers of no mean ability. At a recent election of officers Mr. Gould was elected president, Mr. Chamberlain resigning that position on account of the demands of his other business on his time; Mr. Hoyt was elected vice-president, and Mr. Becker was re-elected cashier.

PHILADELPHIA.—Few banks in the United States have experienced a steadier or healthier growth than the Fourth Street National Bank of this city. This institution is exceedingly popular in financial and mercantile circles, and among its officers and depositors are many of Philadelphia's wealthiest citizens. It has a capital of \$1,500,000; a surplus fund of \$500,000, and a line of undivided profits, \$7,149,501.55. These healthy figures speak for themselves and show that the bank is making steady strides in the way of progress. The officers include such men as Sidney F. Tyler, R. H. Rushton, John C. Bullitt, W. W. Kurtz, William A. Dick, Claus A. Spreckel, Geo. W. Elkins and others, all of whom are popular and conservative.—*Item.*

PITTSBURGH, PA.—R. J. Stoney, an authority in Pittsburgh on banking matters, has compiled the following comparison of bank values of the various Pittsburgh National banks on Dec. 19, 1890, with Dec. 11, 1889, showing the dividends paid in each instance. The total deposits in Pittsburgh banks of all classes about the same time last year were \$67,075,000, and the capital about \$25,171,000. The following is the National banks' comparative statement:

<i>Banks.</i>	<i>Dividends per cent.</i>	<i>Bank value Dec., 1889.</i>	<i>Bank value Dec., 1890.</i>
First National.....	8	\$129.92	\$134.79
Second National.....	8	174.68	203.56
Third National.....	8	156.91	163.32
Fourth National.....	6	127.85	132.09
Fifth National.....	6	129.11	129.77
Allegheny National.....	6	70.97	73.83
Citizens National.....	6	63.83	64.83
Commercial National.....	4	109.02	111.02
Diamond National.....	10	161.46	174.97
Duquesne National.....	8	150.66	158.14
Exchange National.....	8	69.82	70.43
Farmers' Deposit National.....	16	345.54	377.93
First (Bir.) National.....	16	232.43	247.35
Fort Pitt National.....	6	155.31	158.84
German National.....	12	278.25	297.57
Iron City National.....	8	90.66	91.32
Liberty National.....	..	.....	101.11
Marine National.....	..	108.85	111.43
Mechanics National.....	10	95.57	95.85
M. M. National.....	5	60.40	62.66
Metropolitan National.....	5	116.64	119.89
Monongahela National.....	6	111.83	115.05
Penna. National.....	..	.....	106.27
Peoples National.....	6	150.30	156.80
Pgh. N. B. of Com.....	10	201.95	208.21
Tradesmens National.....	10	226.67	238.29
Union National.....	12	338.00	353.18

The following is the morning report of the Pittsburgh banks through the Clearing House: Exchanges, \$2,364,489.68; balances, \$331,869.70.

SUSQUEHANNA, PA.—The establishment of a savings bank in Susquehanna is strongly urged by the *Transcript*. A sound institution of this description would be an excellent thing, and enable our working people to save some of their earnings for use in old age, if they did not invest quite so much money in paying lodge dues, which, the *Transcript* says, they now do to the amount of \$3,000 per month.

TOWANDA, PA.—One of the flourishing country banks of Pennsylvania is the Citizens' National Bank of Towanda. This will be seen from the following statement of its resources: Loans and discounts, \$512,426.36; U. S. bonds and other securities, \$67,064.00; real estate, furniture and fixtures, \$41,536.57; expenses and taxes, \$3,393.51; due from banks, \$51,298.37; checks and other cash items, \$2,380.74; cash, \$35,625.02; total, \$713,725.47. Liabilities: Capital stock, \$150,000.00; surplus and undivided profit, \$58,244.20; circulation, \$45,000.00; deposits, \$460,481.27; total, \$713,725.47.

#### WESTERN STATES.

PINE BLUFF.—Pine Bluff has three banking institutions with a cash capital of more than half a million dollars. All the banks are doing a prosperous business,

and the deserved good repute which those well-conducted institutions enjoy is attracting capital to this point, all of which is being invested in real estate, building and manufactures.—*Memphis Appeal-Avalanche*.

HURON, S. D.—The Huron National Bank has resumed business, greatly to the delight of Huronians generally. Very few depositors have called for their money, and many former patrons have made deposits. Everybody compliments J. M. Bailey, Jr., of Sioux Falls, for his valuable aid, and also appreciates the efforts of Hon. John E. Diamond, National bank examiner, in securing an early resumption of business of the Huron National.

AUBURN, ILL.—Mr. T. S. Parks, president of the Auburn Bank, while attempting to cross the track before an incoming Chicago & Alton train, was caught by the engine and almost instantly killed. He was an old and much esteemed citizen of this city.

CHICAGO, ILL.—Another death to chronicle is that of Chauncey B. Blair, president of the Merchants' National Bank of Chicago. In 1860 Mr. Blair came to Chicago and engaged in business as a private banker. Five years later he organized the Merchants' National Bank of Chicago, and remained its president up to the present time. When the great fire swept over the city in 1871 many of the banks announced that they would pay only 15 cents on the dollar. At a meeting held in the Board of Trade, representatives of the Merchants' National Bank said that Mr. Blair would not consent to any such arrangement. The president of the Merchants' National sent word that the doors of his bank would be open for business as soon as the vaults could be reached, and confidence, which was very much needed at that time, was restored. At the time of the panic in 1873, when many of the big banks throughout the country were forced to the wall, it was proposed by several local institutions to issue Clearing House certificates. Mr. Blair opposed it, and said that other banks might do as they saw fit, but that he always paid his debts. He said that if the Clearing House certificates were issued he would withdraw from the association. This had the effect of preventing the banks from doing as they contemplated.

CHICAGO.—The stock of a bank which failed in 1877 for nearly \$1,000,000, today is quoted, at 170 with no sellers. The institution holding such an unique position was known fourteen years ago as the Third National Bank of Chicago, and J. Irving Pearce was its president. The final meeting of the stockholders was held in the last of 1877, when they were told that their stock was worthless, as every cent of the capital of \$750,000 and the surplus of \$200,000 had been taken to pay the claims which followed suspension. The appreciation in its assets is in two pieces of land for which the receiver has been offered \$1,000,000, and which were saved from the wreck, but were thought almost worthless at the time.

CHICAGO.—Arrangements have been completed for a new bank in Chicago. The Columbia National Bank, with a paid in capital of \$1,000,000, will succeed the United States National Bank. The United States National Bank was organized in May, 1887. A statement made January 2, 1891, showed the total resources of the bank to be \$946,180.64, with a capital stock paid in of \$500,000, a surplus fund of \$8,000, undivided profits amounting to \$13,018.29, circulating notes calling for \$45,000 and deposits subject to check, \$380,162.35. The present officers of the bank, President Zimri Dwiggin and Cashier James M. Starbuck, will take an active part in the management of the new bank. When the Columbia National bank is once ready for business it is the purpose to secure more commodious quarters than those occupied at present.

IOWA.—The case of the First National Bank of Albia *v.* the City Council of Albia, acting as an equalization board, which has been watched with keen interest by Iowa bankers, has been decided against the plaintiffs by Judge Burton, of the Second judicial district. The claim of the plaintiffs was that of their capital stock, \$13,500 had been invested in real estate and the bank building, and should have been deducted from the whole amount, so that a double tax could not be levied. Instead, not quite half that sum had been deducted by the defendants, and the bank owners consequently alleged that they were compelled to pay double tax on \$7,000. The Judge held that the word "credits" refers only to notes, accounts and other obligations upon which money is to be paid, and does not mean stock in a corporation.

Several of the plaintiffs, it is alleged, had deducted their individual debts from the value of their bank stock when returning their property to the assessor.

DUBUQUE, IOWA.—Hon. D. N. Cooley, for twenty-one years president of the First National Bank of Dubuque, has retired. He sold his \$58,000 of stock for \$87,000. Mr. Cooley has controlled the bank during his connection with it. It has earned for twenty-one years an average of  $11\frac{1}{2}$  per cent. per annum.

DUBUQUE, IOWA.—The fire and burglar-proof deposit vault under construction in the First National Bank for some months past was finished to-day. The door and the interior walls are of chilled steel. There is a time lock on the external door, and the inside door is furnished with two combination locks. Within the vaults space for 500 metal deposit boxes.

ST. LOUIS.—The following statement of the St. Louis banks has been compiled by A. G. Edwards & Sons.

Name.	Capital.	Surplus and Profits.	Par Value.	Last Dividend.	Bid.	Asked.
American Exchange Bank.....	\$500,000	\$301,517 38	\$50	Jan., 1891, 3.....	\$89	\$91
Boatmen's Bank.....	2,000,000	319,574 63	100	Dec., 1890, $3\frac{1}{2}$ .....	141	....
Bremen Bank.....	100,000	70,000 00	100	Jan., 1891, 4.....	125	....
Commercial Bank.....	200,000	542,569 54	100	Jan., 1891, 10.....	430	450
Citizens' Savings Bank.....	200,000	40,000 00	100	Jan., 1891, 4.....	120	125
Continental National Bank.....	2,000,000	78,844 55	100	Dec., 1890, $3\frac{1}{2}$ .....	120	122
Fourth National Bank.....	1,000,000	591,589 52	100	Nov., 1890, 4.....	200	....
Franklin Bank.....	200,000	362,383 12	100	Jan., 1891, 6.....	300	....
German Savings Institution...	250,000	438,014 37	100	Jan., 1891, 4.....	300	....
German American Bank.....	150,000	451,192 31	100	Jan., 1891, 6.....	400	....
International Bank.....	200,000	41,490 38	100	Non Declaring.....	107	110
Laclede National Bank.....	1,000,000	120,058 53	100	*Dec., 1890, $1\frac{1}{2}$ .....	119	121
Lafayette Bank.....	100,000	189,757 99	100	Jan., 1891, 3.....	200	....
Mechanics' National Bank.....	700,000	206,616 16	100	Jan., 1891, 3.....	129	133 $\frac{1}{2}$
Mechanics' Bank.....	600,000	506,594 25	100	Jan., 1891, 3.....	200	210
Mullanphy Savings Bank.....	100,000	130,893 38	100	Jan., 1891, 5.....	210	....
National Bank of Commerce...	3,000,000	546,344 57	100	*Jan., 1891, $1\frac{1}{4}$ .....	150	152 $\frac{1}{2}$
National Bank of the Republic.	500,000	15,006 10	100	Organ'd Mch., '89.	103	104
Northwestern Savings Bank...	100,000	68,639 38	100	Jan., 1891, 6.....	175	....
St. Louis National Bank.....	500,000	180,339 54	100	Dec., 1890, 4.....	157 $\frac{1}{2}$	160 $\frac{1}{2}$
State Bank of St. Louis.....	650,000	1,092,134 15	50	Dec., 1890, 8.....	185	....
Third National Bank.....	1,000,000	284,891 30	100	Jan., 1891, 3.....	118	120
TOTALS .....	\$15,050,000	\$6,587,401 15	Surplus and Profits compiled from Official Statements, State Banks, January 17th, 1891; National Banks, December 19th, 1890.			
First Nat. Bank, East St. Louis.	\$100,000	\$12,017 12	\$100	Jan., 1891, 3.....	\$106	\$110

  

TRUST COMPANY STOCKS.			
Name.	Capital.	Par.	Organized.
Mississippi Valley Trust, 50 per cent. paid ....	\$1,500,000	\$100	October 14, 1889..
St. Louis Trust, 50 per cent. paid .....	1,500,000	100	October, 1889.....
Union.....	1,000,000	100	June, 1890 .....

\* Quarterly. All others, semi-annually.

LOUISIANA, Mo.—The Mercantile National Bank will surrender its charter and reorganize under the State law, with a paid up capital of \$50,000.

MICHIGAN.—The Tawas State Savings Bank has been organized at East Tawas with a capital of \$25,000. M. H. French, of West Branch, is president; Milo Eastman, vice-president; F. F. French, cashier; directors, Milo Eastman, Nat. Robinson, George Prescott, Temple Emery, Isaac Bearinger and W. G. Richards.

MINNEAPOLIS, MINN.—The damage suit of R. W. Kirkham against the People's Bank of Minneapolis has been decided. Kirkham made a check for a small amount and payment was refused, the bank claiming that there was not a sufficient balance credited to him to pay the order. Afterward it was discovered that his name had been confused with another on the books of the bank and there was plenty of money to his credit in the bank. He brought suit to recover \$500 actual damages. The jury gave him one cent.

KEARNEY, NEB.—The Nickel Savings Stamp System, which has been introduced in Detroit, San Francisco, Denver, Louisville, St. Paul, Los Angeles, and Columbus, Ohio, has also been introduced in Kearney. The system was explained in the December number of the MAGAZINE.

OMAHA, NEB.—The Omaha *Bee* says of the First National Bank of that city that it "is the pioneer National bank in the Northwest, having been organized in 1865, and at the expiration of its charter in 1885 it was renewed as a National bank. Mr. George P. Sanford succeeded J. F. Evans to the presidency, who had been at the head of the institution for the previous twenty years, and who has now retired from active business. Vice-president Farnsworth and Cashier Reikman are among the oldest citizens in the city, and their names are synonymous with good, sound financiering. Mr. Sanford is one of the most able and popular business men of the Northwest."

OMAHA, NEB.—There is room in Omaha for two or three more good National banks. The business men are proud of the banks of this city, and during the recent financial squeeze they were well cared for, but the banks were unable to provide for all the legitimate demands of business. The banking capital of this city has not kept pace with its growth, and when a stiff demand for money pours over the country, and banks begin to keep close to shore on loans, many lines of business suffer for lack of sufficient accommodations.—*Omaha Financial Journal*.

CLEVELAND, O.—Another banking house has been added to the long list in this city. The Columbia Savings and Loan Company, at the corner of Broadway and Willson avenue, has opened for the transaction of a general banking and savings bank business. The officers of the company are: President, Hubbard Cooke; vice-president, W. J. Hayes; secretary and treasurer, C. G. Barkwill; cashier, J. E. Cheesman; directors, Hubbard Cooke, James Paton, W. J. White, Robert Paton, P. Halliday, H. G. Biddle, S. Pfundstein, W. J. Hayes, A. A. Jackson, C. G. Barkwill, D. E. Wright, George R. Canfield, Jacob Wageman, A. Klipec, and C. H. Dunbar.

CINCINNATI, OHIO.—The directors of the Harrison Building and Deposit Company have voted to increase the number of shares from seven hundred to one thousand, each share valued at \$500, making the capital stock \$500,000.

WEST SUPERIOR, WIS.—The Bank of Commerce, which made an assignment several months ago, has reopened its doors for business under the same name and with the capital increased to \$250,000.

#### SOUTHERN STATES.

TUSCUMBIA, ALA.—Mr. H. E. Carr, the enterprising president of the Tuscumbia Banking Company, will, it is learned, begin in the spring the erection of a handsome banking house on his desirable lot, corner Railroad and Main streets. Mr. Carr is a citizen Tuscumbia is proud of, and since locating here has made a friend of every one, and has conducted a safe and successful banking house.—*Sheffield Enterprise*.

ATLANTA, GA.—A meeting has been held to consider the matter of starting a drummers' bank. Mr. John M. Green was elected chairman, and Mr. Roger Williams secretary. The object of the meeting was stated by Mr. Joel Hurt, who outlined the proposed plan for the bank. Two committees were appointed, one to formulate a plan for the bank and another to solicit subscriptions. After the adop-

tion of resolutions asking the co-operation of all branches of the Southern Travelers' Association, the meeting adjourned.

ATLANTA, GA.—The Atlanta National Bank, the oldest National bank in Georgia, and in the cotton States, was organized in 1865. Its first charter expired in 1885, and was extended to 1905. A word in regard to the history, management and success of this institution, from its commencement, twenty-five years ago, to the present time, may not be uninteresting to its many friends and customers in this city and the country at large. This bank was organized by Gen. Alfred Austell, George S. Cameron, R. H. Richards, W. H. Inman, W. H. Tuller, Paul Romare, and others, on September 2, 1865, with a capital of \$100,000, under the management of the following officers: Alfred Austell, president; W. H. Tuller, cashier; Paul Romare, bookkeeper. The average capital of the bank for the twenty-five years past has been \$175,000, on which dividends to the amount of \$556,000 have been paid, and the bank holds now, surplus and profits, \$226,000. For months after the bank commenced business the entire clerical work was performed by the cashier and bookkeeper. Some idea of the increase of business and the growth of Atlanta may be formed from the fact that the officers and clerks now number seventeen.—*Atlanta Journal*.

MACON, GA.—The board of directors of the new American National Bank, as elected by the stockholders, are as follows: J. F. Hanson, W. H. Ross, G. D. Allen, J. C. Eads, James Wixelbaum, W. H. Burden and Robert J. Taylor. The board have elected Col. William H. Ross president, and Mr. L. P. Hillyer cashier. Col. Ross is one of Macon's most prominent citizens, and will make an admirable officer of the institution in every respect. Mr. Hillyer is one of the most competent bank officials in the State. He was formerly cashier of the Merchants' National Bank. The bank has organized with a capital stock of \$250,000, and will be ready for business by April 1.—*Constitution*.

MACON, GA.—Inside of three months Macon has added \$420,000 to her banking capital. This is a good showing for the Central City.

MACON, GA.—The block at the corner of Cherry street and Third will soon present an array of the handsomest business buildings in the city. The imposing new structure of the Exchange Bank, on the corner, will be, when completed, perhaps, the finest business building, architecturally speaking, in Macon.—*Macon Telegraph*.

SAVANNAH, GA.—No financial enterprise that has been inaugurated in the city of Savannah can claim such encouraging results in such a short space of time as the Chatham Bank. This bank was organized as a savings bank in 1889, and \$100,000 stock was issued, payable by 10 per cent. in monthly installments. The business so increased that in May, 1890, with the \$100,000 worth of stock paid in, the general banking business was inaugurated, and an additional issue of \$50,000 stock was made on the same plan as the original stock. The bank still continues, as a special feature of its business, the popular Dime Savings Department, and solicits deposits of 10 cents and upward, allowing 4 per cent. per annum, with interest compounded quarterly. This is a splendid feature for people in the country who wish to take advantage of this splendid opportunity to invest their small savings. The offices of the Chatham Bank have recently been removed to their handsome new building, which has been fitted up for their convenience.—*New Savannah*.

BALTIMORE, MD.—The Continental National Bank, through the efforts of J. Wesley Guest, late cashier of the Citizens' National Bank, has been organized with a capital of \$300,000, and a call has been made for 50 per cent. of the stock on March 5. The directors named in the application are Wilbur F. Jackson, Thornton Rollins, Jacob H. Taylor, James S. Forbes, James D. Mason, L. B. McCabe and J. Wesley Guest. The directors yesterday elected Wilbur F. Jackson president, and J. Wesley Guest cashier. Mr. Jackson is a brother of Governor Jackson and the head of the firm of W. F. Jackson & Co., lumber dealers on West Falls avenue. Messrs. Jackson, Guest and Forbes have been authorized to select a site for the bank, which will be incorporated within a few days. The bank officers generally of the city view with much pleasure the accession of Mr. Jackson and the return of Mr. Guest to the banking guild. The latter was held in the highest

esteem at the Clearing House, as well as by bankers throughout the country.—*Baltimore Herald*.

BALTIMORE, MD.—Subscribers to the new National bank in Baltimore have made a bargain for the assets of the old Franklyn Bank. The new bank is known as the Equitable. The large stockholders have been reduced in favor of stockholders of \$1,000 and under, so as to make it a popular bank, and there will be no one large interest in the bank.

ANOTHER NATIONAL BANK PROPOSED.—A meeting has been held to discuss plans for the formation of a new National bank, to be located in the neighborhood of Howard and Lexington streets. No definite steps toward organization were decided upon, though it was understood that the bank would be established with an ample working capital. The meeting adjourned to a future day, when the plans will be further discussed and the preliminary arrangements for its establishment will be definitely settled.

CHARLESTON, S. C.—The Comptroller-General has instructed the county auditors to assess the capital stock of the banks at the market value of the capital stock, which has created a sensation. There are a dozen or more savings banks doing business, the stock of which is quoted all the way from par to \$1,200 per share. There have been no sales of stock at fancy figures for years, and the figures are merely quotations. The enforcement of such a regulation, it is declared, would eat up all the profits of the lesser banks and play havoc with about a million dollars capital invested in this business, largely by small shareholders. If the attempt to enforce the policy outlined by the Comptroller is pushed it will be strenuously resisted by the banks, which will combine for the purpose.

TEXAS.—The Texarkana First National Bank, Tex., which suspended December 3, has reopened its doors and resumed business, with more than enough cash on hand, as stated by Bank Examiner Fisher, to satisfy all claims existing against the institution. T. B. Andrews, a wealthy and popular local business man, succeeds the late cashier, W. A. Kelsey. Otherwise the management of the bank remains about as heretofore, with J. H. Draughon as president. The bank advertised to pay all depositors in full who might call, but during the day the withdrawals and deposits were about the same.

During the year the First National Bank of Honey Grove will erect a handsome building on the southwest corner of the square, which will be an ornament to the city.

DALLAS, TEXAS.—A meeting of bank clerks has been held for the purpose of organizing a bank clerks' association. The following clerks were in attendance: Messrs. Charles W. Gilmour, E. C. Schneider, J. D. Estes, D. W. Carnes, L. B. Torrey, P. G. Claiborne, W. P. Cole, Jr., V. H. Claiborne, Jr., Nathan Adams and John A. Pope. Mr. Schneider was elected temporary chairman, and P. G. Claiborne temporary secretary. Committees were appointed to consult with other bank clerks in the city on permanent organization.

HOUSTON, TEXAS.—No more prosperous institution, if improvement and increase of business is any criterion, than the Mechanics' Bank, has its headquarters in Houston. Since the day its doors opened for deposits there has been a steady increase of depositors. The reputed capital of the bank is now \$62,000, and with the present rapid development of business the capital will reach up in the hundreds of thousands ere long. A very sagacious move, one destined to prove very beneficial to both the interests of the bank and its depositors, is the recent engagement of Mr. Frank Sawyer as cashier, to take effect February 1. Mr. Sawyer was for some time with Mr. Henry Fox, the banker; later with Sweeney, Coombs & Fredricks, bankers and jewelers, as chief accountant. Enterprise is a power when applied judiciously, and the Mechanics' Bank is ostensibly pursuing the proper channel.—*Houston Post*.

The report of the condition of the Commercial National Bank at the close of business, December 31, 1890, has just been made public, and shows a state of affairs which should be most satisfactory to the stockholders and a matter of pride to the management. With a capital stock of \$200,000 and a surplus of \$15,000, the statement foots up undivided profits of \$19,154.60, including a semi-annual dividend of 5 per cent. Deposits are nearly \$550,000, it owns real estate to the



value of \$36,000, has due it from banks and bankers nearly \$150,000, \$50,000 of United States bonds, and \$153,000 cash in the vaults, while its loans and discounts amount to nearly \$500,000. Every financier will see in this statement an evidence of the greatest prosperity.—*Houston Post*.

ROANOKE, W. VA.—The banquet tendered the bankers of Roanoke by Mr. P. L. Terry, president of the Roanoke Loan, Trust and Safe Deposit Company, was attended by President Trout, of the First National; President Coon and his able Cashier Davenport, of the Commercial National; J. B. Fishburne, of the National Exchange; Messrs. Asberry and Markley, of the Traders' Loan and Trust Company; Messrs. Vincent, Jamison and S. B. Haupt, of the Fidelity Loan and Trust Company; President Jacob Smith, of the Roanoke Savings Bank; S. D. Ferguson, of Ferguson's Bank; Messrs. Dicer and Levy, of the Citizens' Bank; Messrs. Rhodes, Darnall and Davis, of the Roanoke Loan, Trust and Deposit Company, and C. A. McHugh, of the Iron Belt Building and Loan Association.

#### PACIFIC STATES.

SAN FRANCISCO.—The following is a statement of the dividends paid in 1890 on the capital stock of certain banks in San Francisco:

	Rate.	Amount.
American Bank & Trust Co.....	18	\$18,000
Anglo-Californian Bank.....	10	150,000
Bank of British Columbia.....	10	250,000
Bank of British North America.....	7½	375,000
Bank of California.....	12¼	382,500
California Safe Deposit and Trust Co.....	6	60,000
Crocker-Woolworth National.....	8	80,000
First National.....	8	120,000
Grangers' Bank.....	8	52,225
London, Paris and American Bank.....	6	120,000
London and San Francisco Bank.....	6	126,000
Pacific Bank.....	8	80,000
Sather Banking Co.....	6	60,000
Wells, Fargo & Co.....	8	500,000

Total..... \$2,373,725

In 1889..... 2,260,050

The above is the first dividend of the American Bank and Trust Company. The bank began business in the spring of 1888. Its net earnings for 1889 were 13½ per cent., or \$13,500, but no dividend was paid until June, 1890, when 18 per cent., or \$18,000, was divided up among stockholders. The dividends of the foreign and National banks, as well as two of the State banks (Pacific and Wells, Fargo & Co.) are paid semi-annually. The Grangers' pays annually in January. The other three State banks pay quarterly. The dividend of the Anglo-Californian Bank includes a 2 per cent. bonus, and that of the Bank of British Columbia 4 per cent. bonus. The Bank of California increased its dividends last October from 3 per cent. quarterly to 3¾ per cent. quarterly. The Nevada Bank, which has been owned and operated from its incorporation in 1875, by five gentlemen, passed to the control of another and wider list of stockholders last spring. The new management is pleased with the business enjoyed since the change, but has not cared to disburse any of the profits in the way of dividends. The Mercantile Bank, organized last spring, has paid no dividends, and there is a report that it will retire from business. There are nine capitalized savings banks in this city. These paid their stockholders in 1890 the following dividends:

	Rate.	Amount.
California Savings.....	6	\$6,000
French.....	6.56¼	13,937
German.....	12.40	114,000
Humboldt.....	10	8,000
Mutual.....	..	..
People's.....	2	20,000
S. F. Savings Union.....	6	51,000
Savings and Loan.....	7½	55,000
Security.....	7½	11,250

Total..... \$279,187

In 1889..... 250,730

The Mutual only commenced business in February, 1890. The Hibernia Savings and Loan Society has no capital stock, and is therefore omitted from the list. The dividends paid by the San Francisco savings banks on deposits in 1890 were as follows:

	<i>Term.</i>	<i>Ordinary.</i>	<i>Amount.</i>
California Savings.....	5.58	4.65	\$43,637
French.....	5.25	4.37½	79,427
German.....	5.40	4.50	1,041,055
Hibernia.....	..	4.25	1,007,331
Humboldt.....	5.32½	4.37½	140,000
Mutual.....	5.40	4.50	20,977
People's.....	5.52	4.60	48,305
S. F. Savings Union.....	5.40	4.50	1,018,094
Savings and Loan.....	5.40	4.50	209,626
Security.....	5.00	4 1-6	120,320
<b>Total.....</b>			<b>\$3,728,772</b>
<b>In 1889.....</b>			<b>3,165,241</b>

A summary of the dividends by the San Francisco banks for the past two years is as follows:

	1889.	1890.
Commercial Banks.....	\$2,260,030	\$2,373,725
Savings Banks, stock.....	250,730	279,187
Savings Banks, deposits.....	3,165,241	3,728,772
<b>Totals.....</b>	<b>\$5,676,021</b>	<b>\$6,381,684</b>

Against \$4,353,976 in 1888 and \$4,331,045 in 1887.—*Bulletin.*

SAN FRANCISCO.—The People's Home Savings Bank has adopted the Nickel Savings Stamp System.

LOS ANGELES, CAL.—The Clearing House of Los Angeles has been busily engaged recently in pushing forward a proposition among financial institutions of this State to organize a State Bankers' Association.

SELMA, CAL.—In 1887 it became evident that Selma had reached a period in her history when her financial interest demanded the facilities afforded by a commercial banking house, and the matter of establishing such banking house began to be seriously discussed in her financial circles. The discussion finally took definite shape in the organization of the State Bank of Selma, with a capital stock of \$100,000. At the time of the first annual meeting of its stockholders, it was found that its special deposits amounted to the large sum of \$90,000, and that its business had so materially increased that the employment of additional clerical force was an absolute necessity. The business had increased to such extent that early in the following year, the year 1889, two years from its organization, its directors became aware of the fact that it was necessary the institution should have larger and safer quarters, and steps were taken to select a location and erect a building of its own, suitable for the transaction of its business, and with ample accommodations. The result was that a location was selected, and the fine brick structure now occupied by the corporation as a banking house was erected at a cost of about \$7,500. The building is situated on the north side of Second street, between East Front and High. The business of the institution is now in a flattering condition. The present officers are: President, J. A. Stroud; vice-president, M. Sides; secretary-cashier, D. S. Snodgrass.—*Fresno Expositor.*

MONTANA.—Ex-Governor B. F. White has been tendered the presidency of the new National State bank, soon to be opened in Butte. He does not intend to neglect the First National, and in case he accepts the management of the Butte bank, will give the local institution about half his time. The new bank will have a capital stock of \$400,000. L. H. Hirschfeld, of the Merchants' National, Helena, and Lewishon Bros., Boston, who are the principal stockholders of the Boston and Montana Mining Co., and the Butte and Boston Mining Co., are also heavy stockholders in the new institution.—*Dillon Tribune.*

#### CANADA.

HALIFAX.—The net profits of the Merchants' Bank of Halifax for the past year

were \$143,507.56, which, with the balance of \$24,802.44 from the previous year, makes \$168,310. A dividend of 6 per cent. was paid, \$100,000 added to reserve fund, and \$2,310 carried to this year's business. The reserve now amounts to \$275,000.

Sterling exchange has ranged during February at from 4.87½ @ 4.88½ for bankers' sight, and 4.84½ @ 4.86½ for 60 days. Paris—Francs, 5.17½ @ 5.16½ for sight, and 5.19½ @ 5.18½ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.84½ @ 4.85½; bankers' sterling, sight, 4.87½ @ 4.88; cable transfers, 4.88½ @ 4.88½. Paris—Bankers', 60 days, 5.19½ @ 5.18½; sight, 5.17½ @ 5.16½. Antwerp—Commercial, 60 days, 5.21½ @ 5.21½. Reichmarks (4)—bankers', 60 days, 95¼ @ 95¾; sight, 95¼ @ 95¾. Guilders—bankers', 60 days, 40½ @ 40 3-16; sight, 40½ @ 40 7-16.

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	Feb. 3.	Feb. 10.	Feb. 17.	Feb. 24.
Discounts.....	5¼ @ 7	6 @ 7	6 @ 6½	6 @ 6½
Call Loans.....	3	2¼ @ 1¼	3 @ 2	3 @ 2
Treas. balances, coin.....	\$151,137,515	\$151,748,951	\$151,695,544	\$151,989,819
Do. do. currency.....	6,688,174	6,880,017	8,081,138	8,171,987

The reports of the New York Clearing-house returns compare as follows:

1891.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.	Surplus.
Feb. 7..	\$397,802,000	\$88,810,100	\$35,518,400	\$416,343,300	\$3,407,100	\$20,242,675
" 14..	401,964,100	88,385,900	34,836,200	418,917,600	3,534,400	18,498,700
" 21..	403,522,100	83,909,400	35,604,300	416,562,700	3,540,300	15,373,025
" 28..	403,881,800	81,301,000	35,935,800	414,426,100	3,494,600	13,630,275

The Boston bank statement is as follows:

1891.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.
Jan. 31.....	\$154,658,800	\$9,360,500	\$5,442,900	\$129,605,500	\$3,230,800
Feb. 7.....	155,553,800	9,140,200	4,891,600	130,678,600	3,232,000
" 14.....	156,111,400	9,374,900	4,700,400	129,939,900	3,231,800
" 21.....	155,252,900	9,768,000	4,625,800	128,496,000	3,251,000

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1891.	Loans.	Reserves.	Deposits.	Circulation.
Jan. 31.....	\$96,880,000	\$27,141,000	\$92,185,000	\$2,187,000
Feb. 7.....	96,843,000	26,742,000	93,993,000	2,172,000
" 14.....	97,750,000	25,956,000	94,182,000	2,177,000
" 21.....	97,262,000	25,550,000	93,489,000	2,181,000
" 28.....	96,579,000	25,396,000	93,269,000	2,173,000

## DEATHS.

ALLEN.—On February 9, aged thirty-eight years, W. W. ALLEN, Vice-President of the John Tice Banking Co., Okolona, Miss.

BISSELL.—On February 19, aged eighty-five years, GORDON N. BISSELL, President of Rome Savings Bank, Rome, N. Y.

ENOS.—On February 20, aged fifty-three years, HENRY K. ENOS, of the firm of Henry K. Enos & Co., New York City, N. Y.

GLEESON.—On February 8, aged forty-eight years, THOS. P. GLEESON, Cashier of Citizens' Savings Bank, St. Louis Mo.

HAYS.—On January 14, aged seventy-five years, J. W. HAYS, President of First National Bank, Elizabethtown, Ky.

HILL.—On February 28, aged fifty-two years, JOHN T. HILL, President of Ninth National Bank, New York City, N. Y.

JONES.—On February 5, aged fifty-four years, LUCIAN JONES, President of City Bank, Hopkinsville, Ky.

PARKS.—On January 28, aged sixty-eight years, T. S. PARKS, President of Auburn State Bank, Auburn, Ills.

POST.—On February 15, aged fifty-eight years, AUGUSTUS T. POST, New York City, N. Y.

PULLMAN.—On February 13, aged forty-six years, WM. A. PULLMAN, President of Seaboard National Bank, New York City, N. Y.

## NEW BANKS, BANKERS, AND SAVINGS BANKS.

(Monthly List, continued from February No., page 653.)

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N.Y. Correspondent.</i>
ALA....	Ragland.....	May Banking Co.....	Chase National Bank.
	\$25,000		Clarence S. May, <i>Cas.</i>
D C....	Washington....	Ohio National Bank.....	.....
	\$200,000	Joseph D. Taylor, <i>P.</i>	
IDAHO..	Wallace.....	Coeur d'Alene Bank....	American Exchange Nat. Bank.
	\$25,000	John A. Finch, <i>P.</i>	Chas. M. Hall, <i>Cas.</i>
		Patrick Clark, <i>V. P.</i>	
ILL....	Austin.....	Austin Bank.....	.....
			P. D. Castle, <i>Cas.</i>
▪ ..	Chicago.....	State Bank of Chicago ..	First National Bank.
	\$500,000	H. A. Haugan, <i>P.</i>	John R. Lindgren, <i>Cas.</i>
		John H. Dwight, <i>V. P.</i>	
▪ ..	Georgetown ..	Georgetown Bank.....	.....
	\$25,000	Zimri Diggins, <i>P.</i>	Chas. E. Pritchard, <i>Cas.</i>
		J. M. Starbuck, <i>V. P.</i>	
▪ ..	Joliet.....	Joliet National Bank....	Hanover National Bank.
	\$100,000	T. A. Mason, <i>P.</i>	Robt. T. Kelly, <i>Cas.</i>
		J. O. Curry, <i>V. P.</i>	
▪ ..	Morrisonville..	Martin & Johnson.....	
▪ ..	Seaton.....	Bank of Seaton .....	
	\$15,000		Cornelius O'Leary, <i>Cas.</i>
IND. T..	Stillwater.....	Payne County Bank.....	.....
			Almond A. Stowe, <i>Cas.</i>
IOWA...	Fairbank.....	Citizens Bank.....	.....
	\$10,000	Geo. H. McNeely, <i>P.</i>	W. F. Treadwell, <i>Cas.</i>
▪ ..	Preston.....	Farmers & Merchants B'k	.....
	\$25,000	(Foster & Pollans.)	
KY.....	Louisville.....	P. N. Clarke & Co.....	L. D. Alexander & Co.
LA.....	New Iberia.....	Peoples National Bank.	.....
	\$50,000	Stanley O. Thomas, <i>P.</i>	W. E. Satterfield, <i>Cas.</i>
		Fred. Goetes, <i>V. P.</i>	J. T. DeValcourt, <i>Ass't Cas.</i>
MD....	Baltimore .....	American National Bank.	.....
	\$200,000	Joshua Horner, <i>P.</i>	Simon P. Schott, <i>Cas.</i>
▪ ..	Baltimore.....	Continental Nat. Bank..	.....
	\$300,000	Wilbur F. Jackson, <i>P.</i>	J. Wesley Guest, <i>Cas.</i>
▪ ..	Baltimore.....	Equitable National Bank.	.....
	\$500,000	James D. Ferguson, <i>P.</i>	Sam'l J. Hindes, <i>Cas.</i>
MASS...	Lowell .....	Lowell Trust Co.....	Chemical National Bank.
	\$125,000	John J. Donovan, <i>P.</i>	Geo. M. Harrigan, <i>Cas.</i>
		Geo. T. Sheldon, <i>V. P.</i>	
MICH...	Brighton.....	Baetcke, G. J. & Co.....	Chase National Bank.
			Wm. T. Fry, <i>Cas.</i>
▪ ..	Brown City....	Brown City Bank.....	.....
	\$25,000	(M. H. Norman & Co.)	
▪ ..	Maple Rapids..	Hewitt & Groom.....	Fourth National Bank.
▪ ..	White Pigeon..	First National Bank....	National Bank of Republic.
	\$50,000	Seth A. Jones, <i>P.</i>	Theodore E. Clapp, <i>Cas.</i>
		Joseph R. Watson, <i>V. P.</i>	
MISS ...	Tupelo .....	First National Bank....	.....
	\$50,000	Gwepson T. Harkey, <i>P.</i>	Fleetwood Elliott, <i>Cas.</i>
MO....	Amoret.....	Bank of Amoret.....	.....
		W. G. Reeve, <i>P.</i>	Geo. W. Hormell, <i>Cas.</i>
▪ ..	Aurora .....	Aurora State Bank.....	Hanover National Bank.
	\$25,000	Edwin W. Salmon, <i>P.</i>	Chas. F. Weidemeyer, <i>Cas.</i>
▪ ..	Gorin.....	Gorin Savings Bank.....	Hanover National Bank.
	\$10,000	J. K. Shocklett, <i>P.</i>	Henry Weber, <i>Cas.</i>
		J. W. Powell, <i>V. P.</i>	E. R. Weber, <i>Ass't Cas.</i>
▪ ..	Louisiana.....	Mercantile Bank.....	National Bank of Republic.
	\$50,000	A. J. McCune, <i>P.</i>	Walter G. Tinsley, <i>Cas.</i>
		Jno. A. Mackey, <i>V. P.</i>	R. M. Rhea, <i>Ass't Cas.</i>

<i>State Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
NEB... Valparaiso.....	Oak Creek Valley Bank . \$15,000 Earnest A. Wiggenhorn, <i>P.</i> Hugo A. Wiggenhorn, <i>V. P.</i>	Kountze Bros. P. Albert B. Chamberlain, <i>Cas.</i>
N. H... Berlin Falls....	Berlin National Bank.... \$50,000 Alfred R. Evans, <i>P.</i> Samuel E. Paine, <i>V. P.</i>	..... P. Albert H. Eastman, <i>Cas.</i>
N. Y... Buffalo.....	Union Bank..... \$150,000 Joshua S. Bliss, <i>P.</i> John O. McDonnell, <i>V. P.</i>	..... Louis Stern, <i>Cas.</i>
" .. Jamestown.....	Farmers & Mechanics B'k \$100,000 E. B. Crissey, <i>P.</i> F. T. Powell, <i>V. P.</i>	Hanover National Bank. Geo. S. Gifford, <i>Cas.</i> W. R. Botsford, <i>Ass't Cas.</i>
" .. Perry.....	First National Bank..... \$50,000 Henry N. Page, <i>P.</i> Frank H. Wyckoff, <i>V. P.</i>	Chase National Bank. Wm. D. Page, <i>Cas.</i> Geo. K. Page, <i>Ass't Cas.</i>
ORE... Athena.....	First National Bank..... \$50,000 Chas. A. Barrett, <i>P.</i>	Hanover National Bank. Lorenzo D. Lively, <i>Cas.</i>
PA..... McVeytown....	McVeytown Deposit B'nk David Stine, <i>P.</i>	..... W. P. Stevenson, <i>Cas.</i>
" .. Philadelphia ..	Brice, Monger & Co.....	Howard Lapsley & Co.
" .. Springboro ....	Booth & Bentley.....	Fifth Avenue Bank.
TEXAS . Belton.....	Yarrell Savings Bank....	..... Thos. Yarrell, <i>M'gr.</i>
" .. Celeste.....	Celeste Exchange Bank.. \$20,000 James M. Clymer, <i>P.</i> Jesse T. Harrell, <i>V. P.</i>	Hanover National Bank. Mack K. Harrell, <i>Cas.</i>
" .. Ladonia .....	Weldon National Bank.. \$60,000 C. W. T. Weldon, <i>P.</i> W. G. Nunn, <i>V. P.</i> Chas. N. Kinney, <i>V. P.</i>	National Park Bank. W. E. Weldon, <i>Cas.</i>
" .. San Antonio ...	Alamo National Bank... \$250,000 Charles Hugo, <i>P.</i>	..... J. N. Brown, <i>Cas.</i>
" .. Uvalde .....	First National Bank..... \$50,000 J. L. Dabbs, <i>P.</i> N. D. Townes, <i>V. P.</i>	Hanover National Bank. W. W. Collier, <i>Cas.</i>
UTAH .. Kaysville .....	Barnes Banking Co .....	Kountze Bros.
" .. Price .....	Emery County Bank .... \$5,600 J. M. Easton, <i>P.</i> W. H. Dusenberry, <i>V. P.</i>	National Park Bank. L. M. Olson, <i>Cas.</i>
WASH.. Mt. Vernon ....	First National Bank. .... Geo. D. McLeon, <i>P.</i> F. R. Van Tuye, <i>V. P.</i>	American Exchange Nat. Bank. C. S. Moody, <i>Cas.</i>
" .. Pullman.....	Farmers & Traders Bank. \$30,000 David P. Thompson, <i>P.</i> T. E. Bramel, <i>V. P.</i>	..... W. F. Bramel, <i>Cas.</i> D. C. Munroe, <i>Ass't Cas.</i>
" .. Spokane Falls..	Nat. Loan & Trust Co.. \$100,000 Henry L. Tilton, <i>P.</i> F. E. Goodall, <i>V. P.</i>	..... Fred. A. Tilton, <i>Cas.</i> Geo. H. Tilton, <i>Ass't Cas.</i>
WIS.... Rewey.....	Rewey's Bank..... \$25,000 J. W. Rewey, <i>P.</i>	..... Oliver G. Rewey, <i>Cas.</i>
MAN'BA. Boissevain .....	Union Bank of Canada..	..... F. W. S. Crispo, <i>M'gr.</i>

## CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from February No., page 651.)

	Bank and Place.	Elected.	In place of.
N. Y. CITY...	Irving National Bank.....	Chas. S. Brown, <i>V. P.</i> ....	John Castree.
" "	Seaboard National Bank.....	Samuel G. Bayne, <i>P.</i> ....	Wm. A. Pullman.*
ALA....	First National Bank, Anniston.	H. A. Young, <i>Cas.</i> .....	Oscar E. Smith.
" "	First National Bank, Bessemer.	C. McAdory, <i>V. P.</i> .....	Wm. Berney.
" "	American National Bank, Birmingham.	I. S. Chandler, <i>Cas.</i> .....	.....
" "	City Nat. Bank, Birmingham..	Geo. H. Waddell, <i>P.</i> ....	S. T. Barnett.
" "	First National Bank, Decatur..	Geo. O. Vanderbilt, <i>V. P.</i>	J. T. B. Jackson.
" "	First National Bank, Gadsden..	H. L. Underwood, <i>Cas.</i> ...	R. M. Mulford.
" "	First National Bank, Pasadena.	B. B. Comer, <i>P.</i> .....	Joseph Hardie.
" "	First National Bank, Pasadena.	L. M. Falk, <i>V. P.</i> .....	.....
" "	First National Bank, Pasadena.	John S. Paden, <i>V. P.</i> ....	R. O. Randall.
" "	First National Bank, Pasadena.	A. H. Conger, <i>Cas.</i> .....	J. E. Farnum.
" "	First National Bank, Pasadena.	Ernest H. May, <i>Ass't Cas.</i>	.....
CAL....	Pasadena National Bank, Pasadena.	T. P. Lukens, <i>Cas.</i> .....	A. H. Conger.
" "	San Bernardino Nat. Bank, San Bernardino.	E. E. Jones, <i>Ass't Cas.</i> ..	.....
" "	San Bernardino Nat. Bank, San Bernardino.	W. S. Boggs, <i>Ass't Cas.</i> ..	.....
" "	California National Bank, San Diego.	John W. Collins, <i>P.</i> .....	Wm. Collier.
" "	Carver Nat. Bank, St. Helena..	G. N. O'Brien, <i>Cas.</i> .....	John W. Collins.
" "	Santa Barbara Co. Nat. B'k, Santa Barbara.	M. G. Richie, <i>V. P.</i> .....	.....
" "	Santa Rosa National Bank, Santa Rosa.	T. B. Dibble, <i>V. P.</i> .....	J. Edwards.
" "	Santa Rosa National Bank, Santa Rosa.	J. H. Brush, <i>P.</i> .....	A. B. Ware.
" "	Santa Rosa National Bank, Santa Rosa.	F. A. Brush, <i>Cas.</i> .....	J. H. Brush.
" "	Santa Rosa National Bank, Santa Rosa.	H. I. Ross, <i>P.</i> .....	John L. McNeil.
" "	Santa Rosa National Bank, Santa Rosa.	John L. McNeil, <i>V. P.</i> ....	A. A. Salazar.
" "	Santa Rosa National Bank, Santa Rosa.	Wm. F. Boyd, <i>Cas.</i> .....	H. I. Ross.
" "	Santa Rosa National Bank, Santa Rosa.	W. H. Mallett, <i>Ass't Cas.</i> ..	Wm. F. Boyd.
" "	Santa Rosa National Bank, Santa Rosa.	Orin S. Moore, <i>Ass't Cas.</i> ..	.....
" "	Santa Rosa National Bank, Santa Rosa.	Frank Church, <i>V. P.</i> .....	J. M. Armstrong.
" "	Santa Rosa National Bank, Santa Rosa.	F. H. Dunlevy, <i>Cas.</i> .....	.....
" "	Santa Rosa National Bank, Santa Rosa.	M. C. Stephens, <i>V. P.</i> ....	.....
" "	Santa Rosa National Bank, Santa Rosa.	G. H. Downer, <i>Ass't Cas.</i>	.....
" "	Santa Rosa National Bank, Santa Rosa.	M. D. Parmenter, <i>P.</i> .....	J. S. Springer.
" "	Santa Rosa National Bank, Santa Rosa.	A. N. Parrish, <i>V. P.</i> .....	T. H. Cecil.
" "	Santa Rosa National Bank, Santa Rosa.	E. B. Hobson, <i>Ass't Cas.</i>	.....
" "	Santa Rosa National Bank, Santa Rosa.	Jas. L. Lombard, <i>P.</i> .....	E. D. Wight.
" "	Santa Rosa National Bank, Santa Rosa.	D. M. Connor, <i>Ass't Cas.</i>	.....
CONN...	Mercantile Nat. B'k, Hartford..	John W. Stedman, <i>V. P.</i> ..	D. W. C. Skilton.
" "	First National Bank, Willimantic.	Ansel Arnold, <i>P.</i> .....	Wm. C. Jillson.
" "	First National Bank, Willimantic.	A. T. Fowler, <i>V. P.</i> .....	Ansel Arnold.
DAK. N.	Nat. Bank of N. Dakota, Fargo.	John C. Buckbee, <i>Cas.</i> ....	Geo. W. Brown.
" "	Red River Val. N. B'k, Fargo..	E. M. Raworth, <i>V. P.</i> ....	J. W. von Nieda.
" "	First National Bank, Mandan..	A. E. Flynn, <i>Cas.</i> .....	L. N. Cary, <i>Act'g.</i>
" "	First National Bank, Pembina..	Eugene D. Brooker, <i>A. C.</i>	J. K. Musselman.
DAK. S.	First National Bank, Aberdeen.	C. F. Easton, <i>V. P.</i> .....	.....
" "	First National Bank, Dell Rapids.	D. N. Cooley, <i>P.</i> .....	J. A. Cooley.
" "	First National Bank, Dell Rapids.	J. A. Cooley, <i>V. P.</i> .....	G. A. Uline.
" "	First National Bank, Dell Rapids.	G. A. Uline, <i>Ass't Cas.</i> ...	.....
" "	First National Bank, Dell Rapids.	V. E. Prentice, <i>V. P.</i> ....	.....
" "	First National Bank, Dell Rapids.	W. H. Stanley, <i>Ass't Cas.</i>	.....
" "	Beadle Co. National Bank, Huron.	John W. Vrooman, <i>P.</i> ....	Frank E. Stevens.
" "	Beadle Co. National Bank, Huron.	W. A. Turner, <i>Ass't Cas.</i>	F. B. Addy.
" "	Citizens Nat. Bank, Madison...	N. M. Stott, <i>Ass't Cas.</i> ...	.....
" "	Nat. Bank of Commerce, Pierre.	Jerome C. Eager, <i>V. P.</i> ...	J. K. Klefner.
DEL....	Nat. Bank of Newark, Newark.	John Pilling, <i>P.</i> .....	Joel Thompson.
D. C....	Farmers & Mechanics N. B., Georgetown.	S. T. Brown, <i>V. P.</i> .....	.....
" "	Central National Bank, Washington.	A. B. Ruff, <i>Cas.</i> .....	John A. Ruff.
" "	Central National Bank, Washington.	Fred. C. Giesecking, <i>A. Cas.</i>	A. B. Ruff.
FLA....	First Nat. Bank, Gainesville...	Jno. J. Barr, <i>V. P.</i> .....	J. W. Williams.
" "	First National Bank, Tampa...	Jas. P. Taliaferro, <i>P.</i> ....	D. G. Ambler.

\* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
GA.....	Peoples Nat. Bank, Americus..	Lester Windsor, <i>Ass't Cas.</i>	.....
" ..	Dawson Nat. Bank, Dawson...	S. R. Christie, <i>V. P.</i> .....	W. C. Dillon.
" ..	Merchants National Bank,	J. King, <i>P.</i> .....	R. G. Clark.
	Rome. }	R. J. Gwaltney, <i>Cas.</i> .....	J. King.
		S. F. Magruder, <i>Ass't Cas.</i>	.....
IDAHO..	First National Bank, Moscow..	L. F. Williams, <i>Ass't Cas.</i>	.....
" ..	First National Bank,	Chas. Bunting, <i>P.</i> .....	J. F. Johnston.
	Pocatello. }	Geo. Y. Wallace, <i>V. P.</i> ...	Wm. E. Hawks.
		M. C. Senter, <i>Cas.</i> .....	Geo. W. Hazen.
		Edward P. Wade, <i>P.</i> .....	.....
ILL.....	Alton National Bank,	C. A. Caldwell, <i>Cas.</i> .....	Edward P. Wade.
	Alton. }	E. M. Caldwell, <i>Ass't Cas.</i>	C. A. Caldwell.
" ..	Auburn State Bank, Auburn...	S. C. Parks, <i>P.</i> .....	T. S. Parks.*
" ..	First National Bank, Biggsville.	J. Y. Whiteman, <i>A. Cas.</i>	.....
" ..	Columbia National Bank,	L. Everingham, <i>P.</i> .....	Zimri Dwiggin.
	Chicago. }	W. G. Bentley, <i>V. P.</i> .....	.....
		Zimri Dwiggin, <i>Cas.</i> .....	J. M. Starbuck.
		John G. Greene, <i>A. Cas.</i>	.....
" ..	Prairie State Nat. B'k, Chicago.	D. W. Buchanan, <i>A. Cas.</i>	.....
" ..	First National Bank,	E. L. Roberts, <i>V. P.</i> .....	.....
	Englewood. }	W. H. Sharp, <i>Cas.</i> .....	S. C. Madden.
		W. E. Brown, <i>Ass't Cas.</i>	F. W. Briggs.
" ..	First Nat. Bank, Farmer City..	J. G. Watson, <i>V. P.</i> .....	G. W. Chisholm.
" ..	Second Nat. Bank, Gatesville..	Albert J. Perry, <i>P.</i> .....	M. W. Gay.
" ..	First Nat. Bank, Harrisburgh..	Frank T. Joyner, <i>A. Cas.</i>	D. K. Wiedermann.
" ..	First National Bank,	David C. Busell, <i>P.</i> .....	Chas. W. Franck.
	Lanark. }	J. S. Snively, <i>V. P.</i> .....	.....
" ..	Union National Bank,	Albert Eads, <i>P.</i> .....	Wm. S. Bailey.
	Macomb. }	B. F. McLean, <i>Cas.</i> .....	Albert Eads.
		L. F. Gumbart, <i>Ass't Cas.</i>	B. F. McLean.
" ..	First National Bank,	Shannon Holland, <i>V. P.</i> ...	.....
	Marion. }	J. M. Bainbridge, <i>A. Cas.</i>	.....
" ..	Central National Bank, Peoria..	H. Lightner, <i>P.</i> .....	M. Kingman.
" ..	First National Bank, Peoria....	Wm. E. Stone, Jr., <i>A. C.</i>	.....
" ..	Livingston Co. Nat. Bank,	M. H. Greenebaum, <i>V. P.</i>	T. Williams.
	Pontiac. }	T. Williams, <i>2d V. P.</i> ...	.....
" ..	Rochelle Nat. Bank, Rochelle..	M. D. Hathaway, Jr., <i>Cas.</i>	John C. Craft.
" ..	Third National Bank,	G. C. Spafford, <i>Cas.</i> .....	.....
	Rockford. }	B. J. Chaney, <i>Ass't Cas.</i>	G. C. Spafford.
" ..	Union Nat. Bank, Streator ....	Milton Hicks, <i>P.</i> .....	A. B. Moon.
" ..	First Nat. Bank, Taylorville..	E. R. Wright, <i>Ass't Cas.</i>	.....
IND.....	Peoples Nat. B., Lawrenceburgh.	Phil C. Braun, <i>Ass't Cas.</i>	W. F. Braun.
" ..	First National Bank, Madison..	S. E. Baker, <i>Ass't Cas.</i>	.....
" ..	German Nat. Bank, Vincennes..	H. J. Boeckmann, <i>A. Cas.</i>	.....
" ..	Peoples National Bank,	James Porter, <i>V. P.</i> .....	M. F. Burke.
	Washington. }	M. F. Burke, <i>Ass't Cas.</i>	.....
IOWA...	First National Bank, Albion....	Andrew Trussell, <i>V. P.</i> ...	Ben. F. Elbert.
" ..	Davenport National Bank,	S. F. Smith, <i>P.</i> .....	E. S. Ballard.
	Davenport. }	Henry Egbert, <i>V. P.</i> .....	S. F. Smith.
" ..	Dubuque National Bank,	D. D. Myers, <i>P.</i> .....	B. B. Richards.
	Dubuque. }	Fred. O'Donnell, <i>V. P.</i> ...	D. D. Myers.
" ..	First National Bank,	H. K. Edson, <i>P.</i> .....	Chas. F. Craven.
	Grinnell. }	S. A. Cravath, <i>V. P.</i> .....	H. K. Edson.
" ..	Peoples National Bank,	Thos. Edwards, <i>P.</i> .....	E. Ross.*
	Independence. }	C. W. Lillie, <i>V. P.</i> .....	Thos. Edwards.
" ..	First National Bank, Marengo..	Q. P. Reno, <i>Cas.</i> .....	.....
" ..	First National Bank,	W. J. Summer, <i>V. P.</i> .....	.....
	Odebolt. }	Chas. Coy, <i>Ass't Cas.</i> .....	.....
" ..	Osage National Bank,	Avery Brush, <i>P.</i> .....	J. H. Brush.
	Osage. }	J. W. Annis, <i>Cas.</i> .....	Avery Brush.
" ..	American Nat. B'k, Sioux City.	F. W. Annis, <i>Ass't Cas.</i>	J. W. Annis.
" ..	National Bank of Sioux City,	A. L. Stetson, <i>P.</i> .....	O. J. Taylor.
	Sioux City. }	O. J. Taylor, <i>P.</i> .....	C. R. Marks.
		T. C. Pease, <i>V. P.</i> .....	Geo. H. Howell.
" ..	Northwestern Nat. Bank,	T. C. Beard, <i>Ass't Cas.</i>	C. B. French, Jr.
	Sioux City. }	Abel Anderson, <i>V. P.</i> .....	.....
" ..	Sioux Nat. Bank, Sioux City...	H. A. Knepper, <i>Ass't Cas.</i>	.....
		T. A. Block, <i>Cas.</i> .....	A. S. Garretson.

\* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
IOWA...	Exchange Bank, Walnut.....	O. Mosher, <i>Cas.</i> .....	Uno. P. Burke.
"	.. First Nat. Bank, Washington..	C. M. Keck, <i>Ass't Cas.</i> ...	.....
"	.. Farmers National Bank,	J. M. Jones, <i>P.</i> .....	F. Miller.
	Webster City. {	Geo. Shipp, <i>V. P.</i> .....	.....
		J. H. Shipp, <i>Ass't Cas.</i> ....	.....
"	.. First Nat. Bank, Wyoming....	A. A. Vaughn, <i>Ass't Cas.</i> ...	.....
KAN...	Burlington N. B'k, Burlington.	J. A. Kennedy, <i>V. P.</i> .....	.....
"	.. First National Bank,	W. H. Fletcher, <i>V. P.</i> ....	J. P. Campbell.
	Clay Centre. {	J. P. Campbell, <i>Cas.</i> .....	W. H. Fletcher.
"	.. Exchange Nat. B'k, El Dorado.	Geo. W. Brown, <i>V. P.</i> ..	J. Benninghoff.
"	.. First National Bank,	B. P. Shawhan, <i>P.</i> .....	Chas. B. Wilkinson.
	Garden City. {	Andrew Sabine, <i>V. P.</i> ....	B. P. Shawhan.
		S. B. Barnes, <i>Ass't Cas.</i> ...	.....
"	.. Anderson Co. Nat. Bank,	Scott Elliott, <i>V. P.</i> .....	T. D. Smith.
	Garnett. {	H. J. Stevens, <i>Ass't Cas.</i> ..	J. H. Slicer.
"	.. First National Bank, Girard...	H. P. Grund, <i>P.</i> .....	John D. Bark r.
"	.. First Nat. Bank, Independence.	L. C. Mason, <i>V. P.</i> .....	.....
"	.. First National Bank, Jetmore..	P. A. Simmons, <i>P.</i> .....	O. C. Ewart.
"	.. Second Nat. Bank, McPherson.	M. G. Heggelund, <i>A. Cas.</i> ...	.....
"	.. First National Bank, Oberlin..	A. L. Patchin, <i>V. P.</i> .....	W. H. Frasier.
"	.. First National Bank,	J. K. Mitchell, <i>V. P.</i> .....	Allen Clark.
	Osborne. {	Allen Clark, <i>Cas.</i> .....	.....
		R. J. Elliott, <i>Ass't Cas.</i> ..	.....
"	.. Peoples National Bank, Paola..	J. J. Lowe, <i>Ass't Cas.</i> ....	H. C. Shepherd.
"	.. Manufacturers N. B., Pittsburg.	J. A. Nuttman, <i>V. P.</i> ....	F. E. Doubleday.
"	.. Sedan National Bank,	E. R. Allen, <i>P.</i> .....	C. T. Ewing.
	Sedan. {	J. K. Tulloss, <i>V. P.</i> .....	J. C. Casement.
"	.. Kansas National Bank, Topeka.	Wm. Wadsworth, <i>Cas.</i> ...	.....
"	.. First National Bank,	Wm. H. Berry, <i>P.</i> .....	F. K. Robbins.
	Wellington. {	Z. Miexsell, <i>V. P.</i> .....	John D. Share.
"	.. Fourth National Bank, Wichita.	Geo. W. Larimer, <i>V. P.</i> ..	R. T. Bean.
"	.. Kansas National Bank,	James L. Dyer, <i>V. P.</i> .....	.....
	Wichita. {	Geo. S. Lewis, <i>Ass't Cas.</i> ..	C. E. Frank.
		John Russell, <i>P.</i> .....	John Means.
KY.....	Ashland National Bank,	C. W. Means, <i>V. P.</i> .....	John Russell.
	Ashland. {	John Russell, Jr., <i>A. Cas.</i> ...	.....
"	.. First National Bank,	J. S. Grimes, <i>P.</i> .....	J. W. Hays.
	Elizabethtown. {	Horace Hays, <i>Cas.</i> .....	J. S. Grimes.
"	.. City Bank, Hopkinsville.....	H. R. Littell, <i>P.</i> .....	Lucian Jones.*
"	.. Third National Bank,	H. W. Reese, <i>P.</i> .....	J. H. Wrampelmeier.
	Louisville. {	K. W. Smith, <i>V. P.</i> .....	H. W. Reese.
		C. M. Woodbury, <i>V. P.</i> ..	J. P. Sandifer.
"	.. First National Bank,	Edw. La Borteaux, <i>A. Cas.</i> ..	A. O. Hodges.
	Middleborough. {	T. S. Moberley, <i>V. P.</i> ....	.....
"	.. Madison Nat. Bank, Richmond.	W. M. Irvine, <i>V. P.</i> .....	.....
"	.. Richmond Nat. B'k, Richmond.	Wm. E. Ramsay, <i>P.</i> .....	A. U. Thomas.
LA.....	First Nat. Bank, Lake Charles..	Chas. E. Bynum, <i>A. Cas.</i> ...	.....
"	.. Monroe National Bank, Monroe.	Dan. C. Hall, <i>V. P.</i> .....	C. G. Totman.
ME.....	First Nat. Bank, Fairfield.....	A. F. Belcher, <i>V. P.</i> .....	.....
"	.. First Nat. Bank, Farmington..	J. W. Bolton, <i>P.</i> .....	Chas. P. Allen.
	Presque Isle. {	G. H. Freeman, <i>V. P.</i> ....	J. W. Bolton.
MD. ...	Farmers & Mechanics N. B.,	David C. Winebrene, <i>V. P.</i> ..	Geo. Markell.
	Frederick. {	Levi A. Purnell, <i>V. P.</i> ....	.....
"	.. First Nat. Bank, Snow Hill....	John A. Gale, <i>P.</i> .....	E. S. Feltch.
MASS..	Amesbury National Bank,	G. E. Gale, <i>Cas.</i> .....	F. F. Morrill.
	Amesbury. {	Miss Sarah T. Tuten, <i>Tr.</i> ...	.....
"	.. North Middlesex Sav. B., Ayer.	S. F. Wilkins, <i>V. P.</i> .....	.....
"	.. Howard National Bank,	Chandler Robbins, <i>Cas.</i> ..	S. F. Wilkins.
	Boston. {	H. F. Smith, <i>Ass't Cas.</i> ...	.....
"	.. Market Nat. Bank, Boston.....	E. B. Pratt, <i>V. P.</i> .....	W. A. Tower.
"	.. Nat. Bank of Commonwealth,	J. W. L. Cram, <i>A. Cas.</i> ..	.....
	Boston. {	H. G. Curtis, <i>P.</i> .....	H. W. Pickering.
"	.. Old Boston Nat. Bank, Boston..	T. C. Singleton, <i>Cas.</i> ...	Edward Tyler.*
"	.. Suffolk Nat. Bank, Boston....	C. T. Linley, <i>Cas.</i> .....	J. C. Toulmin.
"	.. Traders Nat. Bank, Boston....	Dudley Porter, <i>P.</i> .....	Chas. W. Chase.
"	.. Merrimack National Bank,	John L. Hobson, <i>V. P.</i> ..	John B. Nichols.
	Haverhill. {	A. J. Waterman, <i>ad V. P.</i> ...	.....
"	.. Pittsfield Nat. Bank, Pittsfield..	Wm. H. Nelson, <i>P.</i> .....	Geo. G. Dyer.
"	.. Old Colony Nat. B'k, Plymouth.	.....	.....

\* Deceased.



	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
MICH...	First National Bank, Buchanan.	Ephraim W. Sanders, <i>P.</i> ...	J. Reynolds.
"	.. Merchants National Bank, Charlotte.	J. H. Roe, <i>V. P.</i> .....	E. W. Sanders.
"	.. First Nat. Bank, Cheboygan...	A. D. Baughman, <i>V. P.</i> ...	J. T. Wilson.
"	.. Detroit Nat. Bank, Detroit....	H. K. Jennings, <i>Cas.</i> .....	A. D. Baughman.
"	.. First Nat. Bank, Iron Mountain.	J. T. Wilson, <i>Ass't Cas.</i> ...	H. K. Jennings.
"	.. First National Bank, Ironwood.	J. J. Post, <i>V. P.</i> .....	Chas. R. Smith.
"	.. First Nat. Bank, Lake Linden..	Alex. McPherson, <i>P.</i> .....	C. H. Buhl.
"	.. First National Bank, Marquette.	R. Silverwood, <i>Ass't Cas.</i> ...	.....
"	.. First National Bank, Niles.	Edward D. Nelson, <i>V. P.</i> ...	J. A. McLeod.
"	.. First National Bank, Paw Paw.	H. F. Jahn, <i>Cas.</i> .....	Edward D. Nelson.
"	.. Pontiac Nat. Bank, Pontiac....	Joseph Bosch, <i>P.</i> .....	John Trelease.
"	.. Three Rivers Nat. Bank, Three Rivers.	F. J. Jennison, <i>Ass't Cas.</i> ...	P. W. Phelps.
"	.. Farmers Nat. B'k, Union City.	W. K. Lacey, <i>P.</i> .....	Thos. L. Stevens.
MINN...	Fergus Falls N.B., Fergus Falls.	Henry Lardner, <i>V. P.</i> ...	W. K. Lacey.
"	.. First National Bank, Hastings.	E. R. Annable, <i>V. P.</i> .....	E. A. Park.
"	.. First National Bank, Lake Benton.	Wm. G. Hinman, <i>P.</i> .....	A. A. Lull.
"	.. First National Bank, Luverne.	Johnson Bennett, <i>P.</i> .....	J. W. French.
"	.. Twin City National Bank, New Brighton.	W. G. Caldwell, <i>V. P.</i> ...	Johnson Bennett.
"	.. Farmers National Bank, Owatonna.	Darius D. Buell, <i>V. P.</i> ....	H. L. Bisbee.
"	.. First Nat. Bank, Red Wing....	A. Brandenburg, <i>P.</i> .....	H. G. Page.
"	.. Rochester National Bank, Rochester.	Geo. W. Gardner, <i>P.</i> .....	L. S. Follett.
MISS....	Meridian National Bank, Meridian.	Denis Follett, <i>V. P.</i> .....	J. C. Meloy.
MO.....	First National Bank, Clinton.	John Heinen, <i>Cas.</i> .....	Denis Follett.
"	.. First Nat. Bank, Grant City...	Chas. J. Weiser, <i>P.</i> .....	.....
"	.. Aetna National Bank, Kansas City.	Ben Bear, <i>V. P.</i> .....	.....
"	.. First National Bank, Lamar.	Grant Matthews, <i>A. Cas.</i> ...	.....
"	.. First National Bank, Mexico.	C. E. Huntington, <i>Cas.</i> ...	C. C. Thompson.
"	.. First National Bank, Moberly.	O. P. Huntington, <i>A. Cas.</i> ...	.....
"	.. First Nat. Bank, Platte City...	David W. Edwards, <i>P.</i> ...	Walter M. Carroll.
"	.. State National Bank, St. Joseph.	C. W. Hastings, <i>V. P.</i> ....	David M. Edwards.
"	.. Citizens Sav. Bank, St. Louis.	Walter M. Carroll, <i>Cas.</i> ...	B. J. Kelsey.
"	.. Merchants National Bank, St. Louis.	C. F. Backus, <i>Cas.</i> .....	A. C. Gutterson.
"	.. Union Trust Co., St. Louis....	C. K. Bennett, <i>Ass't Cas.</i> ...	C. F. Backus.
"	.. First National Bank, Stewartsville.	E. H. Blodgett, <i>V. P.</i> ....	.....
MONT ..	First National Bank, Dillon.	E. W. Cross, <i>P.</i> .....	R. W. Chadbourne.
"	.. Cascade Bank, Great Falls.	E. F. Cook, <i>Ass't Cas.</i> ...	.....
"	.. First National Bank, Great Falls.	J. H. Wright, <i>V. P.</i> .....	G. Q. Hall.
NEB....	First National Bank, Fairfield..	E. B. McRaven, <i>Cas.</i> .....	J. H. Wright.
"	.. Fremont Nat. Bank, Fremont..	J. M. Jameson, <i>Ass't Cas.</i> ...	E. B. McRaven.
"	.. First National Bank, Grant....	W. A. Hastain, <i>V. P.</i> ....	C. E. Avery.
"	.. First National Bank, Grant....	J. L. Woolfolk, <i>Cas.</i> .....	Wm. D. Tyler.
"	.. First National Bank, Grant....	W. M. Watson, <i>Cas.</i> .....	John F. Robertson.
"	.. First National Bank, Grant....	M. H. Crawford, <i>V. P.</i> ...	.....
"	.. First National Bank, Grant....	R. J. Hawkins, <i>Cas.</i> .....	L. D. Cooper.
"	.. First National Bank, Grant....	J. B. Waggener, <i>V. P.</i> ....	N. E. McCutchan.
"	.. First National Bank, Grant....	A. C. Burnett, <i>Cas.</i> .....	C. S. Jones.
"	.. First National Bank, Grant....	W. A. Morris, <i>P.</i> .....	G. B. Macfarlane.
"	.. First National Bank, Grant....	F. M. Coons, <i>V. P.</i> .....	W. A. Morris.
"	.. First National Bank, Grant....	B. F. Harvey, <i>P.</i> .....	Geo. L. Hassett.
"	.. First National Bank, Grant....	W. L. Faulk, <i>V. P.</i> .....	B. F. Harvey.
"	.. First National Bank, Grant....	Wm. F. Norton, <i>V. P.</i> ....	H. K. Judd.
"	.. First National Bank, Grant....	T. H. Beckman, <i>V. P.</i> ....	.....
"	.. First National Bank, Grant....	W. E. Berger, <i>Cas.</i> .....	Thos. P. Gleeson.*
"	.. First National Bank, Grant....	W. H. Lee, <i>P.</i> .....	James E. Yeatman.
"	.. First National Bank, Grant....	James E. Yeatman, <i>V. P.</i> ...	W. H. Lee.
"	.. First National Bank, Grant....	W. E. Hughes, <i>P.</i> .....	Geo. W. Parker.
"	.. First National Bank, Grant....	O. G. McDonald, <i>V. P.</i> ...	John Parr.
"	.. First National Bank, Grant....	A. B. Chrisman, <i>A. Cas.</i> ...	S. F. Chrisman.
"	.. First National Bank, Grant....	B. F. White, <i>P.</i> .....	Howard Sebree.
"	.. First National Bank, Grant....	O. Klemm, <i>Cas.</i> .....	B. F. White.
"	.. First National Bank, Grant....	Jacob Switzer, <i>V. P.</i> ....	.....
"	.. First National Bank, Grant....	W. W. Miller, <i>Ass't Cas.</i> ...	.....
"	.. First National Bank, Grant....	J. T. Armington, <i>V. P.</i> ...	L. G. Phelps.
"	.. First National Bank, Grant....	H. H. Matteson, <i>A. Cas.</i> ...	D. L. Tracy.
"	.. First National Bank, Grant....	John Peters, <i>V. P.</i> .....	F. B. Tiffany.
"	.. First National Bank, Grant....	O. C. Hubbell, <i>V. P.</i> ....	.....
"	.. First National Bank, Grant....	J. I. May, <i>V. P.</i> .....	Henry Fuhrman.
"	.. First National Bank, Grant....	D. D. Cooley, <i>V. P.</i> .....	F. H. Stevens.

\* Deceased

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
NEB....	Exchange National Bank, Hastings.	W. H. Lanning, <i>P.</i> ..... C. G. Lane, <i>Cas.</i> .....	I. M. Raymond. C. G. Lane.
" ..	First National Bank, Minden...	H. M. Oliver, <i>Ass't Cas.</i> ..... V. Abrahamson, <i>Cas.</i> .....	J. V. Haughey.
" ..	Nebraska City N. B., Neb. City.	H. D. Wilson, <i>Cas.</i> .....	
" ..	First National Bank, Nelson...	M. A. Ruble, <i>V. P.</i> .....	A. J. Miner.
" ..	Norfolk National Bank, Norfolk.	Alexander Bear, <i>V. P.</i> ..... E. W. Zutz, <i>Ass't Cas.</i> .....	J. S. McClary.
" ..	Citizens Nat. Bank, St. Paul...	C. O. Manatt, <i>V. P.</i> .....	A. A. Kimball.
" ..	First National Bank, Superior.	L. B. Adams, <i>V. P.</i> ..... C. E. Adams, <i>Cas.</i> ..... A. C. Felt, <i>Ass't Cas.</i> .....	C. E. Adams. L. B. Adams. L. Adams.
" ..	First Nat. Bank, Wood River..	F. E. Slusser, <i>Ass't Cas.</i> .....	S. M. Jordan.
N. H....	Rochester Nat. B'k, Rochester..	Jas. Farrington, <i>P.</i> .....	
N. J....	Farmers Nat. Bank, Allentown.	Chas. L. Dey, <i>V. P.</i> .....	H. G. Norton.
" ..	Union Nat. Bank, Atlantic City.	E. P. Williams, <i>V. P.</i> .....	
" ..	Bloomsbury N. B., Bloomsbury.	C. H. Kremer, <i>V. P.</i> .....	S. Probasco.
" ..	First National Bank, Hoboken.	S. B. Dod, <i>V. P.</i> .....	H. Kimball.
" ..	Essex Co. Nat. Bank, Newark..	Geo. F. Reeve, <i>V. P.</i> .....	
N. MEX.	Albuquerque Nat. Bank, Albuquerque.	A. W. Jones, <i>ad V. P.</i> ....	
" ..	San Miguel Nat. B'k, Las Vegas.	Frank Springer, <i>V. P.</i> ....	J. Gross.
" ..	First National Bank, Silver City.	E. B. Chase, <i>Cas.</i> .....	S. T. Harkey.
N. Y....	Albany City Nat. Bank, Albany.	Geo. H. Thacher, <i>V. P.</i> .... J. C. Hughson, <i>ad V. P.</i> ....	Edwin Cotrell. Geo. H. Thacher.
" ..	First National Bank, Albany...	Lemon Thompson, <i>V. P.</i> ....	J. T. Lansing.
" ..	First National Bank, Amsterdam.	David Cady, <i>V. P.</i> ..... T. H. B. Crane, <i>Cas.</i> .....	J. K. Warwick. David Cady.
" ..	Nat. Bank of Auburn, Auburn.	G. B. Longstreet, <i>A. Cas.</i> .....	
" ..	Lake Shore Nat. B'k, Dunkirk..	W. E. Phelps, <i>Ass't Cas.</i> .....	
" ..	First Nat. Bank, Ellenville....	M. E. Clark, <i>Cas.</i> .....	
" ..	Elmira National Bank, Elmira.	J. Richardson, <i>V. P.</i> .....	S. J. Friendly.
" ..	First National Bank, Mechanicsville.	Edgar Holmes, <i>P.</i> ..... Ben B. Smith, <i>V. P.</i> .....	Wm. M. Smith. David Akin.
" ..	First Nat. Bank, Middletown..	Cornelius Macardele, <i>ad V. P.</i> .....	
" ..	Owego Nat. Bank, Owego....	E. O. Eldredge, <i>Cas.</i> .....	A. H. Upton.
" ..	First Nat. Bank, Plattsburgh...	E. C. Baker, <i>V. P.</i> .....	W. P. Movers.
" ..	Commercial National Bank, Rochester.	Lewis P. Ross, <i>P.</i> ..... H. A. Brewster, <i>V. P.</i> ....	H. F. Atkinson. M. F. Reynolds.
" ..	Exchange National Bank, Seneca Falls.	James H. Gould, <i>P.</i> ..... Milton Hoag, <i>V. P.</i> .....	H. Chamberlain. James H. Gould.
" ..	Jefferson Co. N. B., Watertown.	A. M. Farwell, <i>V. P.</i> .....	J. C. Knowlton.
N. C....	First National Bank, Gastonia.	G. W. Ragan, <i>P.</i> ..... J. F. Love, <i>V. P.</i> .....	J. H. Craig. G. W. Ragan.
OHIO...	First National Bank, Batavia..	C. T. Jamieson, <i>A. Cas.</i> .....	
" ..	First National Bank, Canton.	Johnson Sherrick, <i>P.</i> ..... Henry W. Harter, <i>V. P.</i> ....	
" ..	German Nat. Bank, Cincinnati..	Ed. Herzog, <i>Ass't Cas.</i> .....	
" ..	Teutonia National Bank, Dayton.	Fred. Reibold, <i>P.</i> ..... Edw. Pape, Sr., <i>V. P.</i> ....	Edw. Pape, Sr.
" ..	First National Bank, Franklin.	C. M. Anderson, <i>P.</i> ..... E. B. Thirkield, <i>V. P.</i> ....	E. B. Thirkield. C. M. Anderson.
" ..	First National Bank, Jackson.	T. S. Matthews, <i>P.</i> ..... Moses Sternberger, <i>V. P.</i> .... T. J. Edwards, <i>Cas.</i> ..... John M. Armstrong, <i>A. C.</i> .....	
" ..	Kenton Nat. Bank, Kenton....	Jas. M. White, <i>V. P.</i> .....	James Young.
" ..	First National Bank, Lorain...	E. A. Brown, <i>Ass't Cas.</i> .....	
" ..	Malta National Bank, Malta...	Joshua Davis, <i>V. P.</i> .....	Geo. S. Corner.
" ..	Middleport National Bank, Middleport.	F. C. Russell, <i>P.</i> ..... R. D. Manigal, <i>V. P.</i> ....	S. M. Hysell. F. C. Russell.
" ..	First National Bank, Middletown.	R. Wilson, <i>P.</i> ..... F. A. Jones, <i>Cas.</i> .....	D. McCallay. M. W. Renich.
" ..	First Nat. Bank, New London..	H. W. Townsend, <i>Cas.</i> ....	John M. Sherman.
" ..	First Nat. B'k, North Baltimore.	Jeff. Richereek, <i>V. P.</i> ....	
" ..	Citizens Nat. Bank, Oberlin....	Albert H. Johnson, <i>V. P.</i> ....	H. Johnson.
" ..	First National Bank, Ravenna.	Chas. Merts, <i>V. P.</i> .....	H. D. Seymour.
" ..	Marine National B'k, Sweden...	Ed. S. Henry, <i>V. P.</i> .....	
" ..	Tipp National Bank, Tippcanoe City.	Jacob Rohrer, <i>P.</i> ..... Wm. W. Crane, <i>V. P.</i> ....	Sam'l Sullivan. Jacob Rohrer.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
OHIO...	Van Wert Nat. B'k, Van Wert.	J. P. Reed, Jr., <i>V. P.</i> .....	.....
"	.. National Bank of Wooster, } Wooster.	M. Welker, <i>P.</i> ..... John Williams, <i>V. P.</i> ..... I. R. Kramer, <i>Ass't Cas.</i> .....	John Zimmerman. M. Welker.
ORE....	First National Bank, Arlington.	F. C. Rollo, <i>Ass't Cas.</i> .....	.....
"	.. First Nat. Bank, Eugene City..	P. E. Snodgrass, <i>A. Cas.</i> .....	.....
"	.. National Bank of Heppner, } Heppner.	Wm. Penland, <i>P.</i> ..... O. E. Farnsworth, <i>V. P.</i> .....	D. P. Thompson. E. R. Swinburne.
"	.. First Nat. Bank, McMinnville.	E. N. Ford, <i>Ass't Cas.</i> .....	.....
"	.. First National Bank, Pendleton.	R. G. Thompson, <i>V. P.</i> .....	.....
"	.. Merchants National Bank, } Portland.	J. Loewenberg, <i>P.</i> ..... James Steel, <i>V. P.</i> .....	James Steel. J. Loewenberg.
"	.. United States Nat. Bank, } Portland.	Donald Macleay, <i>P.</i> ..... J. E. Haseltine, <i>V. P.</i> .....	.....
PA. ....	Commercial Nat. B., Bradford.	C. H. Lavens, <i>V. P.</i> .....	.....
"	.. First National Bank, } Clearfield.	Wm. H. Dill, <i>P.</i> ..... J. Boynton, <i>V. P.</i> ..... J. B. Nevling, <i>Cas.</i> .....	J. Boynton. A. F. Boynton. Wm. H. Dill.
"	.. Hummelstown Nat. Bank, } Hummelstown.	Jacob Shope, <i>P.</i> ..... Allen Walton, <i>V. P.</i> .....	..... Jacob Shope.
"	.. Nat. B'k of Lawrence Co., } New Castle.	R. W. Cunningham, <i>V. P.</i> ..... C. F. Montgomery, <i>A. Cas.</i> .....	.....
"	.. Montgomery N. B., Norristown.	W. H. Slingluff, <i>Cas.</i> .....	.....
"	.. Chestnut St. National Bank, } Philadelphia.	Wm. M. Singerly, <i>P.</i> ..... Isaac Cooper, <i>V. P.</i> .....	Robt. E. Pattison. Wm. M. Singerly.
"	.. Farmers & Mechanics N. B., } Philadelphia.	H. W. Lewis, <i>Ass't Cas.</i> .....	W. Rushton.
"	.. Produce National Bank, } Philadelphia.	John J. MacDonald, <i>P.</i> ..... Wm. J. Turner, <i>V. P.</i> .....	John Y. Huber. John J. MacDonald.
"	.. Northern National Bank, Phila.	Chas. C. Carman, <i>V. P.</i> .....	Wm. Young.
"	.. Tradesmens N. B., Pittsburgh..	P. J. Pierce, <i>Cas.</i> .....	Ross W. Drum.
"	.. Farm. & Mech. Nat. Bank, } Phoenixville.	I. J. Brower, <i>P.</i> .....	J. T. F. Hunter.
"	.. Pennsylvania N. B., Pottsville..	D. H. Seibert, <i>Ass't Cas.</i> .....	.....
"	.. South Bethlehem Nat. Bank, } South Bethlehem.	J. B. Meixell, <i>Ass't Cas.</i> .....	.....
"	.. Farmers Nat. B'k, Watsonstown.	Enoch Everitt, <i>P.</i> .....	Simpson Smith.
"	.. Yardley Nat. Bank, Yardley....	Jesse E. Harper, <i>A. Cas.</i> .....	.....
R. I....	Nat. Landholders B., Kingston.	Jer. G. Peckham, <i>V. P.</i> .....	.....
"	.. Pacific National Bank, } Pawtucket.	Lucius B. Darling, <i>P.</i> ..... Hezekiah Conant, <i>V. P.</i> .....	Robt. Sherman. Lucius B. Darling.
"	.. Washington National Bank, } Westerly.	Nathan F. Dixon, <i>P.</i> ..... A. L. Chester, <i>V. P.</i> .....	..... N. F. Dixon.
S. C....	Nat. Bank of Chester, Chester..	Sam'l B. Latham, <i>V. P.</i> .....	J. Wylie.
TENN..	First National Bank, } Cardiff.	E. C. White, <i>P.</i> ..... L. C. White, Jr., <i>Cas.</i> .....	J. F. Tarwater. E. C. White.
"	.. First National Bank, } Jackson.	John L. Wisdom, <i>P.</i> ..... John W. Vanden, <i>Cas.</i> .....	J. W. Vanden. S. N. White.
"	.. City National Bank, } Knoxville.	Wm. S. Shields, <i>P.</i> ..... Edward Henegar, <i>Cas.</i> .....	M. P. Jarnagin. Wm. S. Shields.
"	.. State National Bank, } Knoxville.	James C. Woodward, <i>P.</i> ..... W. H. Simmonds, <i>V. P.</i> ..... D. S. McIntyre, <i>Cas.</i> .....	S. T. Harris. Jerome Templeton. Jno. L. Boyd.
"	.. Peoples National Bank, } Shelbyville.	Jno. L. Boyd, <i>Ass't Cas.</i> ..... J. M. Shofner, <i>V. P.</i> ..... J. D. Hutton, <i>Cas.</i> .....	..... ..... S. J. Walling, Jr.
"	.. Traders Nat. B'k, Tullahoma..	C. R. Gwyn, <i>Ass't Cas.</i> .....	.....
"	.. Farmers & Merchants N. B'k, } Union City.	T. L. Bransford, <i>P.</i> ..... J. W. Bransford, <i>A. Cas.</i> .....	R. W. Fowlkes.
TEXAS..	Farmers & Merchants N. B'k, } Abilene.	Ed. S. Hughes, <i>V. P.</i> ..... Henry James, <i>A. Cas.</i> .....	Jas. P. Massie.
"	.. First National Bank, Baird....	J. I. McWhorter, <i>V. P.</i> .....	W. H. Parvin.
"	.. First National Bank, } Bryan.	H. O. Boatwright, <i>Cas.</i> ..... L. L. McInnis, <i>Ass't Cas.</i> .....	J. W. Howell. H. O. Boatwright
"	.. First Nat. Bank, Clarksville....	J. L. Reed, <i>V. P.</i> .....	Geo. C. Baker.
"	.. First National Bank, } Coleman.	W. C. Dibrell, <i>P.</i> ..... R. H. Overall, <i>V. P.</i> .....	J. D. Davidson. W. C. Dibrell.
"	.. First National Bank, Cooper...	T. T. Garrard, <i>V. P.</i> .....	.....

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
TEXAS..	Corpus Christi Nat. Bank, Corpus Christi.	Geo. F. Evans, <i>A. Cas.</i> .....	
"	.. City National Bank, Corsicana.	W. R. Bright, <i>P.</i> .....	R. E. Prince.
"	.. Bankers & Merchants N. B., Dallas.	S. D. Curtis, <i>ad V. P.</i> .....	
"	.. State National Bank, El Paso.	Noa Spears, <i>Cas.</i> .....	
"	.. Peoples National Bank, Ennis.	E. A. Stuart, <i>Ass't Cas.</i> .....	A. Hansl.
"	.. First National Bank, Flatonia.	I. H. Russell, <i>Ass't Cas.</i> .....	
"	.. Nat. Bank of Forney, Forney.	A. Moore, <i>V. P.</i> .....	J. M. Gilpin.
"	.. State Nat. Bank, Fort Worth.	T. T. McCommion, <i>P.</i> .....	G. G. Moore.
"	.. First National Bank, Galveston.	W. Willeford, <i>Cas.</i> .....	H. A. Gladdish.
"	.. Citizens Nat. Bank, Gatesville.	G. G. Moore, <i>Ass't Cas.</i> .....	
"	.. First National Bank, Gatesville.	T. H. Dailey, <i>V. P.</i> .....	C. M. Hobbs.
"	.. Beckham National Bank, Graham.	W. B. Harrison, <i>A. Cas.</i> .....	
"	.. Greenville Nat. B'k, Greenville.	F. Andler, <i>Ass't Cas.</i> .....	
"	.. Lavaca Co. N. B., Hallettsville.	E. Rotan, <i>V. P.</i> .....	
"	.. Haskell National B'k, Haskell.	J. R. Raby, <i>P.</i> .....	S. J. Mings.
"	.. Farmers Nat. Bank, Hillsboro.	H. F. Straw, <i>V. P.</i> .....	Jas. R. Raby.
"	.. First National Bank, Itasca.	W. C. Beckham, <i>P.</i> .....	Wm. P. Beckham.
"	.. First National Bank, Lampasas.	Wm. P. Beckham, <i>Cas.</i> .....	E. B. Norman.
"	.. Citizens National Bank, Mason.	E. B. Norman, <i>Ass't Cas.</i> .....	J. M. Norman.
"	.. First Nat. Bank, Nacogdoches.	A. Cameron, <i>P.</i> .....	J. W. Rainey.
"	.. City National Bank, Quanah.	T. H. James, <i>P.</i> .....	Carey Shaw.
"	.. First National Bank, Rockwall.	A. C. Foster, <i>V. P.</i> .....	
"	.. First National Bank, Taylor.	Jno. J. Warren, <i>A. Cas.</i> .....	
"	.. First National Bank, Texarkana.	F. M. Files, <i>V. P.</i> .....	J. H. Griffin.
"	.. Texarkana Nat. B'k, Texarkana.	J. H. Griffin, <i>Ass't Cas.</i> .....	
"	.. First Nat. Bank, Waxahachie.	L. H. Baggett, <i>P.</i> .....	J. M. Moore.
"	.. Waxahachie National Bank, Waxahachie.	W. T. Campbell, <i>V. P.</i> .....	Walter Asken.
"	.. Panhandle N. B., Wichita Falls.	R. T. Ervin, <i>Ass't Cas.</i> .....	
UTAH..	Nat. Bank of Republic, Salt Lake City.	J. W. Butler, <i>Ass't Cas.</i> .....	J. A. Gamel.
"	.. Utah Nat. B'k, Salt Lake City.	Geo. C. Ingraham, <i>Cas.</i> .....	J. W. Shipman.
"	.. Nat. Bank of Lyndon, Lyndon.	G. S. White, <i>V. P.</i> .....	H. M. Victor.
"	.. First Nat. B., North Bennington.	John R. Williams, <i>P.</i> .....	Thos. J. Woods, Jr.
"	.. First National Bank, Rockwall.	W. F. Jones, <i>Cas.</i> .....	John R. Williams.
"	.. First National Bank, Taylor.	John Threadgill, <i>ad V. P.</i> .....	
"	.. First National Bank, Texarkana.	J. H. Draughon, <i>P.</i> .....	
"	.. Texarkana Nat. B'k, Texarkana.	C. C. Dorrian, <i>V. P.</i> .....	
"	.. First Nat. Bank, Waxahachie.	S. B. Andrews, <i>Cas.</i> .....	
"	.. Waxahachie National Bank, Waxahachie.	O. N. McCorkle, <i>A. Cas.</i> .....	
"	.. Panhandle N. B., Wichita Falls.	H. H. Dunn, <i>ad V. P.</i> .....	
"	.. First Nat. Bank, Waxahachie.	H. W. Trippet, <i>P.</i> .....	M. B. Templeton.
"	.. Panhandle N. B., Wichita Falls.	M. B. Templeton, <i>V. P.</i> .....	A. Trippet, Sr.
"	.. First Nat. Bank, Waxahachie.	J. J. Metcalfe, <i>Cas.</i> .....	H. W. Trippet.
"	.. Panhandle N. B., Wichita Falls.	W. M. McGregor, <i>A. Cas.</i> .....	
UTAH..	Nat. Bank of Republic, Salt Lake City.	L. C. Karrick, <i>V. P.</i> .....	
"	.. Utah Nat. B'k, Salt Lake City.	C. W. Lyman, <i>V. P.</i> .....	
"	.. Nat. Bank of Lyndon, Lyndon.	B. F. Lincoln, <i>P.</i> .....	D. N. Trull.
"	.. First Nat. B., North Bennington.	S. M. Dorman, <i>Ass't Cas.</i> .....	
"	.. First Nat. B., North Bennington.	F. B. Jennings, <i>V. P.</i> .....	C. E. Houghton.
"	.. First Nat. Bank, Alexandria.	Jos. Broders, <i>V. P.</i> .....	Wm. J. Boothe.
"	.. Covington N. B., Covington.	A. A. McAllister, <i>V. P.</i> .....	
"	.. Norfolk Nat. Bank, Norfolk.	A. B. Schwarzkopf, <i>A. C.</i> .....	
"	.. Farmers National Bank, Salem.	F. H. Chalmers, <i>V. P.</i> .....	T. J. Shickel.
"	.. First Nat. Bank, Fairmont.	W. H. Ruthrauff, <i>Cas.</i> .....	F. H. Chalmers.
W. VA.	First Nat. Bank, Fairmont.	C. S. Sands, <i>Ass't Cas.</i> .....	
WASH..	Blaine National Bank, Blaine.	James Barnes, <i>V. P.</i> .....	
"	.. First National Bank, Blaine.	E. R. Wheeler, <i>Cas.</i> .....	F. W. Power.
"	.. First National Bank, Blaine.	N. A. Cornish, <i>P.</i> .....	
"	.. First Nat. Bank, Centralia.	J. A. Martin, <i>V. P.</i> .....	
"	.. First National Bank, Hoquiam.	Murray Miller, <i>Ass't Cas.</i> .....	Frank H. Adams.
"	.. First National Bank, Pomeroy.	John F. Soule, <i>V. P.</i> .....	
"	.. Browne N. B., Spokane Falls.	G. L. Campbell, <i>A. Cas.</i> .....	
"	.. First National Bank, Sprague.	H. L. Richardson, <i>A. C.</i> .....	
"	.. First National Bank, Sprague.	Geo. S. Brooke, <i>P.</i> .....	H. W. Fairweather.
"	.. First National Bank, Whatcom.	W. B. Lottman, <i>Cas.</i> .....	Geo. S. Brooke.
"	.. First National Bank, Whatcom.	C. M. Atkins, <i>P.</i> .....	P. E. Dickinson.
"	.. First National Bank, Whatcom.	Will D. Jenkins, <i>V. P.</i> .....	J. P. de Mattos.
"	.. First National Bank, Whatcom.	J. R. McKinley, <i>Cas.</i> .....	C. M. Atkins.
"	.. First National Bank, Whatcom.	F. S. Hadley, <i>Ass't Cas.</i> .....	

	<i>Bank and Place</i>	<i>Elected.</i>	<i>In place of.</i>
Wis....	First National B'k, Burlington.	Chauncy Hall, <i>Cas.</i> .....	.....
" ..	First National Bank, Elkhorn. }	C. P. Greene, <i>P.</i> .....	J. L. Edwards.
" ..	First National Bank, Marinette.	S. R. Edwards, <i>V. P.</i> .....	C. P. Greene.
" ..	Bank of Commerce, West Superior. }	Henry Swart, <i>P.</i> .....	E. Scofield.
" ..	First Nat. Bank, West Superior	Chas. L. Catlin, <i>P.</i> .....	.....
" ..	Keystone National Bank, West Superior }	Edward T. Burton, <i>V. P.</i> .....	.....
" ..	First Nat. Bank, West Superior	Walter C. Brooks, <i>Cas.</i> ...	.....
" ..	Keystone National Bank, West Superior }	Bruno Eyferth, <i>Ass't Cas.</i> .....	.....
" ..	First Nat. Bank, West Superior	P. Benson, <i>Ass't Cas.</i> .....	.....
" ..	Keystone National Bank, West Superior }	J. W. Scott, <i>P.</i> .....	Myron Reed.
" ..	First Nat. Bank, West Superior	Wilnot Sayer, <i>Ass't Cas.</i> .....	.....
Wyo. ..	First Nat. Bank, Rock Springs.	D. C. Bacon, <i>V. P.</i> .....	John W. Donnellan

### APPLICATIONS FOR NATIONAL BANKS.

The following *applications* for authority to organize *National Banks* have been filed with the Comptroller of the Currency during February, 1891.

DAK.N.	St. Thomas....	First National Bank, by Wm. McBride and associates.
" ..	Wahpeton.....	Citizens National Bank, by Don. R. Davidson and associates.
FLA....	Tampa.....	Tampa National Bank, by E. R. Gunby.
GA.....	Cordele.....	First National Bank, by J. E. D. Shipp and associates.
ILL....	Decatur.....	Citizens National Bank, by J. A. Dawson and associates.
" ..	Madison.....	Madison National Bank, by W. B. Farr, Room 136 Laclede Building, St. Louis, Mo., and associates.
" ..	Marshall.....	First National Bank, by R. L. Dulaney and associates.
" ..	Naperville.....	Du Page Valley National Bank, by A. McS. S. Riddler and associates.
IOWA..	Lyons .....	Lyons National Bank, by C. L. Root and associates.
KY. . .	Ashland. ....	Merchants National Bank, by A. C. Campbell and associates.
LA.....	Franklin.....	First National Bank, by H. S. Palfrey and associates.
MD....	Gaithersburg...	First National Bank, by H. C. Miller and associates.
MONT..	Missoula.....	Valley National Bank, by F. W. McConnell and associates.
PA....	Shenandoah..	Merchants National Bank, by J. R. Coyle and associates.
TEXAS..	Marble Falls...	First National Bank, by W. O. Richardson, Waco, Texas, and associates.
" ..	Mineola. ....	First National Bank, by R. H. Bruce and associates.
" ..	San Antonio...	City National Bank, by J. S. Thornton and associates.
" ..	Wichita Falls..	Wichita Falls National Bank, by L. C. Grant and associates.
VT....	Burlington....	Burlington National Bank, by L. F. Englesby and associates.
VA....	Fredericksburg.	Virginia National Bank, by A. R. Howard and associates.
" ..	Roanoke.....	Citizens National Bank, by J. B. Levy and associates.
WASH..	Anacortes. ....	Anacortes National Bank, by F. A. Hill, Seattle, Wash., and associates.
Wis....	New London..	First National Bank, by Charles Schreiber, Oshkosh, Wis., and associates.

### OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(*Monthly List, continued from February No., page 654.*)

<i>No.</i>	<i>Name and Place.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
4514	United States National Bank... Portland, Ore.	Donald McCleay,	F. C. Miller,	\$250,000
4515	Weldon National Bank .....	C. W. T. Weldon,	W. E. Weldon,	60,000
4516	First National Bank .....	Chas. A. Barrett,	Lorenzo D. Lively,	50,000
	Athena, Ore.			

<i>No.</i>	<i>Name and Place.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
4517	First National Bank ..... Uvalde, Texas.	J. L. Dabbs,	W. W. Collier,	\$50,000
4518	American National Bank..... Baltimore, Md.	Joshua Horner, Jr.,	Simon P. Schott,	200,000
4519	First National Bank..... Perry, N. Y.	Henry N. Page,	Wm. D. Page,	50,000
4520	Joliet National Bank..... Joliet, Ill.	T. A. Mason,	Robt. T. Kelly,	100,000
4521	First National Bank..... Tupelo, Miss.	Gwepson T. Harkey,	Fleetwood Elliott,	50,000
4522	Ohio National Bank..... Washington, D. C.	Joseph D. Taylor,		200,000
4523	Berlin National Bank..... Berlin Falls, N. H.	Alfred R. Evans,	A. H. Eastman,	50,000
4524	Peoples National Bank..... New Iberia, La.	Stanley O. Thomas,	W. E. Satterfield,	50,000
4525	Alamo National Bank..... San Antonio, Texas.	Chas. Hugo,	J. N. Brown,	250,000

## CHANGES, DISSOLUTIONS, ETC.

(Continued from February No., page 655.)

- N. Y. CITY**..... American Loan and Trust Co., suspended; reported reorganizing.
- ALA**.... Mobile..... National Commercial Bank has changed its title to the Alabama National Bank.
- ILL**.... Chicago..... Haugan & Lindgren now State Bank of Chicago.
- " .. Marion ..... Exchange Bank now First National Bank.
- " .. Morrisonville... J. H. Vandever succeeded by Martin & Johnson.
- IOWA**... Odebolt ..... Odebolt State Bank now First National Bank, same officers.
- KAN**.... El Dorado..... National Bank of El Dorado has gone into voluntary liquidation.
- " .. McPherson ... Second National Bank reported closed.
- " .. Pratt..... Pratt County National Bank has been placed in the hands of the bank examiner.
- " .. Topeka ..... John D. Knox & Co., reported failed.
- " .. Wichita ..... First Arkansas Valley Bank reported suspended.
- MD**.... Baltimore..... Franklin Bank now Equitable National Bank.
- MICH**... Brighton ..... B. H. Lawson & Co., succeeded by G. J. Baetcke & Co.
- " .. Maple Rapids.. R. S. Vanscoy succeeded by Hewitt & Groom.
- " .. White Pigeon . Clapp's Bank now First National Bank.
- MO**.... Louisiana..... Mercantile National Bank has gone into voluntary liquidation.
- NEB**.... Valparaiso .... R. K. Johnson succeeded by Oak Creek Valley Bank.
- N. H.** .. Berlin Falls.... Bank of Berlin now First National Bank.
- N. Y.**... Perry..... Smiths Bank now First National Bank, same officers.
- ORE**.... Athena..... Umatilla County Bank succeeded by First National Bank.
- PA**.... McVeytown ... Moore, McWilliams & Co., succeeded by the McVeytown Deposit Bank.
- " .. Philadelphia... P. H. Brice & Co. and Gordon, Mongers & Co., now Brice, Mongers & Co.
- TEXAS**.. Cooper..... Delta County Bank succeeded by First National Bank.
- " .. Corpus Christi. P. Doddridge & Co., reported assigned.
- " .. Ladonia..... City Bank now Weldon National Bank, same officers.
- " .. Texarkana .... First National Bank has resumed business.
- VT**.... Windsor ..... Windsor National Bank reported in liquidation.
- VA**.... Suffolk..... First National Bank has gone into voluntary liquidation.
- Wis**.... West Superior.. Bank of Commerce has resumed business.

# FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, FEBRUARY, 1891.

## Opening, Highest, Lowest and Closing Prices of Stocks and Bonds in February.

GOVERNMENTS.				RAILROAD STOCKS.				MISCELLANEOUS.			
4½s, 1891...	reg.	Mar.	Open- ing.	High- est.	Low- est.	Clos- ing.	Interest Periods.	Open- ing.	High- est.	Low- est.	Clos- ing.
4s, 1891...	coup.	Quarterly	102	102	101½	101½	Jan.	Col. Coal & Iron...	37¾	38¾	35½
4s, 1907...	reg.		103	103¾	103	103		Col. H. Valley & Tol...	26¾	28	26
4s, 1907...	coup.		120	121	120	120		Del. Lack. & W...	135¾	136¾	133
4s, 1907...	reg.		120	121	120	121		Den. & Rio Grande...	138	140¾	136¾
6s, cur'cy, 1895, reg.		Quarterly	109	110	109	110	Feb.	Do Do	60¾	61½	59½
6s, cur'cy, 1896, reg.			110	111	110	111		Do Do	7¾	7¾	7¾
6s, cur'cy, 1897, reg.			114	116	114	116		Do Do	63	63	63
6s, cur'cy, 1898, reg.			117	118½	117	118½		Do Do	113	111½	111½
6s, cur'cy, 1899, reg.		Quarterly	120	121	120	121	Jan.	Do Do	101	95½	95½
			120	121	120	121		Do Do	15½	14	14
			120	121	120	121		Do Do	59½	56½	56½
			120	121	120	121		Do Do	118½	109½	109½
		Quarterly	120	121	120	121	July.	Do Do	91	88	88
			120	121	120	121		Do Do	77½	73½	73½
			120	121	120	121		Do Do	27	22½	22½
			120	121	120	121		Do Do	106½	103	103
		Quarterly	120	121	120	121	July.	Do Do	96	93	93
			120	121	120	121		Do Do	81	73	73
			120	121	120	121		Do Do	104½	100	100
			120	121	120	121		Do Do	6½	4	4
		Quarterly	120	121	120	121	July.	Do Do	12	9½	9½
			120	121	120	121		Do Do	13½	12	12
			120	121	120	121		Do Do	68½	66	66
			120	121	120	121		Do Do	95	93	93
		Quarterly	120	121	120	121	July.	Do Do	104½	102½	102½
			120	121	120	121		Do Do	14½	12½	12½
			120	121	120	121		Do Do	68	65	65
			120	121	120	121		Do Do	20½	19½	19½
		Quarterly	120	121	120	121	July.	Do Do	51½	51½	51½
			120	121	120	121		Do Do	38½	35	35
			120	121	120	121		Do Do	17½	16½	16½
			120	121	120	121		Do Do	9	8½	8½
		Quarterly	120	121	120	121	July.	Do Do	31½	31	31
			120	121	120	121		Do Do	16½	16	16
			120	121	120	121		Do Do	56½	54½	54½
			120	121	120	121		Do Do	55½	54½	54½

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THE MONEY MARKET, PRESENT AND PROSPECTIVE.

Just now the quantity of money in the leading monetary centers is very large, and rates are correspondingly low; thus the situation of things which existed a few months ago is exactly reversed. Many maintained at that time that a scarcity of money existed, which would continue indefinitely. They did indeed admit that the money market might be somewhat easier after a few months, but they gave abundant reasons for their assertion that there was a permanent dearth of money, and which could be overcome only by new supplies. Those who advocated the free coinage of silver particularly maintained this view. It fitted into their demand, for if the policy of expansion was adopted, it should be by the larger use of silver.

Why money has become so plentiful is well enough understood. Large quantities which had been sent South and West and in other directions, in payment of cotton, breadstuffs, and other merchandise, has now returned. Another portion of the supply has come from sections of the country in which, no longer needed there, it has flowed into the larger monetary centers once more for temporary investment. But another reason ought not to be overlooked in accounting for the scarcity of money last autumn, namely, that a few bold men took advantage of the situation to borrow money temporarily, and withdraw it from the market for the purpose of increasing the tension. If there had been any elasticity in the system, as once existed in the State



bank system of note-issuing, there would have been no such scarcity; for the banks could have supplied the need, and those who manipulated the money market for the purpose of making it scarce, and thus effecting their own purposes, would not have attempted the experiment, as their failure would have been inevitable. These are the causes for the condition of the money market then existing, and the statement of them shows clearly enough what may be done at any time in the way of providing a remedy.

But now that the money has returned to the large cities what shall be done with it? No question is more important, for on the answer given depends the condition of the future money market. What can be done with it? A portion can be lent for legitimate enterprises, for commerce and the like, but the larger portion will probably go into the stock market. To go back a little, why do the outside banks send so much money to New York during several months in the year? Because they have no use for it at home. But they would not send it to New York if they could not get interest thereon; they would keep it in their own vaults. Their object in sending it, is profit, and as the New York banks pay something for its use, it follows that they must lend it, otherwise they would lose in taking it. But how must they use it? In the ways that will be the most profitable, the most safe, and the most readily commanded. These three conditions enter into the problem of the lending of this portion of their resources. They know that the senders may demand it at any time, and so they must lend in such a way that it can be had on very short notice. Security is not a less important element; the third perhaps is the least important; but, of course, the banks will try and get all they can with due regard to the other conditions above mentioned. The lending on collaterals is the kind of loan which best fulfills these conditions, but such a loan, as we all know, is, for the most part, of a purely speculative character. Now, what will happen? In the autumn, as usual, this money will be demanded, and the banks must demand it of their borrowers. They have two alternatives, either to sell their stocks and pay their loans, or to borrow, if possible, from other sources and retain their stocks. Either condition starts fresh difficulties. If their stock is sold and sacrificed, their anticipated profits turn into a loss, and the stock market is demoralized; if they succeed in borrowing from other sources, then the supplies which are needed by the commercial classes are withdrawn from them and they suffer. So we finally see that this money thus sent to New York works injury either to the speculative or to the commercial class. The speculative class, we will assume, are helped by these loans in the beginning; they are

enabled to make ventures which they could not otherwise make and which may prove profitable; the commercial class perhaps are not injured by these operations, as they are fully accommodated, but in the autumn the entire situation is changed. The commercial class then needs the money; there is not enough for all, one class or the other must therefore suffer. Which class shall be sacrificed, and which ought to be? Is there any doubt how this question should be answered?

Some one will say, however, the true remedy for these things is more money; let us have free coinage; let us have a few hundred millions more of paper money, then all can be accommodated and none will suffer. Very likely if there was an illimitable supply of money, or the amount was enormously increased, all would be more prosperous for a time. Everybody in the Argentine country flourished for several years; but the more thoughtful knew that a day of reckoning would come, and prepared for it. It never has been escaped, and never can be. Recently, the Brazilian Government has ordered fresh issues of paper money, the flood is to be nearly doubled, from forty millions to ninety millions of dollars. Without doubt things will be very prosperous in that country for several months, and even years. Banks and all kinds of enterprises are starting everywhere; all are anxious to embark on the golden tide, expecting to make a fortune and to reach shore before a change. But somebody must lose when the collapse comes, and in proportion to the inflation will be the decline and ruin in the end. So in our own country, no increase of money would permanently help matters. The truth to be heeded is, when business has become accommodated to the amount of money which exists, there is no need at any time of a large increase, unless it be to stay a panic or on some occasion of that kind. But if the money remained more permanently in the localities where it is owned, in other words, if it was not sent away for temporary investment, the scarcity in the money market, which now occurs every year in many places, would be greatly lessened. The business in the country, in the long run, is accommodated to the monetary supply, and there is no danger of a serious disturbance unless this condition of things is changed. So long as the money is used in this manner all goes well, but when a considerable portion is withdrawn from such uses and invested in speculation, and kept there permanently, then the trouble begins. Increase the volume of money enormously, and the prices of all things would expand correspondingly, and then divert large portions to new uses or from one place to another, and monetary scarcity with its accompanying evils would be just as keenly felt as it is now. There is no permanent relief by adopting such a remedy.

For the same reason the amount of money kept as a reserve

is no serious drawback to any interest. Business does not suffer from the absence of this money, for it never had it. The business of the country is accommodated to the money that exists, without reference to the reserves in the possession of the banks and of the Government. Suppose that the banks kept none, and the amount now kept became a part of the supply and was absorbed in the business of the country, would there not be just as great an annual dearth as there is at present? Most assuredly there would be. This truth cannot be too often repeated; when business has become accommodated to the money existing in a country, the amount, whether great or small, is of no special consequence to any interest. Of course, it will be admitted that with the growth of business, the supply of money should be somewhat increased, or its circulation should be quickened, otherwise a stringency resulting in a fall of prices might happen. But there is no greater vivifying power in a large volume of currency than in a small one. Mankind are not after money, but are after the things which money will procure. So long as there is enough for this purpose no more is needed.

This remark is no less true with respect to the money kept by the National Government. Many are strenuously opposed to the Sub-Treasury system, because so much money is withdrawn from circulation. But as this money has been withdrawn ever since 1837, and business has been conducted ever since without reference to it, how has business suffered from its withdrawal? There are some limitations, however, to be placed on this statement, which are worth mentioning.

First, the rapidity of the circulation of money is hardly less important than the quantity. In some localities and in some kinds of business money circulates much more rapidly than in others. Let us consider a village in which are several mills whose employes are paid once a month, and who are thrifty and do not spend their money until they get it. Once a month pay-day comes and all are paid in cash. But few of them keep accounts in a bank; they take their money home with them, and during the month spend it for their various needs. In the course of the month it goes from their pockets to stores, which, in turn, deposit it in banks, thus within that period a very considerable portion flows back to the source from which it was drawn. Now let us suppose another village in which the employes are of different type, and are inclined to get into debt as deeply as possible. Pay-day comes once a month, but unfortunately they do not have much money to keep in their pockets, for as they have run into debt the money they receive is immediately transferred to the stores, in payment of their indebtedness. In the last case we clearly see that the money, through the stores, flows back to the

banks from which it came almost as soon as it was withdrawn from them. It will be readily seen that more money is needed in a community of the first type than in one of the second, because, as it is kept out of the banks for a longer period, it circulates less rapidly, performs less work than when it circulates through these institutions. They are wonderful economizers in the use of money; a small amount circulating through them is far more effective than a very much larger amount circulating in the pockets of the people.

A large portion of the money paid by the Government to-day circulates very slowly, for the reason that it does not find its way into the banks. The pension money is given quarterly to the pensioner, and it is fair to assume that a long period elapses before this money is drawn into the banks. This is also true of other large payments by the Government. Unlike the ordinary operations of commerce, the money is widely diffused; it does not get back to the banks from which it was once drawn until after a long period. Of late years the amounts thus disbursed have been increasing in a wonderful way. It therefore follows that an increasing portion of the money of the country is circulating more slowly than formerly, and thus more work is thrown on the remainder. The new regulations for disbursing the pension money will ease the money market somewhat, but the subject is worthy of more attention than it has received. The Government is affecting the money market in two ways—by withdrawing more and more, and by disbursing it in ways whereby its subsequent circulation is much slower than it would be if employed in business operations and moving through the banks. And for these reasons larger additions are justified than would be otherwise.

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*Silver Coinage in China.*—The principal new outlet for silver is China. The Government has issued a decree making the dragon dollar, so called, a legal tender throughout the Empire, and already the Canton mint is striking off silver coins. The Imperial Government requires merchants and all other persons to accept the dragon dollar, and those who refuse will be visited with heavy penalties. The new dollar is intended to supplant the eagle dollar of Mexico. Many believe that the demand for silver from this quarter will be greatly increased; those less sanguine, however, maintain that silver dollars are mainly employed in the coast country, while copper remains in use as the money metal in the remote interior. Consequently, it is believed that this new decree will not be of much significance since the many millions of China never use a silver coin. This may prove, however, an important measure, and all will await the result with interest.

## A REVIEW OF FINANCE AND BUSINESS.

The month of March has shown some important changes in business circles, yet, on the whole, but little improvement in the general situation. The adjournment of Congress, that was so much desired by the business community, has not had the expected effect upon financial and commercial affairs. Stocks and investments were to have become active, and advance under the stimulus of speculation and increased confidence in the stability of the basis of values for the present, at least, with the killing of the free coinage of silver, and the postponement of further financial legislation for another year. Instead, stocks went down after Congress went home, and investment, as well as speculative demand fell off to a smaller volume even than after the panic had subsided, and the decline has only been recovered in part, by the covering of the shorts who had sold the market off early in the month and during February. Other causes, however, intervened to help about this disappointment; and they were chiefly of a speculative character, and connected with the produce markets, in which there has been a renewal of wild Bull speculation, based upon the short crops of last year in this country, and upon the prospect of short crops in Western Europe the coming year.

## THE BULL SPECULATION IN PRODUCE.

Upon the latter, the Bull clique in wheat, in Chicago, with the aid of strong foreign markets, based upon damage to the winter-sown wheat of France, owing to the severity of the winter in Europe, have been able to work prices up to a point at which they could get out of the load bought before the panic and which has been lugged ever since, at a small loss or small profit. Upon the former a pool was formed, in Chicago also, to Bull corn and Bear the stocks of the corn roads, especially those of the Burlington and Rock Island systems, and hence known as the "C. B. & Q. and Rock Island Pool," supposed to be composed of the officers of those roads and their friends on the Chicago Board of Trade and on the New York Stock Exchange. This has been aided by the light movement of corn and oats in the West, and by the scarcity of other than American corn in the European markets, by reason of the poor condition of the Argentine, and a deficient Danubian crop last year, as well as in this country. Whether the officials of these roads have used their positions to keep the corn back in the hands of farmers or not is not known. But the actual scarcity of corn at both Western and seaboard points, and on the other side, has made the Bull campaign in corn both

easy and successful, and enabled the clique to force the price as high as they chose; and, they chose to put it to over 80c. per bushel here, and about 10c. less in Chicago, before they were satisfied to take their profits, having bulled it nearly 20c. from the starting point. At the same time that they sold their long corn, they covered their short stocks, causing a downward reaction in corn and an upward one in stocks, during the last week in the month. But the profit on the stock side of the deal was much less than on the corn, the former having sold off slowly and but moderately, compared with the liveliness in the corn market, in which oats, and, finally, provisions joined, being controlled by the same clique as corn, which included the big Chicago pork packers, who held the enormous stocks of hog products that have been accumulated, during the winter by them, on the belief that a short hog crop must necessarily follow the short corn crop. In this they were badly disappointed, because it takes nearly a year for the effect of the latter to be felt upon the former, and because hogs did not advance with corn until the latter was relatively twice the price of the former, which induced farmers to sell every hog they could, and save their corn. This put the great packers in a position where they were only too glad to join hands with the corn clique to put up the price of the raw material, where it would appear so high, and hog products so ridiculously low, as to start the public to buying the latter for a rise, because the former had gone up so easily and so far, without bringing out any material increase in the supplies of corn. The scheme worked like a charm, and the cliques in wheat, corn, and provisions worked together to get the dear public into the grain and provision markets, and succeeded in unloading the large stock of wheat in Chicago on the Western countrymen, and the largest stocks of provisions ever held in this country and abroad at this season of the year. Yet the ease with which all these markets have been manipulated, offers a great temptation to these same cliques, or new ones, to keep their hold on them, and "milk" them and the outsiders so long as the Bull fever is on, as it still appears to be. Hence, after these cliques unloaded, there was a sharp reaction downward in the whole produce list, that was certainly aided by the late Bulls, which has created the impression that they were trying to "shake out" the country longs and buy back their stuffs at lower prices, in order to force them up on the shorts again, who followed them on the break, as they did at the beginning of the late advance, until the outside and shorts alike turned buyers for the long account at the top. It is in this condition these markets closed at the end of the month, notwithstanding the receipts of both winter and spring wheat continue still in excess of last crop, as noted in last issue, while the stocks of hog products are far in excess of all previous records.

## HOW THE PROVISION BOOM WAS WORKED.

Indeed, it is said that the packers had despaired of getting the price of products up before the advance, because Europe was filled full, and the receipts of hogs all over the West continued far in excess of the past two years, when we had enormous corn crops. Hence, in addition to joining the clique in corn, they made up a pool among themselves to Bull hogs too, until the farmers would hold them back, in the belief that they were at last to advance to a parity with corn, and thus pay them better to feed their corn than to sell it. This scheme also worked charmingly, for the Bulls in corn and hog products, as well, for it kept both hogs and corn back until the outsiders believed the crop of each was nearly exhausted, and they came in and bought provisions and corn. Hence the month closed on light receipts of all these staples except wheat, of which the visible supply in this country, and the stocks in sight and on the other side, is about the same as a year ago, with the amount on passage to Europe largely in excess of this time last year. Meantime, foreign markets, which were the chief cause of the late strength and advance, have been falling back and away from us, and are only occasional buyers of either spot or future deliveries, though still taking what flour of the medium and lower grades our millers have to offer. But the explanation of this is found in the fact that our millers, under the "new process" of milling, by which they make eighty per cent. of the wheat into patent, or high grade flours, used chiefly for home consumption, make comparatively little of the grades wanted by Europe, of which our markets are bare, while the stocks of high grades are piled up as high as the stocks of provisions, and higher than those of wheat. Corn and oats, therefore, are the only staples of which we have not as large stocks as usual, except the export grades of flour. The same is true of nearly all our other produce markets, except for apples and potatoes, which were really short crops last year, aggravated by the higher tariff which shut out the usual supplies of both, that naturally found our markets from Canada until now. Even eggs and butter have fallen in prices materially, notwithstanding the usual imports from Canada have also been shut out this year. Hence it will be seen that what was said in this article last month about the apparent underestimate of the wheat crop, seems to apply with equal force to several other produce markets, and that the predicted short crop famine, and correspondingly high prices, have resulted in large stocks generally for this season of the year, with the prospect of lower rather than higher prices before another crop, unless held by speculation, notwithstanding the late speculative boom, worked by the cliques that got overloaded on the belief that the short crop estimates were true.

## WHY STOCKS ARE SO STEADY WHEN SO DULL.

On the other hand, those who sold railroad stocks short, on the same belief, and that consequently their earnings would be greatly diminished, have been disappointed in the small decline, because the earnings kept up with or gained over those of a year ago. This has been especially true of the wheat roads, and particularly those in the spring wheat sections, while the corn roads, even the Burlington & Rock Island, whose friends sold their stock short on the above belief, have shown little if any loss, as the movement of corn has not been so much smaller this year than last, for the demand has been greater throughout the country, for home consumption, with the movement of hogs over the same roads larger. It is on this, chiefly, that the stock market has turned; for, there has been little speculation outside these Granger stocks, and that has been mostly by the Chicago corn Bulls, as noted above. The friends of the Pacific roads have been somewhat more hopeful of their properties, because of increased earnings over a year ago, owing to reduced expenses of operation, to a milder winter and absence of snow blockades, as well as to an increase in local business, especially over the Northern, and Oregon branch of the Union Pacific, by reason of between two and three millions bushels of white Oregon wheat being brought by those lines from Oregon and Washington to the millers of the Missouri and Mississippi valleys for mixing with the red wheats of the Atlantic coast. This was an entirely new and unexpected traffic, and hence the surprisingly good showing of these lines, in part. The Southern roads have had all they could handle with their equipment, owing to general good trade in the Southern States, and especially to the enormous cotton crop, which still holds out beyond the most sanguine crop estimates. The Trunk lines, which probably are more dependent upon the general business and prosperity of the country than any other system, have also kept well up to their last year's record, or ahead. This is due partly to the maintenance of rates, as in the case of other systems, and to the comparative freedom from damage by floods and delay by snow blockades, but especially to a good volume of traffic, as general trade has kept moving, although there has been but little profit in it, of which the roads have gotten more than their usual share by means of better rates, which is true the country over, generally, owing to the absence of any extended or protracted rate wars. The coal roads have had the poorest winter of any system, owing to the lifeless condition of the coal and iron trades, and yet they come up with a better showing of earnings, on paper, than had been expected, notwithstanding the mildness of the latter half of the winter, the decreasing use of anthracite, and the encroachment of the bituminous coals upon



their territory, both in the Eastern and Western States. These are the causes of the comparative steadiness or strength of the stock market, while the dullness is due to the more popular speculation in grain and provisions, just now, both in and outside of Wall Street, which deprives stocks of the usual home support; while the renewed financial troubles in London and Paris, among banks and bankers, involved by the Argentine collapse, have taken away what little foreign demand there was left by the panic of last fall. On the other hand, there has been very little selling of our stocks by Europe, because she sold nearly all she held of American securities during the panic, and had not bought back enough since to amount to much. These troubles, therefore, affected us only indirectly through their influence

#### ON THE MONEY MARKET,

by the exports of gold and the withdrawal of foreign capital from investment in American industrial enterprises, which, through English syndicates have been so popular the past two years, and which have drawn a steady stream of foreign capital to this country, during the above period. If there were any doubt as to the financial solidarity of this country, this fact would remove it, by showing that we are not only able to carry our railroad securities at home and supply our own demands for capital from the mercantile community, but are also able to help our older neighbors by sending gold to relieve the renewed money pressure on the other side, due to the further liquidation of the Argentine bubble and to the supporting of the little credit she has left. Besides, this country had an unusually large mercantile balance against it this spring, owing to the enormous importation of goods effected by the operation of the new tariff last fall, with which our exports have not only not kept pace, but against which they have fallen off, due to the higher prices caused by influences explained under the foregoing heads. Bank troubles and failures in this city and in Philadelphia have also had a depressing effect in financial circles, and no doubt have produced a more conservative policy on the part of banks generally, which, with the preparations for the usual April settlements throughout the country, and the payment of quarterly dividends in the corporation centers, together with the exports of a few millions of gold, and the distrust on the other side, have helped to stiffen the rates for money. But the wonder is that all these causes combined, with the larger movement of crops than usual, or than expected at this season of the year, have not resulted in higher rates for money, not to say a general stringency in the market. Surely the general commercial and financial situation must be unusually sound to meet all these adverse conditions with so little effect, notwithstanding some pretty rotten spots have been found in

financial and commercial houses on both sides of the water. At all events, it is plain that we are less affected by failures on this, than on the other side, because we escaped the direct losses of the Argentine liquidation, which nearly bankrupted London and Paris.

The rates for money near the close of the month advanced, for call loans at the Stock Exchange, to 2 and 4 per cent., with 3 per cent. the ruling rate; but at banks and trust companies the minimum rate was 4 per cent. The supply of time money has increased, but lenders are particular that the collateral shall be first class, and rates are 4 to  $4\frac{1}{2}$  per cent. for two to six months. On other collateral, rates are  $4\frac{1}{2}$  to  $5\frac{1}{2}$  per cent. for the same period. Mercantile paper is in fair supply, but the demand is moderate, and rates are 5 to  $5\frac{1}{2}$  per cent. The foreign money markets were higher, owing to the disposition to carry large balances over the Easter holidays. In London, bankers' balances advanced to  $2\frac{1}{2}$  to  $2\frac{3}{4}$  per cent. and discounts to  $2\frac{3}{8}$  to  $2\frac{7}{16}$  per cent., with the Bank of England rate unchanged at 3 per cent.; at Paris the rate was up to 3 per cent., Berlin to  $2\frac{3}{4}$ , and Frankfort to  $2\frac{7}{8}$  per cent. But sterling exchange closed easier, posted rates were reduced half a cent on the pound, and gold shipments had nearly ceased. The movement of currency to the interior was heavy during the last week in the month, and the loss to the banks was about \$2,600,000, but the gain from Sub-Treasury operations about offset the currency loss.

The important changes in the principal items of the New York bank statement for the week ending March 27th, were as follows, viz.:

Loans.....	Increased.....	\$2,380,700
Specie.....	Increased.....	5,500
Legal tenders.....	Decreased.....	306,800
Deposits.....	Increased.....	1,248,100
Circulation.....	Increased.....	13,000

These changes decreased the surplus reserve \$613,325, and made it \$8,442,050, against \$9,055,375 the previous week, \$4,331,650 for the corresponding week in 1890, \$5,450,125 in 1889, \$9,145,575 in 1888, \$4,379,825 in 1887, and \$11,991,400 in 1886.

#### EFFECT OF SILVER LEGISLATION ON FOREIGN EXCHANGE.

The latest official report of the Bureau of Statistics shows that in the seven months to February 1st, the excess of exports of merchandise over the imports of the same was \$73,055,554, and the excess of the exports of silver over the imports was \$1,370,284. The two items make a total of excess of exports over imports to the amount of \$74,325,838. But in the seven months to February 1st, 1890, the excess of exports of merchandise over imports was \$99,228,344, and the excess of exports of silver over imports was \$12,704,469, or a total of \$111,932,813. This shows that the decrease of the apparent trade balance in our favor was \$37,606,975

in the seven months as compared with last year. To a large extent this diminished trade balance in our favor is the result of the speculation in silver bullion which has been kept in this country. The exports of silver over imports in the twelve months to February 1st were only \$2,556,358, against \$21,777,373 in the previous year. But the large decrease of \$37,606,975 above referred to shows a condition of foreign trade that is a sufficient reason for the late advancing rates of sterling exchange. But another point in connection with the exchange market is that goods bought by importers are not usually paid for until months after they are imported, while the cotton and other products exported are paid for at the time they are exported, and sometimes before they are shipped. So that the large imports last summer to escape the McKinley tariff are having their effect on the exchange market yet.

#### THE LIVE STOCK TONNAGE OF THE GRANGER ROADS.

The following figures of the live stock tonnage of the Granger roads, and the foregoing remarks thereon, will explain in part their good earnings, in spite of a short corn crop. The total number of cars of live stock received at the Chicago Union Stock-yards for the month of February was 26,951, an increase of 4,999 cars, or 22 per cent. over February of last year; 5,855 cars, or 27 $\frac{3}{4}$  per cent. over 1889, and 11,626 cars, or 75 per cent. over 1888. Of the total for the month, the Burlington carried 6,841 cars, or 25.3 per cent., the Northwestern 5,481 cars, or 20 per cent., and the St. Paul 3,634 cars, or 13 $\frac{1}{2}$  per cent., the aggregate for these three roads being 15,956 cars, or 59 per cent. of the total for the month. The Illinois Central, Rock Island, Atchison, Chicago & Alton, and the Wabash carried 9,166 cars, or 34 per cent. of the total. Since 1888 the number of cars of live stock brought to Chicago over the Burlington has risen from 3,639 to 6,841, the Northwestern from 3,031 to 5,481, St. Paul from 2,182 to 3,634, Illinois Central from 1,289 to 2,644, Atchison from 66 to 1,391, and the Wabash from 52 to 1,161.

#### CROP PROSPECTS AT HOME AND ABROAD.

As the railroad situation, the future of the produce, the sterling exchange, and hence the money markets, as well as our export trade, will soon be influenced more by the outlook for the coming season than by the last crops, the prospects of the former, at home and abroad, are of growing interest and importance. Two only of our export staples are sown in the autumn, namely, winter wheat and rye, and the prospects of these, both as to condition and acreage, are better than they have been for years. Indeed, so good, that with all the Bull fever we have had in wheat, there has not been a bad report invented even, in regard to their condition. On the other hand, we have had the worst crop scare abroad in

regard to winter-sown wheat, that has been known in years, due to the phenomenal severity of the winter in Europe, which has winter killed some sections not covered with snow, embracing all Western and Central Europe excepting England, and especially France, where it has been so severe and extensive as to require re-sowing with spring wheat in large areas. Should the bad prospects abroad and good at home be realized, it will be seen that the demand from Western Europe for wheat will be larger the coming year than for many past, and that with good crops here, we will be able to export much more largely, at better prices than for a long time, thus giving our railroads as well as agricultural interests a much better business from that source than for years, unless our spring wheat should show as poor prospects and results as the winter wheat does good ones. The ground in the Northwest, however, is in better shape for seeding than for years, as the drought of the last two years in certain localities has been broken by frequent and warm snow-storms that have melted and been absorbed by the ground, which is always enriched by this "poor man's manure," as such snow-storms are called by the farmers. As to the prospects in Europe, the last issue of the *Mark Lane Express* says, "that the weather, trying as it has been to human beings, has been favorable to the autumn wheat and also to the February sowings of wheat and corn. The low temperature has checked growth, but no injury to the germinating grain. But on the Continent, things are conceded to be far less favorable, France, Spain, Belgium, Holland and Germany, growing a total of 72,000,000 quarters of wheat in a good average year, are now regarded as unlikely to have within 20 per cent. of a full yield. At present the promise is good in Austria-Hungary and Russia, and the surplus of the Indian crop is commonly taken at 4,500,000 quarters, against 3,500,000 of last season. Five millions will be an outside figure." Should these estimates prove approximately true, it will be apparent of what advantage Europe's short crop will be to this country.

#### OTHER MARKETS

have been stupidly dull and generally depressed. Cotton made a brief and feeble attempt to follow the boom in the other produce markets; but the weight of enormous stocks and receipts that indicate the last crop to be equal to the highest estimates of over 8,000,000 bales, was too much for the Bulls, and they gave up the attempt and decided to wait till Liverpool shall do the bulling for them. Prices have, therefore, settled back to the old basis which is the lowest in years. Late seeding of the next crop is talked of as a possible Bull element, but it is too early to bet on the next crop prospects yet, for there is plenty of time to plant and grow a good crop. The ocean steamers have been having

another bad spring in the transatlantic carrying trade, as the advance in breadstuffs here has carried and kept prices here too high for a free export trade, for months. As a result, the regular line steamers have been taking grain for ballast to nearly all the regular line ports on the Continent and in the United Kingdom, and have been unable to get enough at that, as several of these boats went out on 'their last trip for the month with only half cargoes. Freight steamers have not done much better, as the building of this class of vessels has been overdone, until the limit at which the substitution of steam for sailing tonnage can be made profitable, has already been passed. This is shown by the fact that, while steam rates have been steadily going down, for some time, sailing tonnage has advanced, on the decreased supply of vessels and the increased demand for cheaper rates of freight than steamers can make with profit, where time is not an essential requirement of the shipper. There is still a wide enough margin between the cost of sail and steam freights to enable the sailing vessel to get an advance on rates of a few months ago, which were then unprofitable to the latter also, and still go below the rates steamers can make. The oil, and South American general cargo trades, are the ones from which the improved demand has lately come, and vessels that were tied up in this port because rates were too low, have lately been taken at double the figures offered but a short time ago. In this connection it is learned that steamers are now being changed into sailing vessels on the other side, and that several of the old regular liners that have been replaced by the new ocean racers, are now in the Atlantic trade as sailing vessels, their machinery having been taken out, leaving fine iron hulls, built much sharper than regular freight steamers or sailing vessels, and therefore much faster than the latter, and so much more cheaply run than the former as to render it unprofitable to replace the old passenger machinery, designed for speed, with freight machinery. Thus it seems that the revolution from sailing to steam vessels has overdone itself, and that the reaction has already set in.

H. A. PIERCE.

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*A New National Bank Plan.*—A Pittsburger, named Fried, has invented another National bank plan, by which he proposes that land shall furnish the proper basis for currency. The bank is to be located in Washington, with a directory composed exclusively of congressmen, who shall pass on the securities for loans. The National currency is to be given free to the bank and returned at the rate of three per cent. per annum. Senator Stanford ought to shake hands with this new bank inventor, and the worthy pair start on a grand educational tour around the country.

## FINANCIAL FACTS AND OPINIONS.

*Consolidation of Banks.*—The *Louisville Courier-Journal*, among other banking reforms, urges the consolidation of several banks in that city into a single institution. This would result, of course, in a reduction of expenses, and probably the business interests would be served quite as effectively as at the present time. The remarks of the *Journal* on this subject have a wider application. In many of the larger cities there are banks which, though serving a useful purpose, are managed at a very considerable expense compared with that of much larger institutions. The genesis of more than one bank is this: Some highly respectable member of a community is desirous of having something to do, his friends have confidence in him, and so they raise enough money to establish a bank, and elect him for president. If he is supposed to know enough to act as the real head, well and good; if he does not, then a cashier is elected possessing sufficient ability, and all goes well. Very likely the bank is successful, yet the expense is great compared with what it would be if the same amount of business was done by an existing bank. There are rents, salaries, and the like, which are heavy items. Many a bank could manage two or three times as many deposits without the smallest additional expense except taxes. But there a new state of things is developing, which will inevitably lead to this end, the payment of interest on deposits. Heretofore, the banks have not been obliged to pay much for them, and so the profits from banking, on the whole, have been very remunerative, but the trust companies are making a heavy inroad into the principal source of bank profits. The interest offered by them for deposits is drawing depositors away from the banks, and they will learn sooner or later that they too must offer inducements, or lend their money at lower rates of interest, or in some other way bestow larger advantages on depositors, in order to hold them. The consequence in this change of methods will be the lessening of profits from the ordinary sources, and, consequently, the need of introducing economies in banking will become imperative. There is not so much opportunity to make them by reducing salaries, rents, etc., as by consolidating banks which are nearest to each other. This, doubtless, is the form which future banking economies will take.

*Taxation of Savings Banks.*—Elsewhere will be found an admirable letter by the former Superintendent of Banking in New York, the Hon. Willis S. Paine, against increasing the tax on these institutions in New York. This attempt is by no means confined to

New York; in several States a similar movement is in progress; in short, whenever the Legislatures of the several States meet some persons are always ready to start a movement of this kind. They learn of the large deposits in these institutions; of the comparatively low rate of taxation; and then they discover the injustice of the tax compared with the tax paid on other property. Perhaps the strongest reason for increasing the tax in any case is, that a class of persons who can well afford to pay it put their money into savings banks in order to avoid the higher tax which they would pay if it was invested in another form. If this were the true reason for the conduct of such depositors, it would furnish some ground for taxing them higher, but it should be considered that, if this avenue of investment was not open to them they would doubtless invest their money in other things from which the State would probably collect no revenue whatever. In other words, this class of persons are willing to pay something in the way of a tax to the State, but if much is demanded they will seek to evade it altogether. We all know that the taxation of personal property is most difficult, that enormous sums wholly escape, and those who urge a higher rate for the savings banks ought to consider that by far the greater portion of the deposits thus taxed would never be taxed at all if these institutions did not exist. For, in the first place, the amounts are very small; they consist of thousands of little rills that finally unite and form a large sum; but the little beginnings would simply be in the pockets of a great multitude of people, and not a cent of revenue would ever be derived by the State from them in this form. In short, we maintain that almost the entire sum of savings banks deposits would not be taxed at all if they were not collected and preserved in their present form. The tax, therefore, which the State derives from them is, in truth, clear gain, and it should be very slow to increase the amount. As the *Albany Argus* says: "Such assaults on savings institutions, even though they do not succeed, are extremely hurtful. They indirectly lessen the feeling of confidence and security which is the very life of these institutions. As Mr. Paine justly says, it should be the continuous policy of the State to foster these banks by discouraging all legislation that would retard their prosperity and consequent usefulness." The *New York Journal of Commerce* has some highly vigorous remarks on the subject, that ought to be heeded: "The claim which savings banks have upon the public consideration is not as much regarded as it should be. They are not, as many thoughtlessly assume, wealthy corporations managed in the interest of stockholders, and designed to profit their managers. They are among the chief encouragements to thrift, and their wholesome influence can hardly be overestimated. Society has a direct and

positive interest in their success. Every man who is stimulated to industry and self-denial for the purpose of saving a little store against the time of need is not only guarded by the accumulation from becoming a pauper dependent on public support, but gives one of the very best hostages for his good behavior as a law-abiding citizen. The moment the laboring man has begun his deposit in the savings bank he becomes weaned from socialism, and sees the greatest foe of society in the anarchist that would make a spoil of vested property. He has something to be conserved by the prevalence of law and order, and he no longer favors a revolution for any purpose. The gathering and caring for these savings from the hand of labor, in its wide-reaching influence, is the most beneficent work society has ever undertaken. It is, therefore, not only an infamous conspiracy to propose these spoliations of the savings banks, looked at only as a blackmailing scheme for the exaction of money, but it is an injury to the whole body politic, as it tends to weaken the hold these institutions have upon the confidence of their depositors."

*The Right of a Foreign Banking Company to Do Business in Another State.*—An important question has been decided by the Supreme Court of Massachusetts affecting the rights of foreign corporations to do business in that commonwealth. The International Trust Company, of Boston, brought a bill in equity in November, 1889, setting forth that it was a Massachusetts corporation under a special charter, for the purpose of receiving on deposit, money, Government securities, stocks, bonds and collecting and distributing principal, interest and income of such property, with its usual place of business in this city, and asked for an injunction against the International Loan and Trust Company of Kansas City, restraining the last named company from carrying on in Boston a banking and trust business, claiming that the name of the defendant corporation was so nearly identical with the name of the plaintiff that it was liable to mislead, and in fact had misled the public and persons having occasion to deal with the plaintiff. The prayer of the bill was that the defendant be enjoined from carrying on business in the commonwealth of Massachusetts under its present name and for general relief. The case was heard before Judge Holmes, who made certain findings of fact and ordered an injunction to issue, forbidding the defendant corporation from doing business in Massachusetts under its present name. It appeared upon the trial that the International Loan and Trust Company of Kansas City was one of the soundest financial institutions doing business in New England. The president of the company is Hon. George F. Putnam, of Kansas City, and the eastern management is under the direction of Hon. Fred. E.



Richards, of Portland. After the decision by Judge Holmes, denying the company the right to do business in the commonwealth, the case was taken to the Supreme Court by Messrs. Nathan & Henry B. Cleaves, who are the counsel for the defendant company in New England, and was argued by them at the November term of the full court, Chief Justice Field presiding. The court has sent down a decision sustaining the position taken by counsel, and authorizing the defendant company to engage in any business in this commonwealth authorized under its charter, under the name of "International Loan and Trust Company of Kansas City." The court holds that under the statute of 1889 the defendant corporation had a right to do business in this State under the name which it was actually using, and that it was not an interference with the chartered rights of the plaintiff.

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*Legislation for State Banks.*—Ex-Senator Holmes, of Fall River, one of the leading savings bank men of Massachusetts, has recently made an argument before the banking committee of the Massachusetts Legislature in support of a bill permitting National banks to reorganize as State banks and trust companies. He said that the prospect was that legislation would be hostile to National banks, and that some general law should be passed by which National banks in the State might again be brought under Massachusetts law. Many of them were State banks before they were reorganized as National banks in 1862, and later. There were \$100,000,000 of capital, in which \$30,000,000 was held by savings banks. Hence it was of the utmost importance to the savings banks that the National banks be on a safe foundation. Mr. Holmes read the safe deposit loan and trust law of 1888, taking it as a basis of criticism of proposed legislation. He thought that National banks should not be allowed to loan money on real estate, if they should be brought under State law, though the trust companies could make such loans. The bill was discussed section by section in order to draw out the opinion of the commissioners and bank men present.

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*The Bank of France.*—The amount of gold and silver carried in the Bank of France varies from 700,000,000 francs to 2,500,000,000. At the time of the recent loan to the Bank of England the vaults contained 1,196,500,000 francs in gold and 1,244,000,000 francs in silver. This is equivalent in American money to \$239,300,000 in gold and \$248,800,000 in silver. Nominally a private institution, the Bank of France gains a semi-official status from the fact that it has the monopoly of issuing bank notes, and that it is, for reasons connected with this fact, under State control. The prestige which it maintains among business men is owing to a belief that behind

its nominal capital of 182,500,000 francs furnished by the stockholders, which is only about half the capital of the Bank of England, there are the vast resources of France. While the Bank of England is limited in its issue of bank notes to about the equivalent of 889,500,000 francs, the Bank of France can issue notes to the amount of 3,500,000,000 francs. Its aggregate circulation at the present time is 3,085,000,000 francs, or \$617,000,000. The shares of the Bank of France, the par value of each of which is 1,000 francs, commands 4,365 francs each, and pay nearly 4 per cent. dividends on that valuation. A governor, two deputy governors, fifteen agents, and three examiners form the administrative council of the bank, which meets once a week to fix the rate of discount and decide upon other matters concerning the bank's transactions. The discount rate is generally 3 per cent. The governor has a veto power over all the decisions of the council. The regents, who are selected at a general meeting of the stockholders, are renewed by fifths every year. Five of the regents must be manufacturers or tradesmen who are stockholders, and three must be selected from the Treasury Department officials known as *Tresoriers-Payeurs-Generaux*. The latter are chosen because the large amount of Government money they handle must be kept at the bank. The three examiners supervise all the business done, and their unanimous refusal suspends all new issues of bank bills. The bank discounts commercial paper on three months' time or less, and advances money on a limited number of securities. While it will make advances on French railway bonds, it will not accept foreign railway stocks. It accepts notes drawn by foreigners against Frenchmen, but not notes drawn by Frenchmen on foreigners. The fact that it will discount no paper except such as has three signatures makes it necessary for many of the business men who seek its accommodation to approach it through the medium of an intermediate banker, who discounts their notes, and then, adding his own signature to the two already on the paper, sends them to the Bank of France, which rediscounts them. These and many other rules which the bank enforces, and which have survived from a period when banking was comparatively in its infancy, are not relished by French business men, and there is already in progress an agitation to protest against the renewal of the bank's charter, which expires in 1897, unless its methods are considerably modified.

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*Bank Returns.*—The regard of the Massachusetts savings banks for authority has been well illustrated by the following incident. The House of Representatives, on the 30th of January, ordered the Commissioners of Savings Banks to report whether there had been any falling off of savings banks deposits in the State since Octo-

ber 31st, 1890, compared with the corresponding period of the previous year. The Commissioners received the order at three o'clock in the afternoon, and at once issued circulars of inquiry to the treasurers of one hundred and seventy-four savings banks, which were posted before noon the next day. The replies were received so promptly that by Thursday of the following week, that is, within four days from the date of sending the circulars, the Commissioners submitted a report to the Legislature from all except three banks. It may be stated that in reply to the circular it appeared that there had been a falling off of deposits of \$1,821,794 since last October. This decline is ascribed to the new devices for investing money which have been started in that State by various benefit orders, so called. We happen to have the prospectus of one of these orders before us, in which it is stated that for thirty dollars received, one hundred dollars will be paid to the investor in a short time. We are also informed from a creditable source that these new enterprises are, for the time being, flourishing. Of course, their day will be short, but a person who has intelligence enough to collect thirty dollars ought to know better than to send his money to such a concern. Perhaps some of the thirty dollar investors will be paid the full amount, in order that others may be drawn into the trap; but the very statement of the problem—for thirty dollars received one hundred dollars will be repaid in a short time—ought to convince a person of fair intelligence of the fraudulent nature of the enterprise.

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*The National Banks and the Farmers.*—The National Farmers' Alliance favors a great many things, and among others, the abolition of the National banks. In truth, those who manage the National banks are less concerned about the continuance of their system than almost any other class of people. They know well enough that they can live as State institutions even if the favors conferred by the National law should be withdrawn. The advantages of National banking have grown beautifully less, and they are nearly all on the one side at the present time—that of the people, or the depositors. The most important feature left of the National banking system is that of examinations and National superintendence. The advantages which the stockholders receive are almost nothing, as the National banks are taxed like other banking institutions, while the profits on circulation, which at one time were very considerable, have been reduced to zero. But the principal consideration which animates the Farmers' Alliance to destroy these institutions is that they are owned by a few "gold bugs." But there never was a greater delusion. The number of National banks is 3,573. The net increase in the last three years has been over 500. The average addition of capital has been \$153,000, and

the new banks have been started in the country districts to supply the farmers with money, and not in the great centers of capital. There was no increase in the banks in New York City from December, 1887, to December, 1890. In Chicago there was an increase of one bank, in Boston of two, in the Western States and Territories the increase was 485. Texas added ninety-nine to her National banks in two years. Almost the entire increase in National banks was in small towns, and they were organized to aid the same class of men who demand their abolition, in moving their crops. Indeed, the purely agricultural sections are securing about all the new National banks.

*Profits of Pennsylvania Railroad Co.*—The Pennsylvania company's system of railroads is composed of no less than 120 corporations, certainly a colossal aggregation to be under the management of one head. President Roberts in his last annual report says that with few exceptions all these corporations are in good financial condition, and are earning fair returns on the capital invested. They represent 7,915 miles of railroad and canal, and have a share and bonded capital of over \$700,000,000. They earned in 1890 more than \$133,000,000 gross, and moved over 137,000,000 tons of freight and 84,000,000 passengers. In thirty years on the lines east of Pittsburgh and Erie the increase in gross earnings was over 800 per cent., and in net was more than 200 per cent. The cost of the securities of other corporations now held by the Pennsylvania was \$113,183,734, and the direct revenue from them last year was \$4,439,404, which is in excess of the total funded debt of the Pennsylvania Railroad. Considered as one great property, this is in some respects the most remarkable known among men. What other property under a single management anywhere returns to its owners net earnings of \$41,518,258 for a single year, after paying \$92,003,325 for expenditures of the year? What other property anywhere transports in a single year 84 million persons, and 137 million tons of freight? Its ton mileage reaches the enormous aggregate of 12,653 million tons one mile, having increased nearly 50 per cent. within the past four years. Its passenger traffic includes 1,599 million passengers one mile in a single year, and the increase in four years has been about 25 per cent. At the end of the year this corporation held in actual cash over \$10,000,000, which seems a pretty large sum to have idle, especially if one remembers that only a little while ago grave statesmen were complaining because the United States Government would not leave itself with an available cash balance only about as large.

*Returns of the New York Banks.*—The annual report of the Superintendent of the Banking Department of the State of New York, just issued in pamphlet form, gives the following statement of the

resources of each of the various classes of institutions subject to the supervision of the department at yearly intervals for the past ten years:

*Date.	Savings Banks.	Banks of Deposit and Discount.	Trust Companies.	Safe Deposit Companies.
1882.....	\$443,047,414	\$113,498,972	\$122,011,860	\$2,021,836
1883.....	472,927,319	149,261,859	143,889,448	2,067,966
1884.....	499,242,641	171,591,164	164,314,887	3,853,186
1885.....	505,927,496	177,445,045	158,693,061	3,670,477
1886.....	534,536,633	190,576,663	176,216,940	4,078,976
1887.....	568,286,867	201,681,168	189,503,595	4,298,122
1888.....	590,458,751	193,324,267	200,087,230	4,214,504
1889.....	615,889,796	216,314,601	236,261,610	5,923,179
1890.....	644,927,626	241,754,288	265,547,526	7,056,946
1891.....	667,865,396	233,839,051	280,688,768	†3,964,942

\* Reports nearest January 1st each year.

† The Buffalo Loan, Trust and Safe Deposit Company and Rochester Trust and Safe Deposit Company are not included, as they are given under head of trust companies.

The increase shown under the four classes, or any one of them, is remarkable, and specially the rapid development of trust companies. The aggregate resources reported under the three principal classes increased during the ten years from \$678,000,000 to \$1,182,000,000, the resources of savings banks increasing by fifty per cent., State banks by more than one hundred per cent., and trust companies by nearly one hundred and thirty per cent.

*The Production of the Precious Metals.*—In the annual report of the Hon. E. O. Leech, Director of the Mint, he gives the production of silver in the United States for the year 1890 at 54,500,000 ounces, against 50,000,000 ounces for 1889, showing an increase of 4,500,000 ounces in the silver product of the country for a single year. At the average price for the year 1890 the value would be \$57,225,000, against \$46,750,000 for 1889. The coinage value at 371¼ grains of fine silver to the dollar would be \$70,464,645, against \$64,464,464 for the preceding year. The total silver from all sources treated at the smelters and refineries in this country for the last year was 64,920,927 fine ounces. The gold product of the United States for 1890 was 1,588,880 fine ounces (Troy), of the value of \$32,845,000, an increase only of \$45,000 over the product of the preceding year. The total deposits of gold at the mints during the last year were \$56,217,105.82, of which \$31,234,342.60 was domestic bullion, \$4,352,422.70 was foreign bullion, \$8,857,447.61 was foreign gold coin, \$558,386.85 were light-weight domestic gold coins, \$3,767,364.28 were made up of old jewelry, plate, &c., and \$7,449,141.78 were redeposits. The total offerings of silver to the Government the last year were 68,130,457 fine ounces, and the amount purchased 37,594,373.75, costing \$39,991,840.80, or an average of a little over \$1.06 per ounce. The price of silver at the opening of the year was 96 cents per ounce, and the speculators expected to force it up to 129¼, at which the contents of the silver dollar would be worth

par in gold. By the aid of these heavy purchases the price was advanced until, on Aug. 19, it reached \$1.21, but not even the whole force of the Treasury Department could carry it any higher or maintain it at that altitude. It fell back, being quoted at \$1.04½ on Dec. 31, and is now fluctuating between 97½ and 98 cents per fine ounce. At the lowest price of the year the silver dollar was worth 74.8, or less than 75 cents in bullion; at the highest it touched for a moment 92.6 cents; at the average it was 80.9 cents, and at the price of to-day it is worth less than 76 cents. The Director gives as used in the arts during the last year \$18,105,901 in gold and \$9,231,178 in silver. Of this, \$10,717,472 in gold and \$7,143,635 in silver was new bullion. The Director estimates the metallic stock of this country, on Jan. 1, 1891, as \$704,597,128 in gold and \$486,545,076 in silver. It is yet too soon to complete the statement for the world, as the full returns from the most distant points are not yet to hand, but an approximate estimate is given. This makes the production from all sources for 1890 of \$118,490,000 in gold, a falling off from 1889 of \$3,007,000, and 130,650,000 fine ounces in silver, an increase of 7,859,375 over the previous year.

*The Monetary Circulation of the World.*—The following tables prepared by the Director of the Mint, the Hon. E. O. Leech, are worthy of careful study. The quantity and quality of the money of the world are always highly interesting matters in dealing with the monetary problem:

APPROXIMATE AMOUNT OF GOLD AND SILVER MONEY IN THE WORLD.

Country.	Gold.	Silver.	Silver. Full Legal Tender.	Silver. Limited Tender.
United States.....	\$702,018,869	\$482,071,346	.....	.....
United Kingdom...	550,000,000	100,000,000	.....	\$100,000,000
France.....	900,000,000	700,000,000	\$650,000,000	50,000,000
Germany.....	500,000,000	145,000,000	102,000,000	43,000,000
Belgium.....	65,000,000	55,000,000	48,400,000	6,600,000
Italy.....	140,000,000	60,000,000	25,800,000	34,200,000
Switzerland.....	15,000,000	15,000,000	11,400,000	3,600,000
Greece.....	2,000,000	4,000,000	1,800,000	2,200,000
Spain.....	100,000,000	125,000,000	90,000,000	35,000,000
Portugal.....	40,000,000	10,000,000	.....	10,000,000
Austria-Hungary...	40,000,000	90,000,000	90,000,000	.....
Netherlands.....	25,000,000	65,000,000	61,800,000	3,200,000
Scandinavian Union	32,000,000	10,000,000	.....	10,000,000
Russia.....	190,000,000	60,000,000	22,000,000	38,000,000
Turkey.....	50,000,000	45,000,000	.....	45,000,000
Australia.....	100,000,000	7,000,000	.....	7,000,000
Egypt.....	100,000,000	15,000,000	.....	15,000,000
Mexico.....	5,000,000	50,000,000	50,000,000	.....
Central America....	.....	500,000	500,000	.....
South America.....	45,000,000	25,000,000	25,000,000	.....
Japan.....	90,000,000	50,000,000	50,000,000	.....
India.....	.....	900,000,000	900,000,000	.....
China.....	.....	700,000,000	700,000,000	.....
The Straits.....	.....	100,000,000	100,000,000	.....
Canada.....	16,000,000	5,000,000	.....	5,000,000
Cuba, Hayti, etc....	20,000,000	2,000,000	1,200,000	800,000
Totals.....	\$3,727,018,869	\$3,820,571,346	\$2,929,900,000	\$408,600,000

The total stock of full legal-tender silver coin in Europe is given at \$1,101,400,000. The following table shows, in pounds sterling, the specie holdings of the principal European banks, November 20, 1890:

	<i>Gold.</i>	<i>Silver.</i>	<i>Total.</i>
England.....	£22,557,900	.....	£22,557,900
France.....	44,586,000	£49,900,000	94,486,000
Germany.....	25,126,667	12,563,333	37,690,000
Austria-Hungary.....	4,905,000	16,654,000	21,559,000
Netherlands.....	3,656,000	5,271,000	8,927,000
Belgium.....	2,754,000	1,377,000	4,131,000
Totals.....	£103,585,567	£85,765,333	£189,350,900

APPROXIMATE AMOUNT OF PAPER MONEY IN THE PRINCIPAL COUNTRIES OF THE WORLD, INCLUDING MONEY NOT COVERED BY COIN.

<i>Country.</i>	<i>Total Paper.</i>	<i>Uncovered Paper.</i>
United States....	\$938,728,000	\$440,000,000
United Kingdom.....	190,000,000	64,000,000
France.....	594,000,000	96,000,000
Germany.....	275,000,000	160,000,000
Belgium.....	75,000,000	54,000,000
Italy.....	260,000,000	211,000,000
Switzerland.....	25,000,000	14,000,000
Greece.....	18,000,000	14,000,000
Spain.....	145,000,000	94,000,000
Portugal.....	7,000,000	6,000,000
Austria-Hungary.....	330,000,000	260,000,000
Netherlands.....	80,000,000	40,000,000
Scandinavian Union.....	40,000,000	27,000,000
Russia.....	500,000,000	500,000,000
Turkey.....	2,000,000	.....
Australia.....	25,000,000	.....
Mexico.....	10,000,000	2,000,000
Central American States.....	2,000,000	2,000,000
Argentine Republic.....	250,000,000	150,000,000
Rest of South America.....	175,000,000	150,000,000
Japan.....	125,000,000	56,000,000
India.....	60,000,000	28,000,000
Canada.....	50,000,000	40,000,000
Cuba and Hayti.....	50,000,000	40,000,000
Totals.....	\$4,326,728,000	\$2,448,000,000

*The Spanish Use of Silver.*—The Spanish Government has recently availed itself of the opportunity afforded by the fall in the price of silver, to purchase as much as 55,000 kilos (2,063,215 ounces) of fine silver to be coined into pieces of the value of five pesetas or five francs. Last August a similar purchase of 58,000 kilos of silver was made. On the 31st of December, the coinage or circulation of this character of silver in Spain amounted to 555,898,065 pesetas, or \$107,288,326.53 in our currency. These increases bring the amount up to about \$112,000,000, exclusive of about \$20,767,000 in fractional or subsidiary silver. According to the *London Financial Times*, the gold coinage of Spain for 1890 aggregated 46,888,980 pesetas; that is to say, \$10,315,576, all in twenty-peseta pieces (\$3.86), of which there has now been a recent coinage, aggregating, it seems, \$11,580,000. During the year, we infer, the silver

coinage (five-peseta pieces) aggregated \$7,020,616. This would make the Spanish coinage for the past five years as follows:

Gold.....	\$16,263,972
Silver.....	35,914,753
Total.....	\$52,178,725

The coinage of silver in Spain of recent years has now aggregated \$153,049,000, of which \$116,186,000 were full tender pieces equivalent to the French five-franc piece, the remainder (\$36,863,000) is subsidiary fractional silver.—*Financial and Mining Record*.

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## RENEWAL OF THE PRIVILEGE OF THE BANK OF FRANCE.\*

Founded in January, 1800, the Bank of France lived through three years without any exclusive privilege.

Not until 1803 was a regrettable restriction of the common law inflicted for the first time upon the country and upon it. Since that time its monopoly has been three times prolonged.

In 1803 the privilege of the Bank of France was created to last fifteen years from September 24, 1803.

Twelve years before its expiration the law of August 22, 1806, prolonged it for twenty-five years; consequently it was to come to an end September 24, 1843.

The law of June 30, 1840, prolonged it to December 31, 1867, but with this restriction, that it might be ended or modified December 31, 1855, if it should be so enacted by a law passed in one of the two sessions preceding that of 1855. This contingency was not realized.

Ten years before its expiration the law of June 9, 1857, prolonged it again for thirty years, this time without any contingent clause, although the *Corps Législatif's* commission, through its reporter, M. Devinck, proposed one similar to that of 1840. It will therefore expire on December 31, 1897.

The present Minister of Finance, M. Rouvier, in accord with this institution of almost a hundred years of existence, proposes to put off for twenty-three years the date of the expiration of its exclusive privilege, which would make it fall on December 31, 1920.

The law of 1806 came in the train of a crisis that very nearly wrecked our still youthful institution; we mean the affair of the *United Merchants*, of which the too famous Ouvrard was the soul, and which M. Mollien has cleverly and truthfully related in his remarkable "Memoirs of a Treasury Minister."

\* Translated from the French of Alphonse Courtois by O. A. Bierstadt.



The imperial government remedied the imperfections of the Bank of France after its own fashion; it aggravated them. It made a Government institution of it under the State's direction, with private parties as its silent partners. In the administrative language of that period this was called putting the bank under the *positive rule of the law*. The law was the emperor's will.

From this epoch dates the institution of a governor and two assistant-governors, appointed by the chief of the State, and, in fact, all chosen outside of commerce and finance, with the single exception of Jacques Laffitte, who was speedily dismissed. His idea was to return to the statutes of 1803.

Since this epoch also the dividend is no longer voted by the stockholders, these latter being interested merely in an institution managed by the State.

The law of 1840 imposed no charge upon the Bank of France in return for an extension of its privilege. Indeed, without any other explanation, a request was refused that was made by the nine department banks then existing, and the adoption of which would have prevented their fusion with the Bank of France, by virtue of superior authority, in 1848, a request for power to pay reciprocally their notes payable to order and their notes payable to bearer, as is done in Switzerland, Sweden, the United States, and other countries. The carrying into practice of this proposition would have been a progress. The Bank of France, at this period, had not the ambitious thoughts that came to it eight years later; it objected, however. It is the punishment of monopoly to be constrained to fail in its tolerant intentions. Very often it can only serve the public on condition of hurting itself, and this is so hard, so hard a case, that really it can never make up its mind to it.

The law of 1857 did little more for the public. Everything or almost everything was sacrificed in it to a resource for the budget; less still, to a treasury operation. The doubling of the Bank of France's capital to the exclusive profit of the stockholders, by an issue at 1,100 francs of stock worth at that time 4,600 francs, was subordinated to the acquisition, for a hundred millions of the product of this issue, of four million francs in 3 per cent. rentes granted it by the State. In favor of the public there were some insignificant reforms, to which, moreover, the Bank of France only consented, when it condescended to do so, with the worst possible grace—the 50 franc notes for example, so acceptable to the public, issued only in 1864 in too limited an amount, their effective creation dating from 1871—and the eventual obligation to establish branches; this last obligation, made imperative by the law of January 5, 1873, the Bank of France eluded with impunity, even after this date, and for reasons of its own interests. The law of 1857 said that, ten years after its promulgation, the Government might

require a branch to be established in the departments where none existed; now, on June 9, 1867, twenty-five departments were still destitute of any branch, much to the displeasure of their inhabitants. The law of 1873 was more explicit; the decrees instituting these twenty-five branches called for by the country's necessities were to be made on July 1, 1874, and eleven branches were to begin operations at the latest on January 1, 1875, seven others on January 1, 1876, and the last seven on January 1, 1877. Now, on July 1, 1874, nine departments were still waiting for the decree establishing their promised branches, and the last one did not obtain it until September 28, 1876, and as for the time of beginning operations, each of the above three dates was an occasion for breaking the law, and not before July 1, 1879, did the Bank of France, in this connection, become obedient to the law.

These two cases are an old story, it may be said. Of course, but it is useful to recall it to show the worth of the Government's strict control and the State's energetic vigilance when concerned with a powerful monopoly, and the respect for the country's legitimate interests, when they are only in slight opposition to those working this monopoly.

On the other hand, the Bank of France obtained a privilege of a new kind. The law of September 13, 1807, prohibited anybody from asking over 6 per cent. interest on loans of capital in commercial affairs, and over 5 per cent. in civil affairs. The Bank of France was permitted to be no longer subject to the strict observance of this law. This monopoly brought about rather a strange situation; on the 11th of November following, the Bank of France, on account of the condition of the market, raised its rate of discount to 10 per cent. on three months' paper; without breaking the law, the credit houses, intervening in the matter of discount between the Bank of France and commerce or industry, could not discount above the rate of 6 per cent.; this was absurd. The State and the courts shut their eyes and did well, and the bankers went on their way. But see the deplorable effect produced by a foolish law: judges forced either to condemn as usurers men enjoying generally public esteem, or to disregard the law, that is, to fail in their first professional duty.

The bill submitted by M. Rouvier is a compromise which would be justifiable from a practical point of view, if it were not a compromise on the most commonly accepted principles of the science, and consequently at the expense of the country's present and future general interest. Here is the bill:

ART. 1. The privilege conferred upon the Bank of France by the laws of 24 Germinal year XI, April 22, 1806, June 30, 1840, and June 9, 1857, expiring December 31, 1897, is continued for

twenty-three years and will not come to an end until December 31, 1920.

ART. 2. The bank shall pay to the State, from January 1, 1891, until December 31, 1897, an annual sum of 1,700,000 francs, and, from January 1, 1898, until December 31, 1920, an annual sum of 2,500,000 francs.

This sum shall be paid in halves, on June 30 and December 31 of each year, the first semi-annual payment coming on June 30, 1891, and the last on December 31, 1920.

ART. 3. The advance of sixty million francs made by the bank to the State by virtue of the agreement of June 10, 1857, at 3 per cent. interest, and the advance of eighty million francs made by the bank to the State by virtue of the agreement of March 29, 1878, approved by the law of June 13, 1878, at 1 per cent. interest, shall cease to bear interest from January 1, 1891.

The bank cannot demand the repayment of the whole or any part of these advances so long as its privilege lasts.

ART. 4. The bank shall pay gratuitously, concurrently with the public offices, for the Treasury's account, the coupons to the holders of French rentes and French Treasury securities presented to it either in Paris or in its branches or auxiliary offices.

ART. 5. The bank shall, at the request of the Minister of Finance, open its offices gratuitously to the issue of French rentes and French Treasury securities.

ART. 6. Responsible agents of the Treasury may make, in the auxiliary offices as well as in the branches, payments or drafts on the Treasury's current account.

In the adjoining cities the bank must gratuitously undertake, when due, as with commercial paper, the collection of drafts drawn on the Treasury's responsible agents by other responsible agents of the Treasury.

ART. 7. The free deposit of securities, now existing in three branches, shall be established in seven other branches, at least, before January 1, 1893.

The free deposit of securities shall be allowed in all the other branches, on conditions to be determined by the bank.

ART. 8. Within two years from the promulgation of the present law, the number of branches shall be increased from 94 to 112 by the transformation of 18 auxiliary offices into branches.

The auxiliary offices existing and not transformed into branches shall be maintained. Besides, there shall be established in every chief town of a department, that does not possess an institution connected with the bank, a branch or an auxiliary office, according as the importance of its business requires.

These establishments shall be made before January 1, 1893.

ART. 9. Whenever circumstances call for an increase of the

rate of discount or of interest above 5 per cent., the proceeds coming to the bank shall be deducted from the sums annually divided among the stockholders and added to the institution's funds.

ART. 10. The total issue of notes by the Bank of France and its branches fixed at a maximum of 3,500 million francs is increased to 4,000 million francs.

ART. 11. The legal currency of any particular kind of notes may, at the bank's request, be suppressed by decree, the bank, however, being always obliged to effect their redemption at sight and in specie, both at its main office in Paris and in its branches and auxiliary offices.

Let us do justice to M. Rouvier's talents; he is a superior business man. He proved it at the time of the failure of the *Comptoir d'Escompte* and in other more recent circumstances. Full of ingenuity, fertile in resources, as shown by the last loan, knowing how to conciliate usefully antagonistic elements, he has, in this respect, eminent capacity, which is certainly not without undeniable merit. But is this quality, which has so often been wanting in our financiers, the only one or even the principal one to be sought in a Minister of Finance? With our excessive centralization, our very complicated financial system, our red-tape habits of administration, one is tempted to say—yes. In the particular case now occupying us, we say without hesitation—no.

In the matter of credit, one must look further, have faith in principles, know how to rise above present circumstances and to discriminate between what is temporary profit and what is permanent advantage.

The Minister of Finance, in giving his reasons, complacently displays "the advantages which the renewal of the privilege will assure to the State from the point of view of the budget: the payment, as a share of the profits, of an annual sum of 1,700,000 francs until 1897, and of 2,500,000 francs from 1898; the stopping of all interest on an advance, the repayment of which, in case the privilege should not be renewed, would require an annual expenditure of 4,500,000 francs to be entered on the budget; finally, the tax paid by the bank, on account of its privilege, upon the notes in circulation, a tax which, without considering the taxes of all kinds that it supports like other tax-payers, amounted to about 900,000 francs in 1890." Evidently from the narrow point of view of advantages in favor of the Treasury, M. Rouvier has obtained a success which the general meeting of the Bank of France's stockholders confirmed on January 29. Indeed, one of the members at this meeting manifested his astonishment at the enormous burdens, which the Bank of France would have to bear to obtain a continuation of its privilege. This dissent of an

associate, whose opinion was not asked (for these agreements are communicated, and not always that, witness the agreement of June 10, 1857, which has never been published and was not submitted to the general meetings), found no echo in this close meeting, composed of only two hundred of the heaviest stockholders, and as silent as the *Corps Législatif* of the empire which voted but did not talk.

And yet, notwithstanding the figure of these profits, is the country doing a good stroke of business in thus binding itself for a period that will end only after a third of a century? We expressly say a good stroke of business, not being desirous of starting anew discussions of principles, which such masters of these subjects as Charles Coquelin, James Wilson, H. Carey, etc., to speak only of the dead, and many others of the best men among the living, have thoroughly established in their works upon banks of circulation.

We may observe that our neighbors, those who practice or aim to practice unity of banking, have been more careful about the liberty of the future for their country. Thus in Germany, where power likes to make a parade of its strength, the bank of the empire, that cherishes the ambition of becoming the only one for the issue of notes, has a maximum duration of but ten years, which is continued so long as the Government, in the forms prescribed by law, does not announce a year only in advance its wish to see it come to an end. The Bank of England has no guarantee of the continuation of its privilege, except that it must be warned, ten years in advance, of parliament's intention to let it become extinct. The National Bank of Belgium may, at any moment, see the State authorize some other bank besides itself to issue notes; so it must be wise, reserved, and intelligent enough for public opinion not to express a desire for this.

With a stroke of the pen we grant an extension of twenty-three years, and that seven years in advance, or thirty years of a system, which even now, without prejudice to the future, might be improved by taking up merely the reforms nearest at hand.

One, for example, is some arrangement concerning foreign paper, which M. Rouvier forgets to impose upon the Bank of France, lying torpid in its monopoly, while the nations around us, beginning with Belgium, have put it into practice, to the commercial public's great advantage. It must be acknowledged that this reform is more urgent than the obligation to establish the free deposit of securities in seven new branches (Lyons, Marseilles and Bordeaux being already provided). All our great credit institutions, our joint-stock banks, have arrangements made at considerable expense for receiving on deposit, on very easy and varied terms, the securities of their customers, giving to them a receipt with the numbers of the securities. People but little familiar with even the

elementary operations of banking will at first be led to believe in the exceptional security which a bank, *under the positive rule of the law*, can offer for these deposits. The intrusting of one's personal fortune is indeed not a small matter. They do not know that, in this case, to use securities whose numbers have been furnished is no longer a simple business mistake, a giving way to temptation explainable if not excusable; it is a crime which the law condemns and punishes, and which dishonors for life the man guilty of it. This consideration suffices to restrain the officer imprudent enough to compromise the institution confided to his charge. The failure of the *Union Générale* did not cause a loss of a centime to the depositors of securities, who all found their property again, the very securities they had confided to this old institution, with the same numbers. One might hesitate to trust his specie to a credit establishment, and yet perhaps not be afraid to leave his securities with it on free deposit. What is the use, therefore, of making the Bank of France perform a service which the public can have done elsewhere with quite as much security and often with greater convenience? Some will think, these are all questions of detail, upon which we may come to an understanding and compromise; but they will ask whether we do not accept the principle of the continuation of the exclusive privilege, while reserving the right to bargain about its duration. We answer—no; we should certainly let it expire on the 31st of December, 1897.

We shall be accused of desiring the liquidation of the Bank of France, and the terrible crisis will be recounted to us that would then result for the country. Suppose this institution liquidating in three months its bills and acceptances and advances, paying its notes, its current accounts, its stockholders, and then nothing, a blank in the matter of credit, for its immense popularity has won a patronage that would not be able to find immediately something to replace it! There would be a financial abyss which could only be fathomed with horror! And then should we have dry eyes on seeing the disappearance of the Bank of France, which, in 1871, rendered us such signal services, of which we cherish a grateful memory?

All such sentimental or oratorical phrases that might be recited to us amount to nothing, are quite wrong. Our aim is not the liquidation of the Bank of France, whose merits we are first to recognize; we want only the end of its monopoly, being, as an economist, a partisan of liberty of credit as well as of other liberties.

It may be said that to ask for the extinction of the Bank of France's monopoly is to ask for its disappearance; we do not think so. It means its slow transformation, through years, without any shocks or crises; it means its going forward on the road

of progress useful to the public, thanks to latent competition, as in Belgium, or to real competition, as in Scotland, the United States, Sweden, Switzerland, etc.

In political economy particularly we are not revolutionary, but we do not want to have to mark time. We appreciate all the importance of such an institution as our Bank of France; it is the product of time; it has its business traditions; its higher officers are of the best stamp; it has, as it deserves, the confidence of the country; its paper is received without even a frown by the rudest of peasants, who, only twenty-five years ago, preferred to it those great big yellow coins, the famous louis d'or. We do not sympathize with the people jealous of the great companies which, aside from their privileges, are the honor of our country. But we should never sacrifice to them the principles that ought to consolidate them and wed their prosperity to the increase of the general welfare.

We are convinced that, divested of its monopoly, the Bank of France will be as solid and not less appreciated than before. Its notes will continue to circulate without obstacle, and no one will dream, for a long time at least, of venturing to compete with it on this ground. Let the legal privilege die out, and we give to the actual privilege, not twenty-three or thirty years, but fifty years of existence, and perhaps more.

After all, if the public some day turns in preference to other institutions, it will be because the Bank of France has lived its time, because it is no longer up to the mark of the services to be rendered to commerce and industry, and it would be ruinous to the country to compel it to submit to an institution relatively behind the times.

Gratitude to the Bank of France is a historical sentiment, but it ought not to influence our deliberate decisions. A fortification that has protected us becomes an obstacle to useful circulation, then it is demolished, without making a fetish of it. So it ought to be with a privileged institution. And should the Bank of France make promises of reforms in order to preserve its monopoly, should it appeal to its past services, we would answer in the words of Royer-Collard in 1819: "They tell us that it is for the common interest! Do not believe it. Privilege has always presented itself under kindly forms. It wants nothing for itself! It is only devotion and sacrifice! But let it grow up, and you will soon see it oppressing all rights, because it is incorrigible."

## PAYMENT OF DEPOSITOR'S NOTE.

SUPREME COURT OF INDIANA.

*Bedford Bank v. Acoam.*

Where a bank pays a note of a depositor, payable at the bank, it is entitled to hold the note as the equitable owner or purchaser, and to set it off in a suit to recover a balance due the depositor on a general account.

MITCHELL, J.—On the 8th day of May, 1888, John W. Acoam had a sum of money on general deposit in the Bedford Bank in Bedford, Ind. The bank on that day received a note indorsed to it for collection, payable by the depositor to Stone Sons & Co., at the Bedford Bank. The bank remitted the amount due on the note, to its correspondent, and charged the account of its depositor with the sum remitted. This was done without notice to the depositor, or other authority, except such as the law implies from the fact that the note was negotiable and payable at the bank, and was duly indorsed and sent to it for collection. The depositor repudiated the act of his banker, and sued the bank to recover an alleged balance, which it is conceded he is entitled to recover, unless the bank has the right to set off the amount of the note above mentioned. There is no question but that the bank acted in good faith, nor is there any dispute but that the plaintiff below owed the note to Stone Sons & Co. It is settled that, as soon as money is deposited in a bank, the depositor and the bank assume the relation of debtor and creditor. The money at once becomes the property of the bank, and, unless the money deposited was designed for a special purpose, or unless there exists an agreement to the contrary, the bank has the right to apply a sufficient amount of the deposit to the payment of any debt due from the depositor to the bank. (*Lamb v. Morris*, 118 Ind. 179, 20 N. E. Rep. 746.) If the Bedford Bank had discounted the note of Stone Sons & Co., or taken an absolute assignment to itself of the paper, there would be no dispute about its right to retain the amount due out of the depositor's account. Is the right of the bank to set off the sum admitted to be due on the note destroyed because the amount was paid not by way of discount, but in consequence of the note having been made payable at the bank? The authorities are not agreed upon the question, but upon principle and in consonance with the weight of authority, it seems to us that the right of the bank to set off the amount must be affirmed. In England it is the settled rule that, if a note is made payable to a particular bank, the maker thereby authorizes the bank to pay it out of his funds on deposit, or by advancing the amount to his credit. Accordingly, in *Robarts v. Tucker*, 16 Adol. & E. (N. S.) 560, Parke, B., said: "If this were the ordinary case of an acceptance made payable at a banker's, there can be no question that making the acceptance payable there is tantamount to an order, on the part of the acceptor, to the banker to pay the bill to the person who is, according to the law-merchant, capable of giving a good discharge for the bill." So, in *Kymer v. Laurie*, 18 Law, J. Q. B. 218, certain bankers holding in their hands an amount of money on account of a depositor, paid a bill of exchange which had been made payable at their banking house when it became due, and was presented to them by the holder. No orders to pay the acceptance had been given, nor had the authority contained on the face of the bill been countermanded. It was held that the



bankers had authority to apply the funds of the depositor in their hands to the payment of the acceptance. This rule, with some modifications, has been recognized almost universally by the courts in this country. Accordingly, we find it declared in an early case (*Bank v. Armstrong*, 4 Dev. 519,) that there can be no question that if a bank pays off a note or acceptance of a depositor, payable at the bank, this constitutes a proper debit in the account of the depositor, and in *Mandeville v. Bank*, 9 Cranch 9, Chief Justice Marshall said: "By making a note negotiable in bank the maker authorizes the bank to advance on his credit to the owner of the note the sum expressed on its face." Many well-considered cases go to the full extent of holding that a note payable at a banking house is in effect the equivalent of a check or draft on the bank in favor of the holder of the note; and that the bank is in default if it allows the paper to go to protest in case the maker has money due him from the bank on account generally applicable to the payment of drafts or checks. (*Bank v. Henninger*, 105 Pa. St. 496, 20 Cent. Law J. 144; *Indig v. Bank*, 80 N. Y. 100; *Ætna Nat. Bank v. Fourth Nat. Bank*, 46 N. Y. 82. See, also, Rand. Com. Paper, § 1,441; 1 Daniel, Neg. Inst. § 326a; 2 Morse, Banks, § 557; Bolles, Banks, § 403.) A contrary view has, however, been vigorously maintained. (*Grisson v. Bank*, 87 Tenn. 356, 10 S. W. Rep. 774; *Bank v. Patton*, 109 Ill. 479.) While we are not inclined to the view that a promissory note negotiable and payable at a bank in this State is in all respects the equivalent of a check drawn by the maker against a fund on deposit in the bank, so as to require the banker to pay the note on presentation out of funds applicable to that purpose, we can conceive of no valid reason why a note or bill thus drawn shall not be held to authorize the banker to pay, and thereby become subrogated to all the rights of the holder to the same extent as if it had purchased the paper after maturity. One who has drawn a note or bill payable at a bank must have done so for some purpose, and he cannot be heard to say, after his banker has paid a just debt for which he had given a note, to which the maker claims no defense, that the payment was wholly voluntary and unauthorized. In such a case the banker who has paid the note is entitled to hold it as the equitable owner or purchaser, and is entitled to set it off in a suit to recover a balance due the depositor on a general account. The decision in *Scott v. Shirk*, 60 Ind. 160, upon the facts there involved, is not necessarily opposed to the conclusion above. When a note, payable at a bank, is signed by three persons, one of whom has an account at the bank, it may well be said that the bank has no power to transfer money deposited by one of the makers to the payment of the note without the depositor's consent. (*Lamb v. Morris*, *supra*.) The court erred in its conclusions of law upon the facts found. Judgment reversed, with costs, with directions to the court below to restate its conclusions of law in consonance with this opinion.

## ACCOMMODATION PAPER.

SUPREME COURT OF NORTH CAROLINA.

*Norfolk Nat. Bank v. Griffin, et al.*

Defendants, by way of accommodation, signed a promissory note in blank, and delivered it to certain of the makers, who filled in their names as payees. *Held*, that defendants were liable on the note as against a *bona fide* purchaser thereof for value.

Action by Norfolk National Bank against W. O. Temple and W. J. Griffin, in their own right and as partners, trading as Griffin & Temple, Wilson S. Temple and W. K. Etheridge, administrator of J. R. Etheridge, deceased, to recover on a promissory note, of which the following is a copy: "\$400. Norfolk, Va., March 23d, 1889. Sixty days after date we jointly and severally promise to pay Griffin & Temple, negotiable and payable without offset, at the Norfolk National Bank, four hundred dollars, for value received, and we, the maker or makers, indorser or indorsers, hereby waive the benefit of our homestead exemptions as to this debt. [Signed] W. O. TEMPLE. W. J. GRIFFIN. WILSON S. TEMPLE. J. R. ETHERIDGE." This note was indorsed by Griffin & Temple on the day named to plaintiff bank. It was executed and delivered to W. O. Temple in the State of North Carolina. He took it to Norfolk, Va., and there indorsed it to the plaintiff for value. Etheridge and W. S. Temple received no benefit from said note, but signed the same for the accommodation of Griffin & Temple, and to enable them to raise money; and these facts were known to the plaintiff. Defendants' answer alleged that the note was signed by them in blank as to the payee, and names were inserted at the time the same was signed, after which Griffin & Temple inserted their own names as payees; and that payees and payors as to Griffin & Temple are all the same parties; and that plaintiff could not maintain the action, as there were no proper contracting parties, and nothing to contract for, note being without consideration, and absolutely void. The court found in favor of plaintiff, and defendants Etheridge and Temple appeal.

CLARK, J.—A bond made payable to the obligor is void. (*Pearson v. Nesbit*, 1 Dev. 315. *Justices v. Shannonhouse*, 2 Dev. 6; *Justices v. Armstrong*, 3 Dev. 285.) A bond is a deed, and no man can execute and deliver a deed to himself. "According to common law principles, a promissory note made payable by a person to himself creates of itself no liability upon him to pay it. This is so, not for the reason that it is contrary to public policy, immoral or illegal, but because a person cannot contract with himself." (*Jenkins v. Bass* (Ky.) 11 S. W. Rep. 293.) Indeed, there is no contract till such paper is indorsed over to another, when there springs up by the law-merchant a valid contract between the maker and the indorsee. (1 Daniel, Neg. Inst. § 130; *Wood v. Mytton*, 10 Adol. & E. (N. S.) 809; *Smith v. Lusher*, 5 Cow. 688; *Plets v. Johnson*, 3 Hill 112; *Jenkins v. Bass*, *supra*.) In this case the note upon its face was executed for the purpose of being negotiated. It is found as a fact that the defendants signed it as accommodation paper, to enable those of the makers who are named as payees therein to raise money on the paper. Doubtless, they were so named as payees because it was not yet known who would lend money on the note, and it was desired not to leave the names of payees in blank. Such practice is not unusual, and

is well recognized by the law-merchant. The note was negotiated, as defendants intended should be done, and value received thereon. To protect them, upon the technical grounds set up, against the consequences of their own act, would be against good morals, and would enable them to perpetrate a fraud on the plaintiffs.

*Per Curiam.* No error.

## CERTIFIED CHECK.

APPELLATE COURT, FIRST DISTRICT, ILLINOIS.

*Continental National Bank of Chicago v. M. Cornhauser & Co.*

In this case the bank had for collection a note made by the appellees, due October 1, 1888, not payable at the bank, and sent its agent to collect it. The appellees gave to that agent their check for the amount of the note on the Traders Bank of Chicago. The agent in returning to the appellant bank stopped at the Traders, and had the check certified by the bank, which then charged it up to the account of the appellees. The agent might have had the money on the check if he required it. All this happened about noon October 1, 1888. The next day the Traders Bank, being insolvent, did not open, and the appellant brought this suit to recover from the appellees the residue of the amount due on the check unpaid from the assets of the Traders Bank: *Held*, as appellant did present the check and have it certified October 1st, it was bound then to take the money, or leave it with the Traders Bank at the risk of the appellant.

GARY, J.—These parties are both corporations. In the language of the appellant's brief the question in the case is, "Ought the bank [to] be barred of its action because its agent procured the check, to be certified, when he might have got the money?" No question is made that the action of the agent was not the action of the bank; the only claim by the appellant is, that procuring the check, to be certified, had no effect upon the relations of these parties to each other.

The circumstances were that the bank had for collection a note made by the appellees, due October 1, 1888, not payable at the bank, and sent its agent to collect it. The appellees gave to that agent their check for the amount of the note, on the Traders Bank of Chicago. The agent in returning to the appellant bank, stopped at the Traders and had the check certified by that bank, which then charged it up to the account of the appellees. The agent might have had the money upon the check if he had then required it. All this happened about noon, October 1, 1888.

The next day the Traders, being insolvent, did not open its doors for business, and the appellant now seeks to recover from the appellees the residue of the amount due on the check, unpaid from the assets of the Traders Bank. The case is of first impression in this State. It has been held several times that when the drawer of a check delivers it, already certified, the relations of the payee or holder and the drawer are not affected by the circumstance that the check is a certified check; their duties and obligations toward each other remain the same as they would have been had the check not been certified. (*Bickford v. First Nat. Bk.*, 42 Ill. 238; *Rounds v. Smith*, *Ibid.* 245; *Brown v. Leckie*, 43 Ill. 497.)

And the last case also holds that whether the bank on which the

check is drawn actually charges the amount of the check to the account of the drawer or not is immaterial.

The general rule of law, that where the payee of a check receives it from the drawer, in the same place where the bank on which it is drawn is located, the payee has all the banking hours of the next day in which to present it, in order to hold the drawer responsible for non-payment, is not disputed. The position of the appellees is that, although the appellant might have delayed the presentation of the check until October 2, and if not then paid hold them responsible, yet, as in fact it did present it and have it certified October 1, it was bound then to take the money or leave it with the Traders Bank, at the risk of the appellant.

And in this position they are sustained by all the authority there is upon the subject. (*First Nat. Bk. v. Leach*, 52 N. Y. 350, and many cases cited in *Boon v. First Nat. Bk.*, 123 Ind. 78.)

There is good reason for this doctrine. If the appellees, during the business hours of the afternoon of Oct. 1, had become suspicious of the Traders Bank, and this check had not been certified, they might have drawn their funds from the bank, for it paid all that day. But this check being certified took the amount of it out of their control. (*Brown v. Leckie*, 43 Ill. 497.)

The appellant, having the opportunity, did not, and the appellees could not take the money while it might have been obtained.

And this condition was the result of the action of the appellant; it therefore should bear the consequence.

It is true the same conditions would have existed had the check been certified before it was delivered by the appellees, but then it would have been the result of their action, and justly the consequence would have fallen upon them.

The rules of law governing commercial paper are, and ought to be, general; such as are convenient and just in business in the mass, and not subject to qualification and uncertainty, because of the effect of their application in particular instances.

There is nothing in this case to show that the credit of the Traders Bank was shaken during the day on which the check was certified. In the case cited from New York the bank failed on the same day that the check was certified, at the instance of the holder, and still it was held that the drawer was discharged. Says Judge Peckham, "If he [the drawer] apprehended damages from the suspected failure of the bank he could not draw out that money, because it had already been appropriated by means of the check thus certified."

In *Wood v. Merchants S. L. & T. Co.*, 41 Ill. 267, where a note held by that company, made by Wood, payable at the banking house of J. G. Conrad, was presented by the company, when due, at the banking house of Conrad, and certified to be "good," the Supreme Court in holding Wood liable say: "The whole case, in the view we take of it, turns on this proposition: Had the holder this right [to receive the money], and had Conrad any authority whatever to pay the note, out of the funds on deposit in his bank, to the credit of the makers?" And answering this in the negative is made the ground of the decision that Wood is not discharged.

It can scarcely be doubted what the decision of the Supreme Court, as then constituted, would have been on this case, if it had been presented to them. The court below decided that the appellees were discharged, and that decision is affirmed.

## APPLICATION OF DEPOSITS.

COURT OF APPEALS OF NEW YORK.

*Straus et al v. Tradesmen's Nat. Bank of New York.*

A bank, in which a certified check is deposited by one to the credit of another for the special purpose, of which the bank has notice, of meeting a check drawn by the latter in favor of the depositor of the certified check, and indorsed by such depositor, has no right to apply any part of the amount of the certified check to a debt due it from the person to whose credit it is deposited.

Where the depositor notified the receiving teller of the application to be made of the certified check, evidence of the president of the bank as to when he first heard of the transaction is incompetent.

BRADLEY, J.—The action was brought against the appellant and the Hanover National Bank of New York, and its purpose originally was to restrain the former from transferring or presenting for payment, and the latter from paying, a check drawn by the plaintiffs upon the Hanover Bank for \$11,787.50, which had been deposited with the Tradesmen's Bank to the credit of Hiram Dixon. The claim to such relief was predicated upon the alleged ground that the check was so deposited to produce a fund to the credit of Dixon to pay a check drawn by him upon that bank for \$11,775; and that the bank last mentioned sought to apply sufficient of the amount so placed to the credit of Dixon in payment of a debt or balance due from him to it of upwards of \$800. The matter being partially adjusted by application upon the Dixon check of the proceeds of the plaintiffs' check in excess of the amount of such debit balance, the complaint was so amended as to reduce the controversy to the question whether the Tradesmen's Bank was entitled to retain from the fund the amount so due it from Dixon. This was dependent upon the nature of the credit to Dixon, and the character in which the bank was at liberty to assume that the deposit, furnishing the credit, was made. As a rule, a deposit made in a bank by a person on general account becomes its fund, and the relation between the depositor and the bank is that of debtor and creditor, and, in the absence of any agreement to the contrary, the bank is at liberty to apply the money upon a demand due it from the depositor. (*Bank v. Hughes*, 17 Wend. 94; *Ætna Nat. Bank v. Fourth Nat. Bank*, 46 N. Y. 82; *Bank v. Smith*, 66 N. Y. 271.) This the defendant contends was the situation, and the relation produced by the deposit in question. It appears that the Dixon check in the Tradesmen's Bank, payable to the order of the plaintiffs, was drawn by him, and delivered to them, at their request, and for their accommodation, with knowledge on their part that the drawer had no funds in the bank, and with the understanding that the plaintiffs would provide the means to meet it; and thereupon, and with that view, they drew their check upon the Hanover Bank payable to the order of one of them, who indorsed it, procured it to be certified by that bank, and sent it to the Tradesmen's Bank. What took place there when the messenger delivered it to that bank for deposit to the credit of Dixon was the subject of conflict of evidence. But the trial court found that the plaintiffs' certified check was sent by them to the Tradesmen's Bank, and there deposited for the purpose of insuring the payment of Dixon's accommodation check; that the latter bank then well knew that it was intended for such purpose; and that such bank, at the time of the

deposit of the check, had notice that such deposit was made for that purpose, and was to be applied to the payment of the Dixon accommodation check. This finding is not without some evidence for its support. The messenger by whom the plaintiffs sent the check to the Tradesmen's Bank testified that he handed the check to the teller of that bank, and then told him to apply it to the payment of a check Dixon had given to the plaintiffs the day before. For the purposes of this review, in view of such evidence and finding, it must be assumed that the defendant had notice that the deposit was specially made to supply a fund to pay the Dixon check. This check had been indorsed by the plaintiffs, and placed to their credit in the Hanover Bank, when their check on that bank was certified. And, as between them and Dixon, the latter had no right to divert the fund produced by the deposit in the Tradesmen's Bank from its purpose and subject them to liability upon the indorsement so made of his check. The plaintiffs' check represented their money, and was deposited with the bank to carry out their agreement with Dixon; and this being accomplished they would also be relieved from liability as such indorsers. When the defendant received it, with notice that the deposit was made to pay a check given by Dixon to the plaintiffs, it was denied the right to treat the fund as a general deposit on Dixon's account; and it must be deemed to have been placed to the credit of Dixon, subject to the qualified purpose or trust on which the defendant was then advised the deposit was made. (*Van Alen v. Bank*, 52 N. Y. 1; *People v. City of Rochester*, 96 N. Y. 32; *National Bank v. Insurance Co.*, 104 U. S. 54.)

The omission in the deposit slip to make any reference to the purpose of the deposit, other than that it be made to the credit of Dixon, was only a circumstance bearing upon the disputed question of fact, upon which the weight of evidence must here be treated as conclusively disposed of in the court below. The president of the defendant, as a witness in its behalf, was asked when he first heard of any claim on the part of the plaintiffs, that, at the time of the deposit of their check, the receiving teller was told it was to meet a particular check, and on objection being taken his answer was excluded and exception taken. There is no support for the contention that this was error. The transaction of making the deposit by the plaintiff's messenger was with the teller only, and when the president first heard that it was claimed to have been made for a special purpose was immaterial. It could have no legitimate bearing upon the question whether any or what communication was made to the teller at the time of the delivery to him of the check for credit, qualifying its purpose. None of the defendant's exceptions were well taken. The judgment should be affirmed. All concur, except Haight, J., absent.

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**BANKS AND BANKING—PAYMENT OF CHECK BY MISTAKE.**—Plaintiff bank in the regular course of its business received checks drawn by C. upon defendant, a private banker, which were forwarded to F., its correspondent, for collection, and paid by draft, payment of which was afterwards stopped by defendant. In an action on the draft, defendant pleaded that it was executed under the mistaken belief that C. had sufficient funds on deposit to meet the checks. On the trial defendant testified that he drew the draft in reliance upon C.'s statement that a certain check left by him with defendant for collection would be paid, and that such check was not paid: *Held*, that the mistake attempted to be proved was not the one relied on in the pleading, and that neither of them was available as a defense. [*First Nat. Bank of Denver v. Devenish*, Colo.]

## LEGAL MISCELLANY.

**NEGOTIABLE INSTRUMENTS—BONA FIDE PURCHASER.**—One who buys a note after maturity, from one of the makers thereof, is presumed to take it with knowledge of all the facts, and, where it has been paid, he cannot sue thereon. [*James v. Yaeger*, Cal.]

**NEGOTIABLE INSTRUMENTS—FRAUD.**—Where the maker of notes has shown that they were procured from him by fraud, the burden is upon the holder to show that he is an innocent purchaser for value. [*Canajoharie Nat. Bank v. Diefendorf*, N. Y.]

**NEGOTIABLE INSTRUMENTS—USURY.**—A note payable to the maker's own order, and by him placed with a broker to be disposed of for the maker's benefit, is usurious when sold at a discount which amounts to more than the legal interest, and is void under 4 Rev. St. N. Y. (8th ed.) p. 2,513, § 5, declaring all bills, notes, and other obligations on which more than the legal rate of interest is taken or reserved, to be void. [*Clafin v. Boorum*, N. Y.]

**CORPORATIONS—STOCKHOLDERS.**—Where one corporation acquires a majority of the stock of a rival corporation, and a bill by a stockholder of the latter company to enjoin the other company from voting such stock in an election of directors fails to allege a demand and refusal upon the part of the directors of complainant's company to bring the suit in the corporate name, such failure is excused where the directors of defendant company had constituted a majority of the governing board of complainant company. [*Mack v. De Bardelaben C. & I. Co.*, Ala.]

**NEGOTIABLE INSTRUMENT—INDORSEMENT.**—Mere indorsement of name of payee on promissory note is ineffectual to pass the title thereto without delivery. [*Spencer v. Carstarphen*, Col.]

**TRUST.**—A testator devised property to a trustee for investment with directions to pay the profits annually to testator's brother. The will provided that, if any creditor of the brother attempted to subject such profits to the payment of his debt, the trustee should not pay such profits to testator's brother, but should add them to the principal of the trust fund. Gen. St. Ky. art. 1, ch. 63, § 21, provides that trust estates shall be subject to the debts of the beneficiaries: *Held*, that the estate created by such will was subject to the debts of the testator's brother. [*Bland's Adm'r v. Bland*, Ky.]

**CORPORATIONS—STOCKHOLDERS—DIVIDEND.**—Equity will not compel a corporation to declare a dividend at suit of a stockholder, when, although it has done a prosperous business, its assets consist largely of its plant, and of notes taken for its manufactured products mainly in distant States and upon long time, and consequently not available for discount in bank, and when, therefore, it would be compelled to borrow money, or to seriously impair its working capital to provide the necessary money. [*Hunter v. Roberts*, Mich.]

**NATIONAL BANKS—EXCESSIVE LOANS—DIRECTORS.**—The right to maintain an action under Rev. St. U. S. § 5,239, to recover of a bank director the damages sustained by his bank in consequence of excessive loans made by him while serving in the capacity of director, is not affected by the fact that the Comptroller has or has not procured a forfeiture of the bank's charter. [*Stephens v. Overstolz*, U. S. C. C.]

## THE NEW TREASURY REGULATIONS FOR ISSUING AND REDEEMING CURRENCY.

The following regulations govern the issue and redemption of the paper currency and the gold, silver, and minor coins of the United States, and the redemption of National bank notes by the Treasurer of the United States :

### I.—ISSUE OF UNITED STATES PAPER CURRENCY.

1. The Treasurer will forward new United States notes by express, at the expense of the consignee, at Government contract rates, or by registered mail, registration free, at the risk of the consignee, in return for United States notes unfit for circulation, National bank notes, fractional silver coin, or minor coin.

2. Gold certificates are issued upon a deposit of gold coin with the Treasurer or an Assistant Treasurer, in denominations of not less than \$20.

3. Silver certificates are issued by the Treasurer or Assistant Treasurers, upon a deposit of standard silver dollars, or in return for such certificates unfit for circulation forwarded for redemption.

4. Treasury notes of 1890 are issued in payment of silver bullion, purchased under the act of July 14, 1890, or in return for such notes unfit for circulation forwarded for redemption.

### II.—ISSUE OF GOLD COIN.

5. Upon receiving an original certificate of the Assistant Treasurer in New York for a deposit of \$100 or any multiple of \$100 in United States notes, the Treasurer will cause a like amount in gold coin to be sent from the Mint in Philadelphia, at the consignee's expense.

### III.—ISSUE OF STANDARD SILVER DOLLARS AND FRACTIONAL SILVER COIN.

6. Upon the deposit of an equivalent sum of gold coin, United States notes, gold certificates, silver certificates, Treasury notes of 1890, or National bank notes with the Treasurer or any Assistant Treasurer or National bank depository, standard silver dollars or fractional silver coin will be paid in any amount by the Treasurer or the Assistant Treasurers in the cities where their several offices are, or will be sent, separately or mixed, in sums or multiples of \$500, at the expense of the Government, from the most convenient Treasury office, to the order of the depositor. For this purpose deposits may be made with the Assistant Treasurer in New York by drafts payable to his order and collectible through the Clearing House.

7. Standard silver dollars in packages of \$65, and fractional silver coin in packages of \$70 of one denomination, will be forwarded by registered mail, registration free, at the risk of the party to whom sent, by the Treasurer or an Assistant Treasurer.

### IV.—ISSUE OF MINOR COIN.

8. Minor coin is issued under the following regulations of the Director of the Mint :

Five-cent nickel pieces and one-cent bronze pieces will be forwarded



in the order of application from the United States Mint, at Philadelphia, Pa., to points reached by express companies, free of transportation charges, in sums of \$20 or multiples thereof, upon receipt and collection by the Superintendent of that Mint of a draft on New York or Philadelphia, payable to his order. To points not reached by express companies, and where delivery under contract with the Government is thus impracticable, the above coin can, on the same terms, be sent by registered mail, at applicant's risk, registry fee on same to be paid by the Government. Orders for transportation at risk of applicant should express acceptance of the risk.

9. The Treasurer and Assistant Treasurers will pay out for lawful money any minor coin not needed in the current business of their offices.

#### V.—ISSUE OF THE TREASURER'S TRANSFER CHECKS.

10. Subject to the convenience of the Treasury, the Treasurer will issue transfer checks on the Assistant Treasurers, payable to the order of the sender or his correspondent, for United States notes unfit for circulation or National bank notes sent to the Treasurer for redemption, or for fractional silver coin or minor coin sent in multiples of \$20 to the Treasurer or an Assistant Treasurer.

#### VI.—REDEMPTION OF UNITED STATES PAPER CURRENCY.

11. United States notes, fractional currency notes, gold certificates, silver certificates, and Treasury notes of 1890, are redeemable by the Treasurer, and when not mutilated so that less than three-fifths of the original proportions remains, by the several Assistant Treasurers, at face value. United States notes are redeemable in coin, in sums not less than \$50, by the Assistant Treasurers in New York and San Francisco. Silver certificates are redeemable in standard silver dollars only, or exchangeable for other silver certificates.

12. United States notes, fractional currency notes, gold certificates, silver certificates, and Treasury notes of 1890, when mutilated so that less than three-fifths, but clearly more than two-fifths, of the original proportions remains, are redeemable by the Treasurer only, at one-half the face value of the whole note or certificate. Fragments not clearly more than two-fifths are not redeemed, unless accompanied by the evidence required in paragraph 13.

13. Fragments less than three-fifths are redeemed at the face value of the whole note when accompanied by an affidavit of the owner or other persons having knowledge of the facts that the missing portions have been totally destroyed. The affidavit must state the cause and manner of the mutilation, and must be sworn to and subscribed before an officer qualified to administer oaths, who must affix his official seal thereto, and the character of the affiant must be certified to be good by such officer or some other having an official seal. Signatures by mark [X] must be witnessed by two persons who can write, and who must give their places of residence. The Treasurer will exercise such discretion under this regulation as may seem to him needful to protect the United States from fraud. Fragments not redeemable are rejected and returned.

#### VII.—REDEMPTION OF NATIONAL BANK NOTES.

14. National bank notes are redeemable by the Treasurer in sums of \$1,000 or any multiple thereof.

15. Notes equaling or exceeding three-fifths of their original proportions, and bearing the name of the bank and the signature of one of its officers, are redeemable at their face value.

16. Notes of which less than three-fifths remains, or from which both signatures are lacking, are not redeemed by the Treasurer, but should be presented for redemption to the bank of issue. Fragments less than three-fifths are accepted from the bank of issue for face value by the Treasurer only when accompanied by evidence, as required by paragraph 13, that the missing portions have been totally destroyed.

17. Fragments redeemed by the bank of issue for less than face value are accepted by the Treasurer only when their valuation is equal to the face value of a note of some denomination issued by the bank, or some multiple thereof. The required valuation may be made up of several fragments of notes of the same or different denominations. Fragments not clearly more than two-fifths are acceptable only when accompanied by evidence, as required by paragraph 13, that the missing portions have been totally destroyed.

18. It having been decided that National bank notes stolen when unsigned, and put in circulation with forged signatures, are not obligatory promissory notes of the banks under Section 5,182 of the Revised Statutes, they are not redeemed by the Treasurer.

#### VIII.—REDEMPTION OR EXCHANGE OF FRACTIONAL SILVER COIN, MINOR COIN, AND STANDARD SILVER DOLLARS.

19. Fractional silver coin and coins of copper, bronze, or copper-nickel may be presented in sums or multiples of \$20, assorted by denominations in separate packages, to the Treasurer or an Assistant Treasurer for redemption or exchange into lawful money, and standard silver dollars for exchange into silver certificates only. When forwarded by express, the charges should be prepaid.

20. No foreign or mutilated silver coin will be redeemed. Reduction by natural abrasion is not considered mutilation.

21. Minor coin that is so defaced as not to be readily identified, or that is punched or clipped, will not be redeemed or exchanged. Pieces that are stamped, bent, or twisted out of shape, or otherwise imperfect, but showing no material loss of metal, will be redeemed.

#### IX.—TRANSMISSION TO THE TREASURER.

22. United States notes, gold certificates, silver certificates, Treasury notes of 1890, and National bank notes should be forwarded in separate remittances. The notes should be assorted by denominations and inclosed in paper straps, not more than 100 notes to each strap, and the straps should be marked with the amount of their contents. Not more than 8,000 notes should be put in one package.

23. An inventory, giving the amount of each denomination of notes, the total amount in the package, the address of the party sending, and the disposition to be made of the proceeds, should be inclosed with each package, and a letter of advice sent by mail.

24. The package, if it be sent by express, should be sealed up in stout paper and addressed to the "Treasurer of the United States, Washington, D. C." The wrapper should be plainly marked with the owner's name and address, the amount and kind of currency inclosed, and, if the sender desires the benefit of the Government contract, with the words "under Government contract with the United States Express Company."

25. It is the duty of postmasters to register free of charge all letters on which the postage has been fully prepaid, addressed to the Treasurer, containing currency of the United States for redemption. It is recommended that all such letters be registered, as a protection against loss.

26. Remittances of money by mail should be addressed to the "Treasurer of the United States, Washington, D. C." Such remittances and returns therefor by mail are invariably at the risk of the owners. All communications to the Treasurer in regard to packages lost in the mail are referred for investigation to the Chief Post-Office Inspector, Post-Office Department, Washington, D. C., to whom any subsequent inquiry on the subject should be addressed.

#### X.—EXPRESS CHARGES.

27. The Government contract with the United States Express Company for the transportation of moneys and securities extends to all points accessible through established express lines reached by continuous railway communications, but does not embrace sea or river transportation of any kind, and does not extend westward beyond the Missouri River, but includes the States of Missouri, Arkansas and Texas.

28. The contract rates for the transportation of all kinds of paper currency to or from Washington are—

Between Washington and points in the territory of the United States Express Company, and reached by it, 15 cents per \$1,000; sums of \$500 or less, 10 cents.

Between Washington and points in the territory of another express, excepting points in Texas and Arkansas, 50 cents per \$1,000; sums of \$500 or less, 30 cents.

Between Washington and points in Texas and Arkansas, 75 cents per \$1,000; sums of \$500 or less, 50 cents.

29. Express charges are paid by the Government, at contract rates, on standard silver dollars and fractional silver coin sent by the mints, the Treasurer, or the Assistant Treasurers, in sums or multiples of \$500, on minor coin sent from the Mint at Philadelphia in sums or multiples of \$20, and on National bank notes sent to the Treasurer for redemption in sums or multiples of \$1,000.

30. On United States notes, gold certificates, silver certificates, or Treasury notes of 1890, sent for redemption or for credit of the 5 per cent. redemption fund, and on National bank notes sent for redemption in other amounts than multiples of \$1,000, the charges, if not prepaid, are deducted from the proceeds at contract rates.

31. On United States notes, gold certificates, silver certificates, or Treasury notes of 1890, returned for United States currency or National bank notes redeemed, the charges are deducted at contract rates.

32. On gold coin sent from the mint on orders from the Treasurer in return for deposits with the Assistant Treasurer in New York the charges are deducted at contract rates.

33. On standard silver dollars, fractional silver coin, and minor coin, sent for exchange or redemption, the charges must be prepaid by the sender.

34. On transfers of funds from National bank depositaries, under letters of instruction, the charges must be paid by the depositaries.

35. The Treasurer has no control over rates exacted when the charges are prepaid, or for transportation outside of the territorial limits of the contract.

36. No charge is made for the amount of express charges, inclosed with a remittance of even thousands of dollars, when separately noted on the wrapper. Packages should always be marked with the exact amount of the contents.

#### XI.—GENERAL INFORMATION.

37. Assistant Treasurers elsewhere than in New York are not authorized to receive drafts of banks and bankers.

38. Paper currency presented for redemption or exchange or for credit of the Treasurer at the offices of the Assistant Treasurers must be assorted by kinds, and inclosed in paper straps, the straps not to contain more than 100 notes each, and to be plainly marked with the amount of the contents.

39. The act of June 30, 1876 (19 Statutes, 64), requires "that all United States officers charged with the receipt or disbursement of public moneys and all officers of National banks, shall stamp or write in plain letters the word 'counterfeit,' 'altered,' or 'worthless' upon all fraudulent notes issued in the form of and intended to circulate as money which shall be presented at their places of business; and if such officers shall wrongfully stamp any genuine note of the United States or of the National banks, they shall, upon presentation, redeem such notes at the face value thereof."

40. In case of the loss or destruction of one of the Treasurer's checks, and upon application for a duplicate, payment of the original check is stopped, and the applicant is furnished with a form of bond of indemnity, upon return of which, properly executed, a duplicate is issued.

Compliance with the foregoing regulations is enjoined on all officers of the Department, and observance of them will be expected of all making remittances to this office.

J. N. HUSTON, Treas. U. S.

APPROVED:

A. B. NETTLETON,  
Act. Sec. of the Treasury.

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## THE TAXATION OF SAVINGS BANKS.

The following letter by the Hon. Willis S. Paine, ex-Superintendent of the State Banking Department of New York, addressed to the chairman of the Committee on Ways and Means of the New York Assembly, on the taxation of savings banks, is an admirable presentation of the arguments for continuing the policy which has been observed thus far in all the States toward these institutions. Our remarks on the subject will be found elsewhere in the present number.

The large sums now on deposit in savings banks are the results of the moderate accumulation of depositors, which, if not united, would undoubtedly evade taxation because of their insignificance. The poorer portion of every community pay many indirect taxes, and their small accumulations should be protected from taxation, to the end that the tendency to save may be encouraged. For example, those who engage in manual labor usually do not own the tenement that gives them shelter. The landlord imposes the tax he pays in the form of additional rent upon the tenant, precisely as the farmer increases the price of his products as his taxes increase.

The increase of the common stock of thrift creates the feeling of the importance of public order, and it should be the continuous policy of the Legislature of this State to foster these banks by discouraging all legislation that would retard their prosperity and consequent usefulness. Men, generally speaking, are too selfish to maintain continuous efforts of denial for the purpose of gaining a remote reward which is not absolutely sure of realization; the temptation to spend is naturally

greater than the inducement to save. The prompting to accumulate for the purpose of securing a home and of protecting a family induces perhaps larger deposits than any other motive.

Admitting, however, that the temptation to spend is successfully resisted, where can small accumulations be securely deposited, or, if invested, where can the evidence of the indebtedness be placed without considerable expense so as to be safe from loss?

Their small amounts taken separately would accomplish no result, but united, they are vast sums, which, being invested or loaned, stimulate labor and promote industry. The aggregation of these deposits has made savings institutions potent factors in cheapening the price of money and in enabling large sums to be borrowed at low rates of interest.

The vague theory seems to exist that these deposits are dormant money instead of being, as they are, a reservoir of constantly changing capital. Sixty-five per cent. of this capital is, by reason of chapter 525 of the laws of last year, accessible to the owners of farms as well as the holders of real estate in the many villages and cities of this State. The rule now is safety, and not profit. The sum deposited must be ready when demanded. The dividends declared are the incidental, not the principal consideration.

But, if the pecuniary result were not to be considered, the moral result, discouraging habits of industry and economy, cannot be overdrawn. The advocates of the communistic theory are not controlled by other means than of a material character.

Organized anarchy has existed in this country, and since the punishment of the communists at Chicago, meetings of socialistic societies have become of sufficient importance to frequently receive extended notices in the daily press. All communities possess an unstable and vicious element, and experience demonstrates that in the city of New York as well as in Chicago and elsewhere a slight pretext may be made an excuse for a disturbance. Savings institutions especially are to be conserved as barriers to the increase of communism.

The small sum the State may realize from savings banks by the enactment of laws like these bills is of small consequence compared to the harm wrought by the knowledge of the fact that these deposits are subject to taxation.

Much may be said to support the theory that the State should contribute towards the support of these philanthropic institutions. Naturally, in foreign countries, in pursuance of the paternal theory of government, savings banks, as part of the philanthropic objects of society's care have been placed under the patronage of the Government, but in this country they have never been in the remotest degree a charge to be maintained by local or general taxation. The cities of New York, Brooklyn, Albany, Syracuse, Rochester and Buffalo have given enormously, both in real estate and personal property, to hospitals, asylums and kindred institutions under the control of private societies.

When this policy is not pursued, and school property is not exempted from taxation, then, and not before, let bills similar to the ones I have mentioned become laws.

WILLIS S. PAINE.

## THE OWNERSHIP OF OUR NATIONAL DEBT.

The rapid cancellation of our National debt during the past few months has made many important changes in the ownership of our Government bonds, which are of unusual interest. The *Commercial Bulletin* of this city has given the following figures and facts in relation to the changes in the past few years, and the present holding of our debt:

On the first of January, 1891, the outstanding bonded debt of the United States was about \$619,000,000, of which \$527,700,000 was represented by registered and \$91,000,000 by coupon bonds. Of the registered bonds, \$140,500,000 were on deposit at the Treasury to secure bank note circulation and \$27,900,000 to secure deposits of public money. Of the remainder, about \$6,000,000 was owned in England and Continental Europe, in Cuba, Canada and South America, leaving about \$353,000,000 in the possession of institutions and individuals in this country. Of this amount, probably nearly \$200,000,000 was owned by banks and saving banks, insurance and trust companies and other financial institutions, and of \$153,000,000 in the hands of individuals a very large proportion is owned by trustees, executors, guardians and others whose obligations interfere with their freedom of action. Of the \$619,000,000 of outstanding Government debt, nearly \$60,000,000 is represented by four-and-a-half per cent. bonds, all of which the Treasury Department expects to redeem during the present year; and of these, \$44,800,000 are registered bonds and \$14,300,000 coupon. Of the registered four-and-a-half per cent. bonds, \$30,900,000, or nearly three-fourths, are on deposit at the Treasury, \$27,200,000 to secure National bank note circulation and \$3,700,000 to secure deposits of public money. It is thus apparent that, of the \$60,000,000 of four-and-a-half per cent. bonds to be bought during the next few months, very few are in the hands of private individuals. By the close of the present year, the public debt will have fallen to little more than \$550,000,000, and the registered debt to considerably less than \$500,000,000; an amount less than was owned by National and other banks and financial institutions in either 1880 or 1885, and less than is now owned by institutions and individuals whose obligations are such as to induce them to hold on to this class of security as tenaciously as possible.

Such information as is available shows that the amount of registered bonds held in foreign countries decreased from nearly \$28,000,000, or about two and a half per cent. of the total registered debt in 1880, to about \$12,000,000, or little more than one per cent. in 1885; that the amount held as security for National bank note circulation increased from about \$320,000,000 in 1880 to \$324,000,000 in 1885, and that the amount held by banks and other financial institutions, otherwise than as security for bank note circulation, increased from \$227,000,000 in 1880 to \$245,000,000 in 1885. Since 1885, during a period of remarkably rapid reduction of the public debt, the changes in the holdings of registered bonds at yearly intervals may be summarized as follows:

Year.	Foreign.	To secure bank note circulation.	Institutions and individuals.
1885.....	\$11,927,000	\$323,721,000	\$671,194,000
1886.....	11,688,000	289,004,000	645,906,000
1887.....	11,001,000	208,934,000	608,933,000
1888.....	10,556,000	227,302,000	563,907,000
1889.....	10,362,000	190,253,000	497,188,000
1890.....	9,324,000	168,585,000	429,979,000

The Register of the Treasury reports that of the amount of registered bonds held by individuals and institutions (other than as security for National bank note circulation), \$245,000,000 was held in 1885 by banks, insurance and trust organizations; in 1886, \$61,500,000 was credited to insurance companies and \$178,500,000 to savings banks and other institutions; in 1887, insurance companies held \$55,500,000, and savings banks, etc., \$209,000,000; in 1888, insurance companies, \$47,000,000, and other institutions, \$191,000,000; in 1889, insurance companies, \$46,800,000, and other institutions, \$176,300,000. Since 1889 this information has not been given.

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### THE MASSACHUSETTS SAVINGS BANKS.

The annual report of the Commissioners of Savings Banks is always widely read, and the report for 1890, just issued for general distribution, is, like its predecessors, full of useful statistics.

The condition of the savings banks has always been considered an unerring sign of prosperity or of depression. This statement would be wholly true if the deposits represented only the savings of the laboring and middle classes of our people. We are confident, however, that many persons of means are attracted to these institutions, not only on account of the high rate of interest paid, but because of the fidelity and safety with which our banks are managed. In fact, the security to depositors has been practically absolute, the average losses having been so small as to be unworthy of mention. To be more explicit on this point, here are the aggregate results, which we quote from the eminent statistician, Edward Atkinson.

"The savings banks of Massachusetts have been in existence for seventy-two years. In that period their deposits have amounted to a fraction less than sixteen hundred million dollars, of which considerably more than three hundred million dollars now remain in their custody. Nearly every other man, woman and child in the State of Massachusetts has a deposit averaging over three hundred dollars each in these savings banks. Their officers are paid. Their expenses are less than in any other kind of business of the same importance and magnitude. The trustees who make investments are not paid. In this whole period, in dealing with this vast amount, the losses from bad investments, frauds or defalcations have been less than one-seventh of one per cent; *less than fourteen cents on each hundred dollars deposited.*"

It seems hardly probable that this high standard can be equaled in the future, yet we trust it will be. It can only be done by the continued exercise of the best judgment on the part of trustees and other officers relating to investments. The pioneer bank in this State, and in this country, is the Provident of this city. Its corporate title sounds a little ancient—"The Provident Institution for Savings in the Town of Boston."

This bank was chartered in 1816, and began business the same year in Scollay's square. It has had uninterrupted success; the late James Savage, whose bust may be seen at its present banking room in Temple place, being its first president. This bank has now 80,723 open accounts, and aggregate deposits of over thirty millions of dollars. Many people look upon this institution with almost veneration, and its past history justifies such regard. In fact, it has a reputation equal to, and is as impregnable as, the Bank of England.

Since the formation of the Provident, several others have been incorporated in this city, a complete list of which is as follows :

## BOSTON SAVINGS BANKS.

<i>Incor- por'd.</i>	<i>Name.</i>	<i>Number of Open Account's</i>	<i>Total Deposits.</i>	<i>Gain during Year ending Oct. 31, 1890</i>
1816..	Provident Institution for Savings .....	80,723	\$30,040,298.01	\$1,378,679.02
1833..	Suffolk Savings Bank .....	55,216	23,606,290.46	1,595,955.94
1854..	Boston Five Cents Savings Bank.....	115,603	17,784,859.85	1,558,538.45
1829..	Warren Institution, Charlestown.....	16,641	6,702,159.02	335,118.47
1861..	Franklin Savings Bank.....	13,891	6,514,160.41	689,955.23
1825..	Institution for Savings, Roxbury.....	13,193	4,973,046.96	333,212.20
1854..	Charlestown Five Cents Sav. B., Ch'les'n	12,876	4,459,495.93	273,992.45
1865..	Union Institution for Savings.....	9,128	3,853,802.78	250,203.28
1869..	Home Savings Bank .....	17,319	3,744,705.87	479,338.50
1864..	Eliot Five Cents Savings Bank, Roxbury	9,128	2,632,445.08	232,686.87
1863..	South Boston Savings Bank .....	13,159	2,346,560.92	123,565.91
1848..	East Boston Savings Bank.....	8,240	2,131,113.68	202,710.30
1864..	Boston Penny Savings Bank.....	7,049	1,303,351.95	101,526.19
1870..	North End Savings Bank .....	3,714	1,064,756.77	154,377.89
1861..	Brighton Five Cents Savings Bank.....	1,579	350,608.39	45,037.98
Totals.....		377,549	\$111,597,656.08	\$7,754,898.68

It will be observed that our city banks represent about thirty per cent. of the total deposits in all the banks of the commonwealth, which amount to \$353,592,937.

Upon examination of the statistics in past years, it appears that the largest growth has occurred since 1850. We append a table which shows their condition at periods of ten years each since 1840:

<i>Year.</i>	<i>Number of Banks.</i>	<i>Number of Depositors.</i>	<i>Amount of Deposits.</i>	<i>Average of each Account.</i>
1840.....	31	37,470	\$5,819,554	\$157.98
1850.....	45	58,178	9,813,288	174.57
1860.....	89	230,068	45,054,236	195.83
1870.....	139	488,797	112,119,016	277.71
1880.....	164	706,395	218,047,922	308.61
1890.....	179	1,083,817	353,592,937	326.24

We realize what an immense benefit these institutions are by noticing that the aggregate transactions with depositors the past year were 1,800,000, amounting to one hundred and thirty-eight millions of dollars—that is, there were deposited \$73,000,000 and withdrawn \$65,000,000, a gain of \$8,000,000, to which should be added the dividends declared of \$13,000,000, making an aggregate net gain for 1890 of \$21,000,000. This is the largest gain since 1872. There are, it appears, a round million of depositors in this commonwealth. The investment of this immense sum is no small matter, and demands ripe judgment and wide experience.

One significant item in this connection is the loans upon real estate, which amount to \$143,000,000. There are, according to the late report of the commissioners, 55,945 of such loans, averaging \$2,562.39 each.

Imagine that each of these loans represents a home, and we shall find that these institutions are of great advantage to the borrower as well as depositor.

Indeed, it would be difficult to estimate the benefits obtained by those seeking loans. The money is scattered in many channels, being invested, besides mortgages of real estate, in bank stock, municipal and other bonds, and in large measure to mill corporations, whose thousands of looms are run by means of this capital, which, although when



deposited were small sums, have by their accumulation reached a princely amount.

Each depositor is really a silent partner in many enterprises, and but for his thrift, our cities, bankers and merchants would be obliged to seek elsewhere for funds when needed. We therefore say, all honor be given to these banks and to the men who so unselfishly guard their interests. We commend the perusal of the recent report to our readers, confident that they will find it full of profitable and interesting matter. The appendix contains, in very convenient form, a complete list of investments which the statutes allow.

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### WHY EUROPE'S SILVER WOULD NOT FLOOD OUR MINTS IF FREE COINAGE WERE ADOPTED.

Under the inspiration to over-caution, which naturally pertains to so great and delicate an office, the lamented Secretary of the Treasury adopted current fears of Europe's silver to flood our reopened mints, if free coinage is enacted. Upon our Mint Director's estimates he measured this prospective avalanche at \$1,100,000,000 of "*full legal-tender silver*," of which \$428,000,000 constitute a portion of the present reserves of Europe's great banks. Quoting the market price of silver at 105 cents against our mint valuation of 129 cents per ounce, or about 83 cents for the market worth of the bullion in our silver dollar coin, the Secretary assumed his dread of Europe's silver thereby to be confirmed.

But in contemplating Europe's silver we have not to deal with bullion, nor with market price. Excepting her production of about one-half the amount her arts consume, Europe's only silver is her silver money. Its relation to her gold, in coin, is at  $15\frac{1}{2}$  of silver as equivalent to 1 of gold. Our mint equivalents are 15.988 to 1. That is, for her gold equivalent of our mint unit, 23.22 grains gold, Europe's valuation of silver appoints 359.91 grains silver, while our mint requirement is 371.25 grains. Compared in price, her coin valuation of silver is, therefore, 133 cents, against ours of 129 cents, per fine ounce. That is, our standard silver dollar would recoin into 103.05 cents of her standard; and 100 cents of hers would recoin into but 96.95 cents of our standard silver. Hence, 3.05 cents on each 100 cents would be the absolute loss to Europe, in addition to all the costs of transportation, if the medium of our mints were selected to exchange her full legal-tender silver for the exact equivalent to her in gold. For such exchange of her \$1,100,000,000 silver, for its exact equivalent to her in gold, Europe's loss would exceed \$33,000,000, and all the transit costs additional, and with absolutely nothing more potential as her full legal-tender money obtained by her in the exchange.

As to Europe's great banks, they are chartered institutions; may not coin money; one of their functions is to earn it; no one of them is to lose money intentionally. Their silver reserves and their gold reserves are exactly alike full legal-tender in fulfillment of contracts, payment of debts including their deposits, and for redemptions of their circulating notes. For these banks to employ our reopened mints as the medium of exchanging their legal-tender silver for its exact equivalent to them in gold, would occasion them a loss exceeding \$13,000,000, besides the costs of freight, insurance, interest, and light weight of coin, in the transfer of bullion to and from our mints. To attribute such a proceeding to a bank which, for the third time, has willingly and easily rescued the banking fraternity of England from impending peril, would seem to be postposterous.

Also, against all dread of Europe's silver at our mints, observe that these banks constitute a portion of the community of Europe which in trade with India is annually indebted to India in amount exceeding \$80,000,000. If Europe is burdened with surplus silver, her constant opportunity, past and future, is to trade it off with India at a gain in the exchange. India's legal-tender silver rupee and the said European silver are so related to British standard gold, that only 348.3 grains silver is India's requirement, against 359.91 as Europe's, and against 371.25 as our mint requirement of silver in legal-tender coin equivalent of our unit, 23.22 grains gold. Europe's vast annual settlements with India being made in council bills bought in London, instead of Europe's recoining her silver legal-tender money at this increased valuation into rupees, is such a neglect of constant opportunity as must satisfy the unprejudiced and well-informed that Europe has in fact no surplus or spare silver.

According to the eminent statistician of Paris, France, Mr. Ottomar Haupt, by letter dated August 14, 1890, of whom the *Economist* says, "few have given more attention than he to monetary statistics and affairs": "Neither will Germany sell any more thalers, nor Italy her demonetized Bourbonian piastres; nay, even little Roumania looks already mournfully on the 25,000,000 francs of five-lei pieces disposed of to a group of Viennese bankers."

Finally, sharing the lamented Secretary's convictions that neither all the gold nor all the silver of the world is sufficient for the money of the world, the coinage of both metals seems to me to be the world's necessity.

With the instances of Spain, France, and India, remote, modern and present, as substantiating my belief, I rely upon the stupendous figures of our trade and commerce, so recently collated by the Secretary, in demonstration of the commanding position of the United States among the nations, to assert my conviction that our adoption of equally free coinage for gold and silver, upon our ratio of 15.988 to 1, would be entirely safe, eminently patriotic as an American policy, and strictly sound finance.

With the experience of France during the period of seventy years to 1871 recalled, also noting India as headquarters for the East, with her mints open, and while she constantly accumulates both gold and silver from the outside world, my conviction is that equally free coinage for gold and silver, upon our appointed ratio, would make the United States, New York City in particular, headquarters for the commercial world's supplies of both the money metals; and with the minimum price of silver always exceeding \$1.29 per ounce.

As to the reputed over-production of silver in the world: Note that for forty years of the seventy, during which the mints of France coined gold and silver freely, on their ratio, which values silver 3.05 cents on the dollar higher than does ours, the world's total production of gold and silver was 71 per cent. silver. The world's present ratio of production is only 58 per cent. silver. During thirty years of the period instanced as to France, 66 per cent. of the production was gold.

If, then, equally free coinage shall be adopted as our monetary system, the actual circulation, as now, being in certificates which represent the coin, our money volume will be regulated automatically by the mine product and world's demand for gold and silver. Against which it must be foreseen that, with a bank note issue becoming a thing of the past in the United States, a practically irredeemable paper money issue will be irresistibly demanded by the people, at no late day, unless all agitation shall be silenced by the early adoption of this automatic issue of sound money, as now proposed.

WM. P. ST. JOHN.

## BANK OF FRANCE.

The Bank of France, although nominally a private banking house, is, in reality, a semi-official institution, for the reason that its operations are made under State control because it has the monopoly of issuing bank bills. This single fact that the bank issues the French greenback (which is blue and rose) makes the average citizen believe that the institution belongs to the Government, and he has the same confidence in it that he does in the Government itself. Business men know that it is a private banking company, but they are certain that the State, which appoints the governor and deputy governors, would not allow it to fail, and that behind its nominal capital of 182,500,000 francs, furnished by the stockholders, there is the fortune of France.

The bank discounts commercial paper on short time, not exceeding three months, and advances money on securities deposited. Its credit, however, is not directly accessible to small tradesmen, because it requires all discount paper to have three signatures. Thus, business men are often obliged to have recourse to an intermediate banker, who discounts their notes, and then, after adding his own signature to the two already on the paper, sends it to the bank, which rediscounts it. The bank loans money on a very limited number of securities. For example, it makes advances on French railway bonds, but not on foreign railway stocks. It accepts notes drawn by foreigners against Frenchmen, but does not collect bills drawn by Frenchmen on foreigners. These vexatious rules and many others, which date from a time when banking was in its infancy, have predisposed a part of the business community against the bank, and a strong effort is making to prevent a renewal of its privilege, at least not without important modifications in its methods of dealing with the public and its relations with the Government.

The management of the bank is intrusted to fifteen regents and three examiners, who, with the governor and two deputy governors, form what is called the administrative council. This board of directors, as a New Yorker would say, meets once a week, fixes the rate of discount—which rarely varies from 3 per cent.—and decides upon all questions concerning the bank's transactions. The fifteen regents are selected at a general meeting of the stockholders, and are renewed by fifths every year. This "general" meeting is composed always of the 200 largest stockholders who have held their shares for six months preceding the call. Five of these directors must be chosen from among manufacturers or tradesmen who are stockholders, and three from among the *Tre-soriers-Payeurs-Genreaux*, a departmental official of the treasury. These functionaries are given a place on the board of directors because a large amount of Government money they handle must be kept at the bank. There are five sub-committees, each one superintending a special branch of the bank's transactions. The three examiners supervise all the business done; they are selected by the 200 stockholders from among the commercial men owning shares in the bank, and their unanimous refusal suspends all new issue of bank bills. Unlike the Bank of England, which is limited in its issue of bank notes to about 889,500,000 francs, the Bank of France can issue bills to the amount of 3,500,000,000. The aggregate circulation at the present time is about \$617,000,000. The shares of the bank, the par value of which is 1,000 francs, are now worth 4,365; and pay nearly 4 per cent. dividend.

The building occupied by the Bank of France was constructed in 1620 by the architect Mansard for the Duc de Vrillière and restored at the beginning of the present century. It covers all the space comprised between the rue de la Vrillière, the rue Radizwill, the rue Bailiff and the rue Croix-les-Petits-Champs. That part of the building open to the public has no special character, the clerks being caged in as they are in most of the Parisian banks. But the vaults are more interesting, although the treasures they contain are not guarded by invisible genii or winged-dragons; they are protected by solid walls where granite, cement and iron are combined to render them inaccessible. The entrance to the first vault is defended by an iron door with three locks, whose keys are held by the governor, one of the examiners, and the head cashier. When the door is opened we are in a small room containing the safe in which is kept the money used each day. This safe has a combination lock, which, if touched by a stranger, immediately gives an electrical alarm that is heard all over the building. A second door, also with three different locks and opened only by the keys of the three high functionaries just cited, leads to what is called the "conservatory," or safety deposit vault, where securities or other valuables are kept. It was here that the old Duke of Brunswick used to place his famous collection of diamonds when he was off on a holiday. The bank charges  $\frac{1}{8}$  per cent. for six months on the value of these deposits. The entrance to the next room is concealed by an iron-bound door hidden in a wall. Like all the other doors, it has a secret combination lock, the keys of which are kept by the three high officials previously named. Once inside the room we see a narrow spiral staircase, just wide enough for one person, and at the foot of this staircase there is still another door with three locks. This is the last barrier before reaching the vault where the precious metal is kept. Ranged on all sides are large iron boxes, whose covers are lined with lead, this metal being used so that the boxes can be immediately sealed in case of necessity. All these boxes are marked according to their contents. Some contain gold ingots, others silver and gold pieces of different denominations, each box holding millions. The amount of gold and silver on hand varies from seven hundred millions to over two and a half billions. At the time of the recent transfer the vaults contained 1,196,500,000 francs in gold and 1,244,000,000 in silver.

Other interesting parts of the bank are the golden gallery, which was restored in 1875, the printing office and the room where the old bills are reduced to pulp by chemical process. The bank manufactures its own paper, ink, and all the material used in its office. It employs a large staff of chemists and engravers, who are constantly trying to find means to outwit the most skillful counterfeiters.

The governor of the Bank of France, M. Joseph Magnin, senator and at one time minister of commerce, is now 67 years old, and was in early life, like his father before him, an iron master at Dijon. He was first elected a deputy in 1863 and soon distinguished himself by his discussion of financial questions. He voted constantly against the empire, and after that fall of the Government was named minister of commerce. When the senate was reorganized in 1876, he was chosen a life-member. M. Magnin is a very capable financier, and under his direction the Bank of France has reached a degree of prosperity hitherto unknown. During the winter season the governor gives two or three receptions in the splendid private apartments occupied by him at the bank, and these *soirées* are among the most enjoyable of the official entertainments.—*The Epoch*.

## HOW GOLD MAY BE KEPT IN CIRCULATION.

The following, by Mr. J. P. Mumford, Cashier of the National Bank of the Republic, of Philadelphia, is an interesting contribution to the chief monetary question of the day. In the same line is the action by the Bank of America of New York, in excluding silver in its contracts.

The experience of fluctuating values of currencies in this country following past legal tender and silver legislation is doubtless causing many to view with concern the possibility of more extended fluctuations in the near future by the pending or promised legislation regarding the freer coinage of silver, which may result in driving gold out of circulation.

The thought has come to me that perhaps the danger to commercial and financial operations by such legislation could be eliminated if the labor organizations which practically fix the hours of labor and the rate of compensation would logically carry out their purpose of securing adequate returns for labor by insisting that the workman, *at the time of payment*, shall have the choice of the kind of money he shall receive.

Such a clause might now be put into all contracts without harm to any interests, while the dollar of various kinds has equal exchangeable value, but would prevent loss to labor in the event of any difference in the exchangeable value of gold, silver or paper dollars, because the sellers of labor would instantly and instinctively choose to be paid in such currencies as would have the highest exchangeable value, or would accept currency of lower exchangeable value only at its proportionate value in the higher standard.

The presence of such a clause would compel employers to base all their operations on the most appreciated forms of currency, would tend to keep them in general use, and the speedy result would be the discarding, as standard, of all forms of money of lower exchangeable value.

The exercise of such choice by the workman would not require on his part any understanding of currency theories, prices at the nearest market would determine his action; nor would it necessarily prevent legislation in the interest of any silver or other currency experiment. The world's markets would continue to test all such experiments without loss to labor, and, hence, without disturbance to commercial transactions.

Of course such a movement, if found practicable, would not confine itself to members of trade organizations, but I suggest its adoption by such bodies, as they comprise a very large number of citizens interested in the stable purchasing power of their wages, and their exercise of the choice proposed would quickly form a public opinion on currency questions, which would be wholesome and lasting.

## BOOK NOTICES.

*The Statesman's Year-Book. Statistical and Historical Annual of the States of the World for the year 1891.* Edited by J. SCOTT KELTRE. Twenty-eighth Annual Publication. London: Macmillan & Co. 1891.

This work needs no introduction to our readers, for its great merits are everywhere recognized. In no other of the many yearly manuals can such a mass of well-digested information be found. The present volume contains 1,132 pages; of this number 303 pages are devoted to the British empire. The remainder contains a compact summary of all the more important matters of the other countries in the world, arranged in a chronological order. Thus the portion devoted to the United States, forty pages, is near the end. Of the excellent arrangement and accuracy of the facts here presented we think we are justified in speaking; while they also confirm confidence that the other portions are alike trustworthy. The great reputation of this work is truly deserved.

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*Rubber Hand Stamps and the Manipulation of India Rubber.* A Practical Treatise on the Manufacture of Rubber Hand Stamps, Small Articles of India Rubber, the Hektograph, Special Inks, Cements and Allied Subjects. By T. O'CONOR SLOANE, E. M., A. M., Ph. D. New York: Norman W. Henley & Co. 1891.

The manipulation of India rubber has been considered an almost impenetrable trade secret, or attended with much difficulty of manipulation. In "Rubber Hand Stamps and the Manipulation of India Rubber" the entire subject is treated exclusively from a practical standpoint. The details are made clear, and the processes are so simplified that any one of fair mechanical ability can undertake to make numberless articles of the gum. While the most advanced apparatus is described and illustrated, at the same time the fact is recognized that many will not feel inclined to incur heavy expenditure.

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*An Ideal Bank.* Address delivered before the Institute of Accounts, New York City. By JAMES G. CANNON, Vice-President Fourth National Bank, New York. January, 1891.

This is an admirable address. Mr. Cannon has treated the subject under four heads, which relate to the business, the officers, the employes, and the machinery of an ideal bank. Under the first head he remarks, "A bank should not be organized or its business conducted for any one set of men or class of people. No bank can be successful when managed exclusively for the interests of a political party—whether Republican, Democratic, Prohibitionist or Farmers' Alliance; neither can it be expected to prosper when conducted for the benefit of one section of the country, whether the Eastern, Northern, Western or Southern States; nor when managed for the sole interests of any one religious denomination—whether Presbyterian, Catholic, Episcopalian, Hebrew or Baptist." With respect to the officers, "In the first

place, they should be broad-minded, and thoroughly conversant with all classes of business. Too many officers allow themselves to become dwarfed in their way of thinking. They should endeavor to look upon matters from an unbiased standpoint, and give careful, conservative, and at the same time quick judgment. Promptness of action is one of the most desirable qualities in a bank officer. If he delay in answering the questions that come before him from day to day, and hesitate about passing on the problems presented by customers or clerks, it produces a feeling of doubt in the minds of those who come in contact with him, and in many instances his judgment is questioned. A bank officer should always be courteous. There is no reason why a person who is the custodian of other people's money should be overbearing or dictatorial." The employes "must be first and foremost loyal to the bank and its officers. No institution should tolerate in its employ a man who is disloyal, or who does not have the active interests of the bank at heart. He should learn this lesson when he first enters the institution. The employes should be men of good education. Some institutions are giving preference more and more to young men who have graduated from business colleges, as they have proved more competent to take up the general work of a bank. One of the best references a young man can have to-day in applying for a position in a bank is to be able to show a diploma from a first-class business college." We hope to have space in an early number for the larger portion of this address, which is one of the most noteworthy productions by a banker that we have read for a long time. Mr. Cannon has honored the men engaged in the banking business by this admirable paper.

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*Chapters on the Theory and History of Banking.* By CHARLES F. DUNBAR, Professor of Political Economy in Harvard University. G. P. Putnam's Sons, New York. 1891.

This little book is a description of the principal operations in banking, with brief descriptions of the Bank of Amsterdam, of France, of England, of the Reichsbank of Germany, and of the National banks of the United States. The author states that the book was prepared especially for the students in Harvard University, as an introduction to the economic questions in banking. The information contained in these pages will now serve a wider purpose, and doubtless will be as gladly welcomed as it was by those for whom it was especially prepared. The latter portion of the work, which is historical and descriptive, will probably possess greater interest to bankers, because they are less familiar with foreign banking systems than with their own.

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*A Move for Better Roads.* Essays on Roadmaking and Maintenance and Road Laws, for which prizes or honorable mention were awarded through the University of Pennsylvania by a committee of citizens of Philadelphia, with a synopsis of other contributions and a review by the Secretary. LEWIS M. HAUPT, A. M., C. E., Professor of Civil Engineering, University of Pennsylvania; also an Introduction by WILLIAM H. RHAWN, chairman of the committee. Philadelphia: University of Pennsylvania Press. 1891.

The need of better roads everywhere is generally acknowledged. Our country has been singularly slow in improving them, but the people are beginning to learn

the cost of using poor ones. The larger portion of the money now expended for maintaining them is thrown away; and it is asserted that in many places the roads are really becoming worse. The book consists of a series of essays, which have been written in response to prizes offered by a committee for the best papers on roadmaking and maintenance. Three prizes were offered, of four hundred, two hundred, and one hundred dollars. A large number of papers were presented, the most noteworthy of which are printed in this volume. They contain a large amount of valuable information, and doubtless will do much to quicken an interest in the improvement of our highways. The volume is well printed, and sells at the reasonable price of two dollars, and ought to find its way into the hands of all who are interested in the subject. Some of the facts stated here concerning the heavy cost of transportation on poor roads are very striking. It may be added that one branch of the Pennsylvania Legislature has just appropriated \$1,000,000 to be expended among the counties for road maintenance. It is, however, simply a general contribution toward defraying the local burden. It may be questioned whether the State could not use this money in a more effective manner; for we do not think that this expenditure means better roads, but merely the lightening of the local burdens for the maintenance of highways.

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*The Reader's Guide in Economic, Social and Political Science.* Being a classified bibliography, American, English, French and German, with descriptive notes, author, title and subject index, courses of reading, college courses, etc. Edited by R. R. BOWKER and GEORGE ILES. New York: The Society for Political Education. G. P. Putnam's Sons, Publishing Agents, New York and London. 1891.

This is a very useful publication. It covers the entire field of economic, social, and political science. Its titles include not only the leading works by American and English authors, but those in French and German. In addition, recent magazine articles bearing upon political questions are mentioned, and full references are given to government publications. The chief value of the Guide is in the descriptive and critical notes appended to its principal titles. In providing these, the editors, R. R. Bowker and George Iles, have been aided by twenty-six eminent educators and specialists. Their recommendations include three brief reading courses planned for youths, for readers in a second stage of progress, and for students. An appendix shows in summary the courses in political and economic science offered in the leading colleges to both men and women.

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The April number of the *Quarterly Journal of Economics* contains two noteworthy articles on the application of the doctrine of economic rent to capital and labor as well as to land—one by Professor J. B. Clark, of Smith College, and the other by J. A. Hobson, of London, the two writers having come to similar results independently and simultaneously. Professor Adolph Wagner, of Berlin, contributes an important article on Marshall's *Principles of Economics*; and Dr. William Cunningham reviews Gross's work on the *Gild Merchant*.



# CONDITION OF ILLINOIS STATE BANKS, MARCH 12, 1891.

COMPILED BY THE AUDITOR OF PUBLIC ACCOUNTS, HON. C. W. PAVEY, FROM REPORTS MADE TO HIM IN PURSUANCE OF LAW.

NAME.		LOCATION.	Capital Stock Paid In.	Surplus Fund.	Undivided Profits.	Savings Deposits Subject to Notice.	Individual Deposits Subject to Check.	Demand Certificates of Deposit.	Time Cer- tificates of Deposit.	Due to other Banks.	Total Liabilities.
1.	Alexander County Savings Bank.....	Cairo.....	\$50,000	\$2,000 00	\$2,537 40	\$190,175 95	\$109,139 89	\$45,345 47	\$12,512 00	\$1,306 13	\$257,225 35
2.	Alton Savings Bank.....	Alton.....	100,000	30,000 00	9,150 89	.....	43,166 69	1,002 16	378,222 93	.....	763,165 31
3.	Auburn State Bank.....	Auburn.....	25,000	.....	718 24	.....	.....	.....	.....	.....	69,887 09
4.*	Bank of Commerce.....	Chicago.....	.....	.....	.....	.....	.....	.....	.....	.....	103,642 15
5.	Bank of Illinois.....	Chicago.....	100,000	.....	3,642 15	.....	.....	.....	.....	.....	98,602 67
6.	Bank of Schuyler County.....	Rushville.....	25,000	.....	1,105 54	.....	57,720 30	14,142 36	.....	422 07	133,741 43
7.	Calumet State Bank.....	Blue Island.....	25,000	.....	8,660 47	.....	83,360 99	1,640 50	14,060 00	.....	175,962 48
8.	Chemical Trust and Savings Bank.....	Chicago.....	350,000	.....	32,184 98	21,962 95	346,801 75	18,381 31	.....	.....	720,011 94
9.	Chicago Trust and Savings Bank.....	Chicago.....	400,000	.....	36,958 76	86,602 25	267,368 02	40,385 00	.....	83,288 26	71,035 69
10.	Commercial State Bank.....	Windsor.....	30,000	.....	2,538 61	.....	31,899 58	5,872 50	725 00	.....	8,036,417 40
11.	Corn Exchange Bank.....	Chicago.....	1,000,000	1,000,000 00	48,729 57	.....	4,702,688 09	161,052 82	250,000 00	871,027 17	62,489 40
12.	Dairyman's State Bank.....	Marengo.....	25,000	.....	836 06	10,119 41	26,533 93	.....	.....	.....	500,586 09
13.	Dime Savings Bank.....	Chicago.....	100,000	22,000 00	6,023 34	372,542 75	25,718 06	.....	10,208 53	.....	61,885 09
14.	Elmwood State Bank.....	Elmwood.....	25,000	.....	958 50	.....	.....	.....	76,983 13	.....	613,119 06
15.	Enterprise Savings Bank.....	Cairo.....	50,000	42,658 10	.....	443,477 83	.....	.....	.....	.....	107,275 11
16.*	Farmers' State Bank.....	Auburn.....	.....	.....	.....	.....	.....	.....	.....	753 08	104,211 59
17.	Farmers' State Bank of Illiopolis.....	Illiopolis.....	40,000	.....	2,309 61	.....	48,398 67	6,113 75	9,700 00	.....	54,753 61
18.	First State Bank of Beardstown.....	Beardstown.....	25,000	.....	1,937 26	.....	52,790 17	2,091 66	22,267 50	.....	72,597 29
19.	First State Bank of Mound City.....	Mound City.....	25,000	.....	4,839 65	.....	24,913 96	.....	.....	.....	231,854 73
20.	Franklin Grove Bank.....	F'klin Grove.....	25,000	1,500 00	1,942 86	.....	29,687 60	14,376 83	600 00	.....	269,669 06
21.	Globe Savings Bank.....	Chicago.....	200,000	.....	1,206 57	8,244 46	16,056 50	5,600 00	.....	.....	14,882,747 27
22.	Home Savings Bank.....	Chicago.....	5,000	.....	23,196 65	239,592 91	566 25	.....	927,998 41	.....	1,593,224 11
23.	Illinois Trust and Savings Bank.....	Chicago.....	1,000,000	1,000,000 00	111,746 54	6,401,678 40	4,955,075 71	173,101 29	504,815 00	.....	694,324 72
24.	International Bank.....	Chicago.....	500,000	100,000 00	33,662 38	.....	858,463 19	87,047 86	.....	.....	607,320 50
25.	Northwestern Bond and Trust Co.....	Chicago.....	100,000	.....	15,411 57	168,438 30	194,518 61	63,717 81	.....	.....	110,535 22
26.	People's Bank of Rockford.....	Rockford.....	125,000	.....	55,645 78	.....	48,889 71	3,441 00	7,500 00	.....	135,834 06
27.	People's State Bank of Astoria.....	Astoria.....	50,000	.....	238 00	.....	22,539 81	601 75	1,680 25	7,619 04	56,185 80
28.	Peoria Savings Loan and Trust Co.....	Peoria.....	100,000	.....	1,322 09	2,072 02	12,715 29	17,769 25	.....	.....	160,127 99
29.	Peru State Bank.....	Peru.....	25,000	.....	701 26	.....	96,169 17	.....	19,084 61	540 96	833,722 51
30.	Pittsfield Bank.....	Pittsfield.....	30,000	.....	3,888 20	10,445 05	210,353 21	4,151 10	.....	.....	310,400 91
31.	Pullman Loan and Savings Bank.....	Pullman.....	100,000	50,000 00	2,320 30	447,425 52	266,108 73	120,710 19	.....	.....	1,165,141 54
32.	Rock Island Savings Bank.....	Rock Island.....	100,000	.....	14,581 99	.....	412,400 07	61,042 70	275,559 91	3,340 64	1,591,406 50
33.	Springfield Marine Bank.....	Springfield.....	85,500	214,500 00	112,708 22	473,289 09	513,799 89	23,771 91	32,307 82	23,325 49	131,925 68
34.	State Bank of Chicago.....	Chicago.....	500,000	.....	2,749 50	.....	70,525 77	3,575 15	8,083 50	5,121 54	94,491 40
35.	State Bank of Clinton.....	Clinton.....	50,000	.....	2,703 19	.....	56,946 45	29,595 10	.....	1,318 27	79,509 38
36.	State Bank of Hamilton.....	Hamilton.....	25,000	1,500 00	2,061 83	.....	19,535 12	3,859 38	.....	.....	41,167 03
37.	State Bank of Orion.....	Orion.....	25,000	.....	3,630 89	.....	16,420 50	.....	.....	80,999 77	1,410,436 94
38.	State Bank of Roseville.....	Roseville.....	300,000	.....	67 15	683,700 66	165,427 00	20,600 69	14,516 27	.....	425,304 38
39.	State Savings Loan and Trust Co.....	Quincy.....	250,000	.....	8,922 58	.....	42,700 08	.....	.....	.....	160,972 94
40.	State Savings Bank.....	Quincy.....	250,000	.....	2,336 31	.....	47,700 08	.....	.....	.....	.....
41.	Stronghurst State Bank.....	Stronghurst.....	25,000	3,000 00	1,187 31	.....	.....	.....	.....	.....	.....

42.	The American Trust and Savings Bank	25,000	2,619 23	24,400 38	11,686 60	3,335 00	.....	67,041 21
43.	The Bank of Arthur	25,000	3,002 94	96,105 24	12,621 11	.....	.....	136,729 29
44.	The Bank of Elkhart	25,000	51,428 37	221,485 38	50,492 08	396,615 03	.....	920,020 86
45.	The Belleville Savings Bank	60,000	10,759 13	405,438 13	178,851 56	13,731 17	.....	476,337 26
46.	The Elgin City Banking Company	100,000	2,051 77	.....	66,489 90	40,500 00	.....	384,871 50
47.	The Farmers and Merchants' Bank	100,000	2,138 45	.....	66,489 90	15,500 13	.....	237,979 57
48.	The Farmers and Merchants' Bank	100,000	2,138 45	.....	66,489 90	15,500 13	.....	237,979 57
49.	The Farmers and Merchants' Bank	100,000	2,138 45	.....	66,489 90	15,500 13	.....	237,979 57
50.	The Farmers and Merchants' Bank	100,000	2,138 45	.....	66,489 90	15,500 13	.....	237,979 57
51.	The Farmers and Merchants' Bank	100,000	2,138 45	.....	66,489 90	15,500 13	.....	237,979 57
52.	The Farmers and Merchants' Bank	100,000	2,138 45	.....	66,489 90	15,500 13	.....	237,979 57
53.	The Farmers and Merchants' Bank	100,000	2,138 45	.....	66,489 90	15,500 13	.....	237,979 57
54.	The Farmers and Merchants' Bank	100,000	2,138 45	.....	66,489 90	15,500 13	.....	237,979 57
55.	The Farmers and Merchants' Bank	100,000	2,138 45	.....	66,489 90	15,500 13	.....	237,979 57
56.	The Farmers and Merchants' Bank	100,000	2,138 45	.....	66,489 90	15,500 13	.....	237,979 57
57.	The Farmers and Merchants' Bank	100,000	2,138 45	.....	66,489 90	15,500 13	.....	237,979 57
58.	The Farmers and Merchants' Bank	100,000	2,138 45	.....	66,489 90	15,500 13	.....	237,979 57
59.	The Farmers and Merchants' Bank	100,000	2,138 45	.....	66,489 90	15,500 13	.....	237,979 57
60.	The Farmers and Merchants' Bank	100,000	2,138 45	.....	66,489 90	15,500 13	.....	237,979 57
61.	The Farmers and Merchants' Bank	100,000	2,138 45	.....	66,489 90	15,500 13	.....	237,979 57
62.	The Farmers and Merchants' Bank	100,000	2,138 45	.....	66,489 90	15,500 13	.....	237,979 57
63.	The Farmers and Merchants' Bank	100,000	2,138 45	.....	66,489 90	15,500 13	.....	237,979 57
Total		11,707,500	4,286,600 24	15,049,958 19	28,359,104 91	2,108,981 01	4,332,681 18	71,347,571 67

\* Recently organized.

## RESOURCES.

	Loans and Discounts.	Overdrafts Secured and Unsecured.	U. S. Bonds.	Other Bonds and Stocks.	Cash on Hand.	Due from other Banks.	Other Real Estate.	Furniture and Fixtures.	Current Expenses.	Checks and other Cash Items.	Collections.	Total Resources.
1.	\$177,197 70	\$926 40	\$611 25	\$1,100 00	\$102,889 62	\$73,664 59	.....	.....	\$3,725 41	.....	.....	\$257,225 35
2.	433,655 29	682 13	100 00	29,900 00	11,714 57	185,060 07	\$1,441 51	.....	1,008 61	\$8,428 08	.....	763,165 31
3.	41,100 68	1,267 40	.....	.....	.....	10,445 22	.....	\$1,500 00	237 72	559 90	\$1 60	69,887 09
4.	.....	.....	.....	60,500 00	.....	43,142 15	.....	.....	.....	.....	.....	103,642 15
5.	.....	.....	.....	.....	9,847 59	14,158 08	.....	1,777 21	710 08	1,191 22	.....	98,602 67
6.	58,784 52	5,219 45	.....	.....	13,183 43	23,934 73	.....	1,104 82	3,308 94	.....	10 00	133,741 43
7.	92,078 47	121 04	.....	.....	53,006 50	71,954 86	.....	6,219 84	22,607 66	23,442 00	.....	775,962 48
8.	598,280 32	451 30	.....	.....	57,733 00	46,524 60	9,017 24	4,500 00	8,868 59	.....	.....	920,911 94
9.	787,169 68	4,048 83	.....	2,150 00	5,072 63	20,046 11	.....	1,749 08	835 23	.....	.....	71,035 69
10.	42,972 80	359 84	.....	.....	1,208,294 49	999,439 64	.....	.....	.....	.....	.....	8,036,417 40
11.	5,811,850 83	832 44	.....	16,000 00	9,324 21	19,764 68	.....	1,457 41	695 33	.....	.....	62,489 40
12.	31,006 97	240 80	.....	.....	8,080 51	32,200 97	7,616 64	18,630 20	596 72	1,410 98	.....	500,566 09
13.	324,704 62	1,623 45	1,498 00	104,204 00	7,811 75	17,629 57	.....	1,555 41	765 15	56 73	.....	61,885 09
14.	324,093 58	1,972 90	.....	.....	.....	58,047 54	27,002 71	.....	.....	.....	.....	613,119 00
15.	291,671 51	.....	1,460 00	227,937 30	.....	.....	.....	.....	.....	.....	.....	.....
16.	.....	.....	.....	.....	5,311 05	15,336 60	.....	1,011 43	579 59	780 18	.....	107,275 11
17.	74,208 29	7,998 07	.....	.....	10,077 48	3,990 75	.....	1,485 35	212 39	2,529 96	63 75	104,211 59
18.	70,930 11	4,821 80	.....	8,000 00	.....	1,664 57	.....	1,438 99	3,315 34	.....	1,803 53	54,753 61
19.	39,847 16	1,204 34	.....	.....	5,579 68	.....	.....	.....	.....	.....	.....	.....

RESOURCES—(Continued).

	Loans and Discounts.	Overdrafts Secured and Unsecured.	U. S. Bonds.	Other Bonds and Stocks.	Cash on Hand.	Due from other Banks.	Other Real Estate.	Furniture and Fixtures.	Current Expenses.	Checks and other Cash Items.	Collections.	Total Resources.
20.....	\$45,658 98	\$216 72			\$6,919 69	\$14,920 14		\$996 24	\$322 78			\$72,597 29
21.....	165,735 10		\$10,450 00		3,208 76	53,721 81		3,109 51	4,559 50	\$1,520 05		231,854 73
22.....	139,643 09			\$40,500 00		78,647 05			113 83		314 19	269,669 06
23.....	10,219,477 43	28,989 07		1,521,684 89	1,217,859 18	1,634,498 40			18,607 94	270,619 82		14,882,747 27
24.....	1,025,563 57			14,200 00	80,208 51	270,998 58			4,753 79	103,551 33	36,034 59	1,593,224 11
25.....	682,018 35			5,000 00	626 88	4,079 49						694,324 72
26.....	418,534 81	899 53		28,480 00	36,842 16	5,858 31						607,320 50
27.....	85,683 27	2,367 02		2,000 00	9,094 05	5,858 31						110,535 22
28.....	58,594 95				43,212 06	27,054 35						135,834 96
29.....	41,519 50	20 00			11,777 18	887 75						56,185 80
30.....	84,015 25	3,205 20		10,000 00	10,788 00	49,302 42						160,127 99
31.....	495,878 00	10 71		4,180 00	40,536 00	288,038 59	327 82	2,500 00	1,227 12	84 96		833,722 51
32.....	376,106 54			10,000 00	23,940 17	98,109 52			2,244 68			510,400 91
33.....	825,674 44	57,782 01		19,000 00	63,196 05	129,210 45	4,391 30		9,039 32	21,847 93	2,603 54	1,591,406 50
34.....	1,070,136 32	765 82			25,266 50	429,231 74			396 89	57,805 69		131,925 65
35.....	77,409 02	4,916 40		2,645 00	10,984 70	35,111 89			1,930 58	1,397 88		94,491 48
36.....	55,791 01	2,053 79			7,996 11	19,711 57			993 62	52 65		79,269 38
37.....	63,790 81	2,530 06			4,179 02	2,246 45			1,05 40			41,167 03
38.....	8,171 21	2,758 42			3,456 79	26,267 61	400 00		7 60			1,419,426 94
39.....		4,911 52			73,185 02	130,346 15	1,816 35		934 13	7,972 97		425,304 55
40.....		177 50			5,262 02	130,792 82			2,534 83	316 73		106,972 02
41.....		12 22			6,949 06	618,552 79			84 75			3,321,339 97
42.....		10,876 91	12,000 00	139,208 75	119,316 15	618,552 79				120,189 48	798 73	67,041 21
43.....		496 41	4,392 00		8,067 37	25,220 64			1,494 02			136,729 29
44.....		62 87			5,513 59	65,344 36			1,111 66	167 35		920,020 86
45.....		1,835 03	250 00	181,642 05	66,538 91	76,052 99	22,200 00	2,000 00	3,505 56	695 80		476,337 26
46.....			628 00	18,192 00		140,546 38	11,602 00		1,953 46	902 90		384,871 50
47.....					20,820 74	35,395 85	5,358 67	2,800 00	1,374 07	3,841 65		217,979 57
48.....				20,170 60	8,877 41	27,525 08	11,003 06	530 88	613 89	2,269 63		60,917 65
49.....					6,945 13	8,829 74	300 00	2,173 19	1,201 41	5,092 73		3,118,106 05
50.....			29,085 87	175,486 01	134,709 99	296,732 37	8,069 24	4,070 06	6,994 05	2,177 95		12,038,261 73
51.....			4,450 00	305,100 00	1,647,765 71	1,303,249 56			19,323 49	447,842 17		395,665 19
52.....					7,810 12	64,432 22						137,405 45
53.....				5,000 00	25,844 11	25,844 11			539 67	2,144 51		4,305,828 89
54.....			2,500 00	546,176 88	463,044 40	933,708 99				8,484 36		224,907 82
55.....				40,917 71	10,008 05	28,125 79		2,233 65	529 66	5,523 21		659,430 46
56.....				31,450 00	63,449 81	120,760 89	12,800 00	3,371 80	1,860 94	1,772 73		1,727,573 40
57.....				514,939 37	44,313 57	98,876 35		4,000 00	8,642 00	66 70	117 20	326,220 58
58.....					8,822 57			802 75	6,351 30			210,343 85
59.....					18,171 06	83,688 42		690 00	874 14	3,507 63		167,371 72
60.....					18,002 41	43,812 91		650 00	1,656 44	161 89		3,861,869 70
61.....					190,707 00	731,754 87	11,361 71	5,000 00	7,080 42			352,441 68
62.....					14,435 40	50,047 31	197 10	1,000 00	3,412 21			209,256 23
63.....					4,071 36	19,175 73		3,689 85	2,734 82	804 37		71,247,571 67
					6,070,005 17	9,976,062 34	165,310 02	110,297 27	173,266 50	1,129,862 34	76,857 93	

## INQUIRIES OF CORRESPONDENTS.

ADDRESSED TO THE EDITOR OF THE BANKER'S MAGAZINE.

## EFFECT OF MAKING A NOTE PAYABLE AT A PARTICULAR BANK.

Can a note made in favor of O. B. or order, and negotiable and payable at a designated bank, be negotiated with safety to the holder at any other than the bank named in the note? Not having been discounted or negotiated at the bank named, can the holder to whom it has been indorsed maintain an action in his own name against the makers? or can he recover against the first indorser, who became such before the maturity of the note, there being intervening indorsements?

REPLY.—(1) The holder's rights against the maker are not impaired by the negotiation of the note at some other bank than that at which it is payable. The effect of making a negotiable note payable at a particular place is not to relieve the maker of liability for the amount, if it is not presented there at the time of its maturity. The maker, having received money on his promise, must repay the same; but if the holder should not present the note at the place specified when it matures, he cannot recover costs in the event of a suit. The maker's liability for the debt is not changed, but there is no reason for subjecting him to any further liability. (*Hills v. Place*, 48 N. Y. 521; *Walcott v. Van Santvoord*, 17 Johns. 248; *Caldwell v. Cassidy*, 8 Com. 271; *Fittler v. Beckley*, 29 Pa. 458.)

(2) But the indorser's liability rests on different grounds. He is not the original debtor, but only a surety. The discount of the note by another bank than that at which it was payable would not affect his liability, but it must be presented for payment at the bank at which it is payable, to hold him liable. This subject is well considered by Daniel, in his work on *Negotiable Instruments*, § 644, and many authorities are given.

The reports of the New York Clearing-house returns compare as follows:

1891.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.	Surplus.
Feb. 7..	\$404,823,700	\$78,567,800	\$35,431,500	\$412,473,300	\$3,523,500	\$10,880,975
" 14..	404,153,300	77,655,700	34,820,600	410,730,900	3,527,900	9,793,575
" 21..	408,112,500	77,731,100	34,878,400	414,210,500	3,488,100	9,055,375
" 28..	410,493,200	77,736,600	34,571,600	415,464,600	3,501,100	8,442,050

The Boston bank statement is as follows:

1891.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.
Feb. 28.....	\$154,369,400	\$9,786,900	\$4,362,100	\$126,035,900	\$3,228,100
Mch. 7.....	154,372,100	9,857,400	3,820,100	126,008,000	3,243,600
" 14.....	155,063,300	9,998,800	3,959,200	127,672,400	3,242,000
" 21.....	154,161,400	10,035,900	4,185,300	128,019,800	3,228,500
" 28.....	154,072,400	9,906,100	4,141,300	125,595,100	3,246,900

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1891.	Loans.	Reserves.	Deposits.	Circulation.
Mch. 7 .....	\$95,992,000	\$25,609,000	\$92,487,000	\$2,174,000
" 14 .....	96,355,000	26,155,000	93,896,000	2,177,000
" 21 .....	95,387,000	26,810,000	93,843,000	2,130,000
" 28 .....	95,592,000	25,960,000	92,897,000	2,143,000

## BANKING AND FINANCIAL ITEMS.

## GENERAL.

**BANK BUILDINGS AND OTHER IMPROVEMENTS.**—One of the evidences of the prosperity of banks and bankers is the erection and improvement of the buildings and offices they occupy. The following is a record of those which are in progress or have just been completed :

ALA....Opelika....Bank of Opelika.	N. Y....Brooklyn....East N. Y. Sav. Bk.
"    Fort Payne..People's Sav. Bank.	Twenty-Sixth Ward Bank.
COL...Grand Junc..First Nat. Bank.	"    Dansville...Citizens Bank.
CONN...Hartford..State Sav. Bank.	N. C....Durham....First National Bank.
D. C....Washington..National Capital Bk.	N. J....Glassboro...A new bank building.
American Security & Trust Co.	OHIO...Nelsonville..Merch. & Miners Bk.
GA.....Athens....Athens Sav. Bank.	"    Cleveland...Mech. Sav. Bank Co.
IND....Fort Wayne..A new bank building.	Columbia Savings & Loan Co.....
IOWA...Dubuque...Second Nat. Bank.	OKL....Okla. City..A new bank building.
KY....Newport...German Nat. Bank.	PA.....Johnstown..Citizens Nat. Bank.
ME....Gardiner...Gardiner Sav. Inst.	"    Pittsburgh...Anchor Bank.
"    Belfast....Belfast Nat. Bank.	"    Philadelphia Quaker City Nat. Bk.
MASS...Rockland..First Nat. Bank.	TEXAS..Comanche...First National Bank.
Rockland Sav. Bank.	"    San Antonio Lockwood Nat. Bk.
"    Lowell....Lowell Trust Co.	"    Haskell....Haskell Nat. Bank.
"    New Bedford Five-Cents Sav. Bk.	"    Houston....Planters & Mechanics National Bank.
Citizens' Nat. Bank.	"    Waxahachie Waxahachie N. B.
"    Worcester..Five-Cents Sav. Bk.	UTAH..Provo City..Nat. B. of Commerce.
MICH..Manistee...A new bank building.	VT.....Brattleboro..Vermont L. & T. Co.
MO.....St. Louis..Boatmen's Bank.	"    Burlington..Burlington Trust Co.
N. H....Nashua....First Nat. Bank.	VA....Radford....Radford Trust Co.
N. Y....Brooklyn...Long Island Loan & Trust Co.	WASH..Seattle.....Seattle Nat. Bank.
Brooklyn Bank.	"    Tacoma....Pacific Nat. Bank.

Of these structures we have received descriptions of some of the more costly, and will therefore notice them at greater length. First may be mentioned the new building of the Seattle National Bank, Washington. It is built of red and blue sandstone, brick and terra cotta, and the beauty of its architectural finish in no way weakens its appearance of massive strength. The entrance to the public banking room is at the corner of the building, and is a fitting portal to the grand structure. The interior furnishings of the bank, and the building, will be in keeping with the cost and beauty of the structure, and every modern improvement will be brought into use for the comfort and convenience of the occupants. Of the Pacific National Bank building at Tacoma, the *Tacoma Globe* says that the vestibule is finished in large panels of Tennessee marble and a solid floor of marble mosaic, which idea is carried out in the entire lobby of the bank. The visitor's first impression is of the ample light which streams through the large, clear plate glass windows on the outside, and likewise through the windows opening to the hall, through which the general public and occupants of the upper floor enter to the elevator or ascend the stairway. A side door opens from the lobby of the bank to the hall. Arranged along the street side of the room are the offices, cages and desks of the various officers of the institution. All the woodwork in the interior is finished in mahogany, with trimmings of Japanese copper. A general reception room opens first on the right of the main entrance. It is provided with mahogany furniture upholstered in pig skin. Next to this is the president's private office, with an entrance by a passage-way from the reception room or direct from the cashier's public office, which occupies a raised platform accessible to all who may have business with him. Next come the cages for the paying and receiving tellers and for the exchange and collections. The assistant cashier, bookkeepers and other attaches have well appointed desks along in the rear. The vault is a substantial piece of work, defying alike the flames and the burglar. The money vault is provided with a double set

of doors and a grated door for day use. Inside the vault, which is constructed of steel plates an inch and a half thick, are placed two burglar-proof safes weighing 7,000 pounds each. The vault and safes were constructed by the Marvin Safe Company, of New York. Adjoining the money vault is another one of good size for books and papers. A strong arch covers the vault. The bank has its own steam plant for heating the building and operating the Otis hydraulic elevator. The building is lighted by electricity. Minor improvements in the following banks may be mentioned:

CANADA Quebec.....	La Banque Nationale	N. H....Berlin.....	Berlin Sav. Bank & Trust Co.
ALA....Mobile.....	Alabama Nat. Bank.	" ..Nashua.....	First Nat. Bank.
ILL....Joliet.....	Joliet National Bk.	N. J....Jersey City..	Title Guarantee & Trust Co.
IOWA....Dubuque...	First National Bank.	N. Y....Corning....	First Nat. Bank.
ME....Auburn.....	Auburn Banking & Trust Co.	" ..Brooklyn...	Mechanics & Traders Bank
" ..Augusta....	Augusta Sav. Bank.	" ..Oyster Bay.	Oyster Bay Bank.
" ..Bangor.....	Merchants Nat. Bk.	TEXAS..Denison...	State Nat. Bank.
NEB....Omaha.....	Union Stock Yards Bank.	" ..Sulphur Spr.	First Nat. Bank.
N. H....Great Falls.	Great Falls Nat. Bk.	UTAH..Salt Lake C.	Commercial Nat. B.
" ..Concord....	First National Bank.	VT.....Rutland....	Rutland Sav. Bank.

**THE COFFERS IN THE BANK**—The Bank of England is the custodian of a large number of boxes deposited by customers for safety during the past two hundred years, and in not a few instances forgotten. Many of these consignments are not only of rare intrinsic and historical value, but of great romantic interest. For instance, some years ago the servants of the bank discovered in its vaults a chest, which, on being moved, literally fell to pieces. On examining its contents, a quantity of massive plate of the period of Charles II. was discovered, along with a bundle of love letters indited during the period of the Restoration. The directors of the bank caused search to be made in their books, the representative of the original depositor of the box was discovered, and the plate and love letters handed over.—*Chambers' Journal*.

**THE YOUNGEST CASHIER.**—George B. Allen, who was born June 29, 1846, was elected cashier of the First National Bank of Lowell, March 20, 1866, and began his duties April 15, 1866, at the age of 19 years, 9 months, 16 days. After a service of over 14 years he resigned for other business.—*Worcester Spy*.

**THE OLDEST BANK PRESIDENT.**—Nelson Beardsley has been elected president of the Cayuga County National Bank for the forty-ninth consecutive term. Mr. Beardsley was one of the founders of the bank in 1833, and is the only one of the original stockholders living. He is in his 85th year.

**F. S. BLANCHARD & Co.** are arranging to publish a volume of biographical sketches of the executive officers of banking institutions throughout New England. They have issued a prospectus and sample sheets, which bear portraits and sketches of several well-known Worcester bank men.

**IRELAND.**—A dispatch from across the water conveys the intelligence that the savings banks deposits in Ireland are now larger than ever before known in the history of the country. It might have added, so is the poverty greater than ever before known.

**BANKING IN CHINA.**—Banking seems to be a very profitable business in China. The Hong Kong and Shanghai Bank made \$1,800,000 profit during the last half year.

**SAVINGS BANK INVESTMENTS.**—The savings banks of New York ask for larger liberty in the matter of investments in bonds. At present they hold \$108,000,000 of Federal bonds, but inside of sixteen years it will be impossible to continue this class of investment. The laws permit the banks to invest 65 per cent. of their deposits in real estate mortgages, but as a matter of fact only about 40 per cent. is so invested, for the reason that, in case of a run, mortgages cannot be quickly converted into cash. It is desired that the banks shall be permitted to buy the bonds of leading cities. The laws of Pennsylvania are more liberal in this respect than those of New York.



**THE BARING LIQUIDATION.**—The Governor of the Bank of England has made a statement in regard to the Baring liquidation. He says the liabilities November 1 amounted to £21,000,000, and assets were estimated at £24,800,000. March 1 the liabilities to the public were £3,522,000, and the debt to the Bank of England, £6,650,000; a total of £10,172,000. Offsets were, cash and bills, £849,000; debt due, £3,364,000; securities of readily ascertainable value, £1,250,000; partners' property, £1,000,000; total, £6,463,000. The balance was in South American securities, "the value of which it is difficult to estimate." There was, however, an apparent surplus over liabilities, and ground for hope that the efforts made by the bank to protect the country would result in no loss to the bank or to the guarantors.

#### EASTERN STATES.

**HARTFORD, CONN.**—Gen. Hillyer, whose death occurred early last month, was the originator of the Charter Oak National Bank, which was established in 1853 as a State bank. President J. F. Morris was at that time cashier of the Charter Oak, and he is now the sole survivor of the officers and board of directors and officers of that institution. Gen. Hillyer was—with one possible exception—the oldest living ex-member of the Legislature, having been a member of both branches of the Assembly while living at Granby.

**NEW BRITAIN, CONN.**—The New Britain National Bank in its recent report to the Comptroller of Currency at Washington proves its excellent financial condition. Individual deposits, including demand certificates of deposit, certified checks and cashier's checks outstanding, amount to \$519,840.92, with a surplus fund and undivided profits of \$220,002.91. The Mechanics' National Bank, a much younger institution, shows individual deposits, etc., that amount to \$300,538.15, with a surplus fund, etc., of \$19,239.78.

**SOUTH BERWICK, ME.**—The South Berwick National Bank has been requested to redeem several bills of the denominations of one, two and three dollars issued fifty years ago when that institution was a State bank.

**MASSACHUSETTS.**—The first part of the annual report of the Massachusetts savings banks commissioners, submitted recently to the Legislature, shows an increase in deposits for the past year of \$20,869,248 65. There are all told 179 savings banks, 15 trust companies, 103 co-operative banks, 2 collateral loan companies and 2 mortgage loan companies—a grand total of 301 institutions—under the supervision of the board; the total assets are \$459,335,059.12, of which the sum of \$372,476,568.41 is credited to the savings banks alone. In raising the question if the banks are not paying too high interest, the commissioners renew a discussion which they started a year ago. They show that, while the rate of dividends for the past decade has not materially changed, the earning capacity of money as invested by our savings banks has been gradually decreasing, till at present it can hardly be said to exceed on an average, aside from loans on real estate and on personal security, .03 916 per cent., indicating a higher rate of dividend being paid than would seem to be warranted were the investments to be made at the present time. For the year past the average rate of dividends was 4.08 per cent., the statutory maximum being 5 per cent. The commissioners explain, however, that the ability to maintain the present rate arises in a great measure from investments in high-rate bonds and profitable purchases of bank stock years ago at par. The time is not far distant when these gilt-edged securities must mature, and as things are tending the reinvestment must be made at a very much lower rate.

**MASS.**—The Savings Bank Commissioners have issued Part 2 of their annual report relating to co-operative banks, collateral loan companies and mortgage loan companies. These institutions, in numbers and assets, are: 103 co-operative banks, with assets of \$9,264,833.34; two collateral loan companies, with assets of \$362,301.49; two mortgage loan companies, with assets of \$1,959,549.05; total, \$11,586,683.88. The increase in number of the co-operative banks has been small, as compared with the phenomenally large increase of last year, but the increase in assets and business transacted shows a very large, healthy and satisfactory growth. In 1889, twenty-seven co-operative banks commenced business, an increase over 1888 of almost 50 per cent.; the past year but ten new banks have been established, an increase of 10 per cent. Oct. 31, 1889, the commencement of the fiscal year,

there were ninety-three banks, with assets of \$7,106,628.77; Oct. 31, 1890, at its close 103 banks, with assets of \$9,264,833.34, showing an increase in assets of \$2,158,204.57, the largest yearly increase within the history of these banks, even larger by \$500,000 than the previous year, with its growth in number of twenty-seven institutions. For every dollar contributed by the members of these institutions, taken as a whole, there stands to their credit over 13 per centum surplus in profits capital, which represents the earnings credited to the shareholders. The report gives this analytical statement :

	Oct. 31, 1889, 93 banks.	Oct. 31, 1890, 103 banks.
No. shares issued.....	110,062	111,487
No. shares in force.....	248,263	302,623
No. shares withdrawn.....	42,498	53,169
No. shares pledged.....	42,323	56,288
No. members.....	37,289	43,896
No. borrowers.....	6,146	7,803
Amount of dues received.....	\$2,606,827.28	\$3,352,534.61
Amount of profits credited shares....	369,625.84	477,400.50
Total assets.....	7,106,628.77	9,264,833.34

The board recommends that the two mortgage loan companies be placed under the supervision of the Commissioner of Foreign Mortgage Corporations.

**CO-OPERATIVE BANKS.**—The report of the savings bank commissioners shows the co-operative banks of the State to be in a most prosperous condition. At the close of last October there were 103 of these banks in the State, with assets of \$9,264,833.34, showing an increase during the year of over \$2,000,000. There are 40,000 such depositors, and the average deposit is \$8 per month. The amount of property held under foreclosure is but \$50,000, and about half of that in one town. The showing is a most excellent one.

**LOWELL, MASS.**—The Lowell Trust Company will handle the deposits of the city's money. The committee on finance has voted to accept the Trust Company's bid of 4 5-100 per cent. along with the company's proposition to give collateral security to the city to the amount of 75 per cent. of the deposits. This collateral security will embrace stocks and bonds such as the Trust Company desires to give. The First National Bank has for several years held the deposits of the city, and the bank has paid 3¼ per cent. for the use of the money. At the time of collection of taxes the city's deposits amount as high as \$500,000 at a time. Then again the city's account will be overdrawn. There was a strong effort made by the National banks to beat out the Trust Company. The Old Lowell Bank bid 2½ per cent., the Railroad National Bank 2½, the Appleton National Bank 3¼, the First National Bank 3¼, and the Lowell Trust Company 4 5-100 and the addition of 75 per cent. collateral security to make the city's deposit pretty solid.

**LAWRENCE, MASS.**—Bids for deposits have been opened from the different National banks for the keeping of the money of the sewer loan sinking fund. There is now \$20,000 in the fund and \$11,000 more comes in in October. The Arlington Bank secured the contract. The bids were as follows: Pacific, 4 per cent.; Merchants, 4 per cent.; Pemberton, 4 1-2 per cent. and a bonus of \$2; Lawrence, 4 1-2 per cent.; Arlington, 4 5-8 per cent. The money the past year has been kept in the Lawrence and Merchants Banks.

**AYER, MASS.**—The trustees of the North Middlesex Savings Bank, which has just been through a crisis, have appointed a woman treasurer, Miss Sadie Luten. She is about 38 years old and has lived in the town for twenty years. She is a school teacher, but will resign her office to accept the position at the bank. "It looks as if the bank's officers had lost confidence in the masculine sex."—*Melrose Journal*.

**READING, MASS.**—At the meeting of the stockholders of the First National Bank it was decided to increase the board of directors from nine, the present number, to either eleven or thirteen, as might seem best. Wendell Bancroft, B. T. Morrison, Walter S. Parker, Jason W. Richardson, Nathan Bancroft, F. D. Sperry, Wm. A. Clark, Jr., H. C. Buck, E. R. Champlin were elected directors, W. Bancroft, president, B. T. Morrison, vice-president.

**NEW BEDFORD, MASS.**—A new bank is to be established at the North End. A lot has been leased and a two-story brick building, with freestone front, will be



erected in the spring. The concern will do a general banking business, with savings department connected, allowing interest on daily balances.

AMESBURY, MASS.—The Amesbury National Bank makes a good showing in its account for the last quarter. Its loans and discounts are \$347,664.24, with individual deposits subject to check of \$215,025.57.

NEW HAMPSHIRE.—According to the report of the Comptroller of the Currency, the State of New Hampshire stands fifth in rank in the States in the matter of savings banks deposits. New York leads, with \$540,000,000; Massachusetts next, with \$332,000,000; Connecticut third, with \$110,000,000; California fourth, with \$98,000,000, and New Hampshire fifth, with nearly \$67,000,000. Pennsylvania is nearly equal to this State, having a little over \$65,000,000, while Rhode Island takes seventh place with \$60,000,000.

BERLIN, N. H.—Bank Commissioner Lyford has examined the affairs of the Berlin Savings Bank and Trust Company and granted them permission to go ahead and transact business.

DOVER, N. H.—Bills for the incorporation of three banks in Dover have been before the Legislature, to be known respectively as the Dover, Cocheco and Strafford Banks. Charters for these three banking institutions once existed, and they were operated as State banks, having a currency of their own in circulation. This was prior to the National banking system, which forced all State banks, on account of a ten per cent. tax, to call in their paper currency. It is understood that the bank officials have deemed it wise to renew their old charters at the hands of the present Legislature, but not for the purpose of doing business at present under the same.—*Dover Democrat*.

NEW JERSEY.—The twenty-five savings banks of the State have filed reports in the Department of State, exhibiting their affairs at the close of business on December 31, 1890. Following is a summary: Assets—Value of real estate, \$1,062,268.60; loans on bond and mortgage, \$13,535,683.10; interest on bond and mortgage, \$245,457.35; United States bonds, \$6,361,772.55; other stocks and bonds, \$10,663,794.96; loans on collaterals, \$2,125,422.53; cash on hand and in bank, \$1,339,738.23; all other assets, \$198,658.86; total, \$35,532,796.13. Liabilities—Amount due depositors, \$32,462,603.35; all other liabilities, \$19,889.77; surplus over liabilities, \$2,950,303.01; total, \$35,532,796.13. Miscellaneous—Number of open accounts January 1, 1890, 117,999; number of open accounts January 1, 1891, 125,073; amount deposited in 1890, \$19,342,490.57; amount withdrawn in 1890, \$18,837,585.05.

NEW JERSEY.—The Hon. George B. M. Harvey has been appointed Commissioner of Banking and Insurance, in accordance with the Act establishing a Department of Banking and Insurance, approved February 10, 1891.

HIGHTSTOWN, N. J.—Shares of our First National Bank are eagerly sought at 150. Eight per cent. semi-annual dividends and an increasing surplus tell the story.—*Burlington Reporter*.

NEWTON, N. J.—The directors of the Merchants' National Bank have presented their cashier, John C. Howell, with a handsome gold watch. On the case was engraved the following: "Presented to John C. Howell by the Merchants' National Bank, as a token of appreciation of faithful service during twenty-five years."

NEW YORK CITY.—Among the deaths of the month was that of Mr. John T. Hill, president of the Ninth National Bank. He had been connected with it from its beginning in 1864, serving first as paying teller and subsequently as cashier, vice-president and president. The last-named position he had filled for seventeen years. For two years he had been suffering from pulmonary troubles, and for six months before his death had a severe inflammation of the larynx, which seriously affected his condition. He was at his office one day recently for the last time. He was married and leaves several children. His wife was a Miss Dayton, of New Brunswick, who also survives him. Mr. Hill was a genial man, affable among those with whom he came into business contact, and especially devoted to his home and family. He had refined tastes, with a decided love for art and literature, and his home in New Brunswick was filled with books and pictures in which he delighted. He had many friends among New York's best-known business men.

**NEW YORK CITY AS A FINANCIAL CENTER.**—It is affirmed, with some appearance of truth, that in consequence of the financial embarrassment of Baring Brothers and the obligations assumed by the Bank of England, that London is dependent on the United States for exemption from further serious financial troubles. The Washington correspondent of the *Tribune* says: "It is estimated in round numbers that England stands to-day the holder of Argentine securities to the amount of £120,000,000 sterling, or \$600,000,000. The holding of this enormous sum of depreciated securities has seriously embarrassed the Bank of England itself. It was never placed in a more humiliating position than when it was obliged to go to the Bank of France for the great loan which it negotiated, following the settlements of the embarrassment of the house of Baring Brothers. This embarrassment, which at one time threatened even to cripple the great financial institution of the world, the house of Rothschilds, has not yet wholly passed away. No English banking house stands to-day with the same solidity as the house of J. S. Morgan & Co. This house has kept free from the Argentine speculations, and it occupies such a commanding position that the Bank of England was only too glad to transfer to it the financial management of the Argentine securities. It is practically to-day the receiver for the enormous interests involved, and nothing but the nicest kind of management in England and some corresponding ability in the Argentine Republic can prevent the failure of many important institutions of England within the coming period of three years of constant liquidation until the Argentine load is lightened."

**NEW YORK CITY.**—The Central Trust Company of New York has declared a bi-monthly dividend of five per cent., and an extra dividend of ten per cent. on its capital stock of \$1,000,000, both payable March 1, thus making fifty per cent. paid in cash since January 1, 1890, besides carrying to surplus account \$420,000. Since 1884, when Mr. Olcott became president, the company has added over \$3,000,000 to its surplus of \$1,500,000, besides paying dividends averaging about 21½ per cent. per annum.

**NEW YORK CITY.**—The old banking firm of Kidder, Peabody & Co., with houses in New York and Boston, has been divided. The Boston house will retain the name of Kidder, Peabody & Co., and the New York concern will be called Baring, Magoun & Co. The members of the existing establishment include F. H. Peabody, O. W. Peabody, George C. Magoun, Thomas Baring, Frank E. Peabody, F. G. Webster, Charles A. Kidder, H. L. Griggs and George F. Crane.

**LONG ISLAND.**—There are seven savings banks on Long Island exclusive of Brooklyn. There were over two millions of dollars deposited in these banks during 1890, and the money drawn was \$200,000 less than the amount deposited. At the end of the year the resources of these banks were six millions and the surplus was over three-quarters of a million. The population of Queen's County last year was 127,103, and Suffolk County 61,408, the total making 188,511 souls, which gives an average deposit of over ten dollars per capita for the year. The number of open accounts is equal to nearly one-ninth of the population. It must be remembered that Long Island has a large rural population, and that many members of it, especially the young men, invest their savings in stock—horses and cattle—and in land. Many of them live at long distances from the savings banks, and others deposit their spare funds in New York City banks, which locality they occasionally visit in the line of their business. In view of all these facts, the showing made by the Long Island savings banks is admirable.

**BROOKLYN, N. Y.**—The directors of the Twenty-sixth Ward Bank, at their annual meeting, elected Ditmas Jewell, president; A. H. W. Van Siclen, first vice-president; John V. Jewell, second vice-president; B. R. Spellman, cashier. The report of the officers for the past year was most gratifying. It showed a greater total of business during that time than ever before in its history. The officers were instructed to proceed at once with the erection of a new building on the recently purchased site at the corner of Atlantic and Georgia avenues. The building committee which was appointed consists of Colonel Andrew D. Baird, ex-Senator Charles H. Russell, James McGuigan, Adolph Kiendl and A. H. W. Van Siclen.

**BROOKLYN, N. Y.**—The officers of the Brooklyn Savings Bank, whose present building is one of the city's landmarks, are looking for new and more con-

venient and commodious quarters. The bank was founded in June, 1827. Adrian Van Sinderen was the first president, and the bank building was in the Apprentices' Library, on Henry and Cranberry streets. The first deposit was made by John Bigelow, a printer 14 years old. He put in \$5. The second president was Hezekiah Pierrepont, and after him came David Stanford, Hosea Webster, and then the present incumbent, Mr. Morgan. In 1834 the bank changed its quarters to a very central portion of the city, 43 High street, and in 1838 moved to the Brooklyn Institute Building. In 1845 the present site was occupied, and in 1881 the building was altered to its present shape. There is but one larger bank in this part of the country, and to its 52,000 of depositors the news of its approaching removal will be a surprise.

ALBANY, N. Y.—Officers of several of the city savings banks report that on the 16th of March a number of Italian depositors drew a great deal of money. The movement was so marked that it caused general comment in the institutions where the slight run was made. Nobody was able to account for it, and the depositors had nothing to say. Whether they feared there would be a general uprising against their race, or whether some movement is afoot to contribute money for some purpose connected with the New Orleans butchery, can only be conjectured.

ALBANY.—In the State Bank Department certificates of an increase of capital have been filed by the Bank of Batavia from \$100,000 to \$150,000, and the Bank of Hamburg from \$125,000 to \$150,000.

BUFFALO, N. Y.—The constant increase in the tide of travel makes it incumbent upon the modern bank to supply its customers with every facility for undertaking foreign tours. In order to meet this need, the Bank of Buffalo has provided a small room in a quiet part of its banking office, called the Travelers' Room. This little apartment, about 5 feet by 8 in size, is decorated in oriental style, lighted by gas and electricity, ornamented with photographs of the old world, and provided with a convenient desk and shelves.

LOCKPORT, N. Y.—In the death record of the month is Mr. James Jackson, one of the prominent citizens of Lockport. He was president of the Jackson Lumber Company, a director of the Merchants' Gargling Oil Company, and one of the proprietors of the Lockport *Daily Union*. He was an ardent Democrat in politics, and represented the First District of Niagara County in the Assembly in 1864, and was elected Canal Commissioner in 1873. He had also been Mayor of Lockport, president of the Board of Education, president of the Farmers and Mechanics' Savings Bank, a director of the Niagara County National Bank, and was interested in many prominent business enterprises. He was sixty-five years old, and leaves a wife and one son.

PERRY, N. Y.—Smith's Bank, one of the oldest and most favorably known institutions of Perry, has been succeeded by the First National Bank of Perry, with a capital of \$50,000. The officers of the new bank are: President, Henry N. Page; vice-president, Frank H. Wyckoff; cashier, William D. Page; assistant cashier, George K. Page. The foregoing gentlemen, together with Willis H. Tuttle, comprise the board of directors.

POUGHKEEPSIE, N. Y.—Cashier Fonda, of the Merchants' Bank, lives in an atmosphere of electricity. His sleeping room is connected with every part of the bank building by electric light wires and electric burglar alarm appliances. If the alarm should ring, an indicator immediately shows where the trouble is, whether in the cellar or at the scuttle hole in the roof, and by turning a switch the burglar is enveloped in a flood of electric light. Whichever way he turns the alarm will ring and the electric light will dazzle the burglar's eyes. Mr. Fonda considers the electric light as much of a protector as the burglar alarm.—*Poughkeepsie Press*.

CHESTER, PA.—Since the school savings bank system has gone into operation at Chester the deposits amount to \$7,837. Of this sum, \$4,077 is credited to last term and \$3,759 to the present term.

MCKEESPORT, PA.—The First National Bank of McKeesport, which has been operating with a capital stock of \$100,000 and a surplus of \$100,000, has decided to increase stock to \$250,000. The shares have all been sold.

PHILADELPHIA.—The presidents of the National banks, at a meeting of the

Clearing House Association, countenanced the World's Fair Exposition by agreeing to help support a bank building there, similar to that erected here in the Centennial grounds.

PHILADELPHIA.—The Home Life and Investment Company of Pennsylvania, a new financial institution, with a capital of \$500,000, will soon commence business in this city. The company, whose offices will be located in the Girard Building, Broad and Chestnut streets, has a very promising future to begin with. Its charter is a very liberal one, and empowers it to act as executor or administrator; to receive deposits, to buy and sell real estate, to negotiate loans, etc. It will also advance money, secured by bond and mortgage on real estate, payments to be made at stated intervals during a period not exceeding twenty years. Mortgages will be cancelled at death, should death occur prior to the end of the period for which such mortgages are issued. There are few organizations in this State doing a similar business. This particular company has behind it men of experience, wealth, and of rare executive ability. They are all well known and in business transactions have enjoyed a reputation for promptness and fair dealing. Among the officers are Horace Geiger, Joseph Mann, John Hillman, Henry S. Eckert, president of the Farmers' National Bank of Reading, D. Ramsey Patterson, Thomas H. Parks and Robert Stewart.—*Philadelphia Item.*

THE Western Saving Fund Society, of Philadelphia, in its forty-fourth annual statement, shows splendid results of the year's business. The report gives the institution's total assets, at cost, to be \$4,583,285, the par value of which is \$8,530,115, and market value \$3,798,826. This large amount of assets consists chiefly of the best class of municipal and railroad bonds known in this market; \$1,269,235 bonds and mortgages, first liens; \$2,082,087 temporary loans with collateral security; \$195,000 real estate (fine new and substantial double bank building occupied by the society), and \$800,678 cash on hand. The total amount due depositors on January 1, 1891, was \$7,482,058, and the surplus or contingent fund to protect depositors from loss was \$1,001,227. The officers of the company are: President, Frederick Fraley; vice-president and treasurer, William B. Rogers; assistant treasurer and secretary, Wm. K. Ramborger, and solicitor, Angelo T. Freedley. These gentlemen are all popular, able and progressive financiers and under their administration the Western Saving Fund is sure to enjoy continued prosperity.

#### WESTERN STATES.

DENVER, COL.—The following quotations of Denver bank stocks are taken from the March number of the *Northwestern Financier*:

<i>Banks.</i>	<i>Capital.</i>	<i>Surplus and Profits.</i>	<i>Last Sale.</i>
American National.....	\$1,000,000	\$42,955.14	112
City National.....	200,000	232,373.10	225
Colorado National.....	500,000	127,976.19	350
Commercial National.....	250,000	23,182.93	112
Denver National.....	500,000	183,825.04	225
First National.....	500,000	352,027.97	350
German National.....	200,000	358,786.89	325
Nat. Bank of Commerce...	500,000	9,493.28	110
State National.....	300,000	104,344.54	175
People's National.....	600,000	51,595.05	118
Union National.....	1,000,000	36,102.71	118
Colorado Savings.....	50,000	53,999.61	215
Denver Savings.....	250,000	17,545.49	115
People's Savings.....	50,000	12,229.28	125
North Denver.....	50,000	3,000.00	107
A. Asked.		par value	\$100

CHICAGO, ILL.—J. G. Orchard, of the Merchants' Loan and Trust National Bank of Chicago, delivered an instructive lecture upon "Banks and Banking Laws" before the Back Lot Society of Evanston. The speaker cited several events in history that endangered the stability of the Bank of England, but said that its doors had never been closed. Mr. Orchard explained the different methods used by the banks to prevent counterfeiting. He explained the use of bills of exchange,

foreign bills, and letters of credit. At the close of the address James H. Raymond made a short talk. C. G. Neeley, assistant State's attorney, will address the society next Friday on "Criminals and Criminal Law."

CHICAGO, ILL.—The quarterly banquet of the Bankers' Club took place at the Milwaukee Club, at which H. H. Camp presided, and Lyman J. Gage, of Chicago, president of the Chicago World's Fair Commission, made the principal address, in which he spoke principally of the coming Exposition. Speeches were also made by E. G. Keith, Dr. J. L. Kaine, and others.

INDIANAPOLIS, IND.—A meeting of the bankers of Indiana has been held, for the purpose of organizing a State bankers' association. The initiatory steps of the movement were taken by Mr. R. E. Niven, cashier of the State bank at Throntown, and there is much interest in the undertaking among those concerned in it, especially in the towns, and it is believed that there is much to be gained by better acquaintance and the closer and stronger relations of organizations between banks.

WESTFIELD, IND.—The shortage in the Westfield Bank is denied. The officers say there is only a slight mistake in the books.

ATCHISON, KAN.—In January the People's Savings Bank of that city failed, and it was thought that the depositors, who are mostly poor people, would lose the greater portion of their money, but by persistent efforts and almost nightly meetings they have at last compelled the directors of the bank to secure them dollar for dollar. The directors have entered into bond that the bank would pay its liabilities with interest within two years and a half from date.

MINNEAPOLIS, MINN.—The last dividend of the Union National Bank of that city was  $3\frac{1}{2}$  per cent.—a gratifying evidence of the prosperity of this institution.

ST. LOUIS, MO.—Cashier Thomson, of the Boatmen's Bank, is one of the most popular men with young people in the city. His greeting is of that sunny sort that inspires confidence on the part of the young man or woman who approaches the busy banker fearful of encroaching upon his precious time, and to meet him once is to esteem him always.—*Star*.

COLUMBUS, NEB.—The First National Bank of Columbus has instituted the "nickel-savings-stamp" scheme.

OMAHA, NEB.—The total amount of deposits in the Omaha National banks at the close of business February 26 was \$14,985,031.39. When it is considered that this showing is made at the period when the disbursements of business men are large and their receipts comparatively light, and, moreover, that it immediately succeeds a time of unusual stringency in the money market, it must be conceded to be very satisfactory. The total of deposits shows a net increase of \$105,300.06 over the same item in the statement of December 19, notwithstanding that on the latter date the receipts of the holiday trade were quite generally standing to the credit of depositors, and that the present statement comes after the heavy settlements of the first of the year. Another healthful indication is the fact that the loans and discounts are less by over \$1,100,000 than in December, and that the cash on hand is correspondingly larger.—*Omaha Bee*.

SOUTH OMAHA, NEB.—The reports published by Cashier H. C. Bostwick, of the South Omaha National and South Omaha Savings banks, show that with paid-in capitals of \$112,000, the aggregate deposits are \$444,798.11. The books of the bank show a business of a round million a day.

MASSILLON, OHIO.—The reports of the condition of the three National banks of Massillon show the following aggregates and comparisons: Total loans and discounts, at the close of business, February 26, \$1,135,914.64; December 19, \$1,070,175.25; October 2, \$1,016,283.76. Total deposits, at the close of business, February 26, \$710,271.61; December 19, \$694,350.74; October 2, \$641,344.01.

MARSHFIELD, WIS.—The Marshfield Bank has changed hands, passing from the proprietorship of G. A. and L. A. Arnold to Leander Choate, of Oshkosh. The bank will be absorbed by the First National Bank, now in progress of organization. It is practically settled that Maj. W. H. Upham will be elected president of the new concern.—*Milwaukee Journal*.

## SOUTHERN STATES.

MONTGOMERY, ALA.—Josiah Morris, the richest banker in Alabama is dead, leaving an estate of from \$3,500,000 to \$5,000,000. He was more largely instrumental in building up Birmingham to its present greatness than all others combined. He was the founder of the Elyton Land Company.

ATLANTA, GA.—A new bank, with \$500,000 capital, is to be started soon in Atlanta, under a charter granted at the last session of the Legislature. It is stated upon reliable authority that W. G. Raoul, former president of the Central Railroad, will be president of the bank. It was currently reported some time ago, in railroad circles, that President Raoul would soon resign his position as president of the Mexican Central, and the two statements, it would seem, confirm each other. It is well known that President Raoul is building a beautiful residence, with a view to making Atlanta his future home.—*Savannah Times*

ATLANTA, GA.—A good example of successful banking comes from Newnan, Georgia, where the First National Bank, W. B. Berry, president, has just declared a cash dividend of \$100 a share. The fact that the same dividend was paid last year has drawn attention to that bank as a well-managed and successful institution. In 1881 this bank paid dividends of 4 per cent. semi-annually—nearly 8 per cent. for the year. In 1882, 6 per cent. was paid. In 1886, 1887 and 1888, 6 per cent. was paid, and in 1890 and 1891, 100 per cent. The capital stock of the bank is about to be increased to \$100,000. How is this for profitable banking?—*Atlanta Journal*.

COLUMBUS, GA.—The Eagle and Phoenix Mill Savings Bank is now paying off all depositors who have accounts under \$100. There is something like 1,200 of them, but thus far only a very few have drawn their money from the bank, preferring to let it remain in order to secure the semi-annual interest which will be due on July 1st. In the history of American banking never has such confidence been shown by depositors as have the patrons of the Eagle and Phoenix Bank displayed in their relations with that institution.—*Atlanta Constitution*.

LA. BANKS IN COUNTRY TOWNS.—“We noticed the other day,” says the *New Orleans Democrat*, “in reviewing the trade of New Orleans, the very excellent business done by the city banks last year, as evidenced by their large dividends and the considerable amounts set aside to their surplus funds. The same can be said of the banks in the smaller towns of Louisiana. This State was almost wholly without interior banks until lately. Now they are established not only in towns like Shreveport and Baton Rouge, but in Monroe, Alexandria, Lake Charles, New Iberia and other smaller business centers. The statements of these local banks just made for the past year are excellent, for they are not only able to declare dividends, but to put aside some money to their surplus funds. Their success has encouraged other towns, and more banks are probable. A meeting was held at Donaldsonville the other day, to establish a bank there, and so many of the leading people of the town have signified their willingness to support it that there is every reason to count on its early establishment. And other towns are beginning to agitate for banks, and will probably secure them. As long as the business is not overdone the State is likely to be benefited by the establishment of these financial institutions, which facilitate and expedite business.”

BALTIMORE, MD.—The Continental National Bank, Wilbur F. Jackson, president, and J. Wesley Guest, cashier, has leased a building, and the first installment of the capital stock has been called for, and the bank is now ready for business.

COLUMBIA, S. C.—In response to the instructions of the Comptroller General to the banks concerning the assessment of their stock, given in the last number, the Central National Bank makes return at par. The Carolina National Bank at par. The Loan and Exchange Bank at 66⅔ per cent. The Commercial Bank at 66⅔ per cent. The Edgefield Bank returns at 100 per cent. The Bank of Marion returns at \$125 per share. The Comptroller General has received a letter from one of the oldest auditors in the State, making a suggestion as to how an equitable return should be made. He said that on liquidation of the affairs of any bank it is the custom to deduct 25 per cent. for bad debts, and that that is the proper rule at any stage of a bank's existence. He said that this is the rule followed by the

national financiers, and that it might be well followed in this State. An answer has been sent to this auditor to the effect that while the Comptroller General is always glad to receive suggestions on matters in controversy, yet suggestions are of little avail where there is a specific mode of making returns indicated by the statutes.—*Charleston News.*

BAIRD, TEXAS.—The First National Bank of Baird will increase its capital stock from \$100,000 to \$150,000. There is also considerable talk of starting another bank at that place.

DALLAS, TEXAS.—Elsewhere will be found an advertisement of the North Texas National Bank, which is one of the most flourishing banking institutions in the State. It proposes to double its capital, as the money can be very profitably employed and without hardly any increased expenditure except for taxes. The advertisement sets forth fully the condition of the bank, the reasons for enlarging, and the prospects of the business. The bank has been highly successful thus far, and the accumulation of such a large surplus and of undivided profits in addition to the large dividends paid is conclusive proof of this statement. The officers have the fullest confidence of all that know them, they are devoted to the interests of their bank, and the institution is in every way worthy of its reputation. The two conditions of a successful bank are competent and energetic officers and a prosperous community for the transaction of business. The North Texas National Bank is highly favored in both respects at the present time.

GALVESTON, TEXAS.—Galveston has eight banks, National and private, with an aggregate banking capital of about \$10,000,000.

WACO, TEXAS.—The Central City Trust Company has been established and is ready for business. James I. Moore is president.

#### PACIFIC STATES.

CALIFORNIA BANKERS' ASSOCIATION.—The following officers were elected at the convention held at Los Angeles, for the ensuing year: President, Thomas Brown, of the Bank of California, San Francisco; first vice-president, I. W. Hellman, Nevada Bank of San Francisco; secretary, George H. Stewart, Los Angeles County Bank of Los Angeles; treasurer, S. W. Klein, First National Bank of San Francisco; executive council, A. D. Childress, City Bank, Los Angeles; N. D. Rideout, California State Bank, Sacramento; W. M. Eddy, Santa Barbara County National Bank; T. S. Hawkins, Bank of Hollister; A. L. Seligman, Anglo-California Bank, San Francisco; C. E. White, Union National Bank, Oakland; Lovell White, San Francisco Savings Union; N. D. Woolwein, First National Bank, San Diego; N. W. Phillips, Farmers' Bank, Fresno. The executive committee is to determine the length of time its members shall hold, be it one, two or three years. On motion of Mr. Lankershim, the report of the committee was adopted, and the officers declared elected by acclamation.

SAN FRANCISCO.—Mr. Langstroth, who has been in the San Francisco Savings Union Bank for many years, has introduced into that bank, under a patent of his own, a system of keeping bank books, consisting of loose leaves placed in regular order in boxes, by which means a perfectly alphabetical account can be kept, and, by dropping out the dead accounts, a live ledger is always in hand, in which there is no carrying over and no index; the leaves being their own index. The system is like the Land Transfer Act of the colonies of Australasia, by which land titles are kept without searchers of records, without copying and without lawyers, by duplicates of all titles being kept and a new title issued at every purchase. The system is undoubtedly all that can be desired to cheapen the cost of bookkeeping, at the same time saving the danger of errors arising from ledger transfers and openings.—*California Bankers' Magazine.*

SAN FRANCISCO.—Henri Barroilhet, the well-known French banker, who died at the California Hotel, was of French parentage. He was born in Valparaiso. He came to California in 1851, and entered the house of Belloc Freres & Co. as a clerk, and in 1864 was made manager of the importing branch of their business. Somewhere in the sixties the Belloc house bought out the old house of Abel Guy, which was then under the management of Mr. Dussoa, and Messrs. Barroilhet and

Dussoa took charge of the Belloc banking house, Hyppolite Belloc becoming the sole owner, under the firm name of Belloc & Co. This was the name of the concern at the time of its suspension. Mr. Barroilhet's health was much affected by the suspension. He was a benevolent and kind man. He was president of the French Benevolent Society for a term of years. He occupied the position of Chilean Consul at this port for a term of years. In 1876 the French Government decorated him with the Cross of the Legion of Honor.

DAYTON, WASH.—The Citizens' National Bank of Dayton, Washington, has begun business with a capital of \$50,000. The greater portion of the stock was subscribed by business men and capitalists of that city. Among the directors are the names of G. A. Parker, Jacob Weinhardt, A. T. Pintler, Edwin London and W. D. Perkins. G. A. Parker, of Dayton, is president; C. A. Parks, president of People's Guaranty Savings Bank of Kansas City, Mo., vice-president, and W. D. Perkins, formerly assistant manager of the State Trust Company, of Kansas City, cashier. The opening of another bank in Dayton will no doubt be attended by good results, as it brings new capital in our midst, which fact alone should stimulate all kinds of business. A general banking business will be transacted, and the new corporation, having come to stay, will help build up the town and assist all legitimate enterprises. The directors are all well-known residents of Dayton, under whose direction the new bank should prosper.—*Northwestern Financier*.

SPOKANE FALLS, WASH.—Articles supplemental to the articles of incorporation of the Bank of Columbia have been filed in the auditor's office. In these articles section 5 is amended by increasing the number of directors from three to five; and section 6 is also amended, increasing the capital stock to \$50,000, and stating that it might be increased to \$250,000.

MT. VERNON, WASH.—That the First National Bank of Mt. Vernon might organize and commence business, J. A. Cloud, of New York, has sold the Skagit River Bank there to the First National Bank, which commenced business, March 2d, with a capital of \$50,000, with C. S. Moody as cashier and manager.

#### CANADA.

ST. JOHN.—The Bank of New Brunswick has changed the date of its annual meeting, and its statement submitted recently was for eight months only. The profits for the year were, however, given, and were \$111,442, almost twenty-two per cent. of the capital. The shareholders got twelve per cent. of a dividend, and the rest was increased in the eight months from \$400,000 to \$450,000. The capital stock of the bank is \$500,000, but the net profits on hand at the close of 1890 were \$506 856. These figures have their effect upon the public mind in valuing the shares of the institution. They afford evidence generally of the prudence, care and skill with which the bank has been managed.

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	Mch. 2.	Mch. 9.	Mch. 16.	Mch. 23.	Mch. 30.
Discounts.....	6 @ 7	6 @ 7	6 @ 7	6 @ 7	6 @ 7
Call Loans.....	4 @ 2½	3½ @ 2½	3½ @ 2½	3 @ 2½	3 @ 2
Treas. balances, coin....	\$151,938.281	\$152,250.599	\$152,419.514	\$149,315.201	\$148,506.898
Do. do. currency	7,990.089	8,657.529	8,172.487	7,574.072	7,389.061

Sterling exchange has ranged during March at from 4.87¾ @ 4.89 for bankers' sight, and 4.84¾ @ 4.86½ for 60 days. Paris—Francs, 5.17½ @ 5.15 for sight, and 5.19¾ @ 5.17½ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.85½ @ 4.86; bankers' sterling, sight, 4.88 @ 4.88¾; cable transfers, 4.88¾ @ 4.89. Paris—Bankers', 60 days, 5.18¾ @ 5.18½; sight, 5.15¾ @ 5.15. Antwerp—Commercial, 60 days, 5.20¾ @ 5.20. Reichmarks (4)—bankers', 60 days, 95¾ @ 95½; sight, 95¾ @ 96. Guilders—bankers', 60 days, 40¼ @ 40 5-16; sight, 40½ @ 40 9-16.



## NEW BANKS, BANKERS. AND SAVINGS BANKS.

*(Monthly List, continued from March No., page 734.)*

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
CAL....	Visalia.....	Visalia Savings Bank..... R. E. Hyde, <i>P.</i> C. J. Giddings, <i>Cas.</i>	.....
DAK. N.	Bathgate.....	First National Bank..... \$50,000	Chas. T. Harmon, <i>Cas.</i>
" ..	Caledonia.....	State Bank of Caledonia. \$6,000 Andrew O. Anderson, <i>P.</i> Joseph P. Clark, <i>Cas.</i> Harry D. Hurley, <i>V. P.</i>	Hanover National Bank.
" ..	St. Thomas....	Farmers State Bank..... \$40,000 H. Strong, <i>P.</i> Arthur Childerhose, <i>Cas.</i> John Gaussle, <i>V. P.</i>	American Exchange Nat. Bank.
FLA....	Tampa.....	Tampa National Bank.. \$50,000 Orlo J. Spafford, <i>P.</i> L. L. Spafford, <i>Cas.</i>	.....
GA....	Monroe.....	Bank of Monroe..... \$50,000 Geo. C. Selman, <i>P.</i> J. R. Radford, <i>Cas.</i> B. S. Walker, <i>V. P.</i>	.....
IDAHO..	Murray.....	Bank of North Idaho.... (F. F. Johnson).	Hanover National Bank.
ILL....	Martinsville....	Exchange Bank..... Clark H. Hammond, <i>P.</i> Bert Bryan, <i>Cas.</i> T. M. Sallee, <i>V. P.</i> S. A. Fasig, <i>Ass't Cas.</i>	National Park Bank.
IND....	North Vernon..	North Vernon State B'k.. \$30,000 J. B. McMillan, <i>P.</i> John C. Cope, <i>Cas.</i> John Fable, <i>V. P.</i> Will S. Campbell, <i>Ass't Cas.</i>	Hanover National Bank.
IOWA...	Cushing.....	Cushing Savings Bank... \$25,000 Cyrus W. Sawyer, <i>P.</i> Chas. D. Sanborn, <i>Sec.</i> S. B. Daniels, <i>V. P.</i>	Hanover National Bank.
" ..	Lyons.....	Lyons Savings Bank..... \$20,000 B. H. A. Henningsen, <i>P.</i> Jacob H. Peters, <i>Treas.</i> C. L. McMahan, <i>V. P.</i>	.....
" ..	Lyons.....	Citizens National Bank.. \$100,000 L. R. Wadleigh, <i>P.</i> Virtus Lund, <i>Cas.</i>	.....
" ..	Victor.....	Farmers Savings Bank.. \$25,000 James Simpson, <i>P.</i> H. L. Mussetter, <i>Cas.</i> C. H. Bartlett, <i>V. P.</i>	.....
KAN....	El Dorado.....	State Bank of El Dorado. \$25,000 J. W. Robison, <i>P.</i> F. P. Gillespie, <i>Cas.</i> A. L. L. Hamilton, <i>V. P.</i> F. B. Ewing, <i>Ass't Cas.</i>	First National Bank.
" ..	Medicine Lodge.	Citizens State B'k..... \$20,000 C. Q. Chandler, <i>P.</i> F. B. Chapin, <i>Cas.</i> H. C. Thompson, <i>V. P.</i>	Seaboard National Bank.
" ..	Wichita.....	West Side Bank..... J. A. Davison, <i>Cas.</i>	National Park Bank.
ME....	Portland.....	Fred. E. Richards & Co. Kidder, Peabody & Co.	.....
MICH...	Jonesville.....	Grosvenor Savings Bank. \$50,000 E. O. Grosvenor, <i>P.</i> Chas. F. Wade, <i>Cas.</i> John A. Sibbald, <i>V. P.</i> W. M. Wetmore, <i>Ass't Cas.</i>	Peoples Bank.
MO....	Holt.....	Holt Bank..... K. M. Woods, Jr., <i>P.</i> T. G. Wigglesworth, <i>Cas.</i>	.....
" ..	Kansas City....	Deutsche Spar Bank..... \$25,000 Joseph Feld, <i>P.</i> Bernard Knapp, <i>Cas.</i> Chas. A. Rollert, <i>V. P.</i>	Kountze Bros.
MONT..	Demersville....	Flathead Banking Co.... J. A. Coran, <i>M'gr.</i> B. D. Hatcher, <i>Cas.</i>	Chase National Bank.
" ..	Glasgow.....	Robt. P. Lewis. National Bank of Republic. John M. Lewis, <i>Cas.</i>	.....
" ..	Great Falls....	Northwestern Nat. Bank. \$100,000 Wm. G. Conrad, <i>P.</i> John A. Baker, <i>Cas.</i> C. E. Conrad, <i>V. P.</i>	National Park Bank.

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
NEB...	Hartington.....	First National Bank.....	National Bank of Deposit.
	\$50,000	Daniel T. Gilman, <i>P.</i>	C. B. Burrows, <i>Cas.</i>
		F. Nelson, <i>V. P.</i>	
N. J....	Red Bank.....	Navesink National Bank.....	
	\$50,000	Jas. S. Throckmorton, <i>P.</i>	Enoch L. Cowart, <i>Cas.</i>
N. Y....	Ripley .....	E. A. Skinner & Co. ....	First National Bank.
			James W. Burrows, <i>Cas.</i>
N. C....	New Berne.....	Farmers & Merch. Bank.	Fourth National Bank.
	\$75,000	L. H. Cutler, <i>P.</i>	T. W. Dewey, <i>Cas.</i>
		W. S. Chadwick, <i>V. P.</i>	
OHIO...	Port Clinton....	German-American Bank.	Chase National Bank.
	\$25,000	Geo. E. St. John, <i>P.</i>	Burton W. Wilson, <i>Cas.</i>
" ..	Sherodsville....	Connotton Valley Bank..	Chase National Bank.
	\$20,000	Geo. Tomlinson, <i>P.</i>	J. C. Allmon, <i>Cas.</i>
		Henry Barrick, <i>V. P.</i>	
PA. ....	Charleroi .....	First National Bank.....	
	\$50,000	John W. Moore, <i>P.</i>	Chas. H. Ulery, <i>Cas.</i>
" ..	Philadelphia..	State Mutual Sav. Fund & Tr. Co. ....	
	\$20,000	John H. Cossart, <i>P.</i>	Clark J. Wood, <i>Sec.</i>
		Wm. Tardif, <i>V. P.</i>	
" ..	Reedsville.....	Reedsville National Bank.	
	\$50,000	Samuel Watts, <i>P.</i>	
" ..	Royersford.....	Farm. & Mechanics Bank.	
			Joseph Johnson, <i>Cas.</i>
S. C....	Georgetown....	Bank of Georgetown....	National Park Bank.
	\$50,000	W. D. Morgan, <i>P.</i>	John J. Hazard, <i>Cas.</i>
		J. B. Steele, <i>V. P.</i>	
TENN..	Manchester.....	Coffee Co. Bank.....	Importers & Traders Nat. Bank.
	\$20,000	A. M. Young, <i>P.</i>	J. G. Wilkinson, <i>Cas.</i>
" ..	Mt. Pleasant..	Mt. Pleasant B'k & Tr. Co.	Hanover National Bank.
	\$20,000	B. Howard, <i>P.</i>	J. E. Brownlow, <i>Cas.</i>
" ..	Nashville .....	McLester, Dudley & Co..	Latham, Alexander & Co.
TEXAS..	Bonham.....	Bonham National Bank..	
	\$50,000	Jas. P. Holmes, <i>P.</i>	Geo. W. Blair, <i>Cas.</i>
VT.....	Bristol.....	S. M. Dorr's Sons.....	Mt. Morris Bank.
		Henry R. Dorr, <i>M'gr.</i>	Robt. G. Arnold, <i>Cas.</i>
VA.....	Roanoke.....	Citizens National Bank..	
	\$100,000	John B. Levy, <i>P.</i>	H. M. Dickinson, <i>Cas.</i>
" ..	Staunton.....	Staunton Savings Bank..	
		A. C. Gordon, <i>P.</i>	Gilbert G. Child, <i>Cas.</i>
		Wm. T. McCue, <i>V. P.</i>	
" ..	West Point....	Wilkinson, Register & Co.	Southern National Bank.
			Herbert I. Lewis, <i>Cas.</i>
WASH.	Mt. Vernon....	First National Bank.....	
	\$50,000		C. S. Moody, <i>Cas. &amp; M'gr.</i>
" ..	Seattle.....	North End Bank.....	Hanover National Bank.
	\$30,000	Dillis B. Ward, <i>P.</i>	James W. Bixby, <i>Cas.</i>
		Clarence B. Bagley, <i>V. P.</i>	
" ..	Snohomish...	Snohomish Nat. Bank....	
	\$50,000	Emory C. Ferguson, <i>P.</i>	Ursenus K. Loose, <i>Cas.</i>
" ..	Waterville....	First National Bank.....	
	\$300,000	Wm. R. Ballard, <i>P.</i>	John D. Bassett, <i>Cas.</i>
MAN'BA.	Boissevain....	Com. Bank of Manitoba.	
			Wm. Cowan, <i>M'gr.</i>

**A**N EXPERIENCED MAN, eight years in bank, good accountant, correspondent also in foreign languages, desires engagement with bank or wholesale house. Best of references given. Address A. G., 350 East 78th Street, New York City.

## CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from March No., page 742.)

	Bank and Place.	Elected.	In place of.
ALA....	Alabama National Bank, Birmingham.	Ed. W. Rucker, <i>V. P.</i> ....	T. B. Lyons.
		H. B. Urquhart, <i>Act'g Cas.</i> .....	
		H. L. Badham, <i>Ass't Cas.</i> .....	H. B. Urquhart.
" ..	Alabama Nat. Bank, Mobile.	F. H. McLarney, <i>V. P.</i> ...	J. R. Edwards.
CAL....	N. B. of California, Los Angeles.	A. Hadley, <i>2d Ass't Cas.</i> ...	
COL....	First Nat. Bank, Central City..	J. C. McShane, <i>V. P.</i> ....	A. N. Rogers.
" ..	German Nat. Bank, Denver....	D. C. Dodge, <i>V. P.</i> .....	
" ..	Peoples National Bank, Denver.	D. D. Muir, <i>V. P.</i> .....	Chas. A. Raymond.
		F. C. Schrader, <i>Cas.</i> .....	J. C. Mitchell.
		M. S. Lawrence, <i>Ass't Cas.</i> .....	F. C. Schrader.
" ..	American National Bank, Leadville.	Morgan H. Williams, <i>P.</i> ...	S. N. Dwight.
		A. Sherwin, <i>V. P.</i> .....	M. H. Williams.
		T. H. Lee, <i>Ass't Cas.</i> .....	
CONN...	Deep River N. Bank, Deep River.	Harry R. Wooster, <i>V. P.</i> ...	Asa R. Shaller.
" ..	Meriden National Bank, Meriden.	O. B. Arnold, <i>P.</i> .....	
		Geo. M. Clark, <i>Cas.</i> .....	O. B. Arnold.
DAK.N..	Merchants Nat. B., Devil's Lake.	A. Peterson, <i>Cas.</i> .....	F. L. Bacon.
" ..	Grand Forks Nat. Bank, Grand Forks.	Geo. B. Clifford, <i>V. P.</i> ....	D. Rhomberg.
" ..	Hillsboro Nat. Bank, Hillsboro.	A. J. Cole, <i>Ass't Cas.</i> .....	
" ..	James River N. B'k, Jamestown.	H. J. Nyhus, <i>Ass't Cas.</i> ...	
" ..	First Nat. Bank, Valley City..	John S. Watson, <i>V. P.</i> ...	Alfred Dickey.
" ..	First Nat. Bank, Custer City..	Herman Winterer, <i>V. P.</i> ...	John Anderson.
" ..	S. First Nat. Bank, Custer City..	F. A. Towner, <i>V. P.</i> .....	
" ..	National Bank of Dakota, Huron.	H. A. Maxfield, <i>Cas.</i> .....	Maris Taylor.
		W. S. Davis, <i>Ass't Cas.</i> ...	
DEL....	First Nat. Bank, Harrington...	Robt. H. Smith, <i>V. P.</i> ....	
D. C....	Ohio National Bank, Washington.	John O. Johnson, <i>V. P.</i> ...	
		C. H. Davidge, <i>Cas.</i> .....	
FLA....	Merchants Nat. B., Jacksonville.	James P. Taliaferro, <i>V. P.</i> ...	
" ..	First National Bank, Orlando..	O. T. Poyntz, <i>Ass't Cas.</i> ...	
" ..	First National Bank, Palatka...	E. S. Crill, <i>V. P.</i> .....	H. G. Payne.
" ..	First National Bank, Pensacola.	W. A. Blount, <i>V. P.</i> .....	
" ..	First National Bank, Sanford..	Henry L. De Forest, <i>V. P.</i> ...	Moses Lyman.
GA. ....	First National Bank, Cedartown.	Ivy F. Thompson, <i>V. P.</i> ...	W. T. Gibson.
		N. K. Bitting, <i>Ass't Cas.</i> ...	
" ..	Merchants Nat. Bank, Rome...	Wm. A. Billingsley, <i>Cas.</i> ...	R. J. Gwaltney.
IDAHO..	Lewiston National Bank, Lewiston.	W. F. Kettenbach, <i>P.</i> ....	N. F. Brearley.
		F. W. Kettenbach, <i>Cas.</i> ...	W. F. Kettenbach.
ILL....	German Nat. Bank, Aurora....	John Plain, <i>V. P.</i> .....	
" ..	Nat. State Bank, Bloomington.	C. C. Aldrich, <i>V. P.</i> .....	I. Vanordstrand.*
" ..	Hide & Leather N. B., Chicago.	Hugh A. White, <i>V. P.</i> ....	J. V. Taylor.
" ..	Merchants National Bank, Chicago.	C. J. Blair, <i>P.</i> .....	Chauncey B. Blair.*
		F. W. Crosby, <i>V. P.</i> .....	C. J. Blair.
" ..	Second Nat. Bank, Danville....	Ernest X. Leseure, <i>A. Cas.</i> ...	
" ..	First National Bank, East St. Louis.	J. M. Woods, <i>Cas.</i> .....	L. A. Battaile.
		Jno. J. McLean Jr., <i>A. C.</i> .....	
" ..	Home National Bank, Elgin.	E. D. Waldron, <i>2d V. P.</i> ...	
		W. H. Doe, <i>Cas.</i> .....	E. D. Waldron.
" ..	First National Bank, Henry....	T. L. Jones, <i>V. P.</i> .....	John Morgan.
" ..	Hillsboro Nat. Bank, Hillsboro.	H. H. Keithley, <i>Ass't Cas.</i> ...	
" ..	First Nat. Bank, Hoopeston...	O. P. Chamberlin, <i>A. Cas.</i> ...	C. P. Huey.
" ..	First National Bank, Marengo..	Ernest D. Patrick, <i>A. Cas.</i> ...	
" ..	First National Bank, Pana....	Thos. J. Vidler, <i>Cas.</i> ....	A. P. West.
" ..	Edgar Co. Nat. Bank, Paris...	Terrence Clark, <i>V. P.</i> ....	
" ..	Commercial Nat. Bank, Peoria.	Henry P. Ayres, <i>V. P.</i> ...	C. B. Allaire.
" ..	Quincy National Bank, Quincy.	W. W. Benton, <i>V. P.</i> ....	C. U. Colburn.
" ..	Salem National Bank, Salem...	Thomas S. Marshall, <i>Cas.</i> ...	Benj. F. Marshall.

\* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
IND....	Capital National Bank, Indianapolis.	Chas. J. Doherty, <i>Cas.</i> ....	.....
"	Howard Nat. Bank, Kokomo..	John A. Butler, <i>A. Cas.</i> ...	.....
"	Merchants Nat. B'k, La Fayette.	Foster Bronson, <i>Ass't Cas.</i> .....	.....
"	First National Bank, Logansport.	W. W. Smith, <i>V. P.</i> .....	.....
"	Lawrence National Bank, North Manchester.	W. T. Wilson, <i>V. P.</i> .....	J. C. Merriam.*
"	Royal Centre Bank, Royal Centre.	J. F. Brookmeyer, <i>A. Cas.</i> .....	.....
"	South Bend National Bank, South Bend.	John M. Curtner, <i>A. Cas.</i> .....	.....
"	First National Bank, Vevay....	Wm. C. Thomas, <i>P.</i> .....	D. P. Baldwin.
IND. T..	First Nat. B'k, Oklahoma City.	E. B. Thomas, <i>Cas.</i> .....	Wm. C. Thomas.
IOWA..	First Nat. Bank, Charles City..	Wm. Miller, <i>P.</i> .....	D. H. Baker.*
"	Louisa Co. National Bank, Columbus Junction.	Myron Campbell, <i>Cas.</i> ....	Wm. Miller.
"	Nat. Bank of Corning, Corning.	U. P. Craig, <i>Ass't Cas.</i> .....	.....
"	Citizens Nat. B'k, Des Moines..	T. M. Richardson, Jr., <i>A. C.</i> .....	.....
"	First National Bank, Elkader..	S. B. Hall, <i>Cas.</i> .....	H. C. Baldwin.
"	First Nat. Bank, Ida Grove....	E. R. Lacey, <i>Ass't Cas.</i> .....	.....
"	First Nat. Bank, Indianola....	W. S. Hefling, <i>V. P.</i> .....	F. M. Davis.
"	First National Bank, Le Mars..	W. T. Blackburn, <i>A. Cas.</i> .....	.....
"	First National B'k, Manchester.	G. M. Gifford, <i>Ass't Cas.</i> .....	.....
"	First Nat. Bank, Mt. Pleasant..	Wm. Pilcher, <i>V. P.</i> .....	Alex. McHugh.
"	First National Bank, Spencer.	J. F. Samson, <i>Ass't Cas.</i> .....	.....
"	Exchange State Bank, Walnut.	C. D. Hoffman, <i>V. P.</i> .....	A. H. Treat.
"	Home Nat. B'k, Arkansas City.	Lewis Atwater, <i>V. P.</i> .....	.....
"	First Nat. Bank, Burlingame....	W. G. Saunders, <i>P.</i> .....	Chas. Snider.
"	Com'l N. B., Independence....	Ackley Hubbard, <i>Cas.</i> ....	M. C. Remsbury.
"	First National Bank, Kansas City.	A. F. Lamar, <i>Ass't Cas.</i> .....	.....
"	Wyandotte N. B., Kansas City.	J. H. Merrill, <i>P.</i> .....	.....
"	First National Bank, Larned.	J. G. Rounds, <i>V. P.</i> .....	.....
"	First National Bank, Marion.	O. Mosher, <i>Cas.</i> .....	.....
"	First National Bank, Minneapolis.	Ed. D. Burke, <i>Ass't Cas.</i> .....	.....
"	First Nat. Bank, Osage City....	A. A. Newman, <i>V. P.</i> .....	.....
"	First National Bank, Peabody..	L. P. Davis, <i>V. P.</i> .....	.....
"	First National Bank, Russell.	Henry Boden, <i>V. P.</i> .....	.....
"	Merchants Nat. Bank, Topeka..	I. D. Wilson, <i>P.</i> .....	D. R. Emmons.
"	Boyle National Bank, Danville.	Benj. Schnierle, <i>Cas.</i> .....	Wm. Albright.
"	Farmers & Merchants Nat. B., Hickman.	C. A. Casmin, <i>Ass't Cas.</i> .....	.....
"	Lexington City Nat. Bank, Lexington.	Thos. J. Barker, <i>P.</i> .....	Geo. Stumpf.
"	Phoenix Nat. Bank, Lexington.	Wm. S. Webb, <i>Cas.</i> .....	Thos. E. Evans.
"	Third National B'k, Lexington.	H. L. Rose, <i>Ass't Cas.</i> .....	.....
"	First National Bank, Mayfield..	H. M. Thorp, <i>V. P.</i> .....	E. M. Donaldson.
"	First National Bank, Newport..	M. S. Bryan, <i>Ass't Cas.</i> ...	J. R. Willson.
"	Richmond Nat. B'k, Richmond.	Chas. Fairfield, <i>V. P.</i> .....	Adolph Gilbert.
"	Homer National Bank, Homer.	K. M. Andrew, <i>Ass't Cas.</i> .....	.....
"	Union Nat. Bank, New Orleans.	John P. O'Grady, <i>Cas.</i> ....	R. A. Marks.
"	First Nat. Bank, Opelousas....	R. L. Brown, <i>Cas. (pro tem.)</i> .....	.....
"	Manufacturers N. B., Baltimore.	Geo. W. Shupe, <i>V. P.</i> ....	W. D. Butler.
"	Farm. & Merch. N. B., Easton.	Chas. A. Wolcott, <i>P.</i> .....	David H. Geer.
"		David H. Geer, <i>V. P.</i> .....	W. H. Moses.
"		V. K. Hoover, <i>Cas.</i> .....	Chas. A. Wolcott.
"		W. H. Moses, <i>Ass't Cas.</i> ...	V. K. Hoover.
"		W. Macferran, <i>Ass't Cas.</i> ...	.....
"		Boyle O. Rodes, <i>V. P.</i> ....	Reuben Gentry.*
"		J. J. C. Bondurant, <i>V. P.</i> ...	.....
"		J. N. Beadles, Jr., <i>A. Cas.</i> .....	.....
"		J. W. Stoll, <i>Ass't Cas.</i> ...	.....
"		Wilbur R. Smith, <i>V. P.</i> ...	J. C. Rogers.
"		John G. Cooper, <i>Ass't Cas.</i> .....	.....
"		D. B. Stanfield, <i>V. P.</i> ....	C. Farthing.
"		J. D. Hengelbrok, <i>A. Cas.</i> .....	.....
"		I. S. Irvine, <i>V. P.</i> .....	W. M. Irvine.*
"		Joel W. Holbert, <i>V. P.</i> ...	.....
"		A. Labarthe, <i>Ass't Cas.</i> ...	.....
"		A. Dietlein, <i>V. P.</i> .....	S. J. Wilson.
"		Chas. W. Dorsey, <i>Cas.</i> ....	Sam'l J. Hindes.
"		Harry M. Mason, <i>Cas.</i> ....	F. H. Roe.

\* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
MASS...	Beverly National Bank, Beverly. }	Albert Perry, <i>P.</i> .....	T. A. Lefavour.
"	" .. Nat. B'k of Redemption, Boston. }	Horace L. Walker, <i>V. P.</i> ..	Albert Perry.
"	" .. Brookline Nat. Bank, Brookline. }	P. E. Presbrey, <i>Ass't Cas.</i> .....	
"	" .. Fitchburg Nat. Bank, Fitchburg. }	Francis W. Lawrence, <i>V. P.</i> ..	A. W. Benton.
"	" .. City Nat. Bank, Gloucester .... }	H. G. Townend, <i>Cas.</i> .....	Wm. J. Stearns.
"	" .. Essex Nat. Bank, Haverhill.... }	W. T. Cunningham, <i>A. C.</i> .....	
"	" .. Arlington National Bank, Lawrence. }	C. H. Goodwin, <i>P.</i> .....	W. S. Jewett.
"	" .. Nat. Pemberton B'k, Lawrence. }	Joshua W. Higgins, <i>P.</i> ....	Wm. S. Jewett.
"	" .. First National Bank, Escanaba. }	Wm. S. Knox, <i>V. P.</i> .....	
"	" .. Fifth Nat. Bank, Grand Rapids. }	W. S. Jewett, <i>V. P.</i> .....	
MICH...	" .. Old Nat. Bank, Grand Rapids.. }	R. Lyman, <i>Ass't Cas.</i> .....	
"	" .. First National Bank, Plymouth. }	J. E. Earle, <i>V. P.</i> .....	Henry Idema.
"	" .. St. Johns Nat. Bank, St. Johns.. }	Clay H. Hollister, <i>A. Cas.</i> .....	
"	" .. Exchange Bank, Unionville. }	Robt. C. Safford, <i>V. P.</i> ....	
"	" .. First National Bank, Brainerd. }	Geo. A. Steel, <i>V. P.</i> .....	
"	" .. Merchants Nat. B'k, Crookston. }	F. O. Watrous, <i>P.</i> .....	
"	" .. Marine Nat. Bank, Duluth..... }	J. C. Purdy, <i>Cas.</i> .....	
"	" .. First Nat. Bank, Little Falls... }	G. D. La Bar, <i>V. P.</i> .....	
"	" .. First National Bank, Morris... }	John Moore, <i>V. P.</i> .....	John McLean.
"	" .. First National Bank, Stillwater. }	J. P. Johnson, <i>Ass't Cas.</i> ..	
"	" .. German-Amer. N. B., St. Cloud. }	Theo. Wold, <i>Ass't Cas.</i> ....	
"	" .. First National Bank, Wabasha. }	F. A. Rising, <i>V. P.</i> .....	F. L. Pierce.
"	" .. First National Bank, Natchez. }	R. H. Bronson, <i>Ass't Cas.</i> .....	
"	" .. First National Bank, Tupelo... }	A. H. Reinhard, <i>Ass't Cas.</i> ..	
"	" .. First National Bank, Brunswick .... }	E. T. Buxton, <i>V. P.</i> .....	W. T. Dugan.
"	" .. First National Bank, Cameron. }	A. G. Campbell, <i>P.</i> .....	J. F. Foard.
"	" .. Citizens Nat. Bank, Chillicothe. }	R. L. Wood, <i>Cas.</i> .....	A. G. Campbell.
"	" .. First Nat. Bank, Harrisonville. }	J. J. Rogers, <i>V. P.</i> .....	
"	" .. Missouri Nat. B'k, Kansas City. }	H. L. Gaines, <i>Ass't Cas.</i> ..	
"	" .. Mountain Grove Bank, Mountain Grove. }	C. J. Stevens, <i>Cas.</i> .....	A. R. Bradley.
"	" .. Nat. Bank of Odessa, Odessa... }	Jarvis Postlewait, <i>V. P.</i> ...	Lewis Chapman.
"	" .. Pierce City Nat. B'k, Pierce City. }	Geo. M. Houston, <i>A. Cas.</i> ..	D. Mill.
"	" .. Sedalia National Bank, Sedalia. }	Henry C. Kumpf, <i>V. P.</i> ....	
"	" .. Nat. B. of Commerce, St. Louis.. }	J. W. Powers, <i>P.</i> .....	J. C. Robertson.
"	" .. First National Bank, Tarkio... }	Gordon Jones, <i>Cas.</i> .....	M. G. Wood.
"	" .. First National Bank, Anaconda. }	Geo. A. Purdy, <i>V. P.</i> ....	D. S. Flowers.
"	" .. First National Bank, Billings. }	O. A. Crandall, <i>V. P.</i> .....	
"	" .. National Park Bank, Livingston. }	John Whittaker, <i>ad V. P.</i> ....	
"	" .. First National Bank, Arapahoe. }	J. F. Hanna, <i>Ass't Cas.</i> ..	W. F. Rankin.
"	" .. Nebraska Nat. Bank, Beatrice.. }	G. S. Bartlett, <i>Ass't Cas.</i> ..	
"	" .. First Nat. Bank, Blue Hill. .... }	H. H. Mund, <i>P.</i> .....	W. R. Stebbins.
"	" .. First Nat. Bank, Dorchester. ... }	W. R. Stebbins, <i>V. P.</i> ....	H. H. Mund.
"	" .. Geneva National Bank, Geneva. }	E. H. Talcott, <i>P.</i> .....	W. M. Wright.
"	" .. First National Bank, Harvard.. }	J. C. Vilas, <i>Cas.</i> .....	E. H. Talcott.
"	" .. First National Bank, Kearney.. }	E. E. Emmett, <i>Ass't Cas.</i> .....	
"	" .. First National Bank, Ord..... }	H. C. Ewing, <i>V. P.</i> .....	Warren Cole.
"	" .. First National Bank, Pierce.... }	C. Koehler, <i>V. P.</i> .....	John S. Hoover.
"	" .. First National Bank, Seward... }	W. P. Thompson, <i>V. P.</i> ...	S. G. Panter.
"	" .. Citizens State Bank, Stockville. }	T. S. Francis, <i>V. P.</i> .....	
"	" .. Tecumseh Nat. B'k, Tecumseh. }	C. B. Rockhill, <i>Ass't Cas.</i> .....	
"	" .. First National Bank, Wilbur... }	O. B. Huttan, <i>Ass't Cas.</i> .....	
"	" .. Nebraska Nat. Bank, York.... }	L. R. Robertson, <i>V. P.</i> ...	W. F. R. Mills.
"	" .. York National Bank, York.... }	J. M. Conrad, <i>Ass't Cas.</i> ..	
"	" .. Great Falls Nat. B'k, Great Falls. }	Benj. Lindsay, <i>V. P.</i> .....	
"	" .. Second Nat. Bank, Nashua.... }	Isaac Holt, <i>V. P.</i> .....	E. McIntyre.
"	" .. First Nat. Bank, Newport. .... }	G. W. Clawson, <i>P.</i> .....	
"	" .. Great Falls Nat. B'k, Great Falls. }	Geo. F. Sawyer, <i>V. P.</i> ....	
"	" .. Second Nat. Bank, Nashua.... }	Byron G. Lane, <i>Cas.</i> .....	
"	" .. First Nat. Bank, Newport. .... }	J. P. Funk, <i>Ass't Cas.</i> .....	
"	" .. Great Falls Nat. B'k, Great Falls. }	G. D. Bennett, <i>Cas.</i> .....	W. H. Holmes.
"	" .. Second Nat. Bank, Nashua.... }	Isaac M. Raymond, <i>V. P.</i> ..	J. R. Clark.*
"	" .. First Nat. Bank, Newport. .... }	Herman Behling, <i>V. P.</i> ...	F. F. Mead.
"	" .. Great Falls Nat. B'k, Great Falls. }	E. J. Wightman, <i>Cas.</i> .....	Lee Love.
"	" .. Second Nat. Bank, Nashua.... }	John W. Bates, <i>V. P.</i> .....	
"	" .. First Nat. Bank, Newport. .... }	F. W. Estabrook, <i>V. P.</i> ...	Chas. Williams.
"	" .. Great Falls Nat. B'k, Great Falls. }	Seth M. Richards, <i>V. P.</i> ...	

\* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
N. J....	First Nat. Bank, Asbury Park..	Martin V. Dager, <i>A. Cas.</i>	.....
"	.. Atlantic Highlands Nat. B'k, } Atlantic Highlands.	F. B. Rue, <i>Ass't Cas.</i>	.....
"	.. Boonton National Bank, } Boonton.	Geo. W. Jenkins, <i>P.</i>	James Holmes.
N. MEX.	First Nat. Bank, Albuquerque..	C. A. De Camp, <i>V. P.</i>	Jno. S. Schultze.
"	.. First National Bank, Deming..	A. A. Keen, <i>Ass't Cas.</i>	H. S. Beattie.
"	.. Silver City Nat. B'k, Silver City.	R. W. Mead, <i>Cas.</i>	.....
N. Y....	.. Cayuga Co. Nat. Bank, Auburn.	T. F. Conway, <i>V. P.</i>	.....
"	.. National Bank of Granville, } Granville.	Gorton W. Allen, <i>V. P.</i>	A. G. Beardsley.
"	.. First Nat. Bank, Greenwich....	D. D. Woodard, <i>P.</i>	Hugh W. Hughes.
"	.. Farmers & Mechanics Sav. B., } Lockport.	D. Rogers, <i>V. P.</i>	J. S. Warren.
"	.. Nat. Bank of Ogdensburgh, } Ogdensburgh.	F. W. Hewitt, <i>Ass't Cas.</i>	.....
"	.. Yates Co. Nat. B'k, Penn Yan..	Wm. D. Robertson, <i>V. P.</i>	.....
"	.. Peoples Nat. Bank, Sandy Hill.	Isaac H. Babcock, <i>P.</i>	James Jackson, Jr.*
"	.. First National Bank, Saugerties.	John M. Kellogg, <i>V. P.</i>	S. Brown.
"	.. Salt Springs Nat. B'k, Syracuse.	Daniel Lanning, <i>V. P.</i>	John L. Dinturff.
N. C.	.. Peoples Nat. Bank, Winston....	Chas. Stone, <i>V. P.</i>	Wm. Tolman.
OHIO.	.. First National Bank, Bryan....	James T. Maxwell, <i>V. P.</i>	C. Tiero.*
"	.. First National B'k, Canal Dover.	F. M. Bonta, <i>Ass't Cas.</i>	.....
"	.. City National Bank, Canton....	T. A. Wilson, <i>Cas.</i>	F. E. Patterson.
"	.. Market Nat. Bank, Cincinnati..	F. L. Niederaam, <i>Ass't Cas.</i>	.....
"	.. Central Nat. Bank, Cleveland..	C. Deis, <i>V. P.</i>	.....
"	.. Merchants Nat. Bank, Dayton..	L. V. Bockins, <i>V. P.</i>	Johnson Sherrick.
"	.. Second Nat. Bank, Greenville..	Casper H. Rowe, <i>2d V. P.</i>	.....
"	.. Kinsman National Bank, } Kinsman.	C. A. Paine, <i>Ass't Cas.</i>	.....
"	.. Ohio National Bank, Lima....	Thomas Gable, <i>Ass't Cas.</i>	.....
"	.. Ripley National Bank, Ripley..	James A. Ries, <i>V. P.</i>	.....
"	.. First National Bank, Salem....	R. H. Parker, <i>P.</i>	Allen Jones.
"	.. Marine National Bank, Sweden.	H. L. Burnham, <i>V. P.</i>	.....
ORE.	.. Arlington Nat. Bank, Arlington.	L. H. Kibby, <i>Ass't Cas.</i>	.....
"	.. First National Bank, Arlington.	G. Bambach, <i>V. P.</i>	G. Bambach, Jr.
"	.. Astoria National Bank, } Astoria.	J. A. Ambler, <i>V. P.</i>	.....
"	.. First National Bank, Athena....	E. S. Henry, <i>Ass't Cas.</i>	.....
"	.. Farmers & Traders Nat. B'k, } La Grande.	W. W. Steiwer, <i>V. P.</i>	N. A. Cornish.
"	.. La Grande Nat. B'k, La Grande.	H. C. Stratton, <i>P.</i>	.....
"	.. N. B. of Pendleton, Pendleton..	D. K. Warren, <i>P.</i>	C. T. Edee.
PA.....	.. Bradford Nat. Bank, Bradford.	A. B. Edee, <i>V. P.</i>	.....
"	.. First Nat. Bank, Conneautville.	H. C. Thompson, <i>Cas.</i>	A. B. Edee.
"	.. First National Bank, } Darby.	D. P. Thompson, <i>V. P.</i>	.....
"	.. First Nat. Bank, Girardville....	W. J. Snodgrass, <i>P.</i>	M. Baker.
"	.. First Nat. Bank, Glen Rock....	F. Probstel, <i>V. P.</i>	.....
"	.. Liberty National Bank, } Liberty.	Jay Brooks, <i>V. P.</i>	R. J. Rogers.
"	.. Lincoln Nat. Bank, Lincoln....	G. A. Hartman, <i>Ass't Cas.</i>	.....
"	.. First National Bank, Oil City..	Thos. H. Kennedy, <i>V. P.</i>	P. T. Kennedy.*
"	.. German Nat. Bank, Pittsburgh.	J. T. Snodgrass, <i>A. Cas.</i>	.....
"	.. Citizens Nat. B'k, Washington.	B. M. Custer, <i>V. P.</i>	.....
"	.. Farmers Nat. B'k, West Chester.	Geo. W. Dwier, <i>Ass't Cas.</i>	.....
R. I....	.. Nat. Exchange B'k, Greenville..	Chas. D. Kaier, <i>V. P.</i>	.....
S. C....	.. First National Bank, Charleston.	E. R. Miller, <i>V. P.</i>	John F. Beck.
TENN.	.. First National Bank, Cardiff....	James H. Park, <i>V. P.</i>	.....
"	.. First Nat. Bank, Greeneville....	H. H. Woods, <i>Cas.</i>	D. C. Kuhn.
"	.. First Nat. Bank, Harriman....	Benj. Wissler, <i>V. P.</i>	.....
"	.. Continental Nat. Bank, } Memphis.	Geo. Cornwall, <i>V. P.</i>	.....
"	.. First Nat. Bank, Morristown....	J. H. E. Wessler, <i>A. Cas.</i>	.....
"	.. Peoples Nat. Bank, Pulaski....	J. C. Baird, <i>Ass't Cas.</i>	.....
		H. B. Buckwalter, <i>P.</i>	Sam'l Butler.*
		N. S. Winsor, <i>Ass't Cas.</i>	.....
		Dwight Hughes, <i>A. Cas.</i>	Henry I. Greer.
		H. C. Young, <i>V. P.</i>	.....
		V. C. Allen, <i>2d V. P.</i>	.....
		J. D. Britton, <i>Ass't Cas.</i>	W. H. Armitage.
		O. F. Janes, <i>V. P.</i>	.....
		Chas. T. Dodd, <i>2d V. P.</i>	.....
		H. L. Armstrong, <i>A. Cas.</i>	.....
		C. V. Taylor, <i>Ass't Cas.</i>	.....
		N. A. Crickets, <i>Ass't Cas.</i>	.....

\* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of</i>
TEXAS	First National Bank, Alvarado.	W. C. Glasgow, <i>Ass't Cas.</i>	W. B. Norman.
"	.. First National Bank, Amarillo.	J. H. Hamlin, <i>V. P.</i> ..... Walter Davis, <i>Cas.</i> ..... A. H. Wood, <i>Ass't Cas.</i> .....	J. D. Ford. A. H. Wood.
"	.. First Nat. Bank, Aransas Pass.	James C. Fuller, <i>V. P.</i> .....	.....
"	.. American Nat. Bank, Austin.	John H. Houghton, <i>V. P.</i> .....	.....
"	.. First National Bank, Ballinger.	J. B. Wilmoth, <i>Ass't Cas.</i>	Walter A. Davis.
"	.. First National Bank, Big Spring.	F. W. James, <i>P.</i> ..... Jos. Fisher, <i>V. P.</i> .....	W. H. Gilliland. F. W. James.
"	.. First National Bank, Cameron.	R. H. Sellers, <i>P.</i> ..... D. Kemp, <i>V. P.</i> .....	J. M. Hefley. R. H. Sellers.
"	.. Farm. & Merchants Nat. B'k, Cleburne.	M. L. Kennard, <i>V. P.</i> .....	.....
"	.. Corpus Christi Nat. Bank, Corpus Christi.	Robt. J. Kleburg, <i>V. P.</i> ...	A. F. Starr.
"	.. Ninth National Bank, Dallas.	E. C. Schneider, <i>Ass't Cas.</i>	C. B. Jones.
"	.. Wise Co. National Bank, Decatur.	C. W. Collom, <i>Cas.</i> ..... J. L. Norris, <i>Ass't Cas.</i> .....	.....
"	.. Nat. Bank of Denison, Denison.	D. O. Fisher, <i>V. P.</i> .....	.....
"	.. First National Bank, Elgin.	P. M. Cunry, <i>V. P.</i> .....	C. A. King.
"	.. First National Bank, El Paso.	J. Reynolds, <i>V. P.</i> .....	J. W. Zollars.
"	.. First National Bank, Hico.	R. A. Dorsey, <i>V. P.</i> .....	.....
"	.. Planters & Mechanics Nat. Bk, Houston.	T. J. Boyles, <i>V. P.</i> ..... J. A. Norton, <i>Ass't Cas.</i> ...	J. C. Hutcheson. .....
"	.. South Texas Nat. B'k, Houston.	Chas. Dillingham, <i>V. P.</i> .....	.....
"	.. Gibbs Nat. Bank, Huntsville.	W. W. Adickes, <i>V. P.</i> .....	.....
"	.. Citizens Nat. Bank, Kaufman.	Alex. E. Carlisle, <i>V. P.</i> .....	.....
"	.. First National Bank, Ladonia.	Jas. F. McFarland, <i>P.</i> .....	J. H. Nail.
"	.. Collin County Nat. Bank, McKinney.	G. A. Foote, <i>P.</i> ..... M. M. McAulay, <i>V. P.</i> .....	E. N. McAulay. H. M. Markham.
"	.. First National Bank, Midland.	G. W. Elliott, <i>V. P.</i> .....	.....
"	.. First Nat. Bank, Palestine.	Jno. D. Grigsby, <i>A. Cas.</i> .....	.....
"	.. First National Bank, Rusk.	M. J. Whitman, <i>Ass't Cas.</i> .....	.....
"	.. Alamo Nat. Bank, San Antonio.	S. Helff, <i>V. P.</i> .....	.....
"	.. Erath Co. N. B'k, Stephenville.	W. Astor, <i>V. P.</i> .....	McD. Reid.
"	.. First Nat. Bank, Stephenville.	N. C. Baldwin, <i>V. P.</i> .....	John A. Frey.
"	.. First National Bank, Tyler.	H. G. Askew, <i>V. P.</i> .....	E. C. Williams.
"	.. State National Bank, Vernon.	W. G. Curtiss, <i>P.</i> .....	.....
"	.. Farmers & Merch. N. B'k, Waco.	John T. Walton, <i>V. P.</i> ...	.....
"	.. Provident Nat. Bank, Waco.	W. A. Taylor, <i>V. P.</i> ..... W. W. Seley, <i>P.</i> ..... G. C. McGregor, <i>V. P.</i> .....	C. M. Seley. W. W. Seley.
"	.. Waco State Bank, Waco.	M. A. Sullivan, <i>Cas.</i> ..... Robt. F. Gribble, <i>A. Cas.</i> .....	.....
"	.. City National Bank, Wichita Falls.	D. J. Calkins, <i>V. P.</i> ..... Frank Dorsey, <i>Cas.</i> .....	Ashby S. James.
"	.. First National Bank, Yoakum.	A. May, <i>V. P.</i> ..... E. B. Carrult, <i>Ass't Cas.</i> ...	.....
VT.	Island Pond N. B., Island Pond.	S. D. Hobson, <i>V. P.</i> .....	.....
"	.. First Nat. Bank, St. Johnsbury.	Chas. W. King, <i>V. P.</i> ...	Jonathan Rose.
VA.	N. B. of Petersburg, Petersburg.	R. J. J. Spratley, <i>A. Cas.</i> .....	.....
"	.. First Nat. Bank, Roanoke.	J. T. Meadows, <i>Ass't Cas.</i> .....	.....
WASH.	First Nat. Bank, Anacortes.	V. J. Knapp, <i>Ass't Cas.</i> .....	.....
"	.. First National Bank, Colfax.	W. N. Bellinger, <i>A. Cas.</i> ...	R. T. Cox.
"	.. Second National Bank, Colfax.	Alfred Coolidge, <i>P.</i> ..... Aaron Kuhn, <i>V. P.</i> ..... J. J. Humphrey, <i>Cas.</i> .....	F. M. Wade. L. T. Bragg. Alfred Coolidge.
"	.. First National Bank, Fairhaven.	Chas. Schering, <i>V. P.</i> .....	Jas. F. Wardner.
"	.. Capital Nat. Bank, Olympia.	N. H. Owings, <i>V. P.</i> .....	.....
"	.. First National Bank, Olympia.	John F. Govey, <i>V. P.</i> ...	Geo. D. Shannon.
"	.. First Nat. B'k, Port Townsend.	D. M. Slocum, <i>Ass't Cas.</i> ...	A. C. Phillips.
"	.. Port Townsend Nat. Bank, Port Townsend.	Wm. F. Erving, <i>V. P.</i> ....	.....
"	.. First National Bank, Puyallup.	W. H. Nichol, <i>Cas.</i> .....	H. S. Martin.
"	.. Boston National Bank, Seattle.	A. M. Brookes, <i>Cas.</i> ..... J. A. Jackson, <i>Ass't Cas.</i> ...	W. R. Thornell.
"	.. Commercial Nat. Bank, Seattle.	Frank Sutton, <i>Ass't Cas.</i> ...	.....
"	.. Puget Sound Nat. B'k, Seattle.	R. V. Ankeny, <i>Ass't Cas.</i> ...	.....

<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
WASH.. First Nat. Bank, Spokane Falls.	H. W. Fairweather, <i>V. P.</i>	F. R. Moore.
" .. Merchants Nat. Bank, Tacoma.	W. F. Sargent, <i>ad A. Cas.</i>	.....
" .. Pacific National Bank, Tacoma.	W. D. Tyler, <i>V. P.</i>	T. B. Wallace.
" .. Washington National Bank, Tacoma.	L. F. Thompson, <i>V. P.</i>	.....
" .. First National Bank, Vancouver.	A. F. Albertson, <i>A. Cas.</i>	.....
" .. First National Bank, Black River Falls.	Arthur Haine, <i>Ass't Cas.</i>	.....
WIS... First National Bank, Hurley.	W. T. Murray, <i>P.</i>	Hugh H. Price.
" .. Marshfield Bank, Marshfield.	W. H. Richards, <i>Cas.</i>	Edward B. Lewis.
" .. Nat. Exchange B'k, Milwaukee.	John Q. Adams, <i>V. P.</i>	Geo. H. Strong.
" .. Keystone N. B., West Superior.	Wm. D. Harshaw, <i>Cas.</i>	.....
" .. Citizens Nat. B'k, Whitewater.	Chas. Ray, <i>ad V. P.</i>	.....
	Wilmot Saeger, <i>Cas.</i>	.....
	E. F. Thayer, <i>Ass't Cas.</i>	.....

## PROJECTED BANKING INSTITUTIONS.

- N. Y. CITY.....Astor Place Bank to open May 1.  
 " .....A new uptown bank will probably be opened on May 1st, with A. Newbold Morris as President.
- ALA ... Mobile.....The National Commercial Bank, at Mobile, will have its name changed to the Alabama National Bank.  
 " .. Sheffield.....Sheffield Savings and Trust Co. Capital stock, \$25,000.
- CAL... San Francisco...Donohoe, Kelly Banking Co. Capital, \$1,000,000. Directors: Eugene Kelly, Jos. A. Donohoe, Howard Havens, Adam Grant, J. G. Eastland and John J. McKinnon.  
 " .. " ..Fairmount Loan Association incorporated. Directors: D. Richards, E. Torelle, J. H. Grady, C. Diel, C. B. L. Langley, J. F. Crossett, D. B. Todd, John Edwards and John H. Dawson.  
 " .. " ..Pacific Coast Savings Society, Wendell Easton, *President*; William C. Murdoch, *Vice-President*.  
 " .. Haywards.....A bank with \$50,000 capital has been started at Haywards, Alameda Co. Apply W. F. Goad, San Francisco.
- DAK. N. Bismarck .....Bismarck State Bank has been incorporated, with \$30,000 capital.
- D. C. .... Wash. (East)...The Capital Trust Co. Capital, \$1,000,000. John G. Slater, *President*; H. K. Simpson, *Secretary*.
- GA .... Abbeville.....The necessity of a bank at Abbeville is urgent.  
 " .. Atlanta.....Commercial Travelers Savings Bank organizing. Apply John M. Green.  
 " .. " .....Equitable Savings and Loan Association. Joseph Hirsch, *President*; Aaron Haas, *Vice-President*; George W. Parrot, *Treasurer*; J. H. Winkler, *Secretary*.  
 " .. " .....Southern Exchange Bank. J. M. Parker, *Cashier*.  
 " .. Barnesville.....New South Savings Bank. J. J. Rogers, *President*; G. E. Huguley, *Cashier*.  
 " .. Calhoun. ....New bank chartered. Capital, \$25,000.  
 " .. Macon.....American National Bank. W. H. Burden, *President*; Jas. D. Stetson, *Vice-President*; L. P. Hillyer, *Cashier*.  
 " .. Monroe .....George W. and I. H. Felker are building a handsome brick building, which they will use as a private bank.



- ILL....Ashland.....Ashland Safe Deposit Co. Incorporators, Chas. L. Ballings, R. C. Young and Albert E. Peters.
- ..Chicago.....Bort Safety Deposit Co. Incorporators, F. B. Bort, Claire E. Mere and L. B. Chapman.
  - .. " .....Commercial Loan and Trust Co. James B. Hobbs, *President*; Chas. C. Reed, *Cashier*.
  - .. " .....Central Trust and Savings Bank. Capital, \$200,000. Apply F. C. Rell, E. P. Fassett, F. A. Smith and J. S. T. Batchen.
  - .. " .....North American Savings & Loan Association. Capital stock, \$15,000,000. Incorporators, E. H. Downing, E. H. Switzer, H. F. Jerolman, R. H. Burch and J. Charles Funelius.
  - ..Minier.....Minier State Bank. Incorporators, G. M. Blackburn, Henry Schroeder, J. M. Hart.
  - ..Roseville.....State Bank. Eliphalet Mitchell, *President*; William T. Gossett, *Cashier*.
  - ..Waukegan.....There are rumors of a new bank being started here.
- IND....Darlington....Darlington will have a new bank April 1.
- ..New Albany....German-American bank to be organized.
  - ..Petersburg....Petersburg is organizing another bank.
  - ..Versailles.....The Versailles Bank of Ripley Co. has been incorporated, with a capital stock of \$75,000.
  - .. " .....A new bank with \$25,000 capital to be started.
- IOWA...Des Moines....Industrial Investment Co.
- ..Mt. Pleasant....Mt. Pleasant Savings Bank. George H. Spahr, *President*; C. V. Arnold, *Cashier*. Capital, \$50,000.
  - ..Oxford.....Oxford State Bank. Capital, \$25,000.
  - ..Sioux City....American Security and Trust Co. Capital, \$5,000,000.
  - .. " .....Iowa Banking Co., D. T. Gilman, *President*.
  - ..Vinton....Benton Co. Land, Loan and Invest. Co. formed here.
- KAN....Kansas City...Union Loan and Trust Co. Capital, \$10,000. Directors: C. F. Brotherton, M. F. Mulley, Wm. P. Broyles, H. H. Crouther and Wm. P. Borland, of Kansas City, Kan.
- KY....Louisville.....Louisville Deposit Bank, M. Schwartz, *President*; Aaron Kohn, *Vice-President*; J. B. Ohligschlager, *Cashier*.
- LA....Franklin.....First National Bank. Capital, \$50,000. Directors: M. T. Burwell, J. M. Burgnieres, P. H. Mentz, L. N. Ferris, M. Bell, T. D. Hine, J. A. O'Neill, M. Bloch, J. Berg.
- ..New Orleans...Southern Trust Co. Gen. W. H. Behan, *President*. Capital, \$1,000,000.
- MASS...Ipswich.....New National bank to be organized.
- ..Lynn.....Manufacturers National Bank. Apply C. A. Dearborn.
  - ..Whitman.....There is a movement for the establishment of a National bank.
- ME....North Anson...New trust company started, to be opened for business in the spring.
- ..Waldoboro....The Legislature has passed a bill to incorporate the Waldoboro Savings Bank.
- MICH. Caro.....Carson & Ealy, Bankers, in place of A. T. Slaght & Co.
- ..East Tawas....The Tawas State Savings Bank has opened.
- MINN. Duluth.....M. B. Harrison will organize a new bank. Capital, \$1,000,000. Will be ready for business May 5.
- MO....Aurora.....Aurora State Bank. Capital, \$25,000. Incorporators: E. W. Sampson, Charles F. Weidmeyer, John L. Hall, Wm. B. Cochran, A. L. Gaither, L. M. Salmon and H. H. McDonald.
- ..Collins.....State Bank will soon be in operation.
  - ..Kansas City....The reorganization of the American National Bank is virtually completed by the selection of Maj. Andrew Drum as President.
  - ..Lewiston.....Lewiston Savings Bank incorporated. Capital, \$10,000.

- Mo.....St. Louis.....Cotton and Corn Exchange Bank. Directors: Miles Sells, D. G. Tutt, E. S. Brooks.
- MONT...Helena.....The Montana Savings Bank is now being organized.
- NEB...Homer.....A movement on foot here to start another bank.
- ..Omaha.....Girard Loan and Trust Co. Directors: O. M. Dye, L. D. Holmes, J. H. Johnson, W. C. Weedon and Fred. Lindhorst. Capital, \$100,000.
  - ..Ord.....Farmers and Merchants Bank will open its doors about the first of April.
- N. H....Peterborough...A new trust company being formed, with Henry K. French as President.
- N. J ...Camden.....Enough subscriptions have been received to start a new trust company in Camden.
- ..Newark.....\$100,000 has been subscribed toward the establishment of another National bank in the city. Ex-Judge J. Frank Fort is chairman of the temporary organization.
- N. Y. ...Buffalo.....The Phoenix Dime Savings and Loan Association. George H. Howard, *President*; Richard W. Boyle, *Vice-President*; Frank B. Gibbs, *Secretary*; Edward Delahunt, *Treasurer*.
- .. " ..American Bank. Apply Mr. A. Neupert.
  - .. " ..Union Bank will be established about April 15.
  - .. " ..Metropolitan Bank will be ready for business May 15th, organized by Michael Nellany.
  - ..Burlington.....Burlington is to have a new National bank.
  - ..Hamburgh.....New bank. Capital, \$50,000.
  - ..Madrid.....New bank to be started here.
  - ..Mechanicsville..Farmers and Mechanics Bank to be organized. Capital, \$50,000.
  - ..Millbrook.....Bank of Millbrook to be organized as a State bank; open for business May 18th. Apply J. J. Donaldson or W. R. Anderson, *Secretary*.
  - ..Oysterbay.....New bank to be organized.
  - ..Syracuse.....Commercial Bank. Anthony Lamb, *Cashier*; F. B. Kendrick, *Ass't Cashier*.
  - ..Wallace.....Savings and loan association organizing.
  - ..Waterville.....Charles Green, Son & Co.'s bank will remove to this place May 1st.
- N. C....Asheville.....Battery Park Bank. Capital, \$100,000. James P. Sawyer, *President*; Otis M. Cox, *Vice-President*; J. E. Rankin, *Cashier*.
- ..Scotland Neck..Among the banks chartered is that for Scotland Neck.
- OHIO...Chardon.....Chardon is to have a Citizens Bank.
- ..Columbus.....Barberton Savings Bank to be incorporated.
  - ..Cuyahoga Falls..A new bank has been opened in Cuyahoga Falls, by Z. Dwiggins and J. M. Starbuck, of Chicago, and is a branch of the Columbia National Bank of Chicago.
  - ..North Jackson..New National bank. B. F. Phillips, *Cashier*.
  - ..Port Clinton...Port Clinton has opened a National bank.
  - ..Toledo.....A savings bank for the Fifth and Ninth wards is again talked of.
- P.A. ...Duquesne.....There is a movement on foot among McKeesport and Duquesne capitalists to establish a bank at latter place.
- ..Philadelphia...West End Trust and Safe Deposit Co. opened March 15th. A. Lewis Smith, *President*; John J. Ridgway, *Vice-President*; Joshua E. Willis, *Treasurer*; Lewis H. Richards, *Secretary*.
  - ..Sandy Lake....Sandy Lake Bank to be continued as a National bank.
  - ..Shenandoah....Shenandoah is to have a new National bank.
- R. I...Central Falls...It is proposed to start a bank at this place.
- ..Warren.....A loan and trust company organizes here. R. J. Barker, *President*; H. W. Eddy, *Secretary and Treasurer*.

- S. C....Augusta .....Another savings bank will be started in this place by the Real Estate Exchange.
- " ..Chester.....Bank of Chester succeeds the National Bank of Chester.
- " ..Columbia.....Commercial Bank reorganized. W. G. Childs, *President*; T. H. Gibbs, *Cashier*.
- " ..Greenville.....Piedmont Savings and Investment Co. Hamlin Beattie, *President*; F. F. Capers, *Secretary and Treasurer*. Directors: Hamlin Beattie, Frank Hammond, J. A. Hoyt, H. Maxwell, T. B. Hayne, D. T. Bacot, W. D. Browning, L. W. Parker and A. G. Furman. Capital, \$100,000.
- " ..Newberry.....New savings bank organized here.
- TENN...Clarksville... The Montgomery National Bank will be the name of a new banking institution which will be started here within next few months.
- TEXAS..Beaumont.....Messrs. L. B. Smith and Edward Rines, of St. Louis, will open a new bank here, with a capital of \$100,000, to be known as the East Texas National Bank.
- " ..Bonham.....The Second National Bank will soon be opened for business. Capital, \$50,000.
- " ..Dallas.....Tenth National Bank to be organized.
- " ..Elgin.....First National Bank, located in Elgin, has been changed to First National Bank, located in Giddings, Tex.
- " ..Fort Worth....Another bank to be organized, with capital stock of \$500,000.
- " ..Milford.....Everything indicates that Milford will have a \$50,000 National bank in the near future.
- UTAH..Salt Lake... ..Brigham Young Trust Co. George O. Cannon, *President*; Brigham Young, *Vice-President*; Richard W. Young, *Secretary*; Spencer Clawson, *Treasurer*.
- VT.....Burlington.....New National bank organizing by L. F. Englesby and others.
- " ..Hardwick.....New bank to be started.
- " ..Richmond.... New National bank to be organized by W. H. Jones, F. M. Boykin, John Mahony.
- W. VA..Bluefield.....The Bank of Bluefield has been incorporated, with a capital of \$50,000.
- WASH..Ballard.....New State bank organizing.
- " ..Mt. Vernon....First National bank.
- " ..Tacoma.....New England Loan and Trust Co. Capital, \$250,000. Trustees: O. B. Hayden, Frank Allyn, George H. Bardman, Calvin S. Barlow, C. S. Fogg and M. M. Taylor of Tacoma, and James P. Stewart, of Puyallup.
- WIS....Eagle River....Eagle River will have a bank, a long-felt want.
- " ..Fox Lake.....State Bank. Capital, \$25,000. C. H. Eggleston, *President*; H. Clausen, *Vice-President*; and F. I. Davison, *Cashier*.
- " ..Kenosha.....Nickel Savings Bank.
- " ..Markesan.....Markesan expects a new bank in the spring.
- MAN....Neepawa.....A branch of the Union Bank of Canada has been established here.



## APPLICATIONS FOR NATIONAL BANKS.

The following *applications* for authority to organize *National Banks* have been filed with the Comptroller of the Currency during March, 1891.

- N. Y. CITY.. . . . Hide and Leather National Bank, by W. N. Cromwell and associates.
- DAK. N. Jamestown . . . Lloyd's National Bank, by Wm. M. Loyd and associates.
- FLA.... Fernandina.... National Bank of Fernandina, by Fred. W. Hoyt and associates.
- ILL..... Aurora . . . . . Old Second National Bank, by Alonzo George and associates.
- IOWA... Fort Dodge.... Commercial National Bank, by J. W. Campbell and associates.
- " .. Hawarden.... First National Bank, by F. E. Watkins and associates.
- " .. Holstein..... First National Bank, by E. H. McCutchen and associates.
- KY..... Pineville..... First National Bank, by J. F. Slusher and associates.
- MASS... Adams..... Greylock National Bank, by Frank Coenen, Springfield, Mass., and associates.
- MICH... Grand Haven.. National Bank of Grand Haven, by Geo. Stickney and associates.
- MO..... Gallatin . . . . . First National Bank, by S. W. Buzard, Jamesport, Mo., and associates.
- MONT .. Neihart..... First National Bank, by Timothy E. Collins, Great Falls, Mont., and associates.
- NEB.... Arlington..... First National Bank, by G. H. Jewett and associates.
- " .. South Omaha.. Union Stock Yard National Bank, by Thomas B. McPherson and associates.
- " .. So. Sioux City.. First National Bank, by F. M. Dorsey, Sioux City, Iowa, and associates.
- OHIO... Tiffin..... Citizens' National Bank, by Chas. J. Yingling and associates.
- PA. .... Avondale..... National Bank of Avondale, by John J. Gheen, West Chester, Pa., and associates.
- " .. Canonsburgh .. First National Bank, by W. H. Paxton and associates.
- " .. Catawissa..... First National Bank, by M. G. Hughes and associates.
- " .. Emlenton..... First National Bank, by E. E. Sloan and associates.
- TENN... Johnson City .. Citizens' National Bank, by J. E. Brading and associates.
- TEXAS.. Belcherville... First National Bank, by L. B. Smith and associates.
- " .. Brownsville.... First National Bank, by J. D. Anderson and associates.
- " .. Childress . . . . . First National Bank, by Ashby S. James, Wichita Falls, Texas, and associates.
- " .. Granbury..... People's National Bank, by A. G. Dabney and associates.
- " .. Saint Jo..... First National Bank, by C. C. Hemming, Gainesville, Texas, and associates.
- " .. Whitewright... First National Bank, by W. O. Womack and associates.
- UTAH .. Park City..... First National Bank, by O. J. Salisbury, Salt Lake City, Utah, and associates.
- VT..... Wilmington.... Wilmington National Bank, by E. A. Willard, Jr., and associates.
- WASH.. Seattle..... Citizens' National Bank, by W. A. Rule, Kansas City, Mo., and associates.

## CHANGES, DISSOLUTIONS, ETC.

(Continued from March No., page 743.)

- |             |                    |   |
|-------------|--------------------|---|
| N. Y. CITY. | CITY.              | Washington National Bank reported closed.   |
| "           | "                  | W. L. Moody & Co. have discontinued their N. Y. office.   |
| ALA....     | Eufaula.           | John McNab Bank reported assigned.  |
| "           | .. Tuskegee        | W. P. Thompson & Son, now C. W. Thompson & Co.  |
| COL....     | Brighton.          | Bank of Brighton, W. C. Kidder now proprietor.  |
| DAK.        | N. Caledonia....   | Bank of Caledonia, now State Bank of Caledonia.   |
| "           | .. St. Thomas....  | Pembina County Bank, now Farmers' State Bank; same correspondents.  |
| "           | S. Andover.....    | Bank of Andover has discontinued business, no successors.   |
| GA....      | Columbus           | Eagle & Phenix Savings Bank reported closing.   |
| "           | .. Macon           | Capital Bank reported suspended.  |
| "           | .. Madison.....    | W. L. High reported suspended.  |
| "           | .. Rome            | Rome National Bank has gone into voluntary liquidation.   |
| ILL....     | Mt. Carmel....     | Wm. H. Hughes has retired from business.  |
| IND....     | Pierceton.....     | People's Bank (W. C. Matchett), now J. K. Lawrence & Co. proprietors.   |
| IOWA..      | Cushing.           | Bank of Cushing, now Cushing Savings Bank.  |
| "           | .. Garner.....     | City Bank, J. J. Upton & Co. now proprietors.   |
| "           | .. Lake Mills..... | Lake Mills Exchange Bank, Hill & Lloyd now proprietors.   |
| "           | .. Sioux City..... | American National Bank has gone into voluntary liquidation.   |
| "           | .. Walnut.....     | Exchange Bank, now Exchange State Bank.   |
| KAN..       | El Dorado.....     | National Bank of El Dorado, now State Bank of El Dorado; same officers.   |
| "           | .. Medicine Lodge  | Citizens' National Bank has gone into voluntary liquidation, succeeded by Citizens' State Bank; same officers and correspondents. |
| "           | .. Topeka..        | United States Savings Bank reported assigned.   |
| KY....      | Louisville.....    | Theo. Schwartz & Co. reported failed.   |
| MICH...     | Jonesville.....    | Grosvenor & Co., now Grosvenor Savings Bank.  |
| "           | .. Marlette.....   | City Bank reported closed.  |
| MO....      | Kansas City..      | American National Bank will resume business, probably under a new name.   |
| MONT ..     | Fort Benton....    | First National Bank has removed to Great Falls, and is now the Northwest National Bank; same officers and correspondents.         |
| NEB....     | Hartington         | Cedar County Bank succeeded by First National Bank.   |
| "           | .. Naponee.....    | State Bank of Naponee retiring from business; no successors   |
| N. J....    | Passaic            | State Trust & Safe Deposit Co., now the People's Bank & Trust Co.; same officers.   |
| ORE....     | East Portland..    | East Portland Savings Bank, now Commercial & Savings Bank; same officers and correspondents.                                      |
| PA.....     | Philadelphia ...   | Keystone National Bank reported suspended.  |
| "           | .. Williamsport .. | F. R. Weed & Co. reported failed.   |
| "           | .. York.....       | Schall & Danner reported failed.  |
| S. C....    | Chester.....       | National Bank of Chester has expired by limitation.   |
| TENN ..     | Manchester         | Bank of Manchester succeeded by the Coffee County Bank.   |
| TEXAS..     | Elgin.....         | First National Bank has changed its location to Giddings, and is now the First National Bank of Giddings.                         |
| "           | .. Richmond.....   | J. E. Dyer has retired from business, owing to ill health; no successors.   |
| WIS....     | Marshfield.....    | Marshfield Bank, Leander Choate now proprietor.   |

## OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

*(Monthly List, continued from March No., page 743.)*

<i>No</i>	<i>Name and Place.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
4526	Snohomish National Bank..... Snohomish, Wash.	Emory C. Ferguson,	Ursenus K. Loose,	\$50,000
4527	First National Bank..... White Pigeon, Mich.	Seth A. Jones,	Theo. E. Clapp,	50,000
4528	First National Bank..... Hartington, Neb.	Daniel T. Gilman,	C. B. Burrows,	50,000
4529	First National Bank..... Mt. Vernon, Wash.	Geo. D. McLean,	C. S. Moody,	50,000
4530	Equitable National Bank..... Baltimore, Md.	James D. Ferguson,	Sam'l J. Hindes,	500,000
4531	Citizens' National Bank..... Roanoke, Va.	John B. Levy,	H. M. Dickinson,	100,000
4532	First National Bank..... Waterville, Wash.	Wm. R. Ballard,	John D. Bassett,	50,000
4533	Continental National Bank..... Baltimore, Md.	Wilbur F. Jackson,	J. Wesley Guest,	300,000
4534	First National Bank..... Charleroi, Pa.	John W. Moore,	Chas. H. Ulery,	50,000
4535	Navesink National Bank..... Red Bank, N. J.	Jas. S. Throckmorton,	Enoch L. Cowart,	50,000
4536	Citizens' National Bank..... Lyons, Iowa.	L. B. Wadleigh,	Virtus Lund,	100,000
4537	First National Bank..... Bathgate, N. Dakota.		Chas. T. Harmon,	50,000
4538	Reedsville National Bank..... Reedsville, Pa.	Samuel Watts,		50,000
4539	Tampa National Bank..... Tampa, Fla.	Orlo J. Spafford,	L. L. Spafford,	50,000
4540	Bonham National Bank..... Bonham, Texas.	Jas. P. Holmes,	Geo. W. Blair,	50,000

**DEATHS.**

BAKER.—On March 3, aged fifty-nine years, D. H. BAKER, President of South Bend National Bank, South Bend, Ind.

EDDY.—On February 7, aged seventy-four years, EDWIN EDDY, President of East Saginaw National Bank, East Saginaw, Mich.

JACKSON.—On March 6, aged sixty-six years, JAMES JACKSON, Jr., President of Farmers and Mechanics' Savings Bank, Lockport, N. Y.

NORMENT.—On March 23, aged sixty-seven years, SAMUEL NORMENT, President of Central National Bank, Washington, D. C.

PLANKINTON.—On March 29, JOHN PLANKINTON, President of Plankinton Bank, Milwaukee, Wis.

SELEY.—On March 3, aged seventy-six years, C. M. SELEY, President of Waco State Bank, Waco, Texas.

TUCKER.—On March 22, aged fifty-four years, MYRON C. TUCKER, Cashier of Lyons National Bank, Lyons, N. Y.

VIGELIUS.—On March 23, aged sixty-nine years, ANTON VIGELIUS, Vice-President of German Savings Bank, Brooklyn, N. Y.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, MARCH, 1891.

Opening, Highest, Lowest and Closing Prices of Stocks and Bonds in March.				
Interest Periods.	Open- ing.	High- est.	Low- est.	Clos- ing.
GOVERNMENTS.				
1½s, 1891... reg.	101 7/8	102	101 7/8	102
4s, 1891... coup.	103	103 1/2	102 1/2	102 1/2
4s, 1907... coup.	120	121 1/2	120	121 1/2
4s, 1907... coup.	121	122 1/2	121	122 1/2
Quarterly				
6s, cur'cy, 1895, reg.	110	111 1/2	110	110
5s, cur'cy, 1896, reg.	113	114	113	113
5s, cur'cy, 1897, reg.	116	117	116	116
5s, cur'cy, 1898, reg.	118 1/2	120	118 1/2	119
5s, cur'cy, 1899, reg.	121	122 1/2	121	121 1/2
RAILROAD STOCKS.				
Atlantic & Pacific.	—	5 1/4	4 5/8	5
Canadian Pacific.	76 3/4	78 3/4	75	78 1/2
Canada Southern.	50 1/2	51	48	51
Central of N. J.	116	117	112 1/2	116 1/2
Central Pacific.	—	20 1/2	20	—
Ches. & Ohio.	18	18 1/2	16	17 1/2
Do	51 1/4	52 1/2	50	52
1st pref.	—	126 1/2	124 1/2	—
Chic. & Alton.	—	—	—	—
Do	—	—	—	—
Chic. B. & Q.	79 3/4	80 3/4	75 3/4	80 5/8
Chic. & East'n.	48	48 1/2	46	48 1/2
Do	91 1/2	91 1/2	88 1/2	91 1/2
Chic. M. & St. P.	55 3/4	57 1/2	51 1/2	57
Do	113 1/2	113 1/2	109 1/2	110 1/2
Chic. & N. W.	107	107 1/2	102 1/2	106
Do	—	133	130	133
Chic. R. I. & P.	67 1/2	70 1/2	63 1/2	70 1/2
Chic. St. P., M. & O.	—	24 1/2	22	24 1/2
Do	—	83	82	83
C., C. & St. L.	61 1/2	62	58 1/2	60 1/2
RAILROAD STOCKS.				
	Open- ing.	High- est.	Low- est.	Clos- ing.
Northern Pacific.	27 3/4	28 1/2	26 3/8	27 3/8
Do	71 1/4	74	69 5/8	72
Ohio & Mississippi.	—	—	15 1/2	—
Ohio Southern.	—	—	—	—
Oregon R. & N.	26	28 1/2	24	28 1/2
Oregon Short Line.	75	75 3/4	65	75
Pacific Mail	—	24 1/2	21 1/2	23
Peoria, Decatur & Evansville	40 1/2	40 1/2	35 1/2	36 1/2
Philadelphia & Reading.	20	20	17 5/8	19 3/4
Pullman Palace Car Co.	20	20	18 3/4	19 3/4
Rich. & W. P. Term.	191 1/4	193 1/4	189 1/2	191 1/4
Rome, W. & Ogd.	18 1/2	18 3/4	16 1/4	17 1/2
St. Louis, A. & T. H.	106	135	106	—
Do	29 3/4	33	29 3/4	33
St. Louis & San Francisco.	—	65	57 1/2	—
Do	—	—	—	—
Do	—	—	—	—
St. Paul & Duluth.	—	24 3/4	24	24
Do	87	89	86	87
St. Paul, M. & M.	105	109	104 1/2	104 1/2
Southern Pacific Co.	31 1/2	31 1/2	27 3/4	30 1/2
Sugar Refineries	84 1/4	86 1/2	84	84 1/2
Texas & Pacific.	14 1/2	14 1/2	12 1/2	13 1/2
Union Pacific.	45 1/2	46 1/2	43 1/4	45 1/2
Wabash, St. Louis & Pacific.	—	10	8 5/8	—
Do	18	18 1/2	17	18 3/8
Wisconsin Central.	20 1/2	20 1/2	18 1/2	—
MISCELLANEOUS.				
Am. Cotton Oil Trust.	23 3/8	24 5/8	22 3/8	24 3/8
Nat. Lead Trust.	19 1/2	19 1/2	18	18 1/2
Tenn. Coal & Iron.	—	36 1/2	33 1/2	35 1/2
Express—Adams.	147 1/2	149 1/2	144	148
American.	116	119	115	118
United States.	—	70	66	69
Wells-Fargo.	141	141	140	140
Western Union.	81 1/2	81 1/2	79 3/4	81 1/2
Wheel. & Lake E.	32 1/2	32 1/2	31 1/4	32

THE  
BANKER'S MAGAZINE  
AND  
*Statistical Register.*

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VOLUME XLV.

MAY, 1891.

No. II.

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NEW BANKING LAWS.

Many of the State Legislatures during the last four months have been trying to improve the laws relating to the business of banking. Such action has been very general, especially among the Western and far Western States. The failures that have occurred within seven months have awakened public attention to the need of a more stringent supervision of these institutions. The regulation of private banking, especially, is regarded as a public duty, but constitutional objections have been interposed which doubtless have deterred legislators in some cases from acting. The difficulty has been surmounted in California, North Dakota, and other States, by requiring all bankers to become incorporated; and when this is done, no one will question the right of a Legislature to make such regulations for the conduct of a banking corporation as may be deemed proper. In several Legislatures this has not been regarded a serious difficulty, and private bankers are to be examined as though they were banking corporations.

The reasons for renewing and strengthening the State regulations pertaining to banking may be briefly mentioned. The first is, that there is a noteworthy movement among the National banks for a conversion into State institutions. If these changes are to occur, it is certainly desirable to enact laws which will have the effect to render the banks conservative, and in every way worthy of confidence. Of course, some banks are opposed to such legislation, but they are not the conservative ones. On the contrary, they



are heartily in favor of it, for they know that the public welfare will thereby be promoted, and, in the end, they too will be the gainers. Possibly profits may be temporarily diminished by the requiring of a larger reserve than has usually been kept, and by establishing other regulations of a similar conservative character, but experience has clearly proved that the banks which practice conservative methods enjoy the largest confidence, increase their deposits more rapidly, and, in short, transact a larger business than other banks, and are more profitable than those which take larger risks. It will be admitted by all who understand the different systems of banking in this country, that the National banking system is surrounded with more checks than any other system; and the good effects of them are seen in the general confidence with which the system is regarded by every one. It must be perceived that, if the State banks are to enjoy similar confidence, their systems of banking must be equally conservative, and hence the necessity, in some of the States, of enacting new regulations for regulating the business.

There is another reason, containing no less force. In consequence of the rapid rise of trust companies, and the payment by them of interest on deposits, ordinary banks in many cases have been obliged also to adopt the same practice to hold their depositors, and to attract others. This movement on the part of banks is spreading, and must, in consequence of the competition which they are obliged to face from the trust companies. It is not worth while to discuss here whether interest ought to be paid on deposits or not; but the fact cannot be denied, nor the tendency to pay higher rates in order to get them. Of course, this interest account is a pretty heavy cut into the profits which banks would otherwise reap, and one of the consequences is, we fear, the desire on the part of some banks to keep a smaller reserve than they would otherwise keep, in order to swell their profits. No doubt one object of reorganizing is to escape the obligation to keep the reserve required by the National law. This remark does not apply to all of them, for we are sure that the more conservative ones regard this obligation imposed by the National law as reasonable; but unhappily there are some banks which look at the matter otherwise, who are restive over the requirement, who would evade it if they could, and who think that they will be less sharply watched by State supervisors than by the officers of the National Government.

There is a foundation for the position of some bankers who are opposed to State regulation, that the Government ought not to have anything to do with these matters, that it has quite enough to do without supervising the banking business. They contend for the utmost freedom in the management of their affairs. They say,

let us manage our banks as we please; and if we conduct them unwisely and lose money, this is our own loss, for which the Government should not be responsible. It has not created us, therefore it ought not to regulate our business or have anything to do with our affairs. There are others who share this view. They say, in effect, we can manage our own business; we need not be told what banks are sound and unsound; we need no light or assistance from the Government in any of these things; and if, perchance, we do not know enough to have our money in safe places, and losses happen, we have no one to blame but ourselves; certainly, we cannot blame the Government for what it does not undertake to do, and on the whole, it is better for all concerned that the Government should let us as well as the banks alone. There is some truth in all this reasoning; no doubt paternalism tends to weakness and dependence. People, perhaps, are less careful than they would be if obliged to rely wholly on their own wisdom and energy. Furthermore, if the Government administered justice swiftly and efficiently, we should not hesitate to adopt much of this reasoning, for a speedy and efficient system of justice would cure many of the ordinary ills from which we suffer arising from frauds and mistakes in ordinary business transactions. If a banker was free to manage his own business, and did wrong, and speedily suffered by public prosecution, judgment, and restitution, others would be slower to repeat acts which would result in similar consequences; but since the Government is very slow and inefficient in prosecuting offenders, this argument does not have much force; therefore, the Government must do what it can to prevent frauds in the way of imposing restraints and regulations. We admit that these are faulty; but there is some virtue in them, and whatever there may be it should be fully utilized.

Another remark is worth adding. All regulations for the conduct of the banking business are not needful for the majority of banks and bankers; but only for those who are inclined to do business hastily and to impose on the public. By far the larger number of banks are conducted honestly; and their business would be managed prudently if no regulations existed. Many a banker requires no law imposing a twenty-five per cent. reserve, he would keep it in any event, for he is certain that business exigencies require that this amount of cash should be kept on hand; but there are others who would not do this unless the law was imperative, and for such persons it is needed. The law, therefore, is not in truth a weight on the law-abiding; but simply on those who would take undue advantage of their opportunities if the law did not prevent them.

While the State Legislatures are thus acting commendably in improving their banking regulations, why should not the banks

themselves attempt something in the way of reform of the common law and usages regulating their business? Some months ago we considered this question with reference to the future work of the American Bankers' Association. Every banker knows that a great variety of rules and usages exists in the States when only a single rule ought to prevail. Consider, for example, the question of holidays, days of grace, of the regulations concerning the protesting of bills and notes and the like; on all these matters, the regulations in the various States should be uniform. For example, the banks in Kansas City on one side of the river have different holidays, days of grace, and other peculiarities relating to the protesting of notes, than those on the other side. The American Bankers' Association several years ago appointed a committee to draft a code of commercial law for adoption by all of the States, but nothing has ever been done except to report progress, like the members of the French Academy, which, for a hundred years or more, have been making a French dictionary, and are no nearer the end than they were in the beginning. If the association, through the committee, should attempt a less ambitious work, we think it would accomplish far more. If it attempted to secure uniform legislation respecting holidays, days of grace, and protesting of bills and notes and the like, the desirability of uniform regulations on these matters is so apparent that little, if any, opposition would be encountered, and the movement would doubtless succeed. Having secured the adoption of these, other regulations might be perfected until a very considerable number of regulations were reduced to uniformity. Reform in this direction is quite as desirable as in legislation respecting reserves, bank examination, etc. As business becomes more and more extended and complicated, the necessity of acting in these matters is becoming more imperative.

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*State Banking Associations.*—The present number contains a review of the proceedings of the California Bankers' Convention, held not long since at Los Angeles. The addresses, like all given at such meetings, were of varying merit and interest. Soon conventions of a similar character will be held in the States of Texas, Iowa and Indiana. There seems to be a keener interest in these conventions than in the more general one of all the bankers in the country. One reason is, there is a greater unity of interest among the members, and, perhaps, more is learned of practical importance than at the sessions of more general association. Nevertheless, as we have shown elsewhere, the American Bankers' Association has a very distinct field of work, which ought to be occupied without longer delay.

## A REVIEW OF FINANCE AND BUSINESS.

## IMPROVED CROP AND BUSINESS PROSPECTS.

The month of April has seen an almost complete revolution in public sentiment in regard to the future of business and values in this country. Since the panic of last fall, fear, doubt and forebodings of evil to come, have hung over the business and markets of this country, until many had abandoned hope of near relief to the unprofitable state of trade, and, with it, the new enterprises that always attend good business prospects. But during the past month all this has given way to higher prices and unusual activity in our produce, and especially our breadstuffs markets, has finally extended to the market for railway shares, is now beginning to revive the iron and other allied trades, and will soon communicate to all manufacturing industries, all because the agricultural prospects of this country have suddenly and unexpectedly become brighter than in ten years. This proves, if any proof were needed, what has often been repeated in these articles during the past three years, that the only condition lacking for the general prosperity of business in this country was the removal of the depressed state of agriculture, owing to over-production in other countries and low prices for farm products; and, that so long as this was the chief and most important industry in this country it was impossible to have good times so long as this depression exists. Now it has accidentally been removed by damage to the winter-sown crops of Europe, which has created a greater demand for our breadstuffs than we can fill, because of the short crops of last year; and, in absence of this crop shipments, Europe has been buying freely of our next wheat crop, in anticipation of her unusually large deficit, owing to the unparalleled severity of last winter, by which 25 per cent. of the crop of France and Belgium were killed and the prospects of all Western and Central Europe materially reduced. At the same time our winter wheat has come through one of the most favorable seasons in years, with a larger area sown than ever before, owing to the higher prices for the last short crop, while conditions for the sowing of the spring crops are equally and generally better than for years. While these crop conditions abroad were partially known in March and apprehended during the winter, they had not sufficiently developed with the growth of the crop until the past month to make their extent certain and recognized by the trade in breadstuffs on both sides of the water. Europe, of course, was the first to know and act upon these facts, and it was her increased, continued and

heavy buying, led by France, that started the greatest and most general boom we have had in these markets for years, partly also because of a smaller surplus from our short crops of last year, as well as on account of the decreased production in other exporting countries, owing to the unprecedentedly low and unprofitable prices which these products have brought in the markets of the world for nearly a decade past, with few temporary exceptions. The return of the pendulum of prices from this extreme had really begun a year ago or more, but it had not swung back sufficiently fast and far to convince anybody of the fact, until the general shortage in our last crops found the world's supplies also short, and hence the higher prices last year in part, and in part on the advance in silver. The latter, however, proved only a temporary lever to raise prices, which must have fallen back with silver, had it not been that the world's consumption had at last overtaken its production, having eaten up the over-production of the period of less than dollar wheat, which, it is to be hoped, for the business interests of this country, will never return again. It is this lever of over one dollar per bushel for wheat again that has lifted the produce and stock markets out of the mire of depression in which they have been stuck, until nearly everybody engaged in them, as well as in agricultural production itself, had become almost ruined. It is the lever also that must soon lift the iron industry out of its rut, and, with it, all other manufacturing interests. The only ifs in the way—and they are smaller ones than usual at this season of the crop year—are the climatic conditions in this country between now and harvest. "If" the deficit in Europe has not been exaggerated, and these conditions are favorable, indeed, if they are an average, with such a good start as our crops have got so far, then this country has the most prosperous year ahead of it since 1879–80, when enormous crops here and a heavy shortage in Europe produced the same conditions that appear to have returned again, after over a decade of declining prices and decreasing exports of our food supplies.

#### THE RAILROAD SITUATION AND STOCK MARKET.

Next to the agricultural interest itself, the railroads of this country are the most benefited directly from large crops and a big export demand, hence the stock market was next to the breadstuffs markets to feel the influence of this revolution in the conditions, upon which this country's business depends, and the Stock Exchange Bear Garden, like that in the produce markets, has been transformed into a Bull arena where the public once more is to be seen and actually buying again the products and securities of this country and of its railroads, instead of their being sold down by the professional speculator, who had neither

faith nor interests in the country, to prevent him from depreciating what we had to sell and helping Europe to get it at her own price. Indeed, there is poetic justice in the fact that these same speculators were the last to recognize these changed conditions, and they kept on selling our breadstuffs short while Europe was buying and the markets advancing, until finally their losses were so great that they were compelled to cover them, to the great profit of the beneficiaries of their Bear raids for the last seven years. In fact, the Bear pool in the stocks of the corn roads, noted in last month's issue, did not get off the short side of the stock market until they had dropped a goodly share of the profits they had made, on paper, by selling them short; at the same time they were bulling corn. But they made enough on the latter to leave them ahead on the operation if they made nothing on their stocks. The Bears in wheat and in the Granger stocks were chiefly Chicago speculators, and, since they got off the short side of the stock market there has not been a Bear who dared show his head on the Stock Exchange. Even Cammack, the ursa major of Wall Street, and Gould, whose favorite club is a Bear market, when he has any financially weak antagonist or rival to subjugate, are both the loudest kind of Bulls. Even if they had been pinched before they became converted it would be necessary to talk the way the market has gone, notwithstanding they got left, in order to cover the fact and preserve their prestige for always being on the right side of the market. With the exception of the shares of the Northern Pacific system and the anthracite coal stocks, the whole list has advanced after the Grangers, which would be the first and most benefited by big crops and exports, and the Trunk Lines next. The decline in the Villard stocks is explained under another head, as well as why the coal roads finally joined in the upward movement. The Southern stocks have not sympathized, as might have been expected, on such crop promises, and the largest crop of cotton to haul this year that was ever raised. This is explained by the statement that general business in the South is not as good as it has been, and hence the traffic of the railroads is falling off. But it must be admitted that very few facts, figures, or even reports, except these general ones, have been published to verify this statement. The Pacific roads are making a favorable showing compared with a year ago, yet there has been nothing special on which to work up a boom in their securities. The peace has been kept by most of the great systems and few rate wars have been declared, though the Canadian roads have made a reduced rate for the Trunk Lines before the opening of lake navigation. The biggest row in the happy railway family, however, has been among the roads running west of Chicago and

their eastern connections, on the refusal of the Alton to allow its competitors to dictate to it how it shall manage its own affairs; and, although it arose in the passenger department because the Alton would not cease paying agents commissions on the sale of tickets, it has extended to freight rates in cases where the latter road was not getting its old share of the business. The prospective outcome of this fight is considered under its own head, although since that was written the Alton has become more aggressive, and fears of a rate war have led some of its connections to withdraw from the boycott.

#### THE MONEY MARKET AND THE TREASURY.

There has been more uneasiness, however, in business circles, toward the close of the month, over the prospects of the money market next fall, when the great crops in prospect will be moved earlier and in larger volume than usual, and on a higher range of prices to meet the deficit in the crops of Europe, which will require more money than for many years; and at a time when the Treasury of the United States for the first time in years will be unable to come to the relief of the money market, should it need it. Not only this, but the recent utterances of the Secretary of the Treasury, and the talk of his being compelled to issue new bonds in order to meet its own liabilities, including the redemption of the  $4\frac{1}{2}$  per cents outstanding, has caused considerable discussion as to the possibility of a very tight money market in the early autumn, especially should the Treasury become a borrower instead of a lender at the same time that the crop movement requirements are the largest and most urgent. On the other hand, however, the very cause of such a stringency, should it occur, will, in time, bring its own relief, in imports of gold from Europe, to pay for their heavy exports of our wheat and flour, which promise to be larger than they have been in ten years, or since the good old days of our supremacy in the grain markets of the world, when Europe was dependent upon us for food.

The last bank statement in April showed an unexpected increase in the surplus reserve, of \$2,655,000, making a total of nearly \$7,000,000, or over double that of 1890, same date. This gain was chiefly in legal tenders; yet but about half of the gold shipments of the same week, amounting to \$3,000,000, came out of that statement. Loans decreased over \$5,000,000 and deposits nearly as much, which made a reduction of about \$1,200,000 in the legal reserve requirements. The cash Treasury balance is now reduced to about \$15,000,000, which, added to the amount on deposit in the National banks, makes a total of a little over \$50,000,000, which is about equal to the outstanding  $4\frac{1}{2}$  per cents to be redeemed, in addition to the heavy increase in pension payments,

this year over last, to say nothing of the additional appropriations for internal "improvements," reduced revenues, repayments to the States, and other devices of the last Congress to get rid of the Treasury surplus, until we have a possible deficit staring the country in the face, just when the crops must be moved. This is another of the blessings the business community are likely to have to thank the last Congress for, among the other "business legislation" it passed in the interests of the "business community" at the last session. Between its currency and tariff enactments and its reckless appropriations, the last Congress may possibly earn the sincere and universal condemnation of the interests it pretended to legislate for, excepting those which were subsidized before the first year of their operations has passed. Add to these legitimate influences, that are sure to affect the money market within the next few months, the increasing speculation in the stock market, as well as in the produce markets, for the Bull account, and it is plain to be seen that the volume of money required to carry on this speculation, at higher prices generally than a year ago, and at the same time move these larger crops, at a higher range of values, will require more money than last year to do the business of the country. As to the supply, it may be said that it is also larger than then by so much as the coinage of silver has been increased, and that it matters not whether the surplus then in the Treasury has been depleted or not, as it must now be in general circulation, except whatever has been sent in the shape of gold, to Europe, to pay for American securities returned during and since the panic. These exports have amounted to \$20,000,000 since January 1st; but how much of this amount went to pay for returned securities and how much for excess of imports over a year ago, it is difficult to say, though our foreign commerce returns should throw some light on the subject.

#### CAUSES OF RENEWED GOLD EXPORTS.

Wall Street has been scratching its head, and its great financial editors have been cudgeling their brains all the month without finding out the cause of what they have been calling the "unexplained exports of gold to Germany," and, to most of them, the equally "unexplained" selling of, and decline in the Northern Pacific system's stocks, notwithstanding the Bull markets for other railway shares. Either they must forget what they write from day to day, or write what they hear in the Street without ascertaining if the reports are true; and, then neglect to put their facts together to see if the Stock Exchange stories will hold water, before they publish them. To any one at all familiar with the holdings of Northern Pacifics, the decline of the latter and the exports of gold to Germany would naturally lead him to conclude that Ger-



man holders of Northern Pacific stocks were selling out here and taking gold in payment, for some reason, or reasons, existing on the other side of the water, rather than here, as Germany is one of, if not the largest holder of these securities. Beside, the syndicate of creditors of Decker, Howell & Co., who took their load of Northern Pacific stock during the panic to save its sacrifice, may now be taking advantage of the first Bull market since, to realize; and several houses in Philadelphia, that became embarrassed, or that failed, during and since the panic, with these Northern Pacifics among their assets, may be doing the same. The first of these reasons would be sufficient to account for both these "unexplained" Wall Street mysteries, while the latter would amply justify the decline in Northern Pacifics, though not the exports of gold. The latter, however, is in part due to the heavy imports of sugar, prior to the removal of the duty April 1st, of which, no doubt, a considerable proportion was beet root sugar, of which we import nearly \$20,000,000 in value annually from Germany. At the same time we have exported less breadstuffs to that country than usual this year, owing to the high prices here; and, consequently, the balance of trade may require these exports of gold, purely from commercial, and natural, instead of political causes, and possible war complications in Eastern Europe, of which there has been more talk than evidence, even should it transpire, as has been asserted, that part of this gold goes to Russia via Germany, for the former country may require additional gold in the refunding of its National debt.

At all events, these exports have not been, and do not promise to be, of enough magnitude to cause, in themselves, present stringency in our money market, especially since the outflow of currency to the interior, to move the crops has ceased and the return of it to this center begun in volume, as shown by the bank statements of the past two weeks, which are more favorable than expected, because of this fact.

#### OUR EXPORTS AND IMPORTS.

The excess of imports over exports still continues to be the unfavorable feature of our foreign trade. The falling off of the latter is natural, in view of the radical advance in prices of most produce exports during the past three months, excepting cotton and some of the minor food products, such as butter; but the increase of the former, in view of the heavy imports last fall in anticipation of a higher tariff, is a surprise to most people, which is not wholly explained to those who have watched the foreign trade movements. The heavy importations of sugar, in anticipation of the removal of the duty on April first, accounted in a measure for this excess; and tin imports have also been larger

than usual, in anticipation of the higher duty. But these combined are not enough to explain away the unfavorable trade balance against us, that is helping draw gold out of the country and threatening the future of the American money market.

In March the exports of merchandise from the United States amounted to \$75,316,417, and of silver \$2,071,240, or together \$77,387,659. But this was a large falling off from the \$84,248,455 of merchandise and silver exported in January and the \$101,307,190 exported in December. On the other hand, the imports of merchandise alone in March were \$77,605,000. This was the largest amount imported in one month in a dozen years, and probably in the whole history of the country. It was larger than the imports in July, 1890, when everybody was trying to anticipate the McKinley tariff, as there were then only \$77,509,000.

The returns for April are not yet at hand, but they will show some improvement in exports owing to the next short crop scare in Europe and the free foreign buying here to make good the deficit abroad. This fact will in a measure offset for the next three months the adverse showing above for the previous three months, as will be seen by the following unofficial and partial returns:

The total exports of wheat and flour as wheat from the United States the last full week in April were equivalent to 2,222,895 bushels, against 2,456,080 bushels the previous week, and 2,259,530 bushels for the corresponding period in 1890. The total amount of exports from July 1, 1890, to April 25th were 79,596,116 bushels, against 88,650,233 bushels for the same time last year, and 72,835,589 bushels for the corresponding period in 1888-89, and 107,211,975 bushels in 1887-88.

#### THE COAL AND IRON INTERESTS.

This article has frequently called attention during the past two years to the general and rapid substitution of bituminous coal for anthracite, for all manufacturing purposes, as its superiority for the making of steam has become recognized. The effect is now visible in the increasing traffic and prosperity of all the roads which are important carriers of bituminous coal, while the anthracite roads are falling behind their tonnage for former years, or barely holding their own. Yet the anthracite shares have fallen in line with the rest of the stock market and advanced on the prospects of a general strike of the miners of bituminous coal on the first of May, though at this writing the prospects of averting such a strike appear to be improving. Notwithstanding this, however, the anthracite interests are likely to be lifted out of their slough of despond by the magnificent crop and export prospects; for the two combined will be something that has not

occurred in nearly ten years, namely, big crops here and good prices, because of a deficit in the crops of Europe that cannot be supplied chiefly by other exporting countries. It will not be long, therefore, before the iron industries will feel the stimulus they have so long lacked, of a general demand from the railroads for equipment and freight rolling stock to haul these big crops to the seaboard. So small has been this movement the past few years, that the freight equipment of many, if not all roads, has been allowed to decrease to the reduced requirements of our export trade, which appeared to have become permanent. With present prospects of our surplus and Europe's deficit realized, the old maximum equipment of rolling stock and motive power, in the days of our export supremacy, will be required again; and, it is doubtful if a road in the country has got it. Hence this new demand will soon increase that for iron, and the increased production of that staple will stimulate the coal trade and no doubt require a larger production of anthracite as well as of bituminous coal for the next six months, and perhaps a year. Activity in the iron trade has always been considered the forerunner of improvement in general trade; and, with this and good crops and export demand, the outlook for general business and prosperity is brighter than for years.

#### THE CHICAGO AND ALTON BOYCOTT.

The farce of the Trunk Line and Western Passenger Association's attempt to boycott the Alton road, because it will not come into a combination to prevent the said road from conducting its own business in its own way, in the matter of securing business, by the business method of paying commissions for what it actually gets, reminds one of the boys who were coasting, and the threat of the one who had broken through the crust, to stay in the snow-bank till the other would come and pull him out. The cases are parallel in more ways than one. The Chicago and Alton officers and directors, never having watered or speculated in its stock for the benefit of a stock-jobbing management, is not over-weighted financially, like most of its Granger competitors and eastern connections, and can slide safely over the crust through which its handicapped rivals have broken and are stuck fast, and from which they ask the Alton railroad to help them out, and, upon its refusal to do so, threaten to stay in the hole and block up the track of the Alton until it will be forced to come to their relief. But, unfortunately for the roads in these associations, the parallel does not end here, for, the boy whose sled was still on the top of the crust, instead of under the snow, laughed at the threat of his neighbor stuck in the snow-bank, and replied: "All right; I guess I can stand it as long as you can," and kept on coasting around and past his taller neighbor, the crust still

holding him up, because of the smaller dead-weight carried, until the former was compelled to dig out himself. So the Alton can run on traffic and earnings that will not bear up its rivals on the financial snow-bank over which they are trying to pass, because its sled is honestly built, with no financial dead-weight, handicapped by no stock-jobbing management, and ably run, outside the stock market, as a business enterprise, on business principles.

#### THE PRODUCE MARKETS

have had one of the biggest and most general booms that have been known since the good old days of our export supremacy in the grain markets of the world; and, with the changed conditions fully explained above, it seems probable that a greater part of the enormous advance we have had in all kinds of breadstuffs, will be maintained into, if not through another crop year. The grand exception to this is the cotton market, owing to the enormous crop and stocks of last year, which promises nearly 8,500,000 bales. The visible supply in this country is now 526,000 bales at the ports, and 226,000 bales at the interior towns, against 263,000 and 70,000 respectively last year, an excess of 420,000 bales. The movements still continue to add to the big supply, and the total receipts since September 1 are 1,050,000 bales in excess of a year ago. The stock in New York warehouses is 133,000 bales, against 116,000 last year. Liverpool has a heavy stock, as well as other European importing points, and the Manchester markets for cotton goods are stupidly dull and the trade overstocked, and the same is true here, with talk of mills closing, and prices lower than ever known. The price, however, has gone so low that an attempt has been made by a large operator on the Cotton Exchange to galvanize the speculative crops there as it was on the Stock Exchange, in sympathy with grain. But it would not work; and the movement collapsed, as there were too many sellers of actual cotton, and the public did not come in and take the load as they have in other produce markets. Liverpool also refused to come to the support of the Bull movement, and it miscarried. Provisions, both hog products and beef, started after the boom in corn had lifted the price of the latter to double that of hogs, when the packers bulled the latter, as explained last month, in order to make products, with which they were loaded to an extent unprecedented at this season of the year, look cheap enough, compared with corn, to induce the public to take the load off their hands. They succeeded, since when the market has fallen back sharply, and hogs have followed products down again, while export demand is almost nothing, as the stocks on the other side are still unusually large, from shipments hence, at prices before the advance. We have, therefore, the prospect of dull dragging markets for the actual

stuff during the summer, unless the supply of hogs should in fact fall very low, as prophesied in vain so long, while the packers who are carrying the big stocks for the country Bulls chiefly, have the game in their own hands and the dice loaded; if they can get the professional speculators to play, we shall no doubt see sharp fluctuations on manipulated markets, as the profits on the late deal were large enough to encourage its repetition.

#### WATER TRANSPORTATION INTERESTS.

While the railroads are already feeling the effects of the prospective large crops and exports, the water transportation interests have not yet come in for their share in the boom, because there is too little of the old crops back to come forward, to keep them employed between now and the movement of the new crops. Hence present rates are very low, and traffic promises meager for the next three months. This is true of both ocean tonnage and lake and canal vessels, though grain rates for next August, September, and October shipments from the Atlantic ports have advanced two to four times the previous shipment rates, and at which the room of the regular lines of steamers is engaged away ahead, and all the steam charter tonnage offered for late summer loading taken, with more wanted. Over 5,000,000 bushels of the new crop of wheat have thus been contracted for August and September shipments, and now the exporters are taking October shipments because they cannot get freight and grain sooner. Lake tonnage, however, has not picked up any crumbs of comfort for the future, though there will, no doubt, be whole loaves of it, when the new crops move freely. In the meantime, the iron ore vessels, which will be unemployed in that trade this spring, because of the enormous amount of ore still at the lake ports from last season's shipments, are competing with the grain vessels for the half of the usual amount of grain to come forward this spring; and rates are at such a low ebb that there has been attempt on the part of owners to tie up the sailing vessels till they can get a living rate for running them. But this is not the whole of their woes; for the great steamboat and barge lines are fighting between themselves for the bone, while the new lake craft known as the "Whaleback," propelled by steam and run at half the cost of a steamboat, is able to take freight cheaper than any other craft, and has put on several new boats in the Upper Lake trade this season. Last year they only took grain in bulk, but now they are contracting for package goods at rates the regular lines regard as ruinous to them. These whalebacks are therefore revolutionizing the lake-carrying trade as steamers have the ocean.

H. A. PIERCE.

## FINANCIAL FACTS AND OPINIONS.

*Conversion of National into State Banks.*—The last Kansas Legislature enacted a very excellent banking law, which is published in the present number of the MAGAZINE. It is drawn on the lines of the National Bank Act, and if effectively enforced would preserve the banks from imprudent banking. The law shows that the framers were intent on establishing a sound banking system for the State. This act is proof of the good sense and integrity which prevails among the people of Kansas, notwithstanding all the criticisms of the last few months to the contrary. Those engaged in National banking have well known for several years past that the inducements for remaining in the system were very slight, and this is especially the case with country banks, and those in the smaller cities. The profits on circulation are very small, especially with the high premium needful to be paid to obtain bonds; but as some must be held as a basis for banking, of course, the banks in the smaller places have taken out circulation for the full amount permitted by law in order to make whatever they could. These things have been well known, and it has been asserted again and again that the National banking system had not the attractions which it once had for bankers, yet the warfare on these institutions, especially on the part of the farmers, has continued in many places with the natural result—the withdrawal of banks from the system. Massachusetts has enacted a law for the re-conversion of National into State banks, and probably this movement will become very general among the country banks. Those in the larger cities will next change, as the principal reason they now have for remaining in the system is to act as reserve agents for the banks outside. When they can retain these deposits, or the most of them, without existing as a National bank, they will probably return to their original condition as State banking institutions. It is reported that already the Secretary of State for Kansas has received notice from at least twenty of the National banks in the State signifying their intention of denationalizing and reorganizing under the new State Banking law. It is likely that the greater part of the smaller National banks of the State will pursue the same course.

*Taxation of Banks in South Carolina.*—Comptroller-General Ellerbe has displeased the banks by valuing their property much higher than other taxable property. No one questions his desire to administer his office in a just spirit, nevertheless it is clearly seen that his method of taxing the banks, if executed, will produce the gravest injustice. While insisting that their stock shall

be taxed at its full market value, he permits real estate to be taxed at sixty per cent. of its market value. It is fair and right, says the *Greenville News*, that everybody shall be taxed alike. If bank stock is taxed at one hundred per cent. so should be mules, horses and cows; if other property is taxed at sixty so should bank stock be. Mr. Ellerbe admits that this is a fair position to hold, and says that he would adopt such a rule if he were only empowered to do so by law. Lands are assessed once every four years by local officers, but Mr. Ellerbe, while following the valuation of the county boards of equalization with respect to land, disregards their action in the assessment of bank stock. The *Charleston News and Courier* says:

Mr. Ellerbe does not hesitate to disregard the action of the county boards of equalization in regard to the assessment of bank stock. Why should he regard with more favor the assessments made by county boards of equalization of the value of mules, horses and cows; or the assessment of real estate made by the State board of equalization? If he has the authority to overrule the action of the county boards of equalization in regard to the assessment of a specific class of taxable property, has he not also the authority to overrule the action of the county boards of equalization in regard to the assessment of other kinds of taxable property? If the Comptroller-General has no authority to disregard the assessment of real estate made by the State board of equalization, which under the law has power to deal with real estate values only, it would seem that he has no authority to disregard the assessment of personal property made by the county boards of equalization.

Probably one reason for his action is, that in South Carolina, as in some other States, banks and other corporations have not been bearing their full share of taxation, which has given birth to a discontent which may lead to excessive reaction in taxing them in the future. Let us hope that some adjustment may be made which shall be fair to the banks as well as to the owners of real estate. Surely these institutions, which are so useful to the people in many ways, ought not to be required to bear more than their full share of the burden in sustaining the State. It is for the obvious interest of the States and municipalities to do the fair thing to banking institutions. It clearly appears that the Comptroller-General of South Carolina is trying to exact too much from them in proportion to the amount paid by others.

*Taxation of National Bank Notes.*—Judge Brannan, of Iowa, has recently decided that National bank notes are taxable. A banker had been assessed with no deduction for the \$10,000 of National bank notes held by him. He insisted that the board of equalization should deduct this amount from his assessment, but the board refused to do so, and the Judge sustained their action, saying: "National bank notes are not in any just and proper sense obligations of the United States. On the contrary, they show

upon their face that they are the obligations of the particular banks to whom they have been delivered, and by whom they have been put in circulation. It is true that the Government is bound for their ultimate redemption, but this redemption is not made by the Government out of its own funds, but out of the proceeds of sales of Government bonds belonging to the banks, and by them deposited with the Government as a security for such redemption. The duty of the banks to redeem their own circulation rests primarily upon them, and it is only when a bank fails or refuses to redeem its own circulation that the Government can be called upon to make such redemption, and this, as has been stated, it does out of the proceeds of the sales of the bonds deposited with it by the bank to secure such redemption. The Supreme Court of this State has never passed upon this question, and with us it is therefore one that is open. Under such circumstances, I feel bound to follow the mandates of our own statute. The law of this State (section 1,274 of McClain's Code) among other things declares bank bills to be taxable, and by bank bills are undoubtedly meant the circulating notes of banks. The circulating notes of National banks are neither more nor less than bank bills. They come within the language and fall under the operation of our own statute, and I must therefore hold them to be subject to taxation, there being nothing in the laws of this State that would exempt them from such taxation, and nothing in the acts of Congress, properly considered, that would prohibit such taxation. To avoid misconception on this subject, it is not to be understood that National banks can be taxed under State authority for National bank circulation. The law of Congress declares that their capital stock shall not be taxed, but it authorizes the State in which the bank is located to impose a tax upon all the shares of its capital stock, and the real or market value of such shares and not their face value is the proper basis for assessment. This exempts from local taxation the funds used by them in their business." (*Young v. Supervisors*, 25 Iowa, 312.)

*Interest on Municipal Deposits.*—No uniform practice is observed among cities and other municipalities in obtaining interest on the moneys they may have on deposit. In some, perhaps many, cases no interest whatever is received, while in others a considerable income is derived from this source. In some cities contracts are made with the banks that offer to pay the highest rate for the use of the money and furnish adequate securities. The offers are received in response to proposals by the public authorities. In such cases the deposits are obtained by the banks after open and fair competition. Thus the bid of the Home National Bank of Holyoke, Mass., made not long since, was 4.55, while that of the



City National was 4.51. In Lowell the lucky bidder was the Lowell Trust Company, which offered 4 5-16 for the use of the city's money. The bid by this company, which has just been organized, has created something of a stir in that city. The *Lowell News* remarks: "The city has been realizing a less rate of interest than some cities. Previous to 1883 the money was deposited in the Appleton Bank at  $3\frac{1}{2}$  per cent. Since 1883 the First National has had the deposits at 3 9-16 until 1888, when they reduced the interest to  $3\frac{1}{4}$  per cent. In Lawrence the interest paid was  $4\frac{1}{4}$  per cent., and this year it has reached  $4\frac{1}{4}$ . In putting in their bid the Lowell Trust Company, realizing that it is a new concern and that there might be some opposition to the deposits being placed there by the other banks, so that the city could not lose anything in any event, offered to put up collateral security to the value of 75 per cent. of the total deposits, this security to be first-class, which could be turned into ready money at two or three hours' notice." In New Bedford the deposits of the sinking fund for the year, beginning the first of April, were awarded to the National Bank of Commerce, while the Mayor decided to divide the city deposits between the five National banks in that city, which are to pay at the rate of 3 per cent. In Nebraska a bill has just been enacted providing for the deposit of the public funds in banks or other depositories, they receiving interest on the same for the benefit of the State, county or city making the deposit. The treasurer, however, and his bondsman are relieved from liability for the defalcation of the depository accepted by the proper authorities as a custodian of public funds. This law seems to be just, for if a municipality is to receive interest on the public deposits and the treasurer or other officer acting as its agent for transacting the business is to receive nothing unless his salary be very large, and fixed with reference to assuming the risk, he should not be held liable for losses, unless occasioned by his own wrongful act. On the other hand, if the interest thus received on deposits is to accrue to him, he ought to be held liable for their safe keeping. Investigation is in progress in some places concerning the proper methods of keeping municipal funds, and it is to be hoped that they will result in the devising of better methods for increasing the safety and economy in the keeping and use of public funds.

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*Civil Service in Banks.*—The officials of the First National Bank of Chicago are perhaps the first to establish a system of promotion among its employees, whereby the official occupying the lowest place may hope for a possible advancement to the highest. The practice of the bank is to examine an applicant for employment, in order to ascertain his style of penmanship, his knowledge of

figures and such details as are indispensable to the banking business. His physical qualifications are also considered, as well as his aptitude of mind and his morals. If regarded competent he is engaged, and employed first at the simplest work, such as collecting drafts, in the mail service and other minor routine duties. If he develops any merit, and shows a desire to fit himself for a superior position, he is promoted. There are one hundred and sixty employes in the bank, and those who fill the higher positions have been connected with the institution for fifteen or twenty years. In an interview with a newspaper reporter Mr. Gage, the president of the bank, and who established the system, said:

"There are some who get tired and fall by the wayside, others are drawn off by evil companionship and have to be removed; then there is a certain proportion who become impatient at what seems to them a long and tedious delay in ascending the ladder of preferment. Their friends frequently intercede for them and urge their appointment to higher positions of trust and necessarily greater emolument, but this so-called influence has no weight whatever. It is simply a question with the bank as to the ability shown by the individual. If his work has been satisfactory, that and that alone is the standard. Those who cannot wait until their opportunity arrives invariably retire and go out into the world and seek their fortunes elsewhere. As to the range of salaries, when the lad enters the service of the bank he is generally fresh from school and is to all intents and purposes a mere novice. His salary is fixed at \$30 per month. If he progresses and succeeds in securing a bookkeeper's position, he receives \$1,200 a year, and from that point the salaries increase to \$3,000, \$5,000, and the highest \$7,000 a year. There are some, however, who, after they get as far as bookkeeper, stop right there. They are simply machines, good men for the place they fill, but with no ability to go higher. It is those who have ambitious minds and want to learn and move about in various directions that outstrip the others. But the opportunity is there for all. It is a free, fair competition, and is purely a test, not only of the youngest boy's ability, but also of every man in the employ of the firm. I believe our bank was the first to inaugurate the idea among financial institutions, but there are others, I think, who have adopted it in later years. I can say that we have found it to produce the most satisfactory results. It practically establishes a corps of efficient assistants in each department, besides giving every employe an incentive to do his very best in the position he occupies, as he is aware that by the product of his labor alone will he be judged for any higher place which may be at the disposal of the bank."

*Bank Management.*—The remarks of Mr. James G. Cannon, vice-president of the Fourth National Bank of New York, at the last Boston banquet of bankers, contains some excellent remarks concerning bank loans, which are worth giving to a wider audience:

"Overloaning is one of the errors of some directors. Many banks have no system of investigating their customers. Every bank should have a well-regulated credit department. In this

regard the banks of the present day are remarkably lax. A prominent New York merchant recently observed that of several late failures 75 per cent. of the liabilities were due to banks. The recent suspension of two banks and one trust company in New York was due entirely to the careless manner of making loans. It is a duty the banks owe to their depositors to carefully scrutinize all collaterals offered. When a man refuses to make a statement it is certain he has a false pride or else is shaky. No bank should make advances without collateral to any party that will not allow a full investigation of its affairs. The funds of a bank should be loaned on short time. If all bank officers would insist on this it would result in a more healthy condition of commercial affairs."

*Trust v. Bank Companies.*—In Maine, as well as in other States, an unusual number of trust companies are organizing for the purpose of doing a banking business. This form of incorporation is increasing in popularity, because a larger variety of business can be transacted than by a National bank, and with less restrictions. Of course trust companies have just as good a right to exist as any other kind of banks; but it behooves the older institutions to understand the methods of the trust companies if they wish to retain their full share of the business. In some cities, Philadelphia especially, the banks have been very slow to adopt the practice of the trust companies in paying interest on deposits; the consequence is they have flowed largely into the trust companies. The banks are awakening at last to the necessity of paying interest on them in order to get them. In a recent circular of the banking house of Hambleton & Company, of Baltimore, the following remarks on this subject appear:

That trust companies are largely infringing upon the supposed prerogatives of the banks is clearly evident. During the past ten years there has been only a small increase in the aggregate deposits of our city banks. Considering our large increase in population, manufacturing industries and wealth, and, as shown by the Clearing House, returns and reports of the Board of Trade, in trade and commerce, such a statement unexplained would be not only surprising, but confounding.

In looking about for a cause for such a remarkable exhibit we soon discovered that the trust companies had captured the deposits. Our trust companies do not publish their statements, but their line of deposits run up into the millions. Of course the trust companies in turn deposit in the banks, but they do not keep any idle money in the banks, but loan it out, and thus to a large extent reap the profits which otherwise the banks would enjoy.

In addition to the large line of deposits which are brought into the trust companies through their many trusteeships, general deposits are attracted by the allowance of small rate of interest. Financiers and merchants having idle balances place them with the trust companies.

This accounts for the failure of the banks to increase their deposits. We do not doubt that the banks in other cities have the same experiences, and it is evident that to compete with the trust companies the banks must resort to equal inducements to obtain and retain deposits.

At present the trust companies of our city do not do a general bank-

ing business or discount commercial paper, but they do make large loans on collaterals, and thus compete with the banks. Under existing circumstances any advantages of the National banking system are altogether with the depositor, who has the security of department supervision and examination.

To the shareholder there is no advantage, indeed, a decided disadvantage; inasmuch as he is liable for twice the amount of his stock and curtailed in the probabilities of dividends by the reserve requirement. It is only from surplus earnings and deposits that profits can be derived, as running expenses and taxes more than eat up any profit made on capital. If the banks are to compete with the trust companies by allowing interest on deposits and no future provision is made for taking out a circulation, banking profits promise to decrease.

*State Bank Notes.*—The last public statement of the National banks admits a liability of \$77,328 for State bank notes still out. Upon the adoption of the National bank system, Congress levied a tax of 10 per cent. on all bank circulation. This was for the object of driving such circulation out of existence for the purpose of introducing the new note system guaranteed to the National banks upon deposits of United States bonds at the rate of 90 per cent. in notes upon the par value of the bonds. The first return of State bank notes outstanding, incorporated in the statements of the National banks, was made January 1, 1866. At that time there was \$45,449,155 of these notes out. A year later the amount was reduced to \$6,961,499. Another year and the total was only \$3,792,013. After that the cancellations were light. It was not until 1874 that the amount was cut down to \$1,000,000. Three years later it was cut down to \$500,000. It took two years to wipe out another \$400,000, so that it was not until the early part of 1887 that the amount out was down to \$100,000. During the past three years there has been a further reduction to the extent of \$21,358, about \$3,700 having been canceled in 1890.

*Gold Exports.*—A very considerable amount of gold has been exported during the last few weeks, notwithstanding the restrictions imposed by the Secretary of the Treasury. It is said that the Bank of England has long thrown impediments in the way of exporting gold bars, while the United States has stimulated their exportation by furnishing them without extra charge. It is admitted that the export of coin is attended with a greater loss by abrasion than the export of gold. The Treasury Department regards that the loss on gold bars by abrasion is about \$100 to the million. The loss on gold coin is nearly five times as much. This large difference makes the question of profit and loss on gold shipments a very serious matter. The general calculation based on past experience is that \$1,000,000 in gold coin taken from circulation will show a loss of \$250 by abrasion. When this same coin is packed in kegs and shipped abroad the effect of the handling

is an additional loss of \$250. England has an advantage over the United States in this particular, in having its largest gold coin to consist of the sovereign. The weight of the sovereign is about equal to that of our \$5 gold piece, and the loss in shipping or handling coins of that small denomination is very heavy. It is intimated that the Treasury Department may make the handling of coin as expensive as possible by reducing the denomination for foreign supply to \$5, or to \$5 and \$10 gold pieces, keeping the \$20 pieces for home use. But why should this country, England, or any other using gold attempt to prevent its exportation by the restrictions that are at present imposed? If silver were flowing from the country in large quantities instead of gold, all would rejoice, just as they would over the export of wheat, corn, cotton, or other products. But whenever a demand arises for the exportation of gold, no one is pleased. Why? Because it is the foundation of our monetary system. No country using gold as a standard rejoices in the narrowing of its monetary basis. But we may ask again, Why should such feelings arise? and the reply is, We fear there is not gold enough to serve the purpose of all the nations that desire to have it. If there was an excess of this metal in our country, or in any other, the export of the excess would be regarded with pleasure. These are familiar facts, which no one will deny. Why, then, should not the metallic basis be strengthened by the introduction of silver? So far as this country is concerned, the sole reason is, because a large and influential party is unwilling to consent to its use on a basis which would be acceptable to the leading nations of the earth. If they would be willing to use silver on exactly the same basis as they are willing to use gold, for what it is worth, for what it will fetch in exchange for other commodities, there would be no difficulty in using large quantities of it, and the silver question, so called, would reach a final solution. If silver was thus employed, the unpleasant feelings which always arise whenever a little gold is exported from a country would pass away forever.

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*Importations of Silver.*—The forthcoming report of Director Lynch on the production of precious metals in 1890 shows that the course of silver sales has been reversed in this country during the last year. Previously a portion of our production had been exported, but over four millions were imported last year. The commercial value of the foreign silver bullion imported into the United States during the calendar year 1890 was, as registered at the custom houses, \$8,154,154, of which \$4,894,134 consisted of unparted bars from Mexico, \$1,766,634 of commercial bars from England, \$1,351,380 of commercial bars from Germany, the remainder, comprising small lots, from various countries of this

Continent. In addition to the imports of foreign silver bars, silver ores were imported into the United States for reduction, of the invoiced value of \$8,356,412. As usual the bulk of these ores came from Mexico, the invoiced value of the ores imported from that country being \$8,090,755. The approximate value of silver contained in these ores was \$7,252,442, and of gold \$75,083, while they contained in addition 36,281,731 pounds of metallic lead, of the value of \$1,202,279 (against 53,166,802 pounds in 1889), and 342,756 pounds of copper valued at \$17,993. Foreign silver coins were imported into the United States during the year of the value of \$13,887,530, of which \$10,355,877 came from Mexico, \$1,581,551 from Colombia, and the remainder from various countries of Europe and America. The imports of silver into the United States during the year may be recapitulated as follows:

Classes—	Value.
Foreign bullion (commercial value).....	\$8,154,154
Silver in foreign ores (commercial value).....	8,356,412
Foreign silver coin.....	13,887,530
Total foreign.....	\$30,398,096
United States silver coin (subsidiary).....	384,435
Total silver imports.....	\$30,782,531

The value of domestic silver bullion exported from the United States during the calendar year was \$15,993,918, of which \$15,522,287 consisted of private bars and \$471,631 of bars bearing the stamp of the United States assay office at New York. The bulk of the silver bars exported, viz., \$15,233,329, went to England. Foreign silver coins were re-exported of the value of \$10,433,360, of which \$5,966,865 went to Hong Kong, \$3,031,006 to England, \$466,000 to Japan, and the remainder to various countries. Our own silver coins (subsidiary), of the value of \$104,271, were exported during the year, almost entirely to South American countries. The exports of silver during the year may be recapitulated as follows:

Classes—	Value.
United States bars (commercial value).....	\$471,631
Domestic bullion (commercial value).....	15,522,287
United States silver coin.....	104,271
Total domestic.....	\$16,098,189
Foreign silver coin.....	\$10,433,360
Silver in foreign ores.....	74,214
Foreign silver bullion.....	8,240
Total foreign.....	10,515,814
Total silver exports.....	\$26,614,003

From the above tables it will be seen that there was a net gain of silver to the United States of \$4,168,528, reversing the movement of silver since 1873.

*Kansas Farm Mortgages.*—The following observations of the Topeka

*Capital*, on the subject of Kansas farm mortgages, are in striking contrast with the so-called information on which Farmers Alliance demands for State and Federal legislation have been based: It is safe to say that the farm mortgage indebtedness of Kansas is being paid off at the rate of a million dollars a month. As the total amount at present will probably not much exceed \$50,000,000, it is not improbable that the farmers of the State will be substantially free from debt in four years. With these facts staring us in the face it is difficult to see how the farmers of Kansas are in pressing need of help from the Government as against their creditors. It looks as though the creditors were being paid off with a rapidity that can scarcely be equaled in any other State.

*Private Bank Examinations.*—At the last session of the South Dakota Legislature a Bank Act was passed which provided that after the first day of next August no private banker can do business in that State. It has become quite customary to start private banks with less than \$1,000 capital, and these institutions have done business entirely with the funds of their depositors. Several banks of this description failed during the past year for amounts ranging from \$5,000 to \$50,000 each. The business of banking cannot be too safely guarded by the laws, and all banks should be brought under the same legal supervision. The new South Dakota banking law provides that all banks must be regularly incorporated after August 1 next, and that the lowest amount of capital stock of any bank shall be \$10,000, and this only in towns of less than 2,000 inhabitants. It is fixed at \$25,000 for towns having more than 2,000 and less than 5,000 inhabitants, and \$50,000 for towns having more than 5,000 population. It is not to be doubted that the new States, after they shall have been sufficiently fleeced by wildcat banks, will take similar action. Those who handle other people's money should be compelled to pledge securities of their own, sufficient to cover all contingencies.

*The Bank of France.*—This is the only State bank in Europe which pays nothing for its privileges. Fifteen per cent. dividends are declared, while the Imperial Bank of Germany is restricted to 8 per cent.; the excess over that amount is shared, or wholly absorbed, by the Government. The Bank of England is paid for its services rendered to the Government, and receives interest on the Government debt, but it must pay for its privileges and exemptions from stamp duties nine hundred thousand dollars a year to the Treasury. The existing privileges of the Bank of France do not expire until the close of the year 1897, but it is now proposed that the bank shall be asked to pay \$500,000 for the privilege of issue, and to accustom the bank to the change, a

restricted contribution of \$340,000 a year is proposed from the present time until 1897, when the present charter expires. Even with this tax the Bank of France will fare better than the Bank of England, so far as direct payment goes, especially on account of its greater issue privileges. There are other provisions, however, in the proposed new charter which are less favorable, including the abrogation of the interest on the Government debt, by which it will lose about \$675,000. The bank will also be asked to assist the Treasury in carrying on the service of the debt without compensation. Under the proposed new arrangement the Bank of France will more nearly resemble the Bank of England than heretofore in its relations with the Government; and yet, the two institutions are widely divergent in their constitution and methods. The Bank of England is administratively free, whereas the Governor and the two Deputy Governors of the Bank of France are appointed by the State. The shareholders are represented by the fifteen regents and three censors, who really do the work of the board of directors. It is a curious distinction between the two countries and their ways of doing business that, while the note issue in France is practically unhampered, and the Government claims to regulate the rate of discount in England, the note issue is carefully protected by legislation, and the bank directors are free to do what they like with the official rate of discount. A unique provision of the new bill stipulates that all profits derived from a rate of discount over 5 per cent. are to be added to the capital of the Bank of France. The last renewal of the charter of the Bank of France was arranged in 1857, although the charter then in existence did not expire for ten years or more; but Napoleon III. wanted money for the Crimean war, and in return for the advance of 60,000,000 francs, which formed the nucleus of 140,000,000 francs of "Avances a l'Etat," which now appears in every weekly return, he decreed a renewal from 1857 to 1897. This loan draws 3 per cent., or, as it was taken at 75 per cent., it really pays the bank 4 per cent. on its investment. The bank has a monopoly of the issue of bank notes, which now exceed \$600,000,000, the limit of issue at present being three and a half milliards. It is proposed, however, to increase the limit to four milliards, approximately \$800,000,000. This issue privilege is of such vast importance that the Government can force the bank to accept almost any terms by a threat of the withdrawal of the monopoly.

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*Russia Adopting the Gold Standard and the Franc.*—Russia is reported to be preparing for the introduction of the gold standard. The presence in the National bank of a milliard in gold, and the fact that it has two more at its disposal, seem to guarantee a



rapid realization of the plan. The Government has decided upon the adoption of the French monetary system, with the franc as unit, an innovation that will probably cause very little confusion, for the use in Russia of five-rubles pieces, equal to twenty francs, has familiarized the people with the franc or four-franc unit.

*The Most Profitable Corporation in the World.*—One of the most interesting corporations in the world is the New River Company of England, which was founded nearly three centuries ago by Mr. Hugh Middleton, a wealthy Londoner. This company was organized for the purpose of supplying London with pure drinking water, and Mr. Middleton began work in 1609. Water was brought into the city from a distance of twenty miles, but the line of pipes ran for forty miles on account of the many hills and valleys encountered. By 1619, £500,000 had been spent, and no dividend was earned till 1633. The affairs of the company, at that time, were so unpromising that King Charles I gave all of the thirty-six "King's shares" to Middleton's heirs, on condition that they should pay to the Crown £500 per annum. In this way the King's shares have become scattered around among the investing public. There is still another class of shares in this famous New River Company, called the "Adventurers' shares," the holding of which entitles the possessor to a vote. To give an idea of the enormous value to which these shares have risen, it may be stated that in the year 1800 one was sold for £14,000; in 1811 the price obtained was £17,000; in 1878, £93,000, and at the close of last year the eighth part of a share sold for a sum at the enormous rate of £100,000 per share, an amount which in years to come is not unlikely to be exceeded, owing to the reversions of a large property which will accrue to the company, and so still further enhance the value of these historical securities. As far as our knowledge extends, these are the highest-priced shares known, and, owing to their enormous cost, they are now divided into fractional parts, as in the case of the Santa Gertrudis mine shares here.

*Financial Panics.*—There have been eighteen great financial crises during the last century and a quarter, viz.: In 1763, at Amsterdam, originating with the house of De Neufville, and involving seventy-seven failures; the failures in Holland in 1773 exceeded £10,000,000. In 1799, in Hamburg, there were eighty-two failures, involving £2,000,000. There was a panic at Liverpool in the same year, which was, however, somewhat mitigated by Parliament lending £500,000 in Exchequer bills on goods. In 1814, 240 banks suspended payment in England. In 1825, at Manchester, failures occurred to the amount of £2,000,000. The Calcutta failures of 1831 involved £15,000,000. The "wild-cat" crisis in the States, in

1837, caused all their banks to close. In 1839, the Bank of England was saved by the Bank of France. A panic in France during the same year caused ninety-three companies to fail for the sum of £6,000,000. In 1844, a crisis in England brought about the reformation of the Bank of England. The English failures of 1847 involved £20,000,000. During the great panic of 1857 in the United States, 7,200 houses failed for £112,000,000. The Overend, Gurney & Co. failure, nearly a quarter of a century ago, involved failures costing upwards of £100,000,000. "Black Friday," in Wall Street, was on September 24, 1869. The shoe and leather trade crisis in Boston, in 1883, caused losses amounting to over £2,000,000. The Grant and Ward failure at New York City, in 1884, involved many financial and business houses, and a loss of over £5,000,000.—*Financial News, London.*

## RENEWAL OF THE PRIVILEGE OF THE BANK OF FRANCE.\*

[CONTINUED.]

Discussions of principle are generally out of place at the very moment of reforms; they need calmness, time, mature and careful consideration. The noise of parliamentary debates, the necessities of militant politics do them harm, taking from them independence and disinterestedness. At these epochs of action facts and results are called for. The mind wants to proceed rapidly; there is no time to philosophize.

This more active than meditative state does not displease us who have already during nearly half a century been engaged in the business of banking; but though a practical man, we do not cease to be a thinker. A tactician is a soldier as much and more even than the man who sounds the charge. He sees more accurately and further.

In order to judge better what we ought to do about the exclusive privilege of the Bank of France, let us go a little beyond the narrow horizon of our country; let us see what is happening abroad. Travels are instructive; let us travel!

Belgium has but a single bank of issue; but, as we have said, it is not invested with the monopoly by law. Coming into existence in 1850, by the voluntary renunciation of the rights of issue by the Société Générale of Belgium and the Bank of Belgium, the National Bank has been obliged, through negotiations, to acquire in 1851 from the Bank of Flanders, and in 1872 from the Liege Bank, their right of issuing notes payable to bearer and at sight. The Bel-

\* Translated from the French of Alphonse Courtois by O. A. Bierstadt.

gian Government has not intervened in these successive agreements; consequently it is not bound, and to-morrow, if the Belgian Parliament should think best to authorize a second bank of emission, local or general, the National Bank could not object. With such a latent competition, the National Bank is essentially different from the Bank of France.

Thus it acts as the State's cashier under the control of treasury agents. It used to receive from the State for this service an indemnity of 200,000 francs a year; reduced to 100,000 francs in 1856, this indemnity dropped to nothing in 1862, and since January 1, 1871, it is the National Bank that pays to the State an annual sum of 175,000 francs as a share of the expenses of treasury operations. Besides, the State participates in its profits. Beyond 6 per cent. of net product it collects a quarter of the surplus; moreover, all the proceeds of discount over the rate of 5 per cent. goes to it; finally, it has the right to  $\frac{1}{4}$  per cent. semi-annually of the excess of the average circulation of notes beyond 275 millions. On these accounts the State received for the year 1890 the sum of 1,790,884 francs, besides 191,155 francs for the stamp of notes, and not including the National Bank's license and its share of 175,000 francs in the expenses of treasury operations. This sum represents about the average of previous years.

Then the National Bank issues small notes suited to the public's needs; thus, while the Bank of France shows itself niggardly about employing the 50-franc note, the Belgian National Bank has largely put out, since thirty years ago at least, 20-franc notes for the use of the public, and with pleasure we read in its last report that "the 20-franc note is at its 659th alphabet, and the 100-franc note at its 515th, while the 1,000-franc note is still at its 98th."

Out of a regrettable deference to an old prejudice, the statutes declare that the quantity of notes in circulation joined to the other liabilities payable on demand must not exceed three times the specie in hand. We should like better to see it have less Government funds (75 millions plus  $7\frac{1}{2}$  millions as collateral for loans, the whole on a paid-up capital of 50 millions and a reserve of 22); it is necessary to watch over the employment of the resources coming from the issue of notes, and not to regulate the extent of the issue.

In excuse of the Belgian National Bank, we may recall that it has a portfolio of foreign paper amounting to about a quarter of the total bills and acceptances. It has, further, a more intelligent method than the Bank of France in extending its services outside of the capital. Besides its one and only branch, that of Antwerp, it has at present 39 agencies or offices. These latter have a local independence not found in the barracks so mechanically disciplined, which the Bank of France directs from Paris and which it deco-

rates with the name of branches. The Belgian National Bank gets together a group of notable bankers or capitalists of the locality; then, making this group responsible for the worth of the paper discounted by it, gives it an interest in the results of the operation. This occasions an activity of action and a severity of control that would be vainly sought in France. The local interests are better understood and served, and the National Bank profits thereby.

Unfortunately, the relations of the National Bank with the treasury are too close for both not to lose, in consequence, much of their independence. Every State is a troublesome customer for a bank, on account of its omnipotence; and the Belgian treasury would be particularly embarrassed if it had to break at once with the National Bank; it would lose, indeed, its share in the profits of the institution. So it may be said that, all things considered, it is only nominally that the legal privilege does not exist; in actual fact it is the soul of the contracts made, and the public is the sufferer thereby. Thus, to speak only of security, the National Bank's locking up of its resources (a State always urges this, especially when it is a question of investments in its own funds) is too extensive, and if the institution consented, notwithstanding the consummate knowledge and experience of its managers, it was because it expected that, in case of a crisis, the State will not be able to refuse it the suspension of redemption and the forced currency of its notes. This is its anchor of safety. What would an ordinary merchant think of this, if it concerned the good reputation of his own house?

Let us cross over the Channel. In the three kingdoms we find very nearly the same banking legislation, and Sir Robert Peel was the one to have it adopted.

Prejudiced against the bank note, to which he attributed the financial crises that afflicted England during the first half of this century, he endeavored to restrain its action. He attacked the effect, while turning his back to the cause.

He had three acts passed by Parliament, and they are still in force, one of July 19, 1844, applying to England and Wales, and the two others, dated July 21, 1845, applying one to Scotland and the other to Ireland.

The circulation uncovered by specie was limited to fixed sums: £14,000,000 for the Bank of England and the average of the twelve weeks preceding April 27, 1844, for the provincial banks. In case of voluntary or involuntary renunciation by the latter, the Bank of England inherits two-thirds of their right of issue, the other third being wiped out. The provincial banks of circulation will therefore go on diminishing in number, their power of issue falling to the Bank of England, but only to the amount of two-

thirds. At present the Bank of England's right of issue uncovered by specie, instead of being £14,000,000, as it was in the beginning, has thus reached £16,450,000. Beyond these figures the provincial banks cannot issue a single unsecured note, and the Bank of England can only create them as fast as specie to their amount is consigned to a special office of the Bank.

To put these narrow limits into practice, the act of 1844 divided the Bank of England into two departments: one called the Issue Department, the other called the Banking Department. The former alone has the right to make bank notes, but it cannot use them, and must deliver them all to the latter. The former has for the counterpart of its notes: the Government's fixed debt, or £11,015,100; consols kept in its possession and amounting at present to £5,434,900, which, with the above fixed debt, form the £16,450,000 that we have already spoken of; finally, specie or bullion for the balance.

The Banking Department, taking the notes made by the Issue Department, uses them in its discount and loan operations. What remains in its possession, notes and specie, is called the *reserve*, and upon this reserve (which must not be confounded with that of the stockholders) the eyes of the whole business world are fixed closely. Should it diminish, the Bank has no other alternative but to sell the consols belonging to the Banking Department or to raise the price of its services, the rate of discount. Should this reserve be exhausted as well as the Government securities, the Bank would have to suspend all discount of commercial paper and all loans, being unable to make any until more money comes in. So the Bank of England does not wait for this formidable event to come to pass. As soon as the reserve tends to fall below a third of the accumulated current accounts of the treasury, the public departments, and private parties, the Bank of England, by raising the price of its services, repels or at least reduces the demands of its customers. These latter, in their turn, slacken the course of their business. It is like a brake on a railroad car.

But it is not merely a brake; the raising of the rate of discount, to avoid reaching the sharp limit of issue, causes alarm, when the Bank of England, thanks to its immense credit, might without imprudence attenuate the crisis; far from that, it brings it to a head and sometimes even creates it. When, indeed, the reserve reaches a third of all the current accounts, the proportion of the resources to the sight liabilities of the Bank of England is far from having reached this figure. On the continent no attention would be paid, and a slight contraction would pass unnoticed; on the other side of the strait excitement arises inopportunely, and the slight contraction becomes a crisis. Sir Robert Peel thought he had found a remedy for crises, he had only organized an excitant,

a provoking cause. A small supplementary issue would perhaps suffice to lessen the acuteness of the crisis; its refusal occasions the crisis. The following facts will prove this from experience.

Sir Robert Peel was still living (he died in 1850 from a fall from his horse), when the crisis of 1847 burst upon the continent; that the Bank of England should feel it was natural and in the due order of things. Its effect was, however, precipitated in consequence of the obstacles thrown by the act of 1844 in the natural course of business, so much so that the English cabinet could think of no better way of lessening the difficulties of this situation than by authorizing by letter of October 25, 1847, the Bank of England to exceed, if necessary, the limits imposed by the act of 1844, promising to lay before Parliament, in the approaching session, a bill for granting indemnity. As soon as this letter from Lord John Russell was made public, the crisis calmed down, and the Bank did not even need to use the authority bestowed upon it.

The second violation of the bill of 1844 took place in 1857. It was not merely threatened, but really carried into effect. Lord Palmerston, by letter of November 12, 1857, declared himself ready, if the Bank found it necessary to suspend the act of 1844 in order not to close its doors, to propose to Parliament, when it should meet again, a bill of indemnity for the surplus of issue that might have occurred. The intensity of the crisis was such that it obliged the Bank to exceed by £1,280,000 the legal limits, into which it returned hardly a month after overstepping them to this small amount. The act of 1844 suffered the affront of a bill of indemnity which Parliament granted.

Finally, in 1866, twenty-four hours after the suspension of the firm of Overend, Gurney & Co. (the day after the famous *Black Friday*), Lord John Russell again being at the head of the cabinet and Mr. Gladstone Chancellor of the Exchequer, the English cabinet, by letter of May 11, authorized a third time the Bank of England to exceed, if necessary, the legal limit fixed by the act of 1844. As in 1847, the announcement of this possibility enabled the Bank of England to meet the difficulties of the situation.

Consequently, in the twenty-three years following the promulgation of the act of 1844, three times the crisis, which that act should have prevented by its action, was only calmed by its threatened or actual suspension. Recently again, at the time of the difficulty of the house of Baring Brothers, the Bank of England might perhaps have been obliged to inflict a fourth insult upon its providential act, if the Bank of France had not opportunely come to its help.

The act of 1844 is condemned; the public opinion of enlightened men is now unfavorable to it in England, and if it is not repealed, it is only because reforms are slow with our neighbors; but, at least, they are final.

[TO BE CONTINUED.]

## PAYMENT BY CHECK.

COURT OF APPEALS OF NEW YORK.

*Mayer et al v. Heidelberg et al.*

Where a depositor, having sufficient funds standing to his credit, tenders his check on his bank in payment for negotiable paper which it has for sale, and the bank accepts the check, and charges it against the deposit, and delivers over the paper, the depositor is a purchaser of the paper for value, the antecedent debt of the bank to him being to that extent extinguished.

The acceptance by a bank over its counter of the checks of a depositor discharges the deposit to the amount of the check.

FINCH, J.—Whether the draft of the defendants upon their foreign correspondent was sold by them to the plaintiffs, who were named as the payees therein, or to Harrison's Bank, which gave the order for the exchange and promised to pay for it, became a material inquiry upon the trial because of the failure to pay the purchase money. Very much was possible to be said in behalf of either inference, and it was said. Upon the argument, no circumstance or suggestion was omitted which could affect a wavering balance; but the very thoroughness of the discussion served to strengthen our conviction that the question was one of fact, a problem of conflicting inferences, properly submitted as such, and controlled by the finding of the court. That finding established that the sale was to Harrison's Bank, and that the credit, if any, was given to that firm, although the draft, by their direction, was made to the order of the plaintiffs, for whom the Harrisons bought it and to whom they sold it. Some question is made over the evidence leading to that result, and about the title of Harrison's Bank to the exchange, assuming that firm to have been the vendees. Proof was offered, and received under objection, of an alleged custom of dealers in foreign exchange to sell only upon a cash payment, and deliver the drafts conditionally upon an expected remittance of the price; the purpose being to justify the act of the defendants in stopping payment when the vendees failed to remit in accordance with their promise. The court was asked to find the existence of such a custom and refused, and the defendants took an exception. So far as any custom was proved it was immaterial. Some of the evidence indicated a usage in the city of New York among sellers of foreign exchange of delivering the drafts before the next sailing day of the steamer, and expecting payment on that day; but so far from such custom making the delivery conditional until payment, the evidence indicates the contrary. It shows a habit of exacting the cash, except where the standing of the purchaser made a credit until the sailing day prudent and safe; and no single instance of stopping payment of the delivered drafts was shown. What there was of the usage seems quite inapplicable to sales out of the city, and to country banks, or inland dealers, and was not such as to raise a presumption of knowledge on the part of Mayer & Co. In all their dealing, nothing had ever occurred tending to bring home to them knowledge of a usage which seems to have been local in its character. But beyond that, the plaintiffs have been found to be purchasers for value, and in good faith, from Harrison's Bank, of the drafts in controversy, and if that be true the equities between the original parties are cut off and become immaterial, and so the correctness or error of that finding has been the principal subject of inquiry upon this appeal.

The respondents rely upon two propositions which have thus far prevailed: *First*, that the actual payment and absolute discharge of an antecedent debt is a valuable consideration for the transfer of commercial paper, and cuts off prior equities; and, *second*, that the acceptance by a bank of deposit of the check of a depositor over its counter actually cancels and discharges the deposit to the amount of the check. I have no doubt as to the soundness of the first proposition. It was explicitly conceded in *Bay v. Coddington*, 5 Johns, Ch. 57, affirmed 20 Johns. 637, which originated the difference between the courts of this State and the concurring views of the Federal Court and those of England. While it was in that case ruled that the transfer of negotiable paper as collateral security merely for an antecedent debt did not make the creditor a holder for value within the rule cutting off prior equities, it was yet asserted that such result followed where, among other things, some existing debt was satisfied thereby. And that, I think, was a natural and logical conclusion from the reasoning upon which the decision rested. The argument was that the holder of the paper merely as collateral lost nothing by its failure, since his debt all the time remained, his original position was unchanged, and he had simply failed to get an added security, himself parting with nothing. It is apparent that the reasoning fails whenever, as a result of the new contract, the original debt has been actually extinguished, when the paper received has been both transferred and accepted as payment, and the debt has been discharged within and by force of the acts and concurring intention of both parties. And so we have steadily decided. (*Bank v. Gilliland*, 23 Wend. 311; *Youngs v. Lee*, 12 N. Y. 551; *Philbrick v. Dallett*, 34 N. Y. Super. Ct. 388; *Gould v. Segee*, 5 Duer, 260; *Brown v. Leavitt*, 31 N. Y. 113; *Insurance Co. v. Church*, 81 N. Y. 218; *Button v. Rathbone*, 188 N. Y. 666, 23 N. E. Rep. 122.) These cases, and many more like them, however differing in their facts, and although the earlier ones have been more or less criticised, yet agree, as I read them, in the doctrine that, where the pre-existing debt is actually and absolutely extinguished in consideration of the negotiable paper transferred, the transferee is protected against prior equities. In asserting that as the result of the decisions in this State and elsewhere, the Federal Court, in Brooklyn, etc., *R. Co. v. National Bank*, 102 U. S. 31, and Mr. Daniel, in his text-book on Negotiable Instruments, §§ 831, 832, are fully and fairly supported by the line of adjudged cases.

But the real and more difficult proposition secondly asserted by the respondents springs up at this point, and requires us to consider when the antecedent debt is absolutely extinguished, and what proof sufficiently establishes that fact; for the debt, though extinguished in form, may prove to be discharged conditionally and not absolutely. The answer depends upon the authorities from which we ought not to depart, but which have been very differently construed by the respective counsel. The respondents rely upon *Pratt v. Foote*, 9 N. Y. 463, followed in *Commercial Bank v. Union Bank*, 11 N. Y. 203, and a line of subsequent cases which more or less have been controlled by it. That case declared that the acceptance by a creditor from his debtor of a new security or obligation for an old debt, and the acceptance by a bank of a check drawn upon itself in payment of a note, were entirely different transactions; that the former is the mere substitution of one executory agreement or obligation for another, and there is no extinguishment of the precedent debt unless there is an express agreement to accept the new obligation or security as a satisfaction of the old; but that when the bank upon which a check is drawn accepts it upon its own debt the same act of acceptance pays the check to the payee and



the debt to the bank, and the transaction is the same in effect as if the money was first paid to the payee of the check and instantly repaid to the bank in exchange for the paper bought. This view of the transaction necessarily implies that what is done between the parties sufficiently proves a payment and extinguishment of the bank's debt, without any added evidence of an express agreement to that effect, or any further or other act. We must not fail to observe that other and additional circumstances bearing upon the intent of the parties may change the inference; but the case cited decides that, where the bank accepts its customer's check for a note due to it, and charges the check to the proper account, and turns it into a voucher by cancellation, the debt is extinguished on both sides. It is argued at very considerable length that the check accepted by the bank in the case cited was that of a third person, and not the check of the maker of the note, and that the same thing is true of all the cases relied upon by the respondents. That is true to some extent, and in some qualified sense. In the case cited, the check offered and accepted was the check of Scudder, who was first indorser upon the note, and contingently liable thereon, and who evidently drew his check to discharge that liability. While the check was tendered by Foote, the maker, it was nevertheless that of one of the parties to the note, and tendered and accepted in payment thereof. In *Youngs v. Lee*, 12 N. Y. 552, the creditor surrendered an old note not yet due in exchange for a new note with an indorser, and was held to be a holder for value because the debt was extinguished. Many of the cases to the same purport were reviewed in *Insurance Co. v. Church*, 81 N. Y. 218, and it was there intimated that the common understanding and usage attending the dealing with banks might well affect the inference to be drawn. I do not find that the doctrine of *Pratt v. Foote* has ever been questioned or overruled. The payment in that case was held to be absolute, and not conditional. The check was tendered in payment of the note, and accepted as such, and the transaction in that manner closed. So here, the check was tendered in payment for the draft purchased, and accepted and canceled as payment. There can be no doubt that such was the concurring intention of both parties to the contract which they executed, and the inference would hardly be more certain if the intention had been framed in words, and taken the shape of an express agreement. I have become convinced that the form of the transaction should not control and modify its substance. If the Harrisons, on presentation of the check, had paid the money, and the creditor had instantly paid it back in exchange for the draft purchased, there would have been no question about the right of the purchaser. How can we insist that the right is modified because the formal delivery and return of the money was omitted, the substantial result remaining the same? I have examined the numerous authorities cited, but question the wisdom of dwelling upon them, since they vary in many respects from the precise facts before us. I prefer to hold upon the authority of *Pratt v. Foote*, strengthened, as I think it is, by the suggestions of *Insurance v. Church*, that where the depositor in a bank, having sufficient funds standing to his credit, tenders his check to that bank in payment for negotiable paper which it has for sale, and the bank accepts the check, and charges it against the deposit, and files the check as its voucher, and delivers over the paper purchased, the holder of that paper is a holder for value, because the antecedent debt is *pro tanto* actually and in fact extinguished. The facts of the transaction show that to have been the concurring intention, to exhibit a contract executed and completed, and left in no respect executory or conditional; and, while the check may be regarded as a request to charge in account, it is a

request to a bank of deposit which operates upon the amount of the deposit, and effects the actual payment intended on both sides. The position of the depositor is materially changed by the transaction. Before his purchase he had its amount on deposit, payable to him on demand, but after his purchase no such deposit remained subject to his check or payable to him at all. If he had held the bank's note for the deposit, and surrendered that in exchange for the paper bought, it is conceded that he would have been a purchaser for value. But the note itself would be only a voucher, or evidence of the debt. And why should a surrender of that voucher have greater effect than delivery of the check? Because the depositor has no note, but, as is the customary method, allows the bank to keep both sides of the account, and so has no voucher to surrender, must we give no force to the delivery of the check and its acceptance by the bank which equally cancels so much of the deposit, and equally serves as the bank's voucher for the payment? We cannot say that the depositor has parted with nothing in consideration of the paper received, when, in the customary mode of dealing with banks, he has drawn out his deposit and appropriated it to his new purchase; for what he has for a voucher, or evidence of the bank's debt to him, is simply the bank's credit on its books, and when, by his own act, he destroys and cancels that credit, he parts with the voucher he had as effectively as if, holding the bank's note, he had parted with that. In view of the customary methods which obtain between banks and their depositors, the inference of actual payment and extinguishment of the debt where the check is accepted, charged in account, canceled upon the file iron, and filed as a voucher, is proper to be drawn. It seems to be not even essential to be able to say that the debt extinguished could not be revived under any form of remedy. (*Insurance Co. v. Church, supra.*)

The question of good faith on the part of plaintiffs was one of fact, which has been found in their favor. It is our duty, therefore, to sustain the decision of the courts below. The judgment should be affirmed, with costs. All concur, except Ruger, C. J., not voting, and Earl, J., dissenting.

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## COLLECTIONS.

### SUPREME COURT, GENERAL TERM.

#### *First National Bank of Carthage v. Yost.*

Defendant, a private banker, in the usual course of business, cashed checks drawn on plaintiff's bank, and on the same day indorsed them for collection on his account, and mailed them to plaintiff. The checks were charged to the account of the drawers, who had sufficient funds on deposit with plaintiff to pay them, and the proceeds remitted to defendant, in accordance with the usual course of dealing between him and plaintiff. The drawers did not take up their vouchers from plaintiff until two months afterwards, when it was discovered the checks were forgeries. Defendant had previously cashed checks for the payee, payable in the town where plaintiff was situated. *Held*, that defendant's indorsement of the checks did not, as to plaintiff, guarantee the signatures of the drawers, and he was not liable to refund the money.

MERWIN, J.—The plaintiff is a National bank, located at Carthage, Jefferson county, N. Y., and the defendant is a private banker at Theresa, in same county, and both were such in '1887. At that time, and for several years before, the firm of Dickerman & Reed were customers of and depositors with plaintiff to a considerable amount, and drew checks upon the plaintiff in the ordinary way. On the 26th September, 1887,

there were presented to defendant, at his banking house in Theresa, two checks, each dated at Carthage, September 24, 1887, and purporting to have been drawn by Dickerman & Reed on the plaintiff to the order of W. H. Smith, one for \$170, and the other for \$48. The first named was presented by Smith, and was indorsed by him, and thereupon the defendant paid him the amount thereof, less the usual fee for collection. The other check was presented by Zalmon Pool, and was indorsed by Smith and by Pool, and thereupon the defendant paid Pool the amount thereof, less the usual fee for collection. On the same day, the defendant stamped upon the back of each check with his bank-stamp as follows: "Remit cashier or order for collection for account of Geo. E. Yost, banker, Theresa, N. Y.,"—and sent them by mail to the plaintiff. The plaintiff received the checks, charged them to Dickerman & Reed, who then had sufficient funds on deposit to pay them, and remitted the proceeds to the defendant. This method of collection was in accordance with the custom between plaintiff and defendant. Dickerman & Reed did not take up their vouchers for September until the first part of December following, when they discovered that these two checks were forgeries. They then immediately returned them to plaintiff, with notice of the forgery, and plaintiff upon their demand credited back to them the amount, and on the same day forwarded the checks to the defendant, with notice of the forgery, and demanded repayment. The defendant refused to pay, and this action followed. The plaintiff in its complaint claims to recover the amount of the checks as for money paid under a mistake of fact, without fault upon its part. It is conceded here that the signatures of Dickerman & Reed were forged, and the question is whether the defendant is bound to refund the money. The general principle applicable to such cases is well established. The drawee of a bill of exchange is presumed to know the handwriting of his correspondent, and if he accepts or pays a bill in the hands of a *bona fide* holder, to which the drawer's name has been forged, he is bound by the act, and can neither repudiate the acceptance nor recover the money. (*National Park Bank v. Ninth Nat. Bank*, 46 N. Y. 77, and numerous cases there cited; *National Bank of Commerce v. National Mechanics', etc., Ass'n*, 55 N. Y. 211; *Salt Springs Bank v. Syracuse Sav. Inst.*, 62 Barb. 101.) This rule has been repeatedly recognized in our courts, and is applicable to checks. It is, however, claimed by the plaintiff that this rule does not control in this case, upon the grounds (1) that the answer admits that the money was paid over under a mistake, and that such payment was without fault of plaintiff; (2) that the defendant, by indorsing the checks, guaranteed their genuineness, and threw the plaintiff off its guard.

The allegation in the complaint that the payment to defendant was without fault of plaintiff is not, in terms, denied in the answer, but it is there alleged that the plaintiff was negligent in the payment of the checks, and in the discovery of the forgery, and that the loss or damage, if any, is the result of plaintiff's negligence. In *Clark v. Dillon*, 97 N. Y. 376, it is said that an allegation in a complaint, in an action based on negligence, that the injury occurred without the fault or negligence of the plaintiff, is substantially denied by an allegation in the answer that affirmatively states the reverse of this to be true, and that such allegation constitutes a denial. Be this as it may, the record before us indicates that the trial proceeded on the basis that the fault or negligence of plaintiff was at issue. Evidence was given on the subject without objection; and the court, upon the evidence, was justified in declining to find, upon the request of plaintiff, that the plaintiff was without fault or negligence. The indorsement by defendant for collection did not, as

to plaintiff, guarantee the signature of the drawer. There was no intention to pass the title. (*Hook v. Pratt*, 78 N. Y. 374.) As well said by Justice Kennedy in his opinion at the trial: "The indorsement was not made for the purpose of putting the paper in circulation, or for discount, and, in my judgment, can have no other or greater effect in determining the rights of the plaintiff than would have existed if the defendant had presented them at the counters of the plaintiff, and, upon demand, the same had been paid. The indorsement was one of instruction, merely, and could not in any manner tend to throw the plaintiff off its guard, or to release it from the obligation resting upon it of knowing the genuine signature of the drawer." The case of *Bank v. Bangs*, 106 Mass. 441, cited by plaintiff, does not sustain its position. The action there was brought to recover back money paid upon a check drawn upon the plaintiff's bank, to the order of defendants, indorsed by them, deposited with their banker, and collected through the Clearing House. The signature of the drawer proved to be a forgery. The defendants took it without inquiry, though in good faith, and for value. It was held that the plaintiff could recover; the main circumstance relied on against the defendants being the fact that the check was payable to their own order. The court, however, say that if the suit was between the bank or drawee and a party who took the check in the usual course of business, finding it in circulation, or even by first indorsement from the payee, the loss would fall upon the bank. The case of *Bank v. Smith*, 132 Mass. 227, relates to the duty of a collecting agent, upon a qualified indorsement, to give notice of dishonor, and does not apply to the question here.

It is further suggested that the defendant did not use proper caution in taking the checks. There is no allegation in the complaint that the defendant was in fault, nor is it so found. The evidence is not of such a character as to require such a finding. The checks seem to have been taken in the usual course of business, for full value, and in good faith. The defendant did not know the signature of Dickerman & Reed. The payee lived in the vicinity of Theresa, and the defendant had previously cashed for him checks payable in Carthage. No sufficient ground for reversal of the judgment is shown. Judgment affirmed, with costs. All concur.—*New York Supplement*.

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## SET-OFF.

SUPREME COURT OF WISCONSIN.

*Oatman v. Batavian Bank.*

Upon an assignment for the benefit of creditors, a bank cannot set off a deposit to the credit of the assignor against a note held by it against him, but not due at the time of the assignment.

ORTON, J.—On the 2d day of January, 1889, one Royal S. Reynolds, being insolvent, made a voluntary assignment of all his property to the respondent, for the benefit of his creditors. At that time he had on deposit in the appellant bank, to his credit, the sum of \$773.13. At the same time the said bank held and owned the promissory note of said Reynolds for \$1,000, executed by him to one S. Martindale, and indorsed to said bank by said Martindale, on the 3d day of July, 1888, to become due twenty days after date, with interest at 8 per cent. per annum, and to bear 10 per cent. interest after due. The time of payment of said note had been extended from time to time by the said Reynolds paying the interest thereon in advance to such times; and finally, on the 6th day

of December, 1888, the said Reynolds paid the interest thereon, and the time of payment thereof was extended to the 31st day of January, 1889, so that at the date of said assignment said note was not yet due. The respondent assignee demanded of the bank the payment of said deposit, and the bank refused, claiming, and still claims in this suit, that the note set off and canceled the deposit. Whether the said note had been so extended was a question of fact on the trial, but the jury found that it had been, and, as we think, on sufficient evidence. The bank held and owned other notes of the said Reynolds at the time the assignment was made, and they also had been extended beyond the date of the same, in the same manner of the said Martindale note, so that none of them were yet due. These other notes are not material, because the Martindale note is sufficient to cancel the said deposit, if it is allowed as a set-off thereto. The jury virtually found that none of the notes were due. The only remaining question, therefore, is one of law—whether the Martindale notes, or any of them, not being due at the date of the assignment, was a proper set-off against the amount of said deposit. The defendant requested the court to charge that it was, and the court instructed the jury that it was not if it was not due at the date of the assignment. The learned counsel of the appellant contends that by virtue of a bank's equitable lien upon the deposit of its customer, as security for the payment of his indebtedness to the bank, and by virtue of an equitable set-off of one against the other in case of the customer's insolvency, a court of equity will decree such an application of what he owes to the bank, due or not due, although it might not be strictly a legal set-off. There is not only plausibility in this claim, but it seems to be sustained by some respectable authorities. This was never allowed at common law, but it seems to have long prevailed in cases of bankruptcy, according to *Carr v. Hamilton*, 129 U. S. 255, 9 Sup. Ct. Rep. 295. It is difficult to see why a bank should have this exceptional advantage over an individual creditor. By our statute (Rev. St. § 4,258) the set-off in all cases must be due, and it makes no exception in favor of banks, or on account of insolvency; and by our law of voluntary assignments all creditors must be treated alike, and their rights are fixed at the date of the assignment. (*Bank v. Hicks*, 67 Wis. 189, 30 N. W. Rep. 234.) In *Armstrong v. Pratt*, 2 Wis. 299, the defendant sought to set off a debt which had not matured at the time of the death of the intestate against a claim the estate held against him as one of the assets of the estate. This was not allowed, for the reason that it would affect the equal distribution of the assets of the estate, and tend to the prejudice of the claims of other creditors. The same reasons would obtain in cases of voluntary assignment. If the estate in that case had been insolvent, then the distribution of the assets must have been *pro rata* and equal to the creditors, for the same reason that the assets of an insolvent assignor must be so distributed. The cases are alike in principle. This is as near as this court has ever decided the question involved in this case. There might be special equities growing out of the transaction itself, through fraud or matters of trust, that might make an exception in favor of a bank, but mere insolvency of the debtor is no ground for such an exception; and, if the insolvent debtor has made an assignment for the benefit of his creditors, the reason is strong the other way. The learned counsel of the appellant cites *Morse, Banks*, § 337, to the general doctrine that, "for any indebtedness accruing from the customer, the bank has the right of set-off," etc. In *Jordan v. Bank*, 74 N. Y. 467, the court says that Mr. Morse has stated the rule too broadly, and that the bank has a lien on the funds of the depositor in its possession for the balance of the general account, if that balance

is due and payable. The following authorities are cited in the brief of the learned counsel of the respondent as sustaining the rule that the demand claimed to be a set-off in such a case must have matured before the date of the assignment. (*Bradley v. Angel*, 3 N. Y. 475; *Beckwith v. Bank*, 9 N. Y. 211; *Myers v. Davis*, 22 N. Y. 489; *Martin v. Kunsmuller*, 37 N. Y. 396; *Roberts v. Carter*, 38 N. Y. 107; *Jordan v. Bank*, 74 N. Y. 467; *Newcomb v. Almy*, 96 N. Y. 308; *Richards v. La Tourette*, 119 N. Y. 54, 23 N. E. Rep. 531; *Fuller v. Steiglitz*, 27 Ohio St. 355; *Lockwood v. Beckwith*, 6 Mich. 168; *Burrill*, Assignm. § 403; Pom. Rem. 187-204.) There are many cases in Michigan that hold this rule, unless some special equities other than that growing out of insolvency should make an exception. It is correctly claimed that this is the rule by a great preponderance of the authorities. The learned counsel of the appellant cites but few cases, and some of them hardly dispute this rule. The rule that places a bank under the law on equality with all other creditors in such a case seems to be reasonable. The circuit court ruled correctly, and the jury properly found for the plaintiff. The judgment of the circuit court is affirmed.—*Northwestern Reporter*.

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## LEGAL MISCELLANY.

**NEGOTIABLE BANKS—TAXATION OF STOCK.**—Under Rev. St. U. S., § 5,219, a State may tax National bank shares held by its corporate or individual citizens as an investment, subject to the restriction that the tax shall not exceed the burden upon similar property in the State. [*First Nat. Bank of Wilmington v. Herbert*, U. S. C. C., Del.]

**NEGOTIABLE INSTRUMENT—EVIDENCE.**—In an action on a note made by one partner in the firm name, payable to himself, and by him transferred to plaintiff, who claims to be a *bona fide* purchaser for value, which is denied by defendant, the other partner, who maintains that there was no consideration for the note, and that it was executed in fraud of his rights with the connivance of plaintiff, it is competent for defendant to show, on plaintiff's cross-examination, whether or not he ever asked defendant for the money, especially when it appears that, after the time when plaintiff claims to have bought the note, he paid defendant several large sums of money without mentioning the note, which was then past due. [*Carpenter v. Greenop*, Mich.]

**TAXATION—BUILDING ASSOCIATION.**—Mortgages held by mutual building associations, incorporated under our general statutes: *Held*, subject to taxation, the stock of the association not having been taxed. [*State v. Redwood Falls Building & Loan Ass'n*, Minn.]

**TAXATION—EXEMPTION.**—Act Miss. March 8, 1888, imposing certain privilege taxes on banks in lieu of all other State, county, and municipal taxes, was expressly repealed by act, Feb. 24, 1890, providing that banks should pay *ad valorem* taxes. On the first day of February, 1890, plaintiff bank paid for that year the privilege tax provided for by act of 1888: *Held*, that the assets of the bank could also be assessed for an *ad valorem* tax for that year under the act of February 24, 1890, as it was competent for the Legislature to impose both taxes. [*Board Sup'rs Attala County v. Kelly*, Miss.]

**NEGOTIABLE INSTRUMENT—INDORSEMENT.**—One who becomes a party to a note by indorsing the same before delivery to the payee identified himself with the maker; and a settlement of a pre-existing

debt owing from the maker to the payee is a sufficient consideration to uphold, not only the note, but also the contract of indorsement. [*Wilkie v. Chandon*, Wash.]

USURY—CONTRACT.—The parties to a usurious contract can do nothing which will have the effect to validate it, so as to deprive the debtor of his right to defend on the ground of usury, except by expunging its usurious element. [*Trusdell v. Dowden*, N. J.]

NATIONAL BANK—INSOLVENCY.—Insolvent debtors of an insolvent National bank assign, giving preferences in favor of the bank. *Quære*, whether the debt preferred shall carry interest. [*Bain v. Peters*, U. S. C. C., Va.]

TAXATION—PRIVATE BANKS.—Gen. St. Ky., ch. 92, Art. 2, § 1, providing that State and National banks, and "other institutions of loan and discount," shall be taxed in a certain manner in full of all State, county and municipal taxes, has reference only to incorporated "institutions," and does not apply to a private unincorporated bank, which is taxable under the general law. [*City of Bowling Green v. Potter*, Ky.]

CORPORATIONS—STOCKHOLDER'S LIABILITY.—In a proceeding by a creditor of a corporation against a stockholder thereof, under a statute making the stockholder liable to the creditor for the amount of his stock, in addition to any sum due thereon, said stockholder cannot purchase claims against the corporation at a discount, and then set them off against his liability at their face value. He can only set off such claims, in discharge of his liability, to the amount actually paid by him therefor. [*Abbey v. Long*, Kan.]

NEGOTIABLE INSTRUMENTS—DEFENSES.—In an action on a note given in renewal of a "Red Line Wheat Note," which was void for fraud and failure of consideration, the same defenses are admissible as against the original note, and when plaintiff is not a *bona fide* holder without notice, but knew of the original transaction when he purchased the note, he cannot recover. [*Hunt v. Rumsey*, Mich.]

NEGOTIABLE INSTRUMENTS—DEMAND AND NOTICE.—The word "agent" affixed to the signature of a promissory note is *descriptio personæ* merely, and notice of presentment to the maker's wife, who is averred to be the principal, is insufficient to bind an indorser. Demand should be made upon the maker himself. [*Stinson v. Lee*, Miss.]

NEGOTIABLE INSTRUMENT—INSTRUMENT OF NOTE AFTER MATURITY.—Where the owner and holder of a promissory note after maturity sells and indorses the note, signing his name after that of the original payee, he is an indorser and not a joint maker. [*Lank v. Morrison*, Kan.]

NEGOTIABLE INSTRUMENTS—TRANSFER.—The fact that a note is payable "on or before" a certain date does not affect its negotiability. [*First Nat. Bank of Springfield v. Skeen*, Mo.]

BUILDING ASSOCIATIONS—POWER TO BORROW MONEY.—A building association organized and incorporated under Rev. St. Wis., ch. 93, not being prohibited either by statute or by law from borrowing money, may, on maturity of a series of stock, borrow money to pay the shares of the non-borrowing members of such series, instead of accumulating funds to pay off such series. [*North Hudson Mut. Bldg. & Loan Ass'n v. First Nat. Bank of Hudson*, Wis.]

NEGOTIABLE INSTRUMENT.—A promissory note is rendered non-negotiable by the insertion of an agreement by the maker to pay the expense of collection, including reasonable attorney's fees. [*Peterson v. Stoughton State Bank*, Wis.]

## THE NEW BANKING LAW OF KANSAS.

Section 1. Any five or more persons in this State may organize themselves into a banking association, and shall be permitted to carry on the business of receiving money on deposit and to allow interest thereon, giving to the person depositing credit therefor; and of buying and selling exchange, gold, silver, coin, bullion, uncurrent money, bonds of the United States, of the State of Kansas, and of the city, county and school district in which any association shall be organized; of loaning money on real estate and personal security, at a rate of interest not to exceed the legal rate allowed to banks; and of discounting negotiable notes and notes not negotiable.

Sec. 2. The name selected for such bank shall not be the name of any other bank doing business in the State, and the capital stock shall not be less than five thousand dollars; and in addition to other requirements of law, the charter of any such bank shall contain the names and places of residence of its shareholders and the amount of stock subscribed by each, and may contain such other provision, not inconsistent with law, as the shareholders may deem proper. The charter shall be subscribed by five or more of the stockholders of the proposed bank, and shall be acknowledged by them; and the full amount of the capital stock shall be subscribed before the charter is filed.

Sec. 3. The existence of such bank as a corporation shall date from the filing of its charter, from which time it shall have and may exercise the powers conferred by law upon corporations generally, except as limited or modified by this act: *Provided*, That such bank shall transact no business except the election of officers, the taking and approving their official bonds, the receipts of payments on account of subscriptions to its capital stock, and such other business as is incidental to its organization, until it has been authorized by the Bank Commissioners to commence the business of banking as hereinafter provided.

Sec. 4. The capital stock of any such association shall be divided into shares of not less than one hundred dollars each.

Sec. 5. When not less than fifty per cent. of the capital of any such bank shall have been paid in, the president or cashier thereof shall transmit to the Bank Commissioner a verified statement showing the names and residence of stockholders, the amount of stock subscribed, and the amount paid in by each. And the Bank Commissioner shall thereupon have the same power to examine into the condition and affairs of such bank as if it had been before that time engaged in the banking business; and he shall within thirty days from the receipt of such statement make such examination, and shall examine especially as to the amount of money paid in on account of its capital, and by whom paid, and the amount of capital stock of which each stockholder is in good faith the owner, and whether such bank has complied with the provisions of law in all respects; and if such bank has been organized as prescribed, and has in all respects complied with the provisions of law, said commissioner shall issue to such bank, under his hand and seal, a certificate showing that it has been organized and its capital paid in as required by law, and is authorized to transact a general banking business as provided by this act.

Sec. 6. Not less than ten per cent. of the residue of the capital stock of such bank shall be paid in each month after such bank shall have been authorized to commence business as aforesaid.



Sec. 7. The capital stock of any such bank shall not be increased until the original capital is fully paid in, nor shall any increase be made unless the same shall be fully paid up at the time when subscriptions are entered therefor; and a verified statement shall be transmitted to the Bank Commissioner, showing the amount of the increase, the names and places of residence of the subscribers therefor, the amount subscribed by each, and that the same has been fully paid in. The date and amount of each increase shall also be certified to the Secretary of State.

Sec. 8. Whenever any shareholder, or his assignee, fails to pay any installment on the stock when the same is required to be paid, the directors of such bank may sell the stock of such delinquent shareholder, or as much thereof as is necessary to satisfy the debt, at public auction, after having given three weeks' previous notice thereof in a newspaper published and in general circulation in the city or county where the bank is located, to any person who will pay the highest price therefor, to be not less than the amount due thereon with the expenses of the advertisement and sale; and the excess, if any, shall be paid to the delinquent stockholder. If no bidder can be found who will pay for such stock, the amount due thereon, and the cost of the advertisement and sale, the amount previously paid shall be forfeited to the bank, and such stock shall be sold as the directors shall order, within six months from the time of such forfeiture.

Sec. 9. Any corporation organized under this act may be dissolved by the district court of the county in which its principal place of business is located, in the following manner: A verified petition shall be filed in the office of the clerk of said court, signed by the president or a majority of the board of directors, setting forth that two-thirds in amount of the stockholders of such association have adopted a resolution favoring such dissolution, and directing proceedings to be instituted for that purpose, a copy of which resolutions shall be set forth, and that all claims and demands against such association have been paid and discharged. And thereupon a notice shall be published in the manner prescribed by the law for service by publication. Such notice shall state the name of the court in which the petition has been filed, the substance and purpose thereof, and that unless objections are filed thereto on or before a time to be stated, which shall not be less than forty-one days from the first publication, the relief prayed for will be granted. A copy of such notice will be sent to the Bank Commissioner within ten days after the first publication thereof, and he shall, within thirty days thereafter, make a thorough examination of the affairs of such bank, and file a certified copy thereof with said petition. Any person interested may, on or before the time fixed for the notice, and afterwards if permitted by the court, file written objections to the dissolution of such corporation. The petition and objections thereto, if any, shall stand for hearing the same as a civil action; and if upon the hearing thereof the court shall be satisfied that the petition is true, and that there is no valid objection to the dissolution of such corporation, it shall render judgment dissolving the same.

Sec. 10. The affairs and business of any such association shall be managed and controlled by a board of directors, not less than five or more than thirteen in number, from whom there shall be designated by themselves a president, a cashier and a secretary, who shall hold their office for one year, and until their successors are elected and duly qualified.

Sec. 11. The shareholders of every bank organized under this act shall be additionally liable for the amount of stock owned, and no more.

Sec. 12. No bank shall employ its moneys directly or indirectly in trade or commerce, by buying and selling goods, chattels, wares and merchandise: *Provided*, That it may sell all kinds of property which may come into its possession as collateral security for loans or ordinary collection of debts, in the manner prescribed by law.

Sec. 13. Each bank shall at all times have on hand in available funds an amount equal to 20 per cent. of its deposits, one-half of which may consist of balances due to it from good solvent banks, and one-half shall consist of cash on hand. Whenever the available funds shall be below 20 per cent. of its deposits, such bank shall not increase its liabilities by making any new loans or discounts, otherwise than by discounting or purchasing bills of exchange payable at sight, nor make any dividends of its profits until the required proportion between the aggregate amount of its deposits and its lawful money reserve has been restored; and the Bank Commissioner may notify any bank whose lawful money reserves shall be below the amount above required to be kept on hand, to make good such reserve, and if such association shall fail to do so for a period of thirty days after such notice, the Bank Commissioner shall notify the Attorney-General, who shall thereupon institute proceedings for the appointment of a receiver to close up the business of such bank.

Sec. 14. The total liability to any bank of any person or company, corporation or firm, for money borrowed, including in the liabilities of a company or firm the liabilities of the several members thereof, shall not at any time exceed fifteen per cent. of the capital stock and surplus of such bank actually paid in; but the discount of bills of exchange drawn in good faith against actual existing values or loans upon produce in transit, or in store as collateral security, and the discount of commercial or business paper actually owned by the person negotiating the same, shall not be considered as money borrowed.

Sec. 15. Every officer, agent or clerk of any bank under this act, who willfully and knowingly subscribes to or makes any false report or any false statements or entries in the books of such banks, or knowingly subscribes or exhibits any false writing or paper with the intent to deceive any person as to the condition of such bank, shall be punished by a fine not to exceed one thousand dollars, or by imprisonment in the county jail not to exceed one year, or by both such fine and imprisonment.

Sec. 16. No bank shall accept or receive on deposit, with or without interest, any money, bank bills or notes, or United States Treasury notes, gold or silver certificates, or currency, or other notes, bills or drafts circulating as money or currency, when such bank is insolvent; and any officer, director, cashier, manager, member, party or managing party of any bank, who shall knowingly violate the provisions of this section, or be accessory to or permit, or connive at the receiving or accepting on deposit of any such deposit, shall be guilty of a felony, and upon conviction thereof shall be punished by a fine not exceeding five thousand dollars, or by imprisonment in the penitentiary not exceeding five years, or by both such fine and imprisonment.

Sec. 17. It shall be unlawful for any individual, firm or corporation to transact a banking business, or to receive deposits for a longer period than six months immediately after the passage and approval of this act, without having first transmitted to the Bank Commissioner a verified statement of the resources and liabilities of such individual firm, or corporation; said statement shall be made in accordance with sections 5 and 18 of this act. The Bank Commissioner shall thereupon have power to examine into the conditions and affairs of such bank, and shall,

within thirty days from the receipt of such statement, make such examination, and if such bank has in all respects complied with the provisions of law applicable thereto, said commissioner shall issue to such individual, firm or corporation, under his hand and seal, a certificate showing the amount of capital paid in, and that the same is authorized to transact a general banking business as provided by this act. Any persons violating the provisions of this section, either individually or as an interested party in any association or corporation, shall be guilty of a misdemeanor, and on conviction thereof shall be fined in the sum of not less than three hundred dollars or more than one thousand dollars, or by imprisonment in the county jail not less than thirty days or more than one year, or by both such fine and imprisonment.

Sec. 18. Every bank shall make at least four reports each year, and oftener if called upon, to the Bank Commissioner, according to the following form :

#### OFFICIAL STATEMENT

Of the financial condition of the — at —, State of Kansas, at the close of business on the — day of —, 18—.

#### RESOURCES.

Loans and discounts on personal and collateral security.....	\$ —
Loans on real estate.....	\$ —
Overdrafts.....	\$ —
Real estate.....	\$ —
Furniture and fixtures.....	\$ —
Expense account.....	\$ —
United States bonds on hand.....	\$ —
Other bonds and stocks at their present cash market value.....	\$ —
Checks, and other cash items.....	\$ —
Clearing House items.....	\$ —
Currency.....	\$ —
Gold coin.....	\$ —
Silver coin.....	\$ —
Fractional currency.....	\$ —
Due from other banks, sight exchange.....	\$ —
Total.....	\$ —

#### LIABILITIES.

Capital stock paid in.....	\$ —
Surplus fund on hand.....	\$ —
Undivided profits.....	\$ —
Interest.....	\$ —
Exchange.....	\$ —
Dividend declared but not paid.....	\$ —
Individual deposits.....	\$ —
Banks' and bankers' deposits.....	\$ —
Demand certificates.....	\$ —
Time certificates.....	\$ —
Bills rediscounted.....	\$ —
Total.....	\$ —

STATE OF KANSAS, COUNTY OF —, ss.

I, —, president, or cashier, of said bank, do solemnly swear that the above statement is true, to the best of my knowledge and belief. So help me God.

—, President.

—, Cashier.

Subscribed and sworn to before me this — day of —, 18—.

—, Notary Public.

Commission expires on the — of 18—.

Correct. Attest :

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Directors.

Sec. 19. Such report shall be forwarded to the Bank Commissioner within ten days from the date of the notice requiring the same, and shall be published by such bank for one week in a daily newspaper of general circulation, published in the city where the bank is located, and

if no daily newspaper is published at such place, then in a weekly paper published in such city, town, or county, for two or more insertions.

Sec. 20. Every bank organized under this act which shall refuse or neglect to comply with any requirement lawfully made upon it by the Bank Commissioner pursuant to this act, for the period of ninety days after demand in writing is made, shall be deemed to have forfeited its franchise; and any failure on the part of such association to comply with, or any violation of the provisions of this act, shall work a forfeiture of its franchise, and in either case the Attorney-General, upon request of the Bank Commissioner, shall commence an action for the purpose of dissolving said corporation.

Sec. 21. The Governor shall appoint, by and with the advice and consent of the Senate, a Bank Commissioner for the State of Kansas, whose term of office shall be four years, and until his successor is appointed and qualified. The Bank Commissioner shall appoint a deputy, who shall continue in office during the term of the Bank Commissioner, or until his successor is appointed. No officer or employe of any bank, or person interested as owner or stockholder thereof, shall be eligible for the office of Bank Commissioner or deputy.

Sec. 22. The Bank Commissioner and deputy shall each, before entering upon the discharge of his duties, take and subscribe the usual oath of office, and execute to the State of Kansas a bond—the Commissioner in the sum of twenty thousand dollars, and the deputy in the sum of ten thousand dollars, with sufficient securities, to be approved and filed as provided by law.

Sec. 23. It shall be the duty of such Commissioner, or his deputy, to visit each and every bank doing business in this State, except National banks, at least once in each year, and oftener, if necessary, for the purpose of making a full and careful investigation and inquiry into the condition of affairs of such bank; and for that purpose the Commissioner or deputy is hereby authorized and empowered to administer oaths, and to examine under oath the owners and directors, and all officers and employes and agents of such bank. The officer making such investigation shall reduce the result thereof to writing, which shall contain a full, true, and careful statement of the condition of such bank.

Sec. 24. Each and every bank so examined, having not more than five thousand dollars capital stock then paid in, shall pay a fee of ten dollars for each and every examination to the officer making the same; and each and every bank having more than five thousand dollars capital stock paid in, and not more than fifty thousand dollars capital stock paid in, shall pay a fee of fifteen dollars to the officer making such examination; and to each and every bank having more than fifty thousand dollars of its capital stock paid in, shall pay a fee of twenty dollars to the officer making such examination: *Provided*, That private or individual banks shall pay an examination fee of not less than ten dollars.

Sec. 25. The Commissioner shall have power at any time when he deems it necessary, to call upon any bank, except National banks, for a report of its condition upon any given day which has passed, or as often as the Commissioner may deem it necessary. *Provided*, That the Commissioner shall require four such reports at least during each and every year.

Sec. 26. If upon examination made by the Commissioner or his deputy, or from any report made to the Commissioner, it shall appear that any bank is insolvent, it shall be the duty of the Commissioner immediately to take charge of such bank and all the property and effects thereof, and to immediately notify the Attorney-General of his action

therein; and it is hereby made the duty of the Attorney-General, upon receiving such notice, to immediately institute proper proceedings in the proper court for the purpose of having a receiver appointed to take charge of such bank, and to wind up the affairs and business thereof for the benefit of the depositors, creditors and stockholders thereof.

Sec. 27. It shall be the duty of the Bank Commissioner, immediately upon receiving any fees for examinations made by him under this act, to pay the same over to the State Treasurer, taking his receipt therefor.

Sec. 28. The Bank Commissioner shall make a report to the Governor on or before September 1 of every even-numbered year, which report shall contain the names of the owners, or the principal officers, the paid-up capital of each, the number of banks in this State, the name and location of each, the number and date of examinations and reports made of and by each, and such other information concerning the same as may be necessary to inform the Governor of the condition thereof.

Sec. 29. It shall be the duty of the Executive Council to provide such Commissioner with a suitable office in the State Capitol, and the necessary books, blanks, office furniture and seal of office to enable him to discharge the duties of his office.

Sec. 30. The directors of any bank, organized under this act, may semi-annually declare a dividend of so much of the net profits of the association as they shall judge expedient; but each association shall, before the declaration of a dividend, carry one-tenth part of its net profits of the preceding half year to its surplus fund until the same shall amount to 50 per cent. of its capital stock.

Sec. 31. No bank, or officer, or director thereof, shall, during the time it shall continue its banking operations, withdraw, or permit to be withdrawn, either in form of dividends or otherwise, any portion of its capital. If losses have at any time been sustained by such bank, equal or exceeding its undivided profits then on hand, no dividend shall be made; and no dividend shall be declared by any bank while it continues its banking business to any amount greater than its net profits on hand, deducting therefrom its losses and bad debts. But nothing in this section shall prevent the reduction of the capital stock of the bank in the manner prescribed herein.

Sec. 32. For the purpose of carrying into effect the provisions of this act, the Bank Commissioner shall provide a form for and make requisition upon the State printer for the necessary blanks for such examinations and reports; and all examinations and reports received by him shall be preserved in his office. It shall be the duty of the Bank Commissioner to furnish a certified copy of any report made of any bank to any person demanding the same; and the Commissioner shall be entitled to receive therefor ten cents per folio for each and every folio therein, and fifty cents for his certificate thereto, which shall be paid to the State Treasurer monthly, and by him placed to the credit of the bank fund.

Sec. 33. The Bank Commissioner shall receive for his services a salary of twenty-five hundred dollars per annum, and the deputy Bank Commissioner shall receive a salary of twelve hundred dollars per annum. All money actually and necessarily paid out by the Commissioner or his deputy for traveling and incidental expenses shall be paid to them upon the Auditor's warrant, to be issued upon sworn vouchers containing an itemized account of such expenses.

Sec. 34. Every banker, officer, employe, or agent of any bank, who shall neglect to perform any duty required by this act, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished

by a fine not to exceed one thousand dollars, or by imprisonment in the county jail not to exceed one year, or by both such fine and imprisonment.

Sec. 35. Any individual, firm or association who shall receive money on deposit, whether on time certificates or subject to check, shall be considered as doing a banking business, and shall be amenable to all the provisions of this act.

Sec. 36. Any Commissioner or deputy Commissioner who shall neglect to perform any duty provided for by this act, or who shall make any false statement concerning any bank, or who shall be guilty of any misconduct or corruption in office, shall upon conviction thereof be deemed guilty of a misdemeanor, and punished in the manner provided for in the preceding section, and in addition thereto, shall be removed from office by the Governor.

Sec. 37. All other acts and parts of acts inconsistent with this act are hereby repealed.

Sec. 38. This act shall take effect and be in force from and after its publication in the official State paper.

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## THE CALIFORNIA BANKERS' CONVENTION.

The following account of the convention of the California Bankers' Association is taken from the *Los Angeles Times*. The convention was held in Los Angeles in the assembly room of the Chamber of Commerce, Mr. E. F. Spence, President of the First National Bank of Los Angeles, presiding.

### JUDGE WIDNEY'S ADDRESS.

Judge R. M. Widney introduced the following resolution :

*Resolved*, That this convention respectfully request Congress at its next session to devise a uniform money system for the people of the United States, with the gold dollar as the standard or unit of value ; using gold, silver and currency for a circulating medium, in a sufficient volume to fully meet and keep pace with the growing wants of the business of the country ; founding the issue of currency upon the wealth of the whole nation ; making gold, silver and currency a legal tender, and exchangeable at par on demand, and fixing by a constitutional amendment the legality of such a circulating medium, and preventing the dangers of inflation, contraction, repudiation, or change in the standard of values."

Judge Widney addressed the convention at length in support of the resolution, reading from manuscript. The Judge explained his views on finance in detail, giving facts and figures in support of his position, and in line with the resolution presented. As a remedy for existing evils the Judge advocated a National system, based upon a constitutional amendment, prescribing what shall constitute the circulating medium, fixing its volume, establishing one standard of value, and vesting in Congress authority to issue such money, making it a legal tender, and backing it with the wealth, power and resources of the nation, making it exchangeable for gold at par at any time. An amendment about as follows, he said, would cover the ground :

Section 1. A National currency circulating medium shall be issued to the amount of \$20 per capita, as shown by the census of 1890, and by each succeeding census, for the proper redemption of which, when

required, the resources, the property and the faith of the nation are pledged; for which redemption, Congress, by a two-thirds vote of each house, may provide for the collection of Government revenues and taxes in gold or silver coin.

Section 2. Said currency, with gold and silver coin of the United States of present weight and fineness, the gold dollar being the standard or unit of values, and such notes as may be issued in lieu of gold or silver coin and bullion, held exclusively for the redemption thereof, shall constitute the only legal money of these United States, and shall be received at par in satisfaction of all obligations for the payment of money within the jurisdiction of the United States. Said gold and silver coin and currency shall be exchangeable at par value.

Section 3. Congress shall have power to enforce this article by appropriate legislation, but shall have no power to increase or decrease said issue, provided that, after the issue of 1900, Congress may, by a two-thirds vote of each house, reduce the rate of any further issue per capita from time to time.

This amendment, underlying our National system of finances, would give us the best foundation and safeguards ever yet adopted by any nation.

The volume is protected against inflation, contraction or repudiation. It represents about two cents on the dollar of our National wealth of some 3,400,000 square miles of land and improvements valued at \$71,000,000,000.

This is in legal effect a first mortgage given by the nation to secure redemption. With such security, the National currency would be considered gilt-edge paper in any market in the world. They would be received with greater confidence than Bank of England notes.

The gold dollar is to-day, said the Judge, the standard by which all values in the United States are rated or measured, and as an abstract standard of values, this amendment removes from controversy or doubt that disturbing element, by fixing the gold dollar as the abstract standard of measure. It at the same time does full justice to silver by making it and paper money a legal tender with gold at the par value. In this way the whole people make the difference, if any, between the market value and the coined value, and when exchanged for gold repay the difference.

The Judge made a strong plea for the preservation of the National bank system, and briefly considered the Farmers' Alliance scheme, which, he said, had some sound points in it, and reviewed the political situation at length, concluding as follows:

The most critical period in the history of the present political parties that has arisen since the war will occur in the next session of Congress, and on this question of the increased volume of money.

The system of money adopted by Congress must be just to all the people of the United States. The power and authority for the money has its origin in the people, and must be so planned as to be with them a co-operating power for the common good.

The homes and property of the masses to-day are in jeopardy by reason of the insufficient supply of money. The industries of the nation are seriously crippled, the further development of our productive areas are brought largely to a standstill, the laboring classes by the hundreds of thousands are out of employment because employers cannot get the money with which to pay for daily labor.

We have a nation of 62,000,000 people; an area of 3,400,000 square miles of the richest land in the world; a National wealth of \$71,000,000,000; an annual volume of business of \$130,000,000,000; an intensely

active, energetic people ; Government annual expenses of over \$1,000,000,000, and only \$2,082,568,924 as a circulating medium with which to conduct all this business. This is 3 cents on the \$1 of our National wealth, and  $1\frac{1}{2}$  cents on the \$1 for our volume of business. But if you deduct from the present volume, the bank, the United States Treasury, and State and city tax reserves, there will be left for active business work, 1 cent on the dollar of our national wealth ;  $\frac{1}{2}$  cent on the dollar for our volume of business. If you still further confine the money to gold and silver it gives for active work about  $\frac{1}{4}$  cent on our National wealth, and about  $\frac{1}{8}$  cent per dollar for our volume of business.

It lies in the power of Congress to make this the banking nation of the world. But to do this our volume of money must be so increased that we have ample reserves at the proper places, and a free volume of money for our use and to spare in loans to other nations.

To-day we are tributary financially to foreign nations, over \$50,000,000 per year is paid out as interest and profit to foreigners for the use of their money, of which over \$1,500,000,000 is in use in the United States ; our own money is not enough so long as we are compelled to get this foreign aid. The financiers of other nations are calling in all the gold they can get. France, Germany, Russia, Austria-Hungary, England, the South American nations and others are striving each to increase its volume of gold reserves.

England is critically suffering in the contest, and our own financiers forecast a heavy drain on our gold to meet the balance of trade this year. It is in view of such facts as I have cited in this address that Secretary Windom said in his last speech, of an increase in our money, these warning words, "Could such a medium be secured, the grave commercial disaster which threatens our future might be averted. Had it not been for the peculiar conditions which enabled the United States Treasury to disburse over \$75,000,000 in two and a half months last fall, the stringency would have resulted in widespread financial ruin."

Senator Sherman said in his recent speech, "I believe a majority of the Senate desire, first, to provide an increase of money to meet the increasing wants of our rapidly growing country and population, and to supply the reduction in our circulation caused by the retiring of National bank notes."

Senator Sherman recently said in a letter to me on this subject, "I will do all in my power to secure the very best possible financial legislation by Congress."

#### CONSTITUTIONAL DANGER.

One of the greatest dangers in our present law, is the doubt as to the constitutional power of Congress to make paper money a legal tender.

The United States Supreme Court first decided by five Justices to three that Congress had no power to make paper money a legal tender, Chief Justice Chase rendering the opinion.

One of the five resigned. Congress increased the number of justices from eight to nine. The two vacancies were filled by men who, joining with the minority, held that as a war measure Congress had power to make paper money a legal tender.

This decision stood, five Justices to four. Three more of the four have died, and their places have been filled by those who believe in this power, and in its latest decision our United States Supreme Court holds, by eight to one, that Congress can make anything, in any quantity, a legal tender. In other words, the doors are thrown wide open to inflation of the worst form. Even now are proposed measures that have no limit to currency issue. A future administration and Supreme Court



could overrule the above decision and hold that the whole currency issued was unconstitutional and void, and was not even a claim even against the nation.

Three dangers are at the very root of our financial laws—ruinous inflation, constitutional repudiation, and a threatened change of the gold dollar as the measure of values.

A safe monetary system is one of the essential elements of the prosperity of this nation. It must stand before the people of this and other nations, founded upon and guarded by constitutional power, protecting it from the changes of inflation, contraction, repudiation, or change of the standard of values, and pledging the faith and resources of the nation as the power and will of the nation to exchange gold, silver and currency at par on demand.

With such a circulating medium, sufficient in volume to meet the present and growing wants of the nation, wisely administered by act of Congress, for the benefit of the people, we would enter upon a period of prosperity, development and safety never heretofore attained—one in which financial storms would seldom occur and which storms could be safely handled from the great reserve that should lie idle in the United States Treasury to meet local demands, here at one time, there at another.

The legislation is possible and probable.

Congress and the people are discussing and investigating and seeking for the best method. Notwithstanding all that is said to the contrary, honesty in the minds of our Congressmen on this subject is the uppermost thought. But they look to the bankers and financiers for facts and suggestions and knowledge. If they will receive it, they will act upon it.

With these facts and views before me I present the resolution on this subject, as expressive of the views of the bankers at this convention on the subject. As such it will meet with a warm and welcome reception from our legislators in Congress, and will be carefully considered by them in molding the financial laws of the nation.

The reading of Judge Widney's address occupied an hour and a half, and on its conclusion the convention took a recess until 1 o'clock.

#### CO-OPERATION.

The next paper was by A. L. Seligman, on "Protection Afforded Banks by Co-operation."

There were several verbal comments and criticisms indulged in by members of the convention, sustaining the views contained in the paper and generally outlining the policy of doing business in the various banks of the State.

#### SAVINGS BANKS AND THEIR MISSION.

The next in order was the reading of a paper on "Savings Banks," by J. R. Lankershim. He said:

The savings bank is comparatively a modern institution. It has only existed since the beginning of the present century, and the remarkable growth has been during the last fifty years. Though originating in Europe, they have been so improved upon in the United States that we shall confine our observations to the banks here, more especially as foreign banks generally embrace within their business all the features of banking, paying interest on deposits, loaning on real estate, as well as doing a commercial business. With us the savings banks have developed their remarkable influence because their policy has been so

clearly defined and their business entirely separated from commercial banks.

The idea to which I wish to call your attention is the bank as a financial educator. We are all familiar with the old story of the bank that don't make mistakes; yet while this is hardly possible, yet a high standard should be the motto of every bank, both for its own sake and for its customers, for the business man regards his bank-book as his chart to guide him through all financial storms. Especially is the savings bank the educator of the people. Our mission is to teach the great mass of the people that the foundation of wealth and independence is the saving of small sums. None so poor but he can have a bank account. Once let a young man begin to save money and you notice an improvement. One by one his bad habits disappear; he no longer takes an occasional drink; his step is firmer and his appearance better.

The good effects of savings banks extend beyond the individual assisting in business and in building up their community. Look at the Eastern manufacturing towns. Their prosperity and savings banks seem to go hand in hand; so much is this the case, that for a long time it was supposed that savings banks could not exist outside of manufacturing towns; but we now see them prosperous in farming and many other communities. There is very little doubt that the prosperity of San Francisco is due largely to the amount of capital—nearly one hundred millions—in her savings banks, available at all times for every legitimate business. In that city the deposits of comparatively poor people have reduced the rate of money and made it comparatively plentiful in the whole State.

The Bankers' Union, such as we are now forming, has been a power in other States for years, and we should avail ourselves of its benefits in a community like California. While our banks to-day are considered in the front rank in the United States, yet our methods in many respects are crude and behind the times. It is not enough that we lock our safe doors, put our hands in our pockets and say the banking institutions are solid. We all know that. But what of our undeveloped lands and mines? Where are the manufactories that we should have, and where are the fleets that should carry our commerce to earth's remotest bounds? These are questions that we should answer, and problems that I hope our Union will aid us in solving.

#### "TAXATION OF MORTGAGES."

The next was a paper on the subject of "Taxation of Mortgages," which was written by John Milner. It is as follows:

Inasmuch as banking deals directly with the finances of the public, everything which pertains to or has the power to affect or modify the public finance becomes of great importance to the banker. It is for this reason that the question of the taxation of mortgages becomes worthy of the consideration of an assemblage of bankers.

I cannot be expected to say anything new upon the subject, and I assure you that in this regard you shall not be disappointed. The policy, or the impolicy, of subjecting the interest of the mortgagee in lands to taxation was elaborately argued in that memorable contest, which, in 1879, led to the adoption of the new constitution. It is, therefore, no longer a question to be argued whether it shall be adopted or not, for the result of that contest must be accepted.

It is a fundamental maxim that the ratio between supply and demand will regulate the value of an article, and the value of the use of money is no exception to this rule. Let the supply of money be greater than the demand, and the price for its use will be low. On the other hand,

let circumstances so affect the supply that it is much less than the demand, and the rate of interest, which is equivalent to the price for its use, will be high.

It is one of the purposes of this article to call attention to the futility of any law passed by any Legislature to seriously alter, change or affect this fundamental law of political economy. You cannot legislate value into anything, nor can you, by simply enrolling a statute upon the statute books of our country, overcome the established laws of trade and finance. This is abundantly testified to by the operation of the law in question, for men will lend money with reference to the amount of interest which they will obtain therefor, and if the Legislature adds any penalty, the lender simply protects himself against it by throwing the imposition of the penalty upon the borrower. So customary has this become that now no borrower in this State negotiates for money without ascertaining what the amount of interest will be gross and what it will be net. It has crystallized into custom. . . .

As I have before stated, the very object of the calling of the new constitution was the passage of this measure, and it was strongly maintained on behalf of its champions that it was passed for the very benefit of the borrowers, the laborers and the farmers. In the ten years which have elapsed since the adoption of that constitution the futility of the provision to accomplish the end sought for has been manifested each succeeding year, and the act has not benefited any of the persons for whom it was designed ; on the contrary, it has been a disadvantage to them. . . .

Another means by which this provision of the constitution works to the disadvantage of the borrower is the prevention that it puts upon the introduction of foreign capital. There can be no doubt but that legislation of this character wears the badge of what is termed agrarian legislation. Such a provision has never been enacted by any Legislature except one that has been swayed by great popular excitement when the people seemed to have lost their balance. In all States where legislation of this character has been enacted it has been repealed, when the effects have had ample time to operate. This is so well known to capitalists that many do not desire to introduce their capital into this State, whose legislation is shown to be dominated by a sentiment antagonistic to capital. Of course it goes without saying that an abundance of capital is one of the greatest means of advancing the prosperity of, especially, new countries, and whatever tends to hinder or impede the easy and natural flow of capital into a country is a detriment to it.

Capital will thrive best where there is unanimity of opinion and identity of interest between both the capitalist and the borrower. And, as I before remarked, the fact that the borrower is compelled to pay the tax upon the mortgage interest proves a constant source of irritation between both parties. The constant attempt of both parties to put the payment of the tax upon the other, and the constant neglect of both, occasions, as we have heretofore shown, a failure by both parties to pay the tax, which results in criminations and recriminations, and adds to the intensity of a sentiment existent in California antagonistic to capitalists. This is a sentiment which exists throughout the United States, in a greater or less degree, in certain localities, at all times. It is a sentiment which is akin to socialism and communism, and it is a sentiment which appears with greater intensity at certain periods in our history, and then for a time lies dormant. But it is a sentiment which we are justified in saying is never absent, and which but needs the occasion to fan it into life. It is a sentiment which is much to be deprecated, because it is inimical to the interests of the whole country ; for, as I have

Very truly yours,

said before, the absence of capital from any country means a death to its prosperity; and wherever sentiment tends to drive capital out of the country, by so much does it cripple the very people who need it most. This sentiment it should be the object of all true lovers of country to remove.

Another bad feature connected with this subject is that it involves the habitual violation of a law that is written upon the statute books. The law demands that the mortgagee shall pay the tax; whereas, as a fact, it is paid by the mortgagor. It is not a beneficial thing to any country to have its laws habitually violated; a disrespect for law is thus engendered, and when once we let go the sheet-anchor of the law, we are drifting upon a stormy sea.

Gen. Grant once said that the way to repeal an obnoxious law was to enforce it; and it might be that the strict carrying out of the practical effects of this measure would be the means of inducing the people to recall what was so hastily done. It is an interesting thing in history to watch the tenacity with which people cling to an exploded principle. The popular will is very obstinate. It seems that ten years of operation under this measure has not yet been sufficient to obtain its repeal; nevertheless, the indications are all that the forces necessary to obtain its repeal are at work. Preliminary to the assemblage of the present Legislature, the newspapers of the State contained many interviews with prominent citizens requesting the views of the person approached as to what he would consider the most beneficial measure that could be passed by the present Legislature, and the consensus of opinion was that the repeal of the measure under consideration would be most beneficial to the State. It is true that a measure was introduced in the Senate looking toward the accomplishment of this end, but it was defeated. Yet I would not for that reason feel discouraged, or have you feel discouraged, because it is very certain that California will follow the lead of such other States as have tried this provision, and will in time effect its repeal. And, moreover, this repeal will be brought about, as I predict, not through any efforts made by capitalists themselves, but simply because the people, upon sober consideration, will come to the conclusion, after a test of the matter, that the objects endeavored to be obtained by said measure cannot be accomplished by legislation. There are laws regulating the economics of a nation which are as fixed and unalterable in their operation as are the laws of gravitation. It has been demonstrated over and over again in the history of all civilized communities that any attempt made to pass a measure in opposition to these laws is as impracticable to accomplish that result as would be an enactment by the Legislature of the State of California to suspend the laws that govern electricity. You cannot legislate to make an inferior metal more valuable than a superior. You cannot legislate prosperity into a country if you pass enactments contrary to the laws of finance which govern the proper relation between capital and labor. You cannot pass an arbitrary enactment which will be a gauge of the demands and necessities of men in times to come. Legislatures have again and again enacted usury laws, all of which have been more easily evaded than they were passed, and the experience under the provision of the new constitution which calls for the taxation of mortgages, and by means of which it was endeavored to compel the mortgagee to pay the tax, was in a direct violation of one of these laws of finance, and is, as we have all known, completely overcome, and although by its evasion a technical law of the statute is broken, nevertheless a higher law of finance is followed, which is so plainly understood to be right that the evasion of the statute broken has the sanction of public opinion. In endeavoring to

secure the repeal of this measure, it is our duty to use only such arguments as show the disinterestedness of the matter from the standpoint of a capitalist, being careful not to arouse that latent sentiment in a community which, upon every possible occasion, declares itself inimical to capitalists, but by conservative and moderate statements to show the real sufferer under the law that he has been mistaken in his realization of the benefits anticipated.

#### CLOSING BUSINESS.

The next was a paper on "Interest on Deposits," read by Mr. Bosbyshell.

Next, a resolution was offered by Mr. Lankershim, as follows:

*Resolved*, That the California Bankers' Association heartily approve of the Bank Commission of the State of California, and of their work in instructing new banks, in reforming errors in the banking system, and in guarding alike the interests of the depositors, stockholders and officers of banks.

The resolution was adopted.

The resolution mentioned in Judge Widney's paper was offered and adopted by the convention.

A resolution was offered by C. E. Palmer, of Oakland, thanking the president, secretary, and officers of the convention for their good work and kind attention to strangers personally and to business, which was seconded by Mr. Hawkins, of Hollister, Mr. Beckman, from Sacramento, and several others, thanking the people of Los Angeles for the many favors shown strangers, and the hearty reception given them in this city.

Mr. Spence said a few words congratulating the convention upon its important work, and thanking them for their kind attention.

It was also resolved that the delegates from each county are to nominate a vice-president from their respective counties, and send the name to the secretary within thirty days.

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TOPEKA, KANSAS.—The Secretary of State has compiled the report from the semi-annual statements of 238 State banks. This shows that these banks are in a flourishing condition. The resources are as follows:

Loans and discounts.....	\$16,024,376 55
Overdrafts.....	149,419 01
Stocks and bonds.....	4,514,055 00
Due from banks.....	2,068,045 20
Real estate and furniture.....	1,660,778 40
Expense.....	236,043 57
Legal tenders, bank notes and specie.....	2,060,953 29
Other assets.....	329,116 69

Total resources.....\$23,185,623 20

The liabilities are given as follows:

Capital stock.....	\$8,493,368 23
Surplus.....	775,185 86
Undivided profits.....	770,481 19
Dividends unpaid.....	44,565 56
Deposits.....	11,480,704 76
Due other banks.....	385,667 99
Other liabilities.....	1,235,589 61

Total.....\$23,185,623 20

The amount given in liabilities as due other banks is largely on notes borrowed from Kansas City banks.

## A PRACTICAL CONSIDERATION OF CURRENT OBJECTIONS TO FREE COINAGE FOR SILVER.

The following address by Mr. St. John, president of the Mercantile National Bank of New York, prepared for the Western Commercial Congress, is worthy of careful reading by all who are interested in this subject. No one who has followed his writings, however widely he may differ from him, will question the honesty and thoroughness of his investigations :

The trustees of the Reform Club, domiciled at 233 Fifth avenue, New York, have deliberately resolved that free coinage of silver "can lead only to disastrous results"; that "any attempt to give that issue precedence over that of tariff reform tends to divert the attention of the farmers and wage earners from the real cause of the injustice unquestionably done them by the policy of our Government for many years past." On which account these tariff reformers proclaim themselves engaged in "work of an educational character"—for which already acknowledged contributions exceed \$2,000—its purport being "to combat the dangerous error involved in the demand for free coinage of silver now so widely prevalent in different parts of the country."

### REFORM CLUB'S NOTION.

With admonition they announce that "Free coinage of silver would not give the American farmer a single new customer or increase the demand for American labor; would not add a dollar, therefore, to the income of either; would debase the currency, and thus effect practical repudiation of a part of every debt; . . . would hamper foreign commerce, and thus lessen our agricultural exports."

### INDIA'S FINANCE SECRETARY'S RECORD.

Directly to the contrary is the record of the British Financial Secretary to India, under date of Calcutta, November 24, 1885. According to this no mean authority, the value of England's foreign trade during the ten years ending 1884, measured in her standard money, decreased about 6-10 per cent.; while British India's foreign trade increased, as measured in her standard, by over 57½ per cent. for the same ten years. While the average price of wheat in India fell only 17-10 per cent., measured in silver, the average London price of wheat had fallen 197-10 per cent. in 1882-84, as compared with the average of the preceding twenty-one years. "If the figures of 1885 were compared with those of the period 1861-81, the contrast would be still more striking." An average decline of forty cents per bushel in the London price of wheat, with six cents increase of the price in India, with similar comparative conditions of price for cotton, would appear to explain the great increase of 57½ per cent. in India's foreign trade.

### MR. CLEVELAND'S SECRETARY OF THE TREASURY.

But a second, perhaps not to be despised authority, is President Cleveland's Secretary of the Treasury. While "respectfully recommending to the wisdom of Congress [in 1886] the unconditional repeal of the [silver coinage] act of February 28, 1878," as his notion of the means "to compel an international redress of the monetary dislocation"—*i. e.*, by *our* act, further reducing the cost to trading England of her

imported bread, compel her to share our burden of the \$60,000,000 silver which we annually produce—Secretary Manning solemnly averred :

"It is a direct consequence of the monetary dislocation that wheat of India, which there fetched three rupees per quintal fourteen years ago, and there fetches three rupees per quintal to-day, can be sold [profitably] in London (cost of transport apart) for as little as the gold price of three rupees in London to-day—a fall of 25 per cent. This lowered price of wheat in London has had to be met by a lower price of the American wheat in London, . . . The price of our surplus wheat determines the price of the whole wheat crop of the United States. So that the monetary dislocation has already cost our farming population, who number nearly one-half the total population of the United States, an almost incomputable sum, a loss of millions upon millions of dollars every year."

On which account an heroic attempt to reset the dislocated member quite naturally "tends to divert the attention" of the suffering body. And besides, these same self-sacrificing tutors have aroused suspicion that the "Billion Dollar Congress" has postponed the necessity for free trade tuition "to a more convenient season."

#### SENATOR SHERMAN'S OBJECTIONS.

A persistently advertised "educational" tract is "Senator Sherman's great speech [of January 13th] on the free coinage of silver; a pamphlet of forty-eight pages, price two cents per copy." On pages eight to eleven, and again on page fifteen and onward, the Senator's basal points appear. If, under the pressure of actual facts, these foundations crumble, the Hon. Senator's entire structure falls. From reports of the Mint and the Bureau of Statistics we have compiled tables A and B, and from authoritative sources stated therein, tables C and D, hereto appended. From these it would seem that the Hon. Senator's conclusions are founded on surmise, which he asserts for facts.

#### UNITED STATES EXPERIENCE.

Senator Sherman: "I shall only cite the example in our own country. . . . In 1792 gold was undervalued by the legal relation of fifteen of silver to one of gold . . . that slight deflection from the standard adopted only three or four years afterward by the French Government demonetized gold. . . . Gold was demonetized. There was none of it in the country. The history of the country shows that."

On the contrary, according to the records from the founding of the Mint in 1793, during thirty years to 1823, the coinage of gold exceeded half the sum of silver coined; and during ten years following, to 1833, the coinage of gold exceeded half the sum of gold coined during the thirty years before.

Senator Sherman: "I have already said that from 1792 to 1834 gold was demonetized because it was undervalued, and after that silver was demonetized because it was undervalued."

On the contrary, "after that" 1834 to 1852, the coinage of silver during eighteen years exceeded by \$6,000,000 the sum coined in the prior forty years, to 1833. Our coinage of silver exceeded by \$3,000,000 our coinage of gold in these first eight years following that enactment of 1834. After these eight years—1843 and onward—comparisons are useless; because, with less than \$1,000,000 silver as our total silver production of record to 1850, our production of gold had jumped from \$7,500,000 during the eight years to 1842 to a total of \$103,038,770 during the next eight years to 1850. And yet \$18,898,530 of silver was coined, with \$86,294,429 of gold during these eight years to 1850.

Senator Sherman: "And when the ratio was adopted in 1834 all the silver of our country fled from the country, because it was valued in other countries higher than 16 to 1."

The records are against the Senator. In eight years next following this enactment—1834 to 1842—the net movement of silver was *into* the United States; a net import of \$26,802,054 silver. Doubtless as surprising to the Senator is the record of two years ending 1823—eleven years prior to this said enactment—our net movement of "overvalued silver" being *outward*; a net export of our "overvalued silver" of \$11,128,594. To account for this is to discover that so much of our apparent debit "balance of trade," in all \$22,601,433 in the period, was actual, not fictitious. Quite as surprising to the Senator must be the record of our net import of \$23,542,372 gold concurrently with the aforesaid net import of \$26,802,054 of undervalued silver, during the eight years following the act of 1834; a joint movement of the money metals evidently independent of coinage law. Our table B will demonstrate that every considerable movement of our money metals has been equally independent of our coinage laws; that until 1880, excepting the one single year of war preparations, 1861, there is not of record in our history any considerable net export of gold with a considerable net import of silver.

#### UNITED STATES CIRCULATION OF FOREIGN COINS.

Senator Sherman: "I remember when a boy the silver coins we had after these 'Benton mint drops' [act of 1834] came into being were picayunes and York shillings, other kinds of shillings and Mexican coins. . . . I did not know, nor did the people know, what was the cause of our having silver coins from foreign countries, nor the reason why silver was not coined here, but only the abraded and degraded coins of other countries were circulated."

The Hon. Senator seems never yet to have learned why, in fact, foreign coins circulated here; and he is egregiously in error as to our own coinage during the period, as our records show. A just conception of the principle lurking in the so-called "Gresham Law," full-weight and light-weight coins having been none too plenty, ought to explain the circulation of abraded pieces, while the goldsmiths and silver-smiths housed their selections from the full-weight coin. The Senator ought not to have forgotten that statutes of the United States, not in terms repealed until 1874, proclaimed the said foreign coins a legal tender and prescribed their valuation as money within the United States.

#### ABSURD FEARS OF SILVER.

Senator Sherman (page 8): "What intelligent man would pay in gold any debt or obligation when he could take silver bullion, costing less in the markets of the world, to the mint and receive money, a legal tender for all debts?" Mr. Teller: "If the mints were open for the reception and coinage of silver, would there be any bullion price?" "Yes, sir; they would buy it from abroad . . . from all the \$3,800,000,000 that are in sight."

We need not question what portion of these inconceivable millions is the world's total stock of silver coin and bullion actually in sight. They are our mint director's estimate, who estimates the stock of gold in sight (unseen) at \$3,727,000,000. Until speculation upon our legislation accumulated silver in New York, there had been no period during recent years of large production of silver, in which inquiry of the great distributing markets for silver, London, New York, and San Francisco, would not bring reply: "Stocks of silver nominal." In the far East silver, either coin or bullion, is money. The tide of bullion movement



we subsequently treat. Europe's silver is her money. Our mint director estimates Europe's full legal tender silver at \$1,100,000,000, all of it equally available as her gold for redemptions of circulating bank notes, payment of bank deposits, and settlements of public and private debts and dues. Europe's valuation of silver to gold in legal tender coin would allow a recoinage of each 100 cents of Europe's silver into only 96.95 cents at our reopened mints. If Europe were able and disposed by this means indirectly to obtain our gold in exchange for her coined silver, and in the exact equivalent sum of legal tender money when obtained by her, Europe must sacrifice 3.05 per cent. on \$1,100,000,000, *i. e.*, a first cost of \$33,000,000, in addition to all the costs of transportation to and from our mints. A business operation for which the foreigner does not "charter ocean greyhounds" to load our mints with his silver money. We, of the United States, would not at such expense exchange our equally potential silver-certificates for gold-certificates in use as money. In which characteristic "all nations are of one blood."

In fear of Europe's silver we have been advised to dread: "The sudden retirement of \$600,000,000 gold," which, "with the accompanying panic, would cause contraction and commercial disaster unparalleled." Informed Americans appreciate the fact that already our \$600,000,000 gold (\$700,000,000 according to mint estimates), except in California, is pretty much all hoarded as reserves of banks, National, State and Savings, and other moneyed institutions. Absurd timidities, therefore, as to "Europe's silver" and "ocean greyhounds," do not threaten us appallingly. Any important manifestation of the housing of gold additionally would so importantly affect interest rates for money as to restore such gold to money use to all intents immediately.

#### THE UNITED STATES IMPORTING SILVER.

Senator Sherman (page 22): "For a period of years we have exported silver bullion. By the act of last session, however, we turned the tide and we had at once importations of silver."

Our arts consume annually \$8,767,000 silver, with \$16,697,000 gold. Our Treasury silver requirement is 54,000,000 ounces, *i. e.*, at coin value \$70,000,000, a combined requirement of silver of \$78,767,000 annually in the United States. Our year of largest production of silver of record, 1890, according to our mint director, furnished \$64,000,000 silver for the year. We are, therefore, necessarily importers of silver if we obtain our full annual requirement.

Senator Sherman (page 24): "The [silver] bullion [production] of the world has a coinage value of \$161,287,927. That was in 1887. Now, I have no doubt it reaches nearly \$190,000,000. That whole amount would naturally be drawn here . . . that would rapidly bring us to the silver standard . . . I contemplate with pain, and almost with shame, the idea that a great country like ours, richer in resources than any other country in the world, proud of its credit, growing more rapidly than any other, with unbounded facilities, should be content to lower our standard of value and join with China and Japan."

The entire world's production for the year 1890, estimated by the aforesaid authority, is about \$169,000,000 silver and \$118,000,000 gold. Thus, as hereinafter instanced, against 78 per cent. silver formerly in the world's total production of gold and silver, while France maintained free coinage effectually, only 59 per cent. of the present total is silver. None of it superfluous, we believe, in view of our instance hereinafter as to the far East, including India.

## THE UNITED STATES EXPORTING GOLD.

Senator Sherman (p. 21): "In late years, since the accumulation of silver dollars in the Treasury, gold has steadily gone away from our country. Since 1888 . . . every year the balance is against us. . . . Within the last three years the exportation of gold was over \$60,000,000."

In late years our remarkable freedom from idle accumulations of silver in the Treasury ought really to astound the Senator and his associates in opinion; as we shall hereinafter present the facts. Meanwhile as to our "banishment" of gold. Observe that since our partial remonetizing act in 1878 to and including 1890, our exports of gold have exceeded imports in only four out of the thirteen years. The net result to the end of 1890 is a net *importation* of \$221,006,000 gold. In these thirteen years our gold mines have produced for us \$411,000,000 gold. Together, these \$633,000,000 gold, reduced only by our consumption in the arts, and added to by over \$30,000,000 annually from our ample gold mines, is a fair supply from which to furnish the foreigner net \$38,886,753 gold in 1889, \$3,715,712 in 1890 (calendar). The United States can afford to be thus generous. Producing annually almost 30 per cent. of the world's supplies of gold, we can profitably afford Europe gold to facilitate their exchanges, as just now we do to Germany at a premium, they reimbursing us with better prices for our spare cotton, meats and wheat. Again, when metal only will content us, we shall exact return of our loaned gold, as we furnish them more spare bread and meat and cotton.

## VALUE IN THE WORLD'S MARKETS.

Senator Sherman (page 8): "The law now does fix the ratio for coinage at 16 to 1, and that is all the law can do. . . . Congress is potent in many things; this Government of ours is strong. . . . It cannot fix the value of silver bullion in the markets of the world. . . . The market value is the judgment of those who deal, who produce, who sell. . . . It is their wants and their interests that regulate market value and not the laws of men."

The Senator is not exact in theory, and he is not historic upon the facts, as we shall later hope to instance acceptably as to France single-handed for sixty years. Bi-metalists contend that *law*, the legal appointment of a money-value for gold and silver, prescribes in important degree their value. Generally accepted estimates of world-famous statisticians allow about \$30,000,000 gold annually from the year's mine product of about \$115,000,000, as the new gold addition annually to the whole world's money. Too small a money increase for all the world's increase of trade! But deny gold its access to the world's great mints, as is now denied to silver, and the \$30,000,000 thereby made an additional annual accession to art supplies of gold would soon depress the market value of gold to a price where the lower arts and industries could profitably employ it. Anybody from anywhere may lodge his gold at England's bank and for every ounce eleven-twelfths fine command £3 17s. 9d. of England's legal tender coin. Similar statutes throughout Europe, and of the United States, determine a fixity of price for gold independent of its commodity value.

Senator Sherman (page 10): "In every country of the world where there is free coinage of silver, gold is demonetized or quoted at a premium."

Nowhere in the world but in India has silver unrestricted access to the national coinage mints. Gold is not a legal tender there. True,

India's mints are open to the coinage of gold on private account as to silver; and a small sum of gold is coined in India every year. Really noteworthy is India's liberal importation of gold, and enormous absorption of silver with it, year by year. In 1852 Indian gold mohurs (then as now not a legal tender), accumulated in the Government Treasuries of India, "and were not applied for by the public," and so annoyingly that: "A notification was accordingly issued by the Government of India that after January 1, 1853, no gold coins would be received, except by the mints for coinage."—*Goschen*. Despised silver was never in need of a defender there; nor ever elsewhere in any worse need than this of friends.

#### THE UNITED STATES MUST BE FIRST TO REMONETIZE SILVER.

Senator Sherman (page 17): "Does any Senator here believe that the United States alone, unaided by the co-operation of foreign powers, can bring the market value of this vast commodity up to one hundred and twenty-nine and a fraction cents an ounce and keep it there without buying all the outlying silver that these nations from time to time wish to get rid of?"

The Act of Germany in 1871 (Nov. 23d) did not demonetize silver. That act provided for "an imperial gold coin, 139½ pieces of which shall contain one pound of pure gold." "The tenth of this gold coin shall be called 'mark,' and shall be divided into one hundred 'pfennige.'" "Besides the imperial gold coin of ten marks, there shall be coined imperial gold coins of twenty marks." "All payments which are by law to be made, or which may be made, in *silver* coins of the thaler system . . . can be made in imperial gold coins in such manner as to count the ten mark piece equal in value to three and one-third thalers, . . . etc." *The first demonetization of silver was the act of the United States, February 12, 1873.* On July 9th, following, Germany enacted her single gold standard, and decreed that "the aggregate issue of silver coins shall, until further orders, not exceed ten marks for each inhabitant of the empire." Germany's old silver thaler pieces, of which about \$100,000,000 worth remain afloat and in bank, still continue to rank as her full legal tender money. The coin valuation of the silver in them is an over-valuation by three cents on the dollar compared with our standard gold and silver coins. Subsequently hereinafter we treat the intimation as to surplus silver, and ability of the United States to maintain free-coinage.

#### FOREIGN ENTANGLEMENTS HISTORICALLY OBNOXIOUS.

According to the report of the International Monetary Commission of 1878, "political complications would combine with economic objections to prevent . . . international agreement." "In the opinion of this Government [France] the depreciation of silver is a fact eminently to be regretted, a *calamity* which it would wish, on its own account, it were possible to remove, because it is attached on principle to the system of the double standard." "We are, in its view [Government's] in a situation of expectancy."—*M. Leon Say*. This expectancy on the part of France, statesmen in the United States will keep in view. It prohibits, as absurd, the fear that France would be disposed, if able, to charter "ocean greyhounds" to swamp our mints with silver, and thereby defeat our best endeavors to fulfill *her* utmost hopes. It promises the aid of France at once upon her discovery that her aid is not essential to our success; whenever it shall be foreseen that our annual production of forty per cent. of the entire world's new supplies of silver can permanently be employed acceptably at home. That much the

United States already undertakes, and momentarily with evident success. Its method seems to be imperfect. It is not the historic method of permanent success. A supply of silver bullion, less than a two month's Treasury requirement, accumulated in New York prior to the enactment of the existing law, so governs the entire world's market price for silver as plausibly to allow the stigma, "a 75 cent dollar," to be put momentarily upon our standard silver coin. If the historic method is safe for immediate adoption, all international agreements ought to omit the United States, as they are obnoxious to our national policy. But unless the historic method may safely be adopted, all interests warranting, it cannot safely be adopted with or without agreement. Demonstrate its safety in adopting it, and all interests will immediately make haste to share its safety without the need of covenant between them.

Independently, our own statute might require that our President shall proclaim our adoption of the Latin Union coinage ratio, and recoinage of our standard silver, immediately upon advice to him that the mints of France, *et al.*, are open again equally to their gold and silver. Otherwise our silver dollars recoinage into 103.05 cents of their standard money would incline to flee us on slight occasion—thus threatening them a "flood of silver" and threatening us a "contraction of our currency."

#### GROSS ERROR AS TO FRANCE.

Senator Sherman (page 10): "I will come . . . to the case of France, which I have thoroughly looked into, and I shall be able to give the exact law of the French Government under which they have acted. Of France and any of the Latin nations, quoted as being on the silver standard, not one has free coinage of silver, and indeed they have entered into stipulations with each other that the only silver coin that ever was a legal tender for all purposes in France, the 5-franc piece, should not be issued by either of the nations except by consent of all the others."

The Senator was not sufficiently thorough in his research. He has stumbled (page 15) upon the third amendatory agreement of the Latin nations, adopted in 1885. The Latin Union treaty proper was signed December, 1865, and allowed full legal tender silver 5-franc pieces to be coined without restriction. "The law of the French Government under which they acted" from 1803 to 1865, appointed as full legal tender all denominations of the silver coin of France. In the sixty-seven years to 1870 France alone, under that law of equally free coinage for gold and silver, coined \$917,000,000 of 5 francs silver, and \$1,447,000,000 of gold.

#### MISTAKEN NOTION AS TO THE LATIN UNION.

Senator Sherman (page 15): "The Latin nations formed their monetary union at a time when the condition of the two metals was precisely the reverse of what it is now. . . . At that time silver was at a premium of 3 per cent. in France and 6 per cent. in our country over gold. . . . It was believed by some of the scientists of Europe that gold would gradually decrease in value on account of the enormous production then coming from the Comstock lode and from Australia. . . . Under these circumstances the Latin Union was formed to maintain the parity of their gold and silver circulation alike."

The *records* are not so. The proclaimed purpose of the aforesaid Latin Union treaty of 1865, between France, Belgium, Switzerland and Italy—in warranted interpretation of the French of it—was: "To remedy the inconveniences in regard to intercourse and transactions between the inhabitants of their respective States, which result from the difference of standard of their *subsidiary* silver money and to contribute,

by forming a monetary union between them, to the progress of a uniformity of weights, of measures and of money. Silver was *not* at 3 per cent. premium in France then nor subsequently. It had averaged her mint price, par, for the 12 months prior; and at a premium of about 1 per cent. during two years before (U. S. Mint. Report for 1887, p. 214). Par in France is \$1.333 per oz.; their ratio of 15.5 comparing with ours of 15.988 to 1, and 371.25 grains being in our dollar; the oz. being 480 grains. Nor in other respects was the "condition of silver the *reverse* of now." The dread of too abundant gold, which had never influenced France or England, had for some time already been dismissed by timid Holland. The annual yield of gold from the Comstock lode and elsewhere was materially smaller than during twelve years before. To our point also that lode, with its immediate surroundings, had already well begun its liberal yield of silver. (See tables, B for the U. S., C and D for the world.)

#### BIMETALLIC SINGLE STANDARD.

Senator Sherman (p. 25): "No law of ours can change the law to which I have referred [*"Gresham Law"* hereinafter remarked upon] which is stronger than the law of gravitation. When you substitute an inferior standard of money it drives out of circulation the superior standard. . . . You can have but one standard . . . you cannot have more. . . . If you do, you measure by a shorter yard . . . the price of all articles will conform to it."

With such specious sophism our monometalists deceive themselves and mislead the multitude. Refutation is hereinafter instanced as to France, and is daily under our own eyes. As the true yard-stick is a single standard measure of feet and inches, whether made of boxwood or steel tape, so also is the dollar of these bimetallic United States a single standard of 100 cents or 1,000 mills, whether of silver, gold or paper. In daily experience the United States at present circulates as equally full legal tender money, the coin and paper issued under acts of 1878 and 1890 *silver*, about \$460,000,000, and, according to mint estimates, \$700,000,000 gold. Besides these are \$346,000,000 notes, colloquially termed "*greenbacks*," and \$125,000,000 bank notes; these both redeemable at Treasury option, or bank option, in either gold or silver coin. In silver, gold or paper, each and every one of all these \$1,630,000,000 is a single standard dollar of 100 cents; 1,000 mills, unless our senses are deceived.

"The people may be deceived some of the time; some of the people all of the time. But not all the people all the time."—*A. Lincoln*.

#### "THE GRESHAM LAW."

Senator S. (foot of page 8): "If any article is allowed to be coined which is cheaper than another, the cheaper article will take the whole volume of circulation, and the dearer article will either be hoarded by those who value it higher or be exported to other countries where its use is demanded."

The *records*, foreign, domestic, remote and modern, seemingly combine to disclaim this assertion as erroneous notion. This misconception of the so-called "*Gresham Law*," if erroneous, as we think it, being commonly shared by American professional writers on finance, may account for certain influential opinions in the United States which cannot too promptly be amended. A principle commonly understood in the time of Aristophanes was not thus misinterpreted by Sir Thomas Gresham. Sir Thomas announced to Queen Elizabeth that: "The cause of the fall of the exchange did grow by the king's majesty, your late father, in

abasing his coin from six ounces fine to three ounces fine, whereupon the exchange fell . . . which was the occasion that all your fine gold was conveyed out of this realm. Secondly . . . the king's majesty fell into great debt to Flanders, and for the payment thereof they had no other device but pay it by exchange, and to carry over his fine gold for the payment of the same."

All records sustain Sir Thomas and Aristophanes. Like causes combining will insure the like results. This much, and no more, is accurate, of the Senator's surmise.

#### THE TRUE INFLUENCE OF COINAGE LAW ON THE MONEY METALS, MINTS BEING EQUALLY FREE TO GOLD AND SILVER.

1st. If a trading nation's mint is equally open to gold and silver upon an appointed ratio as equivalent legal tender moneys, and either metal is sufficiently undervalued compared with coinage laws of nations that are creditor, the undervalued metal will be the first to move outward in discharge of the debt abroad whenever such creditor demands money metal, in preference to other merchandise, in settlement.

2d. When the sum of both metals is not abundant, abraded coins of both will be circulated most freely, and the full-weight coins of both will be those selected for the smiths and manufacturers.

3d. When either metal is not abundant and the supply of the other is ample for the requisite total circulating medium, the scarce metal will incline to vanish from money use entirely. This tendency will appear with every approach to such relative conditions of money needs and supply of either metal.

#### EXPERIENCE OF MEXICO.

Mexico coins the bulk of all her silver, and practically all her gold production, and undervalues silver in her coinage law. Thus Mexico, 16.5; United States, 15.988; Latin Union, 15.5; India, 15 to 1 of gold. But Mexico's coffee, sugar, hemp, etc., will not repay the foreigner for her annual debt abroad. In consequence, the outside world absorbs the gold of Mexico about as rapidly as coined, and almost denudes her of silver coin and bullion too.

#### EXPERIENCE OF INDIA.

"The Government mints of Calcutta and Bombay are open for the receipt of gold and silver bullion and coin, and the public can have their gold and silver, when ascertained to be of standard fineness, coined, subject to a duty of one cent on the produce of gold, and two cents on the produce of silver, a melting charge being also made of one-fourth per mille on gold bullion and coin, and of one per mille on silver bullion and coin . . . The silver rupee is the standard of value . . . it contains 165 grains of fine silver and 15 grains of alloy. . . The gold coins are a mohur, or 15-rupee piece, etc. . . . The gold mohur contains 165 grains of fine gold and 15 grains of alloy."—*Goschen*.

Thus undervaluing gold, at 15 of silver, against 15.5 in France, and against 15.988 in the United States—thereby *overvaluing* silver by about seven cents on the dollar compared with the United States—and in spite of enormous revenues exacted from her by Great Britain in gold or its equivalent, India accumulates gold against the world in annual trade settlements; millions of the world's dear gold and more millions of spare silver (See table B). Thus let it be observed, the United States is not to be the world's highest market for silver bullion when equally free coinage for gold and silver is our restored coinage law. And India's absorption of silver is not dependent on low prices for it. As a bank-

officer the undersigned has been party to experience during the past year in which *irregular* prices for silver bullion have hampered and restricted China, Japan and India's trade. Evenness in the world's exchanges based on silver, provided by steadiness of bullion price, determines India's requirement and governs her preference for silver over gold in settlements of trade.

In 1866, with the price of silver about \$1.33 per fine oz., India imported over \$100,000,000 worth of silver, together with \$31,000,000 gold that year. About half these sums of gold and silver she has absorbed annually in the last few years, with the price of silver below \$1.00 per fine oz.

With fixity of price established by our free mints, a real occasion for concern hereafter, when her exchanges are made steady as just noted, may possibly be the doubt if that "cormorant" or "sink of silver," India, will spare the outside world sufficient silver for its money needs.

#### EXPERIENCE OF FRANCE.

Flights of fancy cannot be confined. Facts, according to our tables A, B, C and D, read together, report *experience* especially telling as to France. After 279 years of widely varying average relative prices of gold and silver, under moderate variations of relative production barely averaging 3 per cent. until 1803 (compared by weight table D), the mints of France alone, for a period of 62 years to 1865, under variations of relative production exceeding 19 per cent., maintained a practically unvarying average relative price in market for gold and silver, in spite of divergent coinage laws all elsewhere. Table C will display the relative production of this period at coin value, and make more manifest the almost inconceivable alterations of relative production with as remarkable steadiness in price. Thus, at coin value, in 1810: production, 76 per cent. silver; relative price, 15.61 to 1. In 1855: production, 78 per cent. gold; relative price, 15.76 to 1.

#### FREE COINAGE IN FRANCE EXPLAINED ASSURES FREE COINAGE SAFE IN THE UNITED STATES.

Under equally free coinage for gold and silver, owners of either bullion sought the mints of France at a value fixed for them, price paid for them in purchasing power decreed by law. In consequence, in the period 1821 to 1840, \$442,000,000 of the world's abundant silver was welcomed into the legal tender silver coin of France. In 1851 to 1860, with gold almost alarmingly abundant, \$816,000,000 of gold were minted into legal tender coin of France. Under such widely varying conditions, the free mints of France maintained the average relative market price of gold and silver for the world between 1 to 15.75 and 1 to 15.80. *Thus effectually by France alone, the value possessed by either metal in its scarcity was bestowed upon the other in abundance, by decree.* Such were the means she adopted, such the achievement by which France, single-handed and for 62 years, "put a dollar's worth of silver in the dollar" and maintained it constantly at 100 cents. Under such automatic operation of her continuously open mints, in spite of the extreme variations in production noted, France thus obtained so great a volume of coined money in circulation that no embarrassments were possible from occasional loss of either metal in international trade.

France was not a producer of gold and silver. The United States is without a rival as producer of silver, and usually rivals any producer of gold. India, invariably a creditor among the trading nations, assures us her giant support for free coinage of *silver*. At one period 76 per cent. of the world's total production of the money metals was silver; only 59 per cent. is silver now. Strictly without the aid of India, France asked no support for *gold* free coinage when 78 per cent. of the

production annually was gold. The foreign commerce of France was then much less than ours at present. Her domestic trade is not to be compared with ours to-day. Her population then was little more than half our present population, her territory one-seventeenth the area of the United States.

Spain coins silver full legal tender on the Latin Union ratio, on Government account; and all Europe coins subsidiary silver liberally. Europe's arts, and the arts in Asia and the United States, with former silver luxuries become necessities, will assist in the absorption of silver, if any is to spare.

#### FREE COINAGE, BEFORE TARIFF LAWS.

Producing almost 30 per cent. of the gold and 40 per cent. of the silver supplied the world, the United States ought not needlessly to disparage either metal. To enhance and maintain the price of silver is to increase the London cost in gold of Indian silver rupees. To increase the gold cost in London of India's rupees, with which London purchases India's cotton, wheat and other products, is therefore to enhance the price in London of these products in the competition which the United States must meet. To elevate the plane of prices in London, upon which we must meet the market for our spare products of the soil, is thus to benefit our producers directly in net returns of money. Secondly, the higher prices paid us, and consequently increased supplies furnished by us to Europe, will swell her debt to us and serve directly to confirm our grasp on both our money metals, under the practical influence on money metal movement which our records show (table B). Our producers and merchant handlers of our products, our railways and our bankers, if informed aright, will therefore not concede between coinage laws and tariff laws that tariff-reform is primarily important.

"To err is human!" Therefore our tariff may be *reformed*. But our debts are fixed, as death and taxes. Therefore the politician, in the true sense, and of common sense, will proceed but cautiously to dilute our assets with an introduction of free-trade.

#### EX-PRESIDENT CLEVELAND AS PRECEPTOR.

The Senator's quoted remark as to accumulations of silver in the Treasury recalls the following, upon which we note the facts from Treasury Reports and a world famous letter of February 27th, 1885—*i. e.*, within a fortnight of the President's inauguration.

President-elect Cleveland: "By a compliance with a requirement of that law [act of 1878, under which the Treasury purchased and coined into dollars \$2,000,000 worth of silver monthly] all the vaults of the Federal Treasury have been and are heaped full of silver coins, which are now worth less than 85 per cent. of the gold dollar . . . constantly increasing in quantity at the rate of \$28,000,000 a year. . . . The sum of gold in the Federal Treasury now available for the payment of gold obligations of the United States, and for the redemption of the United States notes called greenbacks, if not already encroached upon, is perilously near such encroachment."

Actual Treasury conditions are recorded as follows: During February, 1885, gold increased \$2,158,000. Immediately following inauguration the gold reserves ran down, and, decreasing \$11,420,000, left net on hand May 1, 1885, \$115,810,533 gold. The total output of silver from the mints had been, March 1, 1885, \$196,697,394, of which \$43,878,256 were an idle accumulation of the Treasury. In December following the President proclaimed to Congress his unaltered views. His Secretary



of the Treasury followed the vein, and the Treasurer of the United States "did out-Herod Herod." A popular scare of silver was therefore not surprising. In July, 1886, although the records from the prior April to the close of that July show an increase of gold exceeding \$43,000,000, this over-zealous Treasury official of the United States contracted a loan of \$6,000,000 gold from New York City banks on pledge of subsidiary silver coin, the net gold in the Treasury, July 31, 1886, being \$158,933,005. But upon a total mint output to that date of \$235,643,286 silver, \$93,959,880 silver, uncovered by outstanding certificates, lay as idle merchandise in the Treasury.

But in spite of continuing disparagements of silver, well meaning enough, but futile for influence on Congress, an endeavor in good faith was subsequently made to float this silver by certificates as money. One, two and five-dollar denominations being authorized by Congress, the Treasury gradually withdrew the "greenbacks" of these denominations, replacing them with silver certificates. The people becoming tired of dreading silver gradually ignored all differences of our sundry paper moneys. All denominations of greenbacks, gold certificates, silver certificates and bank notes floated unconcernedly, and still so float, as current money. So that, counting Treasury notes of 1890 as silver, and excluding the trade dollars for remelting and subsidiary coin, and this after a total output from the mints of \$455,000,000 silver—an increase of \$260,000,000 silver since the inauguration of the now *ex-President*—the total idle accumulation of silver in the Treasury March 31, 1891, was exactly \$9,705,982. And this was all *income* from customs and internal revenues.

#### IMMEDIATE FREE COINAGE FOR SILVER.

"The farmer and the laborer who are not in hourly touch with the ticker or the telegraph will require, above all other classes of our community, a dollar of full value. . . . The banker and the speculator anticipate discount, and often profit by such speculations."—*President Harrison, April 7, 1891.*

Beyond all doubt, all true!

Ages have recorded gold and silver as good money. The centuries furnish us other record quite as completely assuring as that of France. It was emulation of example that dictated the coinage decree of France. It was their acquaintance with the record of experience of safety, as in a large degree independent of law of ratio in coin and relative production, that made Frenchmen stable in opinion under the so divergent conditions which we have noted; that under an avalanche of gold, with no giant India to aid her as we have now with silver, kept France so calmly unperturbed. The fancies and the whims of years since 1873 have too long misled us. The records do not allow for these. On the contrary, the experience recounted, and the fact that during the one last month prior to our demonetizing act of 1873, our free coinage of standard silver dollars was at a rate per annum five times their coinage during any year before, together assure us that, except for that act of ours merely omitting to enumerate the silver dollar among our standard coins, demonetization of silver could never have been enacted in the United States. The United States and all the world would have been spared a "Silver Question" in this interim of eighteen years. Let the people therefore be loud in demand for equally free coinage for gold and silver as the immediate adoption of the United States, and the clamor will be heard:

"If it be now, 'tis not to come; if it be not to come, it will be now; if it be not now, yet it will come: the readiness is all!"

## TABLE A.

UNITED STATES PRODUCTION AND COINAGE OF GOLD AND  
SILVER FROM 1793 TO 1852, AND SILVER DOLLARS  
COINED TO 1873.

N. B. Act of 1834 reduced weight of Gold in the Gold coinage. Act of 1853 limited the legal-tender function of all Silver coins of lower denomination than the Dollar, reduced their weight, and stopped their coinage except for Government account. Until 1853 all denominations of Silver coins were unlimited legal-tender equally with gold.

Period.	Gold coined.	Silver coined.	Silver Dollars coined.	U. S. production. Gold.	U. S. production. Silver.
1793-1805.....	\$ 2,547,557	\$ 1,910,402	\$ 1,439,517	\$ .....	\$ .....
1806-1823.....	5,244,715	11,597,143	.....	.....	.....
1824-1833.....	4,043,617	22,771,528	.....	.....	.....
40 years to 1833	11,835,889	36,279,073	1,439,517	14,000,000	insigt.
1834-1842.....	19,208,210	22,295,339	419,923	7,500,000	250,000
1843-1850.....	86,294,429	18,898,530	691,160	103,038,770	300,000
1851-1852.....	119,460,680	1,773,807	2,400	115,000,000	100,000
13 years to 1852	224,963,319	42,967,676	1,113,483	225,538,770	650,000
Total to 1852...	236,799,208	79,246,749	.....	239,538,770	650,000
Additional Silver Dollar pieces coined to 1873.			5,478,238		
Silver Dollars coined after Act of 1834 and before Act of 1873.....			6,591,721		
Total Silver Dollar pieces coined prior to Act of 1873.....			8,031,238		

**TABLE**  
**MOVEMENT OF GOLD AND SILVER INTO**  
**A SUGGESTION OF**

PERIOD OR YEAR.	MERCHANDISE.		U. S. PRODUCTION at Coin Value.		IMPORTS in exc. of ex- ports.
	IMPORTS in exc. of ex- ports	EXPORTS in exc. of im- ports.	GOLD	SILVER.	GOLD.
1821 to 1823 ...	22,601,433	.....	.....	.....	.....
1824 .....	3,197,067	.....	.....	.....	.....
1825.....	.....	549,023	.....	.....	213,666
1826.....	5,202,722	.....	.....	.....	228,537
1827 to 1830....	9,929,071	.....	.....	.....	339,632
1831.....	23,589,327	.....	.....	.....	10,974
1832.....	13,601,159	.....	1792 to 1834 \$14,000,000	Insignificant	78,221
1833.....	13,519,211	.....	.....	.....	89,189
1834 to 1838....	90,159,822	.....	.....	.....	23,542,372
1839 to 1842....	26,172,206	.....	.....	.....	.....
1843.....	.....	40,392,225	1835 to 1845 8,508,327	250,000	16,766,179
1844 to 1845....	4,002,985	.....	.....	.....	.....
1846 to 1847....	.....	25,986,432	2,028,442	100,000	19,880,985
1848 to 1850 ..	40,436,956	.....	100,000,000	130,000	.....
1851.....	21,886,170	.....	55,000,000	50,000	.....
1852.....	40,456,167	.....	60,000,000	50,000	1,021,917
1853 .....	60,287,983	.....	65,000,000	50,000	533,033
1854 to 1860....	233,359,640	.....	371,000,000	950,000	5,616,774
1861.....	69,756,709	.....	43,000,000	2,000,000	38,667,827
1862.....	.....	1,313,824	39,200,000	4,500,000	.....
1863.....	39,371,368	.....	40,000,000	8,500,000	.....
1864.....	157,609,295	.....	46,100,000	11,000,000	.....
1865.....	72,716,277	.....	53,225,000	11,250,000	.....
1866.....	85,952,544	.....	53,500,000	10,000,000	.....
1867.....	101,254,955	.....	51,725,000	13,500,000	.....
1868.....	75,483,541	.....	48,000,000	12,000,000	.....
1869.....	131,388,682	.....	49,500,000	12,000,000	.....
1870 .....	43,186,640	.....	50,000,000	16,000,000	.....
1871.....	77,403,506	.....	43,500,000	23,000,000	.....
1872.....	132,417,491	.....	36,000,000	28,750,000	.....
1873.....	119,656,288	.....	36,000,000	35,750,000	.....
1874.....	.....	18,876,698	33,500,000	37,300,000	.....
1875.....	19,562,725	.....	33,400,000	31,700,000	.....
1876 to 1878....	.....	488,609,809	138,000,000	123,800,000	.....
1879 to 1883....	.....	818,619,467	172,100,000	216,000,000	183,543,267
1884.....	.....	72,815,916	30,800,000	48,200,000	.....
1885.....	.....	164,662,426	31,800,000	51,600,000	13,213,864
1886.....	.....	44,088,694	33,000,000	51,000,000	.....
1887.....	.....	23,963,443	33,000,000	53,350,000	33,209,414
1888.....	28,002,607	.....	33,175,000	59,195,000	27,558,083
1889.....	2,730,277	.....	32,800,000	64,646,000	.....

# B.

## AND OUT OF THE UNITED STATES.

### EXPLANATION THEREOF.

IMPORTS in exc. of ex- ports.	EXPORTS in excess of Imports.		INDIA'S GROSS IMPORTS.		PERIOD OR YEAR
SILVER.	GOLD.	SILVER.	GOLD.	SILVER.	
.....	.....	11,128,594	.....	.....	1821 to 1823 ....
1,364,418	.....	.....	.....	.....	1824.....
.....	.....	2,859,895	Roughly estimating the Rupee at 50 cents.		1825.....
1,947,896	.....	.....			1826.....
7,499,665	.....	.....			1827 to 1830 ....
.....	.....	1,719,960			1831.....
172,943	.....	.....	.....	.....	1832.....
4,459,478	.....	.....	1834 to 1839	.....	1833.....
26,802,054	.....	.....	Gold and Silver,	.....	1834 to 1838 ....
.....	61,515	8,426,475	11,873,000	.....	1839 to 1842 ....
4,033,365	.....	.....	1839 to 1846	.....	1843.....
.....	961,941	3,198,097	48,980,000	.....	1844 to 1845 ....
2,206,034	.....	.....	4,260,000	10,430,000	1846 to 1847 ....
.....	2,645,984	8,482,958	18,500,000	29,780,000	1848 to 1850 ....
.....	1,198,243	22,821,006	5,776,000	13,280,000	1851.....
.....	.....	38,191,008	6,698,000	18,591,000	1852.....
.....	.....	23,818,526	6,705,000	27,451,000	1853.....
.....	.....	338,749,575	39,663,000	122,739,000	1854 to 1860 ....
.....	.....	22,119,296	21,212,000	32,173,000	1861.....
1,060,304	21,532,892	.....	25,952,000	48,807,000	1862.....
.....	638,738	53,933,768	34,407,000	68,137,000	1863.....
.....	89,484,865	2,796,064	44,627,000	70,185,000	1864.....
.....	51,882,805	5,950,349	49,875,000	57,441,000	1865.....
.....	63,001,048	12,342,931	31,864,000	100,922,000	1866.....
.....	22,001,761	16,796,136	22,907,000	43,277,000	1867.....
.....	63,658,901	15,936,833	23,874,000	34,997,000	1868.....
.....	21,870,930	15,459,574	25,885,000	49,895,000	1869.....
.....	21,579,012	10,157,475	28,452,000	41,322,000	1870.....
.....	59,802,647	17,369,317	13,912,000	13,861,000	1871.....
.....	40,831,302	25,302,543	17,868,000	40,000,000	1872.....
.....	36,174,268	26,953,369	13,111,000	9,621,000	1873.....
.....	.....	.....	.....	.....	.....
.....	14,539,233	23,636,216	8,244,000	20,718,000	1874.....
.....	53,284,184	17,947,241	10,450,000	30,209,000	1875.....
.....	19,402,721	30,473,534	24,290,000	146,166,000	1876 to 1878 ....
.....	.....	31,462,698	85,180,000	176,851,000	1879 to 1883 ....
.....	18,250,640	11,456,481	27,347,000	37,042,000	1884.....
.....	.....	17,203,006	23,890,000	45,550,000	1885.....
.....	22,208,842	11,660,912	15,457,000	66,970,000	1886.....
.....	.....	9,036,313	14,167,000	41,096,000	1887.....
.....	.....	12,634,280	16,180,000	52,949,000	1888.....
.....	49,667,827	18,011,033	15,595,000	53,629,000	1889.....

## TABLE C.

Proportion of Silver to Gold, at French *coin value*, in the world's total production of Gold and Silver,\* in periods from 1801 to Franco Prussian War, 1870. Also market value of Silver expressed in ratio to Gold (Hamburgh prior to 1832; London after, to 1870), the Mints of France being constantly open to Silver and Gold at the valuation of 15.5 of Silver as the equivalent of 1 of Gold.—*M. Ernest Seyd*

Coinage of Gold and Five Francs Silver at Mints of France, estimated roughly at Five Francs to the Dollar.—*From Report to Paris Conference, 1878.*

PERIOD.	Per cent. of production.		Market value of Silver.	Coinage at the French Mints 5 fcs.	
	Silver.	Gold.		Gold.	Silver.
1801 to 1810....	76	to 24	15.61 to 1	\$ 33,504,964	\$ 53,865,244
1811 to 1820....	75	to 25	15.51	110,907,676	149,752,376
1821 to 1830....	67	to 33	15.80	15,031,752	208,757,061
1831 to 1840....	65	to 35	15.75	29,198,152	233,834,909
1841 to 1850....	48	to 52	15.83	35,157,480	175,845,963
1851 to 1855...	22	to 78	15.76	310,766,198	34,252,910
1856 to 1860....	22	to 78	15.76	505,494,552	9,279,042
1861 to 1865....	26	to 74	15.48	179,491,304	194,216
1866 to 1870....	31	to 69	15.48	227,777,130	51,954,842
Total coinage of Gold and 5 francs Silver, at ‡ French Mints, 1803 to 1870.....				\$ 1,447,329,208	\$ 917,735,863
1873.....				.....	30,929,809
1874.....				4,863,940	11,999,302
1875.....				46,982,400	15,000,000
†1876.....				35,298,632	10,332,263

\*N. B. Of the world's present total production of Gold and Silver (1890) estimated at coin value, only 59 per cent. is Silver with 41 per cent. Gold.

†After 1876 would appear the restriction of the full Legal-tender Silver Coinage, by agreement of 1874.

‡ During all these 67 years these mints stamped everybody's Silver and Gold into full Legal-tender Coin, upon a ratio which values the Silver of the United States Silver Dollar at 103.05 cents in Gold, i. e. at 15.5, comparing with 15.988 of Silver as mint equivalents for 1 of Gold.

## TABLE D.

Showing the proportion of Silver in the world's total production of Gold and Silver in periods from 1498 to 1890; also their varying ratios of market value prior to the Mint enactment of France in 1803; and with special reference to their remarkable approach to constancy of mutual value, under extraordinary variations in their proportions of production, during the seventy years to 1873 in which the mints of France coined Gold and Silver without limit, as legal-tender equivalents, on her ratio of 1 to 15.50.

The figures for 1498 to 1875 are Dr. Soetbeer's: London *Economist*, June 4, 1881. Those from 1876 to 1890 are calculated from an estimate of the U. S. Director of the Mint.

Period.	Pounds Avoirdupois.		Proportion of Total.		Average ratio of market value of Silver to Gold.
	Silver.	Gold.	Silver.	Gold.	
1493-1520.....	2,895,200	357,280	89	11	10.5-11.1
1521-44.....	4,762,560	378,048	93	7	11.25
1545-60.....	10,968,320	299,552	97	3	11.30
1561-80.....	13,178,000	300,960	98	2	11.50
1581-1600.....	18,431,600	324,720	98	2	12.1
1601-20.....	18,607,600	374,880	98	2	12.5
1621-40.....	17,318,400	365,200	98	2	14.0
1641-60.....	16,117,200	385,880	98	2	14.50
1661-80.....	14,828,000	407,440	97	3	15.0
1681-1700.....	15,043,600	473,660	97	3	14.96
1701-20.....	15,646,400	564,080	97	3	15.21
1721-40.....	18,972,800	839,520	96	4	14.71
1741-60.....	23,458,380	1,082,840	96	4	14.71
1761-80.....	28,720,560	911,020	97	3	14.64
1781-1800.....	38,678,640	782,760	98	2	14.76

Mints of France, from 1803 to 1873, equally open to Silver and Gold on the ratio of 15.50 to 1.

1801-10.....	19,671,300	391,116	98	2	15.42-15.61
1811-20.....	11,896,940	251,790	98	2	15.54
1821-30.....	10,132,320	312,752	97	3	15.80
1831-40.....	13,121,900	446,358	97	3	15.67
1841-50.....	17,169,130	1,204,693	93	7	15.75-15.80
1851-55.....	9,747,265	2,172,665	82	18	15.42
1856-60.....	9,954,890	2,266,638	81	19	15.30
1861-65.....	12,112,650	2,036,353	86	14	15.36
1866-70.....	14,729,935	2,110,900	87	13	15.55
1871-75.....	21,663,675	1,877,425	92	8	15.98
1876-80.....	24,200,068	1,831,726	93	7	17.9
1881-85.....	29,333,894	1,694,258	95	5	18.76
1886-90.....	37,992,785	1,863,700	95	5	21.49

## INQUIRIES OF CORRESPONDENTS.

ADDRESSED TO THE EDITOR OF THE BANKER'S MAGAZINE.

## THE LIABILITY OF INTERVENING INDORSERS.

A note is indorsed thus:

A.  
B.  
C.  
A.  
D.

Can the holder look to D. A. C. and B., or only to D. and A.?

REPLY.—He can hold only D. and A. Randolph says: "One who obtains possession of a bill or note, after indorsing it, is restored to his original position, and cannot, of course, hold intermediate parties, who could look to him again." (Commercial Paper, § 719.) The reason why he cannot hold them is, if he could recover of them, they in turn could sue him as prior indorser. Thus, if A. as fourth indorser could sue C. and B. as third and second indorsers, they could sue him as first indorser. The law is well expressed by Chief Justice Johnson in *Moore v. Cross* (19 N. Y. 227, 228). "It is quite conceivable that in the ordinary course of business a promissory note may before it falls due come to the hands of a person who already appears upon it as payee or indorser. In such a case he cannot maintain an action against any of the parties whose indorsements are subsequent to the first appearance of his name. The legal reason is that each of those persons, on paying to him the note, would have an immediate right to demand payment from him on his earlier indorsement. The law, to avoid this circuitry, denies an action to a party thus situated. If the note had passed through his hands without indorsement, or if it had been indorsed without recourse by him, the reason would not exist; and there could be no objection, founded on his prior holding or indorsement, to the maintenance of an action by him against the parties liable on the note." This is the well-established rule.

When A. re-indorses, the relations previously existing between him and B. as indorsers and indorsee ceased, and the law assumes that if the note is transferred to other holders they know this, that A. in law by his re-indorsement has become the first indorser, and they cannot look further back to the other indorsers in the event of non-payment. This question has been considered by the Supreme Court of North Carolina in the case of *Adrian v. McCaskill* (95 N. C. 182). F. made a note payable to P., who transferred it to Mc. by indorsement. Afterward Mc. re-transferred it to P., and subsequently it came into the possession of the plaintiff. He sued Mc. to recover on his indorsement. Judge Davis, who delivered the opinion of the court, said: "When the note was returned to P. he became again the owner, and, as between him and any subsequent indorsers, the relation of indorser and indorsee ceased. It is clear that P. could not, by

reason of the blank indorsement of Mc. hold him liable for the note, for he stood in the relation to him of a prior indorser. The plaintiff derived his title directly from P., the original payee, who had re-acquired the title, and not, as successive indorser, deriving title through the indorsement of the defendant. The plaintiff was affected with and bound by notice of what appeared upon the note itself, and he took the note from the original payee, bearing upon its face the fact that he was the first indorser, and that the defendant was his indorsee." Mc. therefore was not liable. The above question is well answered in this case.

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#### NEGOTIATION OF A NOTE.

If a note is made "negotiable and payable" at a particular bank, can it be negotiated with safety to the holder elsewhere? Can the indorsers be held?

REPLY.—This question was answered in the last number, but as a fuller answer is desired, a review of some authorities will be presented. In *Duncan, Sherman & Co. v. Gilbert* (5 Dutch. N. J., 521, 525,) Chancellor Green remarked: "The rule appears to be perfectly well settled, in the courts of New York as well as elsewhere, that where a note is indorsed for the accommodation of the maker, to be discounted at a particular bank, it is no fraudulent misappropriation of the note if it is discounted at another bank, or used in the payment of a debt or otherwise, for the credit of the maker. If the note has effected the substantial purpose for which it was designed by the parties, an accommodation indorser cannot object that the accommodation was not effected in the precise manner contemplated where there is no fraud and the interest of the indorser is not prejudiced." Many of the cases have been collected by Daniel. (Neg. Inst. § 792.)

This precise question has been decided twice by the Supreme Court of North Carolina; and the last case may be briefly described. S. made a note "negotiable and payable at the People's National Bank of Fayetteville." It was indorsed by J. Mc and A. M. The note was not presented at the bank for discount, but was sold to other parties. The indorsers were sued and they defended on the ground that the note had not been negotiated in accordance with the promise contained in the note itself. They were held liable, the trial judge declaring that the clause making the note negotiable and payable at the People's National Bank was collateral matter, which might have been introduced for the accommodation of the holder, and did not affect the validity of the note. The Supreme Court entertained the same opinion. Another case of similar character is *Ray v. Banks* (6 Jones 118).

A different rule, however, has been established in Pennsylvania. (*Raymond v. Middleton & Co.* 29 Pa., 529.) Judge Porter, who delivered the opinion of the court, cited several decisions of other States, but they do not strengthen his position. The rule, therefore, existing in that State must be regarded as far less general in its application than the other.



## BANKING AND FINANCIAL ITEMS.

## GENERAL.

**STATE BANK NOTES.**—It has long been believed that the bank notes issued by State banks before the day of National banks, are "no good," and that those who were unfortunate enough to possess them could only comfort themselves with the reflection that they owned so many curiosities whose full value had disappeared forever. But the New York Court of Appeals has decided that they are still good and must be redeemed by the corporate successor of the bank that originally issued them. The point was made on the money left by Miser Paine, among which was a large number of old-fashioned bills issued by the Metropolitan Bank. And now we may expect that no end of "shinplasters" will come to the front for redemption. There is no reason why they should not be redeemed, if the banks that sent them forth are still in existence; for it is certain that they are promises to pay for money received for them.

**THE LOAN OF PUBLIC MONEY.**—The *Little Rock Democrat* says: "Much is being said about the violation of law and enormity of the offense of loaning out public money. It is indeed a great evil and in many instances it has produced sad results. But we do not stop to reflect that this has been a very common occurrence, and is still a common occurrence, in this State. It is done, no doubt, in half the counties in Arkansas, although very few defalcations have occurred on account of it. The money is returned on time, the officers settle their accounts promptly and the public is safe. Banks nearly everywhere are in the habit of using such money, but they have in nearly every instance been prompt to replace it. Would it not be well to allow them the use of such funds by law, under proper safeguards?"

**SIGNIFICANCE OF "M" ON THE DOLLAR.**—Said one of our bankers to me yesterday: "There is a prevalent idea that the minute letter 'M' to be seen at the base of the head of liberty on the face of the present issue of silver dollars stands for 'mint,' and is an evidence of the genuineness of the coin bearing it. This is a mistake. The 'M' stands for Morgan, John T. Morgan, the originator of the design. On the same side there is another 'M,' also the initial of the designer. This is to be found in the waving locks of the fair goddess, and is so cleverly concealed in the lines of the design that it can only be seen after a long scrutiny. A prominent bank official, in speaking of this the other day, said that he had had it shown to him scores of times, but could never find it unassisted."—*Colorado Springs Telegraph*.

**G. WHARTON RITCHIE**, the defaulting teller of the Commonwealth National Bank, Philadelphia who absconded February 23d last with over \$8,000 of the bank's funds, has been traced by his bondsmen, the Guarantee Company of North America, through the South, the West, into Mexico, and finally to Havana, Cuba, where his arrest was caused by the Guarantee Company on April 23d. He will be detained in Havana pending the arrival of papers for his extradition.

**U. S. TREASURER.**—Hon. J. N. Huston, who has been resigning for several months, has finally resigned, and Hon. Enos H. Nebeker, of Indiana, has been appointed his successor.

**MR. THOMAS CHARLES BARING**, one of the two members of Parliament representing the City of London, is dead. Mr. Baring was for some years engaged in the banking business in New York City, and was for more than twenty years a partner in the firm of Baring Brothers & Co., London and Liverpool. The late Mr. Baring was born at Adderbury, Oxfordshire, in 1831. He was a son of the late Charles Baring, D. D., Lord Bishop of Durham, and was the nephew of the first Lord Westbrook. In addition to being a member of Parliament, Mr. Baring was a Justice of the Peace for Essex, Middlesex, London and Westminster, and was in the Commission of Lieutenancy for London.

If any of our readers delight in a Bicycle, we invite their attention to advertisement of the Overman Wheel Co., in our advertising columns.

## EASTERN STATES.

DOVER, DEL.—In 1869 an act was passed imposing a tax of  $\frac{1}{4}$  of 1 per cent. upon the capital stock of all Delaware banks. The National banks claimed exemption, refused to pay, and the matter has been in litigation for several years past. A compromise has been finally reached, which was ratified by the passage by the Legislature of a joint resolution accepting \$47,000 in settlement from the National banks and permitting the State banks to settle on the same terms. This is about \$20,000 less than the State claimed.

DOVER, DEL.—A bill has been introduced into the Legislature, providing the appointment of a State Examiner of loan and trust companies. Under the provisions of this bill it is understood that the Examiner is to receive \$1,200 per annum; but the State is not to pay it. It is to come entirely out of a tax to be levied on the companies to be examined. It is the aim of the bill to prevent such defalcations as that of Messrs. Lichtenstein and Pierce. The Examiner under the bill is to have power to enter the office of any loan or trust company at any time without notice and demand the books and balance sheet of the concern. Senator Ross will introduce it.

BOSTON, MASS.—The Boston bankers held their annual supper on the twentieth anniversary of the Bank Clerks' Mutual Benefit Association. It was the most ambitious effort the association has yet made, arranged specially to celebrate the age at which the organization has arrived, and was an unqualified success. There were upwards of 270 members and guests seated around the tables. Among the prominent gentlemen at the president's board were: His Excellency, Gov. Davis; Asa P. Potter, president of Maverick National Bank, Boston; James G. Cannon, vice-president Fourth National Bank of New York; Senator Nelson W. Aldrich; President Andrews of Brown University, Rev. Edward Holyoke, and the following bank presidents of this city: Gov. Royal C. Taft, H. J. Wells, George L. Littlefield, Benjamin A. Jackson, Hon. A. C. Barstow, Gen. William Ames, Hon. S. P. Colt, George B. Calder, F. W. Carpenter, S. M. Lewis, John Austin, C. G. Burrows. Also Gen. Olney Arnold and Gov. L. B. Darlino, of Pawtucket; Judge Charles Matteson, John P. Campbell, William P. Chapin, Col. Hiram Kendall, C. T. Keith, President I. B. Mason and President C. W. Conant. There were also at other tables representatives from the banking institutions of Pawtucket, Woonsocket, East Greenwich and Warren. George C. Noyes, cashier of the Globe National Bank, and president of the association, opened the way for the flood of after-dinner oratory by thanking the banks for their cordial co-operation with the social committee of the association. Mr. Asa P. Potter, president of the Maverick National Bank, was introduced as a Rhode Island boy. He was given a warm greeting. He said he did not propose to do anything more than tell them how glad he was to come to Rhode Island. He felt always at home here, for he learned his first lessons in business at Pawtucket under an esteemed bank president, whom he was sorry to hear had been laid away to rest that day. He spoke of the Boston Bank Clerks' Mutual Association, and its plans for the future. It was the intention to obtain rooms in some building and establishing a library, making it a rendezvous for banking clerks, where they could obtain the advantages which come from social association. In his opinion there was nothing more profitable for a young man starting out than to take up the banking business. He trusted that the association would have the success it deserved.

BOSTON.—These officers have been elected by the Associated Banks of Boston for the ensuing year: Chairman, George Ripley, president of the Hide and Leather Bank; secretary, N. G. Snelling; clearing committee, Thomas P. Beal, president of the Second National; A. L. Newman, president of the Commonwealth National; Phineas Pierce, president of the Continental National; Moses Williams, president of the Third National; Franklin Haven, Jr., president of the Merchants' National.

EAST BRIDGEWATER, MASS.—B. W. Keith, Esq., of East Bridgewater, has a bank bill of old State issue, dated July 4, 1817, on the Wiscasset Bank, when Maine was part of Massachusetts. It is of \$1.00 denomination and has fine type printing repeating the one dollar all over the face of the bill, with the words Massachusetts, Wiscasset and One Dollar made prominent in the title. We doubt if

there is an older bill in existence, of the former State issue. In these days of National banking this ancient currency is a decided curiosity.

CHARLESTOWN, MASS.—The Bunker Hill National Bank has increased its surplus from \$300,000 to \$350,000.

ORANGE, MASS.—The Orange National Bank makes a good exhibit as usual, showing capital management; resources of all kinds, \$480,946.28; surplus, \$36,000; undivided profits, \$14,405.07. Deposits subject to check, \$256,867.40.

DOVER, N. H.—Cashier Stickney is again very comfortably located at his old stand, the Great Falls National Bank. Since the fire the building has been thoroughly renovated.—*Dover Star*.

NASHUA, N. H.—The City Savings Bank has been reorganized. The name of the new institution will be "City Guaranty Savings Bank." A guaranty fund of \$50,000 has been paid in by the guarantors for the protection of the general depositors. This fund will be increased from time to time to keep it always at least equal to 10 per cent. of the deposits. The bank now starts off under its new organization with a renewed lease of life and upon a solid basis. The officers of the new bank are: President, Hon. Charles H. Burns; treasurer, Hon. George A. Ramsdell; trustees, Charles H. Burns, Luther A. Roby, J. A. Spalding, E. O. Blunt, E. P. Brown, J. M. Swallow, D. A. Fletcher, James H. Reid, Charles A. Roby, G. A. Ramsdell, A. N. Shepard, Joseph Flather, Mark R. Buxton, Daniel T. Buttrick, George F. Wilbur, F. M. Winn, George B. McQuesten, W. B. Rotch, C. H. Burke and C. M. Shuttuck. The difference between the old and the new organization is that in the ordinary savings bank each and every depositor is a stockholder and shares the same profit and losses. Under the new organization a number of men step forward as guaranty depositors and run the bank, having made a fixed deposit which cannot be withdrawn. The general depositors thus only share in the profits of the bank and not in the losses if there should be any, a dividend fixed by the trustees being paid to them, while the guaranty depositors share in profits or shoulder the losses as the case may be.

NEW JERSEY.—Col. G. B. M. Harvey, the State Commissioner of Banking and Insurance, has sent notices to the boards of managers of all the savings institutions in the State, that the department will begin immediately the examinations as required by the law, which provides that he visit and examine every savings corporation in the State at least once in two years. He expects to complete the first examination within the next two months.

NEWARK, N. J.—The Mechanics and Laborers' Savings Bank in Jersey City, which collapsed years ago through the rascality and dishonesty of its officers and managers, and has ever since remained in a moribund condition to give a comfortable living to the receiver, is about to wind up its affairs. The depositors get a salvage of 83 per cent., without any interest, which, at 4 per cent., would nearly equal the principal repaid. The Newark Savings Institution still lingers, and probably if the receiver waits long enough the accumulated interest on the remaining assets will be enough to pay a total of 100 per cent. Depositors may think that the money would accumulate interest just as well in their own hands, and they don't possess the abiding faith in the future value of the Chesapeake and Ohio securities that the receiver does.

SOMERVILLE, N. J.—The directors of the Somerset County Bank have decided not to take advantage of the provisions of the new banking act, permitting banks to close on Saturdays at noon, until after May 1st. The First National Bank will doubtless adopt the same plan, thus giving the people due notice of the contemplated change.—*Somerville Gazette*.

NEW YORK CITY.—Said a bank note engraver: "First impressions are not always to be trusted. Sometimes a photograph of a bank or railroad president comes in, and at the first glance the face is attractive. But on taking its lines to the plate, day after day, a different feeling rises up. Long and close inspection detects the man a sneak, or a bully with a varnish, or a chap who would do anything to gather dollars. Then, again, a hard, homely face comes along. The introduction is not pleasant; but, as it keeps itself before you for a fortnight, or so, the features grow friendly and show a man to tie to. Yes, engraving a man's

picture is a good deal like knowing the man himself. Intimacy brings out the truth about him."

**NEW YORK CITY.**—A new National bank has been established in the Swamp. The bank will occupy a portion of the new building on the corner of Gold and Ferry streets. The leather merchants have been inconvenienced a great deal from the fact that there is no bank in their immediate vicinity, and when the new institution was projected the 5,000 shares of stock that were issued were quickly taken by the tanners and leather dealers, and a few other parties not directly connected with this branch of trade. The original value of the shares was \$100 per share, but to start the new enterprise on a firmer basis they were sold at \$110 per share, making, in addition to the \$500,000 capital, a surplus of \$50,000.

The Mechanics and Traders' Bank of New York city has filed with the State Banking Superintendent in Albany a certificate of an increase of capital from \$200,000 to \$400,000.

**NEW YORK CITY.**—The Western National Bank has addressed a circular to the banks and stockholders, giving a comparative statement of the bank for the first quarter of the year. The gross profits for the first three months of 1890 were \$56,300, and in 1891 \$138,781, an increase of \$82,481. The net profits, which were \$14,497 for the first quarter in 1890, were \$103,959 in 1891, an increase of \$89,462. The larger increase in net profits than in the gross is accounted for by a decrease in expenses of \$6,981. The net deposits on the first of April, 1891, were \$9,342,118, as against \$7,559,867 same date 1890. The amount to credit profit and loss increased during the year ending April 1, 1891, \$79,909, notwithstanding the fact that the sum of \$102,000 had been charged to profit and loss, and a dividend of \$87,500 paid to stockholders. The circular states that there seems to be no reason to doubt that the bank will be able to pay hereafter semi-annual dividends of at least 2½ per cent., and at the same time substantially increase the amount of its surplus.

**BROOKLYN, N. Y.**—At a meeting of the Board of Trustees of the People's Trust Company, on the 16th of April, the following minute was adopted: The sudden decease of our president, William H. Murtha, whom, in the prime of his life and the fullness of his powers, it has pleased Divine Providence to take from us, call upon us as his attached friends and members of the Board of Trustees of the People's Trust Company, to place on record the expression of our great respect and personal regard for him and our deep sense of the loss which this institution and the community have sustained in his death. Public-spirited and influential as a citizen, honorable in every relation, conspicuous in public affairs, loyal to every trust; he was enthusiastic and self-sacrificing in his devotion to the interests of this institution, with the management of which he has from the first been identified, and to the success of which his wide influence, sound judgment and valued counsels have very largely contributed; we, who have known how warm-hearted, honest, generous and sincere he was, appreciate his ability and his worth, and deplore his loss as a personal bereavement.

**LONG ISLAND.**—The quarterly report of the Bank of Jamaica, just filed with the Banking Department, shows that institution to be in a flourishing condition. The resources are \$300,456.64. The bank has created a surplus fund of \$10,000, and this quarter shows profits of \$14,466.05.

**MIDDLETOWN, N. Y.**—The National Union Bank, of Monticello, reports: Loans and discounts, \$182,574.37; stocks, securities, judgments, claims, etc., \$37,583.75; due from reserve agents, \$20,046.68; capital, \$50,000; surplus, \$25,000; undivided profits, \$12,802.14; demand certificates of deposit, \$28,526.02; deposits, \$150,738.01; due other banks, \$2,492.89.

**UTICA, N. Y.**—A. D. Mather & Co.'s Bank of Utica recently filed with the Superintendent of Banking a certificate on increase of capital from \$100,000 to \$200,000.

**HAMBURG, N. Y.**—The Bank of Hamburg will increase the capital stock from \$25,000 to \$50,000.

**COLUMBIA, PA.**—A suit will soon be brought in the United States Court of Claims, whose history dates back to General Lee's invasion during the late war.

The plaintiffs are Columbia National Bank Company, of Columbia, Pa., who seek to recover damages from the United States Government for the burning of the company's bridge over the Susquehanna River by Government troops in June, 1863. At that time the Columbia National Bank Company was known as the Columbia Bank and Bridge Company, and owned the bridge spanning the Susquehanna River between Columbia and Wrightsville. The bridge, a wooden structure, one mile and a half in length, and at that time constituting \$150,000 of the banking company's assets, lay in the direct line of Philadelphia, and in 1863 was held by the Union troops, commanded by Major Haller, under General Crouch. Over this bridge Lee, during his invasion, intended to march on Philadelphia, and General Crouch, fearing he could not check Lee, ordered Major Haller to burn the bridge.

PHILADELPHIA.—The suit of the First National Bank of Ironton, Ohio, against B. K. Jamison & Co., to recover \$25,000, less \$4,615.52 already collected on the debt, upon the ground that the firm had guaranteed a loan in the first mentioned amount, made by the bank to the Aetna Iron Company, ended in a verdict for the defendant, in the United States Circuit Court, for the bank. It had been urged that the loan was made upon faith placed in telegraphic correspondence had with Jamisons. The defense was that a guarantee had not been given, and that demand for payment of the alleged guarantors, and notice that the loan had not been met, were not given until long after they should have been.

LANCASTER, PA.—The Conestoga National Bank, Lancaster, will increase its capital stock to \$200,000.

PITTSBURGH, PA.—The People's Savings Bank of Pittsburgh has filed a bill in equity against the County Commissioners and John A. Bell, the County Treasurer. The suit is to test the constitutionality of the act of Assembly providing for the levying of a 3-mill tax on bank deposits. The bill states that the capital stock of the bank is \$300,000. Under the act of June 1, 1889, the depositors were required to make a return to the County Commissioners of the amount of their deposits, and the Commissioners assessed on the deposits a tax of three mills. The bank claims that it has already paid to the State a tax of six mills on the dollar on the capital stock, and that to collect the tax levied by the Commissioners would be to enforce a double taxation. This, it is asserted, is unfair, and if the act of Assembly requires it the act is unconstitutional. The deposits on January 1, 1891, amounted to \$1,783,307.71. The Court is asked to grant an injunction restraining the Commissioners from making a return of the amount of the deposits to the State Board of Revenue, to restrain the levying and collection of the 3-mill tax on the same, and to decree that by the election to pay a 6-mill tax on the capital stock the bank is exempt from further taxation.

PITTSBURGH, PA.—A BAD BANK FAILURE.—The "Dime Registering Bank" is the latest scheme to save money. The first coin locks the bank, and each succeeding coin registers until \$5 or \$10 is stored away, when it opens and all comes out. This scheme is very popular, as the money is safe and cannot be gotten out until the full amount is in. But it has its drawbacks, [as a young barber in the Diamond Square knows only too well. The other day the young man was exhibiting his bank, a \$5 one, which had 36 dimes in it. A friend began shaking it, and the owner remarked: "Oh, you can have it if you get it out." Another friend standing by asked if the same privilege would be accorded him, and receiving an affirmative reply took 14 dimes from his pocket and proceeded to fill out the bank. The owner looked as though he had had an attack of cerebro-spinal meningitis, and as the coins clipped in he began to weaken until the last one went in, when, as the cash fell from the bank, he sank exhausted in his chair. He declared that "anybody could do it that way," but the victor only remarked that it was like standing an egg on end—you must first know how.

PITTSBURGH, PA.—The Bank of Pittsburgh has turned over to the State authorities \$3,896.51, representing unclaimed deposits on hand the last three years. This is the only bank so doing, and there is talk of an investigation. Under the law the State authorities hold the money for five years, after which title passes absolutely.

PITTSBURGH, PA.—John Harper, president of the Bank of Pittsburgh, who died last month, had long been one of the foremost men in the community. He had been president of the Pittsburgh Clearing House since its organization; was a founder and for twenty-five years president of the Western Pennsylvania Hospital; was the president of the Pittsburgh and Allegheny Suspension Bridge Company; a director of the Monongahela Navigation Company; a trustee of the Western University of Pennsylvania; Commissioner of the Sinking Funds of Allegheny County, and was identified with a number of other institutions and associations. He was a millionaire several times over. He was born in Ireland in 1811. When 9 years of age he came with his parents to America, and at 15 was clerk in a store at Steubenville. Edwin M. Stanton was employed in a store close by, and between the two youths a strong friendship sprang up which only death terminated. In 1832 he became a clerk in the Bank of Pittsburgh, the oldest banking institution in that city. In 1837 he was promoted to be assistant cashier, then cashier, and in 1866 was chosen president. Through the more than half century of his connection with the bank it passed safely through every financial crisis, never had a defalcation, and never failed to pay a semi-annual dividend. Mr. and Mrs. Harper celebrated their golden wedding five years ago. Among the children are Orlando M. Harper and Charles S. Harper, both of New York.

ROYERSFORD, PA.—The stockholders of the National Bank of Royersford have voted to increase their capital to \$150,000. The present capital is 1,000 shares of \$100 each; 859 shares were voted for the increase and 5 against. The manner of issuing the new stock was determined at a meeting of the board of directors on the 6th of March.

BRATTLEBORO, VT.—The Vermont National Bank at Brattleboro has been appointed a reserve agent of the Federal Government.

#### WESTERN STATES.

JAMESTOWN, N. D.—Public Examiner Wallace has issued a circular notifying any whom it may concern, that after April 20th all violators of the State banking law will be dealt with according to law. Some private bankers, in order to evade assessment for 1891 taxes, are neglecting to comply with section 27, requiring incorporation, and the circular is directed against them.

CHICAGO, ILL.—The Bankers' Club held their quarterly banquet at the Wellington. At 7:30 o'clock forty-five members and guests sat down and partook of a sumptuous repast, accompanied by music. After dinner, letters of regret were read from John Sherman, L. E. Payson, and E. S. Lacey, Comptroller of the Currency. E. G. Keith, president of the club, presided.

CHICAGO.—A La Salle street bank the other day cashed a draft for several thousand dollars which was drawn on the Chicago institution by an Iowa firm, and which was made payable to the order of a young woman who had indorsed it: "Please pay all this money to pa." As "pa" owns about half the little Iowa town where he lives, and as his identity was known, the indorsement was accepted by the bank officials without objection, but with several smiles.

ROCKFORD, ILL.—At a meeting held on the 3d of April the committee appointed at a former meeting to consider the feasibility of establishing a Clearing House submitted a favorable report, but some of the members desired further time and the committee was instructed to report a plan in detail at a meeting to be called in June. The committee on permanent organization was also continued a month longer.

INDIANAPOLIS, IND.—Auditor of State Henderson has appointed Senator Harry H. Francis, of Michigan City, State Bank Examiner. The law requires that the incumbent shall not be connected with any bank that would come under his jurisdiction, and it was deemed best to appoint a man who had no connection with any bank, as the opportunities for knowledge of the inside workings of other banks might be used by a banker in the interest of his own institution.

DUBUQUE, IOWA.—The quarterly statement of the First National Bank reveals that that sterling old financial institution is as usual in a healthy, prosperous condition; well officered and ably managed as it is, and enjoying the esteem and confidence of this community, as it has since the day of its organization, its affairs could not easily be otherwise than in a state gratifying to all interested. It has a

surplus fund of \$40,000 and undivided profits of \$32,570, a sure sign that its business is profitable; while demand and time certificates of deposit aggregating \$317,509.85 attest the popular faith in its stability. The statement speaks exceedingly well for the bank. The statement of the Second National Bank shows the largest deposit of any bank in the city—over \$900,000—with assets of \$1,217,000. A comparison with their statement published a year ago shows a gain in the deposits during that period of nearly \$200,000. The statement published to-day shows the condition of the bank on February 26th, since which time \$200,000 has been paid in, increasing the capital stock to \$400,000, and making the total assets about \$1,400,000. These are large figures, and indicate not only the progressive policy and prosperity of the Second National, but speak well for the credit of Dubuque and her citizens who are supporting such an enterprise.—*Dubuque Telegraph*.

SIoux CITY, IOWA.—The Sioux City *Times* says of the Commercial State Bank that "The largest stockholder in the bank next to the president, Jonathan W. Brown, is the vice-president, the Hon. J. Sloat Fassett, of Elmira, N. Y. He is also vice-president of the Second National Bank of Elmira, having purchased that institution about a year ago and persuaded the County Judge to resign his office and accept the presidency of the bank management. Senator Fassett is the owner of stock in many other banks, but the Second National, of Elmira, N. Y., and the Commercial State Bank, of Sioux City, are the only banks in which he will accept office or assume any responsibility in the management, as the managers of these institutions are his lifelong friends, in whose sagacity he has the utmost confidence."

DES MOINES, IOWA.—Three Des Moines savings banks make statements of their condition in the *Register* on the 5th of April. They are the Des Moines Savings Bank, the People's Savings Bank, and the State Savings Bank. The amount of deposits in the three banks is \$1,341,235.95, of which \$789,320.53 is held by one bank. This is a strong evidence, as strong as could be produced, that the people of Des Moines are prosperous and thrifty. The deposits in these banks are over two-thirds time deposits, mostly in small amounts, representing the savings of laboring people, who are putting their surplus where it will draw interest.

MINNESOTA.—Minnesota loan companies threaten to remove to the Dakotas if the Alliance-Democratic Legislature of the former State carries out its proposed six and eight per cent. interest and forfeiture plan. It would be singular, wouldn't it, if anti-usury legislation in one State should give cheaper rates to another State having no such stringent law? And that would inevitably be the result of more capital forced into South Dakota.—*Mitchell Republican*.

DULUTH, MINN.—The capital stock of the Bank of Commerce has been increased from \$100,000 to \$300,000. The new stock is issued at a premium of ten per cent.

TIFFIN, OHIO.—The Tiffin National Bank has announced a reduction of the rate of interest from 8 to 6 per cent., an innovation that marks an epoch in financial affairs in Northern Ohio. In this connection it is also announced that the capital stock will be increased from \$125,000 to \$300,000.

LA CROSSE, WIS.—Mr. Louis V. Bennett, bookkeeper in the Batavian Bank, delivered not long since an excellent address before the Hamilton Club in that city on the subject of usury, from which we shall take pleasure in presenting some extracts in a future number.

#### SOUTHERN STATES.

FORT PAYNE, ALA.—The Fort Payne *Herald* says: "The record already made by the Bank of Fort Payne has been a most remarkable one. Last year, two dividends of 10 per cent. were paid, and during the middle of the summer the capital of the bank was increased from \$50,000 to \$100,000. Even now, and notwithstanding the monetary stringency, the bank has undivided profits showing earnings of over 7 per cent. since its report last August. There is a field at Fort Payne for the safe employment of half a million more banking capital. Safe loans can be made, backed by ample collateral or good security."

MOBILE, ALA.—The National Commercial Bank, at Mobile, will have its name changed to the Alabama National Bank.

ANNISTON, ALA.—The Anniston *Hot Blast*, in speaking of the first annual

statement of the Security Bank, says: "The \$75,000 authorized capital with which this bank was organized was not all paid in to start with, and has been paid in from time to time, on the installment plan—so to speak, and the last payment for the capital stock was made last week, and yet the earnings amount to more than 10 per cent. net profit on the entire capital stock. What could be better evidence of the executive ability of the bank officials?"

FLORENCE, ALA.—The Bank of the Carolinas, Florence's new bank, which has been in operation only three months, published its first quarterly statement in the *Times* this week. That showed assets \$31,136.37, deposits, \$8,031.16, and has a balance of about \$5,000 to its credit in its accounts with other banks. A dividend of two per cent. for the quarter was declared.

JACKSONVILLE, FLA.—The National Bank of Jacksonville has gotten out a very pretty little souvenir in the shape of a slate book, which they are giving to their customers.

AUGUSTA, GA.—The Bank of Augusta charges one per cent. for collecting notes for rent. Banks do too much business for nothing, or with the expectation of receiving some returns that never come.

MACON, GA.—The State Treasurer, Hardeman, has completed his examination of the banks of Macon that are operating under State charters. He says he found all of the institutions to be in admirable condition. He was much pleased and well satisfied at all he saw. The Macon banks had no idea that he intended inspecting them, and were not prepared for his coming, but the State Treasurer found all their affairs to be in splendid condition.—*Atlanta Constitution*.

MACON, Ga.—The Macon Savings Bank has increased its capital from \$100,000 to \$200,000. This will be good news to the many friends and customers of the bank, and full of encouragement to those who are interested in Macon's financial future.

NEW ORLEANS, LA.—The quarterly statement of the Germania Savings Bank, just published in *The Item*, illustrates the great value to a community a well-managed and sound institution of this kind may be made. It conserves the savings of 4,193 depositors and pays them interest thereon, their aggregate accounts reaching the enormous sum of \$1,353,552.94. It is safe to say that much of this fund, "laid up for a rainy day," would have been squandered uselessly but for the invitation to economy offered by the bank and the absolute safety it afforded. President Zuberbier, Cashier Blaffer and their associates may well feel proud of their good work.—*New Orleans Item*.

LONACONING, MD.—The report of the condition of the Lonaconing Savings Bank shows \$91,540.52 on deposit at the close of business, March 31, an increase of \$24,898.11 over the amount on deposit at the same time last year. The institution, which organized nearly two years ago with a capital stock of \$20,000, has a surplus fund of \$4,000, and undivided profits amounting to \$2,821.07, representing a profit of over 34 per cent. on the capital stock, and not including the expenses paid. There are 507 accounts now open. This statement speaks well for the bank and the officers in charge.

FORT WORTH, TEXAS.—In 1888 the bank clearings of Fort Worth were \$32,178,470.84. In 1889 they were \$63,264,782.23. In 1890 they were \$98,443,413.60. Steadily onward is the march of the trade of the Queen City of Texas.—*Fort Worth Gazette*.

HOUSTON, TEXAS.—The Planters and Mechanics' National Bank has been designated a Government depository. Mr. Patton, the president, remarked to a reporter of the *Houston Post* when interviewed on the subject: "The volume of public business has grown to such an extent in South Texas that it demands every facility for more effective public service. The public moneys from Houston and Galveston and all South Texas cities have been remitted to New Orleans and St. Louis, and a depository was therefore a necessity." Mr. Patton further stated that the appropriation of \$6,200,000 for deep water at Galveston had attracted the attention of capitalists and investors, and Houston seemed to be getting its share of the business. "The organization within the past eight months of two National banks, each with a capital of \$500,000," said Mr. Patton, "the organization of the



Houston Clearing House, which shows to the commercial world the increasing business of Houston, and the valuable manufactories being established, causes one to think over our resources and facilities, and in view of the large appropriation of Government money, made for Government work on our coast, the uses of a Government deposit and the appointment of a Government disbursing agent should not be surprising."

WEST VIRGINIA.—Governor Fleming has appointed Mr. Charles W. Young, of Kanawha County, to be Bank Examiner under the act of the late Legislature creating that office.

#### PACIFIC STATES.

SAN FRANCISCO, CAL.—In a lecture by Mr. Charles G. Reed, teller of the Union National Bank of Oakland, before the Young Men's Christian Association, he said, among other things, that "many have an idea that banks are unwilling to rectify mistakes. That is not true. As a rule they are very ready to rectify any mistake, if promptly called and clearly proved. When you go to a bank for change make up your mind beforehand just what change you want and call for it. In nine cases out of ten if a man says, 'Give me anything,' and you give him what you please, it don't please him."

SAN FRANCISCO.—The statement of receipts and expenditures presented at the annual meeting of the California Safe Deposit and Trust Co., showed that since July 1, 1890, the time when the present manager, S. P. Young, took charge, the accounts have increased from \$151,000 to \$455,000. The deposits increased from \$178,000 to \$552,000. The loans increased from \$332,000 to \$689,000. Since a savings bank department was started, in December last, \$179,000 had been deposited in that part of the bank. In the safe deposit department an increased number of boxes had been rented, and, notwithstanding the competition existing and the lower rates now charged for boxes, that department was in a flourishing condition. The gross earnings of the company for the fiscal year had been \$63,665.53, and dividends amounting to \$60,000 had been paid to stockholders. Manager S. P. Young then read his annual report.

SAN FRANCISCO.—A recent number of the *San Francisco Journal of Commerce* contains an interesting account of some of the solid financial institutions of the city from which we extract the following:

THE PACIFIC BANK.—This bank was organized February 4, 1863, and is, therefore, the oldest commercial bank on the Pacific Coast. It was organized on a paid-up capital of \$500,000, and more could not have been profitably used at the time on the safe, conservative basis upon which it was determined it should sink or swim. That has been increased to \$1,000,000, with an accumulated surplus of \$800,000. It pays a regular 8 per cent. dividend to stockholders, and its real estate and other holdings are increasing in value at a prodigious rate. Its location at the northwest corner of Pine and Sansome streets could be sold out at a heavy premium any day, as it has become the very center of a district where property valuations are simply jumping up—that is, property adapted to business purposes. The bank stock has gone up from \$80 to \$160 per share, and is held at \$200 per share, being the highest priced bank stock in the city. The business of the bank has grown from comparatively nothing to over \$225,000,000 last year. Dr. R. H. McDonald has long been president of the Pacific Bank. He has been long identified with every creditable charity and philanthropic work of world-wide renown.

ANGLO-CALIFORNIAN BANK.—Prominent among the banking institutions of this city is the Anglo-Californian. The bank was established in July, 1873, succeeding I. Seligman & Co., and carrying on ever since a strictly legitimate banking business. The reserve fund, unlike that of most banks, is steadily added to, thereby increasing the stability of the bank and adding to the confidence of its patrons and stockholders. At the present time this reserve fund, accumulated over and above the payment of regular semi-annual dividends of from 7 to 10 per cent., now amounts to \$600,000. The subscribed capital of the institution is \$3,000,000, of which one-half is paid up in cash, and the corporation headquarters are in London, England. In addition to the regular local business done by the bank, and among the largest in the city, the Anglo-Californian occupies the leading position in foreign exchanges, and in the dealing in and shipping of bullion to China, India and other

countries. The business here is under the immediate control of Governor F. F. Low and I. Steinhart, managers, and P. N. Lillienthal, cashier. The directors in London are: Isaac Seligman, of the well-known banking firm of Seligman Brothers; J. Sebay Montefiore, the executor and residuary legatee of the late Sir Moses Montefiore; I. Lushington, a director in the London and County Bank, London; Right Honorable H. H. Fowler, member of Parliament, and I. Simon, the last mentioned being managing director and chief executive officer of the bank.

**MUTUAL SAVINGS BANK.**—No more noteworthy example of rapid and substantial growth of California institutions can be pointed out than that of the Mutual Savings Bank of San Francisco. Organized in November of 1889, it commenced business on the 10th of February, the year following, with a fully paid-up capital of \$300,000, its officers and directors being some of San Francisco's most prominent and well-known capitalists. Referring to its second semi-annual statement, just published, we find that the deposits on the 1st of January, 1891, were \$1,161,475.05. This is truly a wonderful showing. The bank's loans amounted on that date to nearly a million and a half dollars. Surely this is prosperity with a big "P." Mr. James A. Thompson, formerly State Bank Commissioner, is the ever-obliging cashier of this bank.

**PEOPLE'S HOME SAVINGS BANK.**—One of the most useful institutions in San Francisco is the People's Home Savings Bank. No entrance fee is charged on opening accounts, and any person may open an account with the bank by leaving his or her signature, or sending it with one dollar or upwards. Term deposits require six months notice of withdrawal, but ordinary deposits may be withdrawn at any time. Interest is paid on either account, but the term deposits naturally return the best dividends. The percentage of guarantees by the People's Home Savings Bank is over 100 per cent. for guaranteed capital and 28 per cent. on paid-up capital. The Oakland Bank of Savings is 14 per cent. on paid-up capital, the Hibernia Bank 8 per cent., the German Savings Bank 5 per cent., and the San Francisco Savings Union 4 per cent. But the People's Home Savings Bank has inaugurated a new departure, which must prove of vast benefit in cultivating a disposition to save in young persons. We refer to the five-cent stamp deposit system, which is original with this bank on this coast. In Germany the system is old. At first it was not particularly popular, but after an experience of over eighty years it has become enormous, and saves to the provident poor many thousands of dollars every year, which would otherwise have been squandered. The system has been adopted in some of the Eastern cities, and has at once become immensely popular, notably in Detroit. The People's Home Savings Bank has established stamp agencies at all prominent points in this city and Oakland, where the small sum of five cents can be invested, and under the wise system in force be made to grow at interest, compounded every six months.

**SAN FRANCISCO.**—James A. Thompson, cashier of the Mutual Savings Bank, in describing the banking business to a reporter of the *San Francisco Post*, said: "The business of our savings banks as an indication of the condition of the working classes is not an absolute guide. This is a broad subject, much more so than people generally suppose. Savings banks in this city are conducting what is known in New York as a trust company business—that is to say, they do not confine their efforts to investing 'savings' merely, but accept the custody of the funds of capitalists, estates, minors, etc. If our banks were limited as to their customers to the wage earners or the savings class exclusively, the condition of the banks would be very different. In many of them, instead of limiting the amount received on deposit (almost invariably the rule in the extreme eastern cities), sums are taken to an extent that practically means no limit. There are \$90,000,000 on deposit in the San Francisco savings banks to-day, representing capitalists, large and small, business houses, estates, minors, charities, etc., as well as the thrifty class of wage earners, men and women, who are usually considered the sustainers of savings banks."

**TACOMA, WASH.**—The *Tacoma News* says: "During the first quarter of this year the clearances of Tacoma show an increase of 37.8 per cent. compared with the corresponding period of last year. During the same period the clearances of Galveston show an increase of 51.6 per cent. On the other hand, the clearances of the whole country show a decrease of 8.7 per cent. for this period."

## CANADA.

**BANK OF BRITISH COLUMBIA, CANADA.**—At the half yearly general meeting of this bank, the chairman, Mr. Robert Gillespie, said: "The success of the half-year's business is again a matter of congratulation, and I hope it is as satisfactory to you to receive as it is to me to submit to you—for you will, on reference to former half-years, observe that we have now to deal with larger profits than on any former occasion, and this in the face of much stringency in money both here and abroad, greater competition, and an increased capital to earn dividend upon. At the end of 1889 our capital was £500,000. In June we increased it to £600,000, and of course during the last half-year we have been working on that increased capital. The reserve fund in 1889 was £115,000. It has since been raised to £200,000, and we purpose to-day, with your approval, to add further to it. Notes in circulation show a very material improvement. In looking at this question of note circulation (£212,751) I always value it for this reason: it shows increasing confidence in the institution. The bills discounted and loans now aggregate a very considerable sum—I believe the largest we have ever seen. They represented on the 31st December, 1889, £1,600,000; in June, 1890, £1,696,000; and in December last £1,981,229; showing a material increase over the two previous half-years. I think it also bears this record on the face of it, that with our increased resources we have been able to add very materially to our business. Bills receivable also indicate a very large increase. They amount to £752,000, as compared with £680,000 in December, 1889, and £370,000 in June last. Our gross profit for the half-year is in excess of that of any previous half-year. The gross profit shows an increase of £10,000 as compared with December, 1889, and of £18,000 as compared with June last."

**HALIFAX, N. S.**—The Bridgetown *Monitor* has made an interesting analysis of the Blue Book, giving the names of holders of Canadian bank stocks. This article shows an alarming condition of affairs—a fact which will cause chagrin to every blue ruin grit politician in the country. The *Monitor* tabulates its investigations. Of the \$4,343,440 capital of Nova Scotia banks, \$2,910,320 is owned by the people of Halifax and Dartmouth, and \$1,435,120 owned by Nova Scotians outside of Halifax and Dartmouth. The figures are as follows:

Name of Bank.	Value owned by Nova Scotians.	Owned in Halifax and Dartmouth.	Owned in other places in Nova Scotia.
Halifax Banking Company.....	\$484,000	\$361,160	\$1,22840
Merchants Bank, Halifax .....	1,068,700	890,000	178,000
Bank of Nova Scotia, Halifax.....	948,600	760,000	188,600
Peoples Bank, Halifax.....	583,680	489,000	95,000
Union Bank, Halifax.....	457,900	372,000	85,950
Bank of Yarmouth.....	299,100	300	289,800
Exchange Bank, Yarmouth.....	244,680	2,860	244,380
Commercial, Windsor.....	256,550	35,000	221,550
	\$4,343,440	\$2,910,320	\$1,435,120

These banks have a combined capital of \$4,620,000, and it will be seen by the above figures that Nova Scotians own shares in it to the amount of \$4,343,440, leaving a trifle more than a quarter of a million in hands of people outside the province. It will be also seen that the citizens of Halifax and Dartmouth hold shares to the value of nearly three millions of dollars, while the country shareholders hold, within a trifling sum, one million and a half of dollars, or almost precisely one-half as much as that held in the capital and its sister town, or in the ratio of 1 to 2. This, it appears to us, is a most excellent showing for the province.—*Halifax Mail*.

Sterling exchange has ranged during April at from 4.88 @ 4.89 for bankers' sight, and 4.85 @ 4.86¼ for 60 days. Paris—Francs, 5.18¾ @ 5.15 for sight, and 5.21¾ @ 5.17½ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.85¾ @ 4.85½; bankers' sterling, sight, 4.88¾ @ 4.89; cable transfers, 4.89¼ @ 4.89½. Paris—Bankers', 60 days, 5.20 @ 5.19¾; sight, 5.16¾ @ 5.16¼. Antwerp—Commercial, 60 days, 5.22½ @ 5.21¾. Reichmarks (4)—bankers', 60 days, 95 @ 95¾; sight, 95½ @ 95¾. Guilders—bankers', 60 days, 40 3-16 @ 40¼; sight, 40 7-16 @ 40½.

The reports of the New York Clearing-house returns compare as follows :

1891.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.	Surplus.
April 4..	\$412,893,500	\$77,140,100	\$33,162,700	\$415,651,300	\$3,491,000	\$6,389,975
" 11..	413,971,600	76,681,800	32,962,800	416,126,600	3,493,200	5,612,950
" 18..	412,891,900	74,099,800	33,949,000	414,915,800	3,491,700	4,319,850
" 25..	407,017,700	73,155,300	36,357,900	410,152,300	3,461,600	6,975,125

The Boston bank statement is as follows :

1891.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.
April 4.....	\$154,761,300	\$9,981,100	\$3,754,500	\$128,774,400	\$3,054,700
" 11.....	153,991,000	10,237,500	4,003,400	130,641,800	3,257,800
" 18.....	153,240,100	10,538,500	4,458,500	131,287,400	3,259,700
" 25.....	153,871,300	10,535,300	4,846,100	130,368,400	3,279,900

The Clearing-house exhibit of the Philadelphia banks is as annexed :

1891.	Loans.	Reserves.	Deposits.	Circulation.
April 4.....	\$96,228,000	\$25,857,000	\$93,655,000	\$2,134,000
" 11.....	96,117,000	28,179,000	96,577,000	2,139,000
" 18.....	95,917,000	29,370,000	98,660,000	2,139,000
" 25.....	95,419,000	30,112,000	98,296,000	2,133,000

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows :

QUOTATIONS :	April 6.	April 13.	April 20.	April 27.
Discounts.....	6 @ 7	6 @ 7	5½ @ 7	5½ @ 6½
Call Loans.....	3½ @ 2½	3½ @ 3	3½ @ 3	4 @ 3
Treas. balances, coin.....	\$147,398,604	\$143,008,639	\$140,563,514	\$136,752,607
Do. do. currency.....	7,711,950	7,581,752	8,688,015	9,332,831

## DEATHS.

**BISSELL.**—On April 11, aged sixty-five years, GEO. P. BISSELL, of the firm of Geo. P. Bissell & Co., Hartford, Conn.

**CRUMPLER.**—On March 2, aged forty-one years, BENJ. R. CRUMPLER, Cashier of Divernon Bank, Divernon, Ill.

**DAKIN.**—On April 19, aged fifty-eight years, G. W. B. DAKIN, President of National Central Bank, Cherry Valley, N. Y.

**FITTS.**—On April 3, LEANDER FITTS, Cashier of First National Bank, Moravia, N. Y.

**GADSDEN.**—On April 3, aged fifty-five years, THOS. GADSDEN, Cashier of Merchants' National Bank, Savannah, Ga.

**GAY.**—On April 21, aged seventy-four years, WILLARD GAY, President of National State Bank, Troy, N. Y.

**GROBY.**—On April 19, HENRY GROBY, President of First National Bank, Miamisburg, O.

**HARPER.**—On April 5, aged eighty years, JOHN HARPER, President of Bank of Pittsburgh and Pittsburgh Clearing House, Pittsburgh, Pa.

**LIBBY.**—On April 21, aged seventy-seven years, HARRISON J. LIBBY, President of First National Bank, Portland, Me.

**MURTHA.**—On April 15, aged fifty years, WM. H. MURTHA, President of People's Trust Co., Brooklyn, N. Y.

**SARGENT.**—On April 15, C. J. SARGENT, Cashier of First National Bank, Downs, Kan.

**SMITH.**—On April 16, aged fifty-two years, F. K. SMITH, Cashier of Sprague National Bank, Brooklyn, N. Y.

**THOMPSON.**—On April 19, aged eighty-nine years, JOHN THOMPSON, Vice-President of Chase National Bank, New York City, N. Y.

**TRABUE.**—On April 3, aged seventy-seven years, JOHN TRABUE, Vice-President of First National Bank, Jacksonville, Ill.

**TURNER.**—On April 16, aged sixty-eight years, Royal W. Turner, President of Randolph National Bank, Randolph, Mass.

## NEW BANKS, BANKERS, AND SAVINGS BANKS.

*(Monthly List, continued from April No., page 819.)*

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N.Y. Correspondent.</i>
CAL....	Haywards.....	Bank of Haywards.....	Wells, Fargo & Co.
	\$50,000	W. F. Goad, <i>P.</i> J. E. Crooks, <i>Cas.</i>	
		W. C. Belcher, <i>V. P.</i> J. C. Crooks, <i>Ass't Cas.</i>	
DAK. N.	Hunter.....	Hunter State Bank.....	Ninth National Bank.
	\$5,000	Ed. H. Paine, <i>P.</i> Allen H. Paine, <i>Cas.</i>	
		J. H. Gale, <i>V. P.</i>	
" ..	Jamestown.....	Lloyds National Bank...	Continental National Bank.
	\$100,000	Wm. M. Lloyd, <i>P.</i> J. M. Lloyd, <i>Cas.</i>	
		D. McK. Lloyd, <i>V. P.</i>	
" ..	St. Thomas ....	First National Bank.....	.....
	\$50,000	Edward T. Thompson, <i>P.</i> Wm. McBride, <i>Cas.</i>	
		A. P. Buchanan, <i>V. P.</i>	
" ..	Wahpeton.....	Citizens National Bank..	American Exchange Nat. Bank.
	\$50,000	Fred. E. Kenaston, <i>P.</i> Don R. Davidson, <i>Cas.</i>	
		F. H. Wellcome, <i>V. P.</i>	
FLA....	Fernandina ....	First National Bank.....	Importers & Traders Nat. Bank.
	\$50,000	Fred. W. Hoyt, <i>P.</i> R. C. Cooley, <i>Cas.</i>	
		Jas. W. Archibald, <i>V. P.</i>	
GA. ....	Cordele.....	First National Bank.....	National Bank of Republic.
	\$50,000	Geo. W. Marvin, <i>P.</i> Jos. E. Bivins, <i>Cas.</i>	
		J. S. Pate, <i>V. P.</i> Edgar Magnus, <i>Ass't Cas.</i>	
" ..	Macon .....	American National Bank.	.....
	\$250,000	W. H. Burden, <i>P.</i> L. P. Hillyer, <i>Cas.</i>	
		J. D. Stetson, <i>V. P.</i>	
" ..	Madison. ....	R. U. Thomason.....	National Bank of Republic.
		Rusher Thomason, <i>P.</i> Lucien T. Campbell, <i>Cas.</i>	
ILL....	Chicago.....	Bank of Commerce.....	Importers & Traders Nat. Bank.
	\$500,000	Herman Felsenthal, <i>P.</i> Fred. Miller, <i>Cas.</i>	
		Jacob Gross, <i>V. P.</i>	
" ..	Naperville.....	First National Bank.....	.....
	\$50,000	Thomas P. Phillips, <i>P.</i> A. McS. S. Riddler, <i>Cas.</i>	
		Martin Brown, <i>V. P.</i>	
" ..	Peoria .....	Anthony Loan & Tr. Co.	Chemical National Bank.
	\$200,000	Chas. E. Anthony, <i>P.</i> Geo. W. Curtiss, <i>Sec.</i>	
		Clifford M. Anthony, <i>V. P.</i>	
IND ....	Darlington.....	Peoples Banking Co.....	Importers & Traders Nat. Bank.
	\$20,000	Wm. Cox, <i>P.</i> Abraham H. Bowens, <i>Cas.</i>	
		John Peterson, <i>V. P.</i>	
IOWA...	Arthur.....	Bank of Arthur.....	.....
	\$20,000	S. S. Dilenbeck, <i>P.</i> Edwin G. Bowman, <i>Cas.</i>	
" ..	Holstein.....	First National Bank.....	Hanover National Bank.
	\$50,000	Frederick C. Knepper, <i>P.</i> E. H. McCutchen, <i>Cas.</i>	
		Edwin M. Donaldson, <i>V. P.</i>	
" ..	Mt. Pleasant. .	Henry County Sav. Bank.	.....
	\$15,000	Geo. H. Spahr, <i>P.</i> Columbus V. Arnold, <i>Cas.</i>	
		John G. Budde, <i>V. P.</i>	
" ..	Reinbeck.....	Reinbeck State Bank....	Hanover National Bank.
	\$35,000	Fred. Weise, <i>P.</i> James Potter, <i>Cas.</i>	
		John R. Stewart, <i>V. P.</i>	
" ..	St. Ansgar.....	St. Ansgar Bank.....	.....
	\$10,000	Avery Brush, <i>P.</i> Robt. C. Lubiens, <i>Cas.</i>	
		Henry Lubiens, <i>V. P.</i>	
" ..	St. Charles....	Browne, Wood & Co....	Importers & Traders Nat. Bank.
		J. M. Browne, <i>P.</i> O. F. Wood, <i>Cas.</i>	
		J. L. Browne, <i>V. P.</i>	
KAN....	Ashland.....	Farm. & Stockgrowers B.	First National Bank.
	\$25,000	Geo. Theis, Jr., <i>P.</i> Wm. C. Dugan, <i>Cas.</i>	
		Chas. P. Woodbury, <i>V. P.</i>	

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
KAN....	Frankfort .....	Citizens Bank.....	Chase National Bank.
	\$30,000	A. Oberndorf, Jr., <i>P.</i>	Geo. F. Walker, <i>Cas.</i>
		T. F. Rhodes, <i>V. P.</i>	
" ..	Whitewater....	Bank of Whitewater....	Hanover National Bank.
	\$6,000	J. C. Kirkwood, <i>P.</i>	G. P. Neiman, <i>Cas.</i>
		I. H. Neiman, <i>V. P.</i>	
" ..	Winfield.....	Cowley Co. Nat. Bank ..	Chase National Bank.
	\$50,000	J. N. McDonald, <i>P.</i>	Thomas J. Eaton, <i>Cas.</i>
			J. F. Balliet, <i>Ass't Cas.</i>
KY. ....	Louisville.....	Louisville Deposit Bank.	American Exchange Nat. Bank.
	\$500,000	M. Schwartz, <i>P.</i>	J. B. Ohligschlager, <i>Cas.</i>
		Aaron Kohn, <i>V. P.</i>	
LA.....	Franklin.....	First National Bank.....	
	\$50,000	M. T. Burwell, <i>P.</i>	H. S. Palfrey, <i>Cas.</i>
" ..	New Orleans...	Southern Trust Co.....	
		W. J. Behan, <i>P.</i>	
" ..	Plaquemine....	Bank of Plaquemine....	Hanover National Bank.
	\$50,000	Jacob McWilliams, <i>P.</i>	James E. Dunlap, <i>Cas.</i>
		Chas. A. Brusle, <i>V. P.</i>	
ME.....	Auburn.....	Auburn Trust Co. ....	
	\$128,500	Samuel F. Merrill, <i>P.</i>	James F. Atwood, <i>Treas.</i>
		Geo. C. Wing, <i>V. P.</i>	
MICH...	Sebewaing.....	Sebewaing Bank.....	First National Bank.
		Frank W. Hubbard, <i>P.</i>	Geo. F. Hazen, <i>Cas.</i>
MINN. .	Duluth.....	Commercial Bank.....	National Bank of Republic.
	\$25,000	Chas. F. Leland, <i>P.</i>	Donald Macleod, <i>Cas.</i>
" ..	Park Rapids....	Bank of Park Rapids....	Chase National Bank.
		Ike Hazlett, <i>P.</i>	Edward K. Nichols, <i>Cas.</i>
" ..	Sleepy Eye....	State Bank of Sleepy Eye.	National Park Bank.
	\$25,000	Frank H. Dyckman, <i>P.</i>	Otto W. Hagen, <i>Cas.</i>
MO.....	Blairstown....	Bank of Blairstown.....	
	\$5,000	Geo. R. Hindman, <i>P.</i>	Harry R. McCutchen, <i>Cas.</i>
		E. S. Hubbard, <i>V. P.</i>	
" ..	Charleston....	Mississippi Co. Bank....	Chase National Bank.
		Geo. W. Kendrick, <i>P.</i>	James H. Moore, <i>Cas.</i>
		John W. Lindsay, <i>V. P.</i>	J. P. Bridges, <i>Ass't Cas.</i>
MONT ..	Great Falls....	Great Falls Nat. Bank...	National Bank of Republic.
	\$250,000	Robt. S. Ford, <i>P.</i>	Daniel L. Tracy, <i>Cas.</i>
		Edgar G. Maclay, <i>V. P.</i>	
" ..	Helena.....	Montana Savings Bank...	
	\$100,000	Wm. E. Walton, <i>P.</i>	James M. Tucker, <i>Cas.</i>
NEB....	Ord.....	Farmers & Merchants B'k.	Importers & Traders Nat. Bank.
	\$25,000	James A. Patton, <i>P.</i>	Charles E. King, <i>Cas.</i>
		Daniel Thompson, <i>V. P.</i>	
" ..	So. Sioux City..	First National Bank.....	
	\$50,000	F. M. Dorsey, <i>P.</i>	S. W. Appleton, <i>Cas.</i>
N. J....	Camden.....	Central Trust Company...	
	\$100,000	Abraham Anderson, <i>P.</i>	Chas. C. Pine, <i>Treas.</i>
		R. F. Bancroft, <i>V. P.</i>	
N. Y....	Binghamton ..	Merchants Bank.....	American Exchange Nat. Bank.
	\$100,000	Erastus Ross, <i>P.</i>	Frederic E. Ross, <i>Cas.</i>
		L. S. Richards, <i>V. P.</i>	Clinton Ross, <i>Ass't Cas.</i>
		Chas. Davis, <i>V. P.</i>	
" ..	Millbrook.....	Bank of Millbrook.....	Bank of North America.
	\$50,000	John J. Donaldson, <i>P.</i>	Richard J. Scoles, <i>Cas.</i>
		James Reardon, <i>V. P.</i>	
" ..	Syracuse.....	Commercial Bank.....	National Bank of Commerce.
	\$250,000	Henry J. Mowry, <i>P.</i>	Anthony Lamb, <i>Cas.</i>
		H. S. Holden, <i>V. P.</i>	Francis B. Kendrick, <i>Ass't Cas.</i>
N. C....	Goldsboro.....	Bank of Wayne.....	Hanover National Bank.
	\$125,000	Edwin B. Borden, <i>P.</i>	Robt. P. Howell, <i>Cas.</i>
		Frank K. Borden, <i>V. P.</i>	
OHIO...	Cleveland.....	Merch. B'k'g, Safe Dep. & Storage Co.	
	\$150,000	Fred. W. Bell, <i>P.</i>	Geo. F. Canniff, <i>Cas.</i>
		Brenton D. Babcock, <i>V. P.</i>	
" ..	Cleveland.....	Marine Bank Co.....	National Park Bank.
	\$300,000	Edwin B. Hale, <i>P.</i>	Wm. H. Barriss, <i>Cas.</i>
		Henry C. Ranney, <i>V. P.</i>	W. B. Hale, <i>Ass't Cas.</i>

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
PA.....	Bloomsburg.....	Farmers National Bank..	.....
	\$50,000	Wm. S. Moyer, <i>P.</i>	Frank Ikeler, <i>Cas.</i>
" ..	Catawissa.....	First National Bank.....	.....
	\$50,000	Mayberry G. Hughes, <i>P.</i>	Geo. M. Tustin, <i>Cas.</i>
		Luther Eyer, <i>V. P.</i>	
" ..	Johnsonburg...	Johnsonburg Nat. Bank..	Mercantile National Bank.
	\$50,000	F. S. Johnson, <i>P.</i>	Ernest O. Aldrich, <i>Cas.</i>
		M. M. Armstrong, <i>V. P.</i>	
" ..	New Brighton..	Union National Bank. . .	.....
	\$100,000	C. M. Merrick, <i>P.</i>	D. C. Champlin, <i>Cas.</i>
" ..	Shenandoah....	Merchants Nat. Bank....	.....
	\$100,000	John S. Kistler, <i>P.</i>	Edmund B. Hunter, <i>Cas.</i>
TENN...	Knoxville .....	Farmers & Traders Bank.	United States National Bank.
	\$100,000	Cyrus R. Love, <i>P.</i>	J. L. Maxwell, Jr., <i>Cas.</i>
		Geo. M. Burdett, <i>V. P.</i>	
TEXAS..	Marble Falls..	First National Bank.....	Hanover National Bank.
	\$50,000	T. M. Yett, <i>P.</i>	W. O. Richardson, <i>Cas.</i>
		Joel P. Smith, <i>V. P.</i>	Otto Ebeling, <i>Ass't Cas.</i>
" ..	Snyder.....	Citizens Bank.....	.....
	\$6,000		B. Blankinship, <i>M'gr.</i>
WASH..	Castle Rock....	Bank of Castle Rock....	Chase National Bank.
	\$25,000	Chas. Erickson, <i>P.</i>	Johnson Bragg, <i>Cas.</i>
		Frank Hense, <i>V. P.</i>	
" ..	Cheney.....	First National Bank.....	.....
	\$50,000	D. F. Percival, <i>P.</i>	W. E. Weygant, <i>Cas.</i>
		Geo. F. Cummin, <i>V. P.</i>	
" ..	Ritzville.....	Adams County Bank....	Hanover National Bank.
	\$25,000	John D. Bassett, <i>P.</i>	Benj. Martin, <i>Cas.</i>
		U. K. Loose, <i>V. P.</i>	
" ..	Tacoma.....	New England L. & Tr. Co.	.....
	\$200,000	Geo. H. Boardman, <i>P.</i>	Obadiah B. Hayden, <i>Treas.</i>
		Frank Allyn, <i>V. P.</i>	
WIS....	Chilton .....	State Bank of Chilton...	.....
	\$25,000	Wm. Connell, <i>P.</i>	Thos. E. Connell, <i>Cas.</i>
		M. J. Connell, <i>V. P.</i>	
ONT....	Rat Portage....	Imperial B'k of Canada..	.....

## CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from April No., page 825.)

<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
N. Y. CITY... Merchants National Bank.	Robert Galloway, <i>V. P.</i>	Chas. Smith.
ALA .... Florence Nat. Bank, Florence..	P. Schultz Tice, <i>Cas.</i>	Wm. H. Shepard.
ARK.... Nevada County Bank,	W. H. Terry, <i>P.</i>	.....
Prescott.	W. V. Tompkins, <i>V. P.</i>	.....
	Oscar B. Gordon, <i>Cas.</i>	.....
CAL.... The Donohoe-Kelly B'k'g Co.,	Joseph A. Donohoe, <i>P.</i>	.....
San Francisco.	Howard Havens, <i>V. P.</i>	.....
	John W. Flood, <i>Cas.</i>	.....
	Jos. A. Donohoe, Jr., <i>A. C.</i>	.....
COL... First National Bank,	J. J. Crosswy, <i>V. P.</i>	.....
Del Norte.	R. H. Sayre, <i>Ass't Cas.</i>	.....
" .. Denver National Bank, Denver.	J. C. Mitchell, <i>Cas.</i>	A. A. Denman.
CONN... Rockville National Bank,	E. C. Chapman, <i>P.</i>	Geo Maxwell.
Rockville.	C. E. Harwood, <i>Cas.</i>	E. C. Chapman.
DAK. N. First National Bank,	J. M. Williams, <i>P.</i>	.....
Bathgate.	J. D. Trenholme, <i>V. P.</i>	.....
" .. North Dakota Bank,	Manley R. Morgan, <i>P.</i>	.....
Church's Ferry.	Harry W. Davis, <i>Cas.</i>	.....
" .. Merchants Nat. B'k, Devils Lake.	Jno. C. Buckbee, <i>V. P.</i>	M. B. Mears.
" S. Chamberlain National Bank,	J. W. Orcutt, <i>V. P.</i>	C. F. Hatton.
Chamberlain.	Chas. H. Young, <i>Cas.</i>	J. W. Orcutt.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
D. C....	Central Nat. Bank, Washington.	W. E. Clark, <i>P.</i> .....	Sam'l Norment.*
"	Columbia N. B'k, Washington.	E. S. Parker, <i>P.</i> .....	B. H. Warner.
FLA....	Tampa Nat. Bank, Tampa....	J. P. Wall, <i>V. P.</i> .....	.....
GA....	Bank of Cordele,	T. M. Adams, <i>V. P.</i> .....	.....
"	Cordele.	T. J. Brooks, <i>Cas.</i> .....	Jos. E. Bivins.
"	Merchants Nat. B'k, Savannah.	W. S. Rockwell, <i>C. (pro tem)</i>	Thos. Gadsden.*
ILL....	Merchants Nat. Bank, Chicago.	Henry A. Blair, <i>2d V. P.</i> ..	.....
"	Divernon Bank, Divernon....	P. M. Wells, <i>Cas.</i> .....	B. R. Crumpler.*
"	First National Bank, Joliet....	A. H. Wagner, <i>Cas.</i> .....	W. G. Wilcox.
IND....	Citizens National Bank,	Jacob P. Isley, <i>P.</i> .....	Z. Dwiggins.
"	Attica.	Clement G. Jones, <i>V. P.</i> ..	.....
"	Union State Bank,	Newton L. Little, <i>Cas.</i> ...	J. W. Paris
"	Bremen.	J. W. Brook, <i>Ass't Cas.</i> W.	B. Schermerhorn.
"	Wm. Huff, <i>P.</i> .....	.....	.....
IND. T..	Norman State Bank, Norman..	Henry G. Hess, <i>Cas.</i> .....	.....
IOWA...	Citizens National Bank,	C. H. Bessent, <i>Cas.</i> .....	.....
"	Lyons.	C. Moesinger, <i>V. P.</i> .....	.....
"	L. P. Wadleigh, <i>Ass't Cas.</i>	.....	.....
KAN....	Exchange Nat. Bank, Atchison.	C. B. Singleton, <i>Ass't Cas.</i>	.....
"	Clyde Banking Co., Clyde....	A. E. Morris, <i>Cas.</i> .....	.....
"	Humboldt Nat. B'k, Humboldt.	J. Bond, <i>V. P.</i> .....	.....
"	First National Bank, Kingman.	A. C. Tredick, <i>Cas.</i> .....	M. W. Chamness.
ME....	First National Bank,	Jos. W. Fairbanks, <i>V. P.</i> ..	A. F. Belcher.
"	Farmington.	A. F. Belcher, <i>Cas.</i> .....	Jos. W. Fairbanks.
"	Gardiner Nat. Bank, Gardiner.	A. C. Harlow, <i>Cas.</i> .....	E. L. Smith.
MD....	Citizens National Bank, Laurel.	G. W. Waters, Jr., <i>A. Cas.</i>	.....
MASS...	First Nat. Bank, Ashburnham.	E. F. Kimball, <i>Ass't Cas.</i>	until June 1.
"	Essex National Bank, Haverhill.	W. H. Coffin, <i>Cas.</i> .....	J. Russ, Jr.
"	First National Bank, Ayer....	H. B. White, <i>Cas.</i> .....	.....
"	Second Nat. Bank, Haverhill..	Chas. H. Dutton, Jr., <i>Cas.</i>	C. H. Goodwin.
"	Blue Hill Nat. Bank, Milton...	H. H. Allen, <i>A. Cas.</i>	until July 15.
"	Salem Five Cents Sav. B., Salem	J. S. Williams, <i>Treas.</i> ...	C. H. Henderson.*
MICH...	First National Bank,	Chas. A. Ritter, <i>Cas.</i> ...	C. H. Kingsbury.
"	Cassopolis.	D. L. Kingsbury, <i>A. Cas.</i>	Chas. A. Ritter.
"	First National Bank, Detroit...	John T. Shaw, <i>Ass't Cas.</i>	Robt. T. Gibbons.
MINN...	Rochester Nat. B'k, Rochester..	C. H. Ross, <i>V. P.</i> .....	T. H. Bliss.
MO....	American National Bank,	A. Drumm, <i>P.</i> .....	.....
"	Kansas City.	T. K. Hanna, <i>V. P.</i> .....	.....
"	Nat. Bank of Odessa, Odessa..	J. E. McKee, <i>Cas.</i> .....	.....
"	M. C. Curtis, <i>Ass't Cas.</i> ...	.....	.....
"	F. T. Bates, <i>V. P.</i> .....	.....	.....
MONT...	Stock Growers N. B., Miles City.	E. E. Batchelor, <i>Cas.</i> .....	.....
NEB....	Citizens National Bank,	Husted Agor, <i>V. P.</i> .....	C. O. Manatt.
"	St. Paul.	C. O. Manatt, <i>Cas.</i> .....	T. F. McCarty.
N. J....	First National B'k, Woodbury..	Chas. C. Jessup, <i>V. P.</i> ...	.....
N. Y....	Nat. Central B'k, Cherry Valley.	Wm. H. Baldwin, <i>P.</i> .....	G. W. B. Dakin.*
"	Lyons National Bank,	D. P. Chamberlain, <i>V. P.</i>	.....
"	Lyons.	G. T. Kennedy, <i>Cas.</i> .....	Myron C. Tucker.*
"	First National Bank,	W. J. H. Parker, <i>Cas.</i> ...	Leander Fitts.*
"	Moravia.	Wm. Fitts, <i>Ass't Cas.</i> ...	W. J. H. Parker.
OHIO...	Hocking Valley Nat. Bank,	Ed. Mithoff, <i>Cas.</i> .....	Thos. Mithoff.
"	Lancaster.	Geo. Mithoff, <i>Ass't Cas.</i> ...	Ed. Mithoff.
"	Citizens National Bank,	A. H. Johnson, <i>P.</i> .....	J. B. Clarke.
"	Oberlin.	C. T. Beckwith, <i>V. P.</i> ...	A. H. Johnson.
"	Clinton Co. N. B., Wilmington..	M. L. Hunt, <i>V. P.</i> .....	D. B. Van Pelt.
PA....	Second National Bank,	Reuben Stahler, <i>V. P.</i> ...	.....
"	Allentown.	Wm. R. Klein, <i>Cas.</i> .....	Reuben Stahler.
"	Iron City Nat. B'k, Pittsburgh..	Geo. F. Wright, <i>Cas.</i> ...	Oliver Lemon.
TENN...	First National Bank, Cardiff...	F. A. Walker, <i>Cas.</i> .....	L. C. White, Jr.
"	Farmers & Merchants N. B.,	Thos. H. Elliott, <i>P.</i> .....	.....
"	Clarksville.	M. Savage, <i>V. P.</i> .....	.....
"	American National Bank,	E. T. Peck, <i>Cas.</i> .....	.....
"	Nashville.	W. W. Berry, <i>P.</i> .....	Edgar Jones.
"	Commercial Nat. B'k, Nashville.	Wm. P. Tanner, <i>2d A. C.</i>	.....
TEXAS..	Bonham Nat. Bank,	W. H. Scoggin, <i>Ass't Cas.</i>	R. S. Cowan.
"	Bonham.	B. F. Hays, <i>V. P.</i> .....	.....
"	Hill Co. Nat. Bank, Hillsboro..	D. W. Sweeney, <i>Ass't Cas.</i>	.....
"	S. F. Sullenberger, <i>A. Cas.</i>	.....	.....

\* Deceased.



<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
TEXAS.. First National Bank, Vernon...	J. R. Wood, <i>V. P.</i> .....	E. F. Johnson.
VA..... Citizens Nat. Bank, Roanoke..	N. Partee, <i>V. P.</i> .....	.....
WASH.. Merchants Nat. Bank, Seattle..	Vincent Wallace, <i>Cas.</i> ....	R. N. McFadden.
" .. Columbia National Bank,	John M. Howard, <i>2d V. P.</i> .....	.....
Sehome. }	J. E. Baker, <i>Cas.</i> .....	John M. Howard.
" .. First National Bank,	Robt. S. Steiner, <i>V. P.</i> ....	.....
Waterville. }	W. L. Wilson, <i>Cas.</i> .....	J. D. Bassett.
WYO. .. First National Bank, Douglas..	Geo. Barke, <i>Cas.</i> .....	J. W. Foster.

## OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(*Monthly List, continued from April No., page 831.*)

<i>No.</i>	<i>Name and Place.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
4541	Great Falls National Bank.... Great Falls, Mont.	Robt. S. Ford,	Daniel L. Tracy,	\$250,000
4542	First National Bank..... Cheney, Wis.	D. F. Pervival,	W. E. Weygant,	50,000
4543	Farmers National Bank..... Bloomsburg, Pa.	Wm. S. Moyer,	Frank Ikeler,	50,000
4544	Johnsonburg National Bank.... Johnsonburg, Pa.	F. S. Johnson,	E. O. Aldrich,	50,000
4545	First National Bank..... Marble Falls, Texas.	T. M. Yett,	W. O. Richardson,	50,000
4546	Merchants National Bank..... Shenandoah, Pa.	John S. Kistler,	Edmund B. Hunter,	100,000
4547	American National Bank..... Macon, Ga.	Wm. H. Burden,	L. P. Hillyer,	250,000
4548	First National Bank..... Catawissa, Pa.	Mayberry G. Hughes,	Geo. M. Tustin,	50,000
4549	Union National Bank..... New Brighton, Pa.	C. M. Merrick,	D. C. Champlin,	50,000
4550	First National Bank..... St. Thomas, N. Dak.	Edward T. Thompson,	Wm. McBride,	50,000
4551	First National Bank..... Naperville, Ill.	Thos. P. Phillips,	A. McS. S. Riddler,	50,000
4552	Citizens National Bank..... Wahpeton, N. Dak.	Fred. E. Kenaston,	Don R. Davidson,	50,000
4553	First National Bank..... Holstein, Iowa.	Frederick C. Knepper,	E. H. McCutchen,	50,000
4554	First National Bank..... Cordele, Ga.	Geo. W. Marvin,	Jos. E. Bivins,	50,000
4555	First National Bank..... Franklin, La.	M. T. Burwell,	H. S. Palfrey,	50,000
4556	Cowley County National Bank.. Winfield, Kan.	J. N. McDonald,	Thos. J. Eaton,	50,000
4557	First National Bank..... South Sioux City, Neb.	F. M. Dorsey,	S. W. Appleton,	50,000
4558	First National Bank..... Fernandina, Fla.	Fred W. Hoyt,	R. C. Cooley,	50,000

## PROJECTED BANKING INSTITUTIONS.

- N. Y. CITY.....Astor Place Bank has filed articles of incorporation with the County Clerk. Capital, \$250,000, with privilege of increasing to \$1,000,000. Among the stockholders are John J. Kennedy, John Daniell, Richard M. Walthers, O. B. Potter, Horace Russell, M. C. D. Borden and Chas. M. Tainter.
- ALA....Anniston.....Anniston Banking and Loan Co. \$52,000 capital stock has been paid in.
- ..Piedmont.....National bank organized. Capital, \$100,000.
  - ..Roanoke.....Bank of Roanoke has changed hands. Capt. B. F. Ponder, the former president, is succeeded by T. P. Wimberly, formerly of Birmingham, and W. J. Ponder, the vice-president, is succeeded by Hon. W. A. Handley.
- CAL....Alameda.....A savings bank is among the new institutions talked of here.
- ..San Jose.....San Jose Abstract Title and Trust Co. Capital, \$150,000. T. C. Edwards, E. Pomeroy, S. P. Hones, A. Friant and Jas. M. Pitman, Directors.
  - ..Santa Barbara..Santa Barbara Savings and Loan Bank. Capital, \$100,000. George S. Edwards, *President*; E. B. Hall, *Vice-President*; W. B. Metcalf, *Cashier*.
- CONN...Seymour.....New National bank to be organized here.
- DAK. N. Dickinson.....Guarantee Investment and Trust Co. has been organized by Oakes, the banker, and Philadelphia capitalists.
- GA.....Eastman.....Citizens Banking Co. W. W. Ashburn, *President*; E. J. Peacock, *Vice-President*; J. B. Caldwell, *Cashier*.
- ..Jesup.....Jesup is to have a bank with \$50,000 capital.
  - ..Lumpkin.....Bank of Stewart Co. Capital, \$50,000. W. S. Gillis, *President*; A. H. Simpson, *Vice-President*; F. S. Singer, *Cashier*.
  - ..Quitman.....Merchants and Farmers Bank of Quitman. Dr. J. H. McCall, *President*; Major J. C. McDonald, *Cashier*.
  - ..Thomasville....Citizens Banking and Trust Co.
- ILL....Chicago .....Wetherell Bank to be organized as a State Bank under name of Wetherell State Bank. Apply, Oscar D. Wetherell, P. P. Senour and G. L. Magill.
- . Fernwood.....Seneca Banking Association. Capital, \$25,000. Organizers: John McCabe, John W. Merrill, James F. Larkin, August F. Kestermeier and James Todd.
  - ..Waynesville....New bank to be established here, with Fred. Stuart, of Atlanta, as cashier.
- IND ....Charlestown....The Charlestown Bank is an assured fact.
- ..Fort Wayne....New bank to be established by James B. White & Son. Capital, \$200,000.
  - .. " .....New National bank to be established here.
  - ..Frankfort .....Frankfort will have a new bank.
  - ..Paoli.....Bank of Paoli. Capital, \$25,000.
- IND. T..Yukon.....Bank of Yukon organizing. Capital, \$10,000. A. N. Spencer, *President*; H. K. Ricker, *Cashier*.
- IOWA.. Albia.....Albia State Bank. Capital, \$50,000. H. H. Trimble, *President*.
- ..Boone.....A savings bank is talked of at Boone.
  - ..Fort Dodge....A new savings bank organizing.
  - ..Lyons .....New National bank has been opened. Hon. L. B. Wadleigh, *President*; Victor Lund, *Cashier*.
  - ..Tripoli.....Mr. H. Ifert will soon start a bank here.
  - ..Vinton.....State Bank of Vinton. Capital, \$65,000. Paul Corell, *President*; J. M. Hawkins, *Vice-President*.

- KAN...Muscotah.....Muscotah Exchange Bank reorganized. A. B. Harvey, *President*; J. H. Calvert, *Vice-President*; W. C. McClain, *Cashier*.
- ME.....Gardiner.....New bank to be opened here.
- ..Portland.....Cushing & Davison, bankers, opened here.
- MASS...Boston.....Suffolk Trust Co. open for business in the Exchange Building, 53 State Street.
- ..Fall River.....Fall River Loan and Trust Co. \$100,000 of stock has been subscribed.
  - ..Gloucester. ....Gloucester Safe Deposit and Trust Co. organized.
  - ..Newburyport...New trust company to be incorporated.
  - ..North Adams..New bank organized. W. B. Plunkett, *President*; J. K. Anthony, *Vice-President*; F. L. Coenan, *Cashier*. Capital, \$100,000.
  - ..Orleans.....Orleans wants a bank.
  - ..Reading. ....Mechanics Savings Bank. Jason W. Richardson, *President*; Merrick A. Stone, *Vice-President*; Lewis M. Bancroft, *Treasurer*; Edgar N. Hunt, *Secretary*.
  - ..Somerville.....Somerville Trust Co. Apply Edward Glines, L. Roger Wentworth, of Boston.
- MINN...Canby.....Bank of Canby has been organized with a paid-up capital of \$50,000.
- ..Minneapolis....Washington Bank. A. C. Haugan, *President*; J. H. Field, *Cashier*.
  - ..West Duluth...Clark & Crossley, of Northampton, Mass., have decided to start a new bank at West Duluth, and will open their doors for business in June.
- MISS...Hernando.....Hernando Bank. E. H. Granger, of Boston, Mass., *President*; Dan. M. Dockery, *Vice-President*; E. W. Smith, *Cashier*.
- MO.....St. Louis.....Chemical National Bank. Capital, \$500,000. J. C. Richardson, *President*; C. S. Wagner, *Cashier*. Address, Fagin Building.
- ..Madison.....First National Bank, the capital stock is to be \$50,000, now being subscribed.
- NEB...Flandreau.....New State Bank to be organized.
- ..Lincoln.....P. A. Wells and partner will engage in the banking business in Lincoln. Capital, \$100,000.
- N. H...Nashua.....Nashua City Savings Bank was reorganized as a savings bank under the name of the Guaranty Savings Bank. Hon. Chas. H. Burns, *President*; Hon. George A. Ramsdell, *Treasurer*.
- N. Y. . . Albany.....Mortgage Loan and Trust Co. The incorporators are David B. Hedley, Michael Nellany, George H. Hedley, John H. Meech, William T. Hornaday, John Hughes, Howard J. Ball and Ottomar Reinecke.
- ..Amityville. ....New savings bank. It is said Dr. E. Forrest Preston will be *President* and Capt. Davis, *Cashier*.
  - ..Buffalo.. ....Erie County Bank. Robert S. Donaldson, *Secretary*.
  - .. " .....Queen City Bank will begin business about the 15th of May.
  - ..Hamburg.....Peoples Bank. Perry Thorn, *Cashier*.
  - ..Herkimer.. ....A movement is on foot to start a new National bank here.
  - ..Little Falls.....Little Falls is to have a local savings and loan association.
  - ..Margaretville..Peoples Bank. Geo. G. Decker, *President*; E. L. O'Connor, *Vice-President*; John Grant, *Cashier*. Capital, \$25,000.
  - ..Northport.....A bank is shortly to commence business under the name of H. S. Mott, banker.
  - ..Woodhaven....Woodhaven Bank. Directors: Wm. F. Wyckoff, Earl A. Gillespie, J. B. Barrody, R. Y. Kirkland, W. E. Maynard, F. H. Corwin, F. Raymond, John L. Wyckoff, Wm. H. Statesir.
- N. C...Elizabeth City..A subscription list for stock in a National bank, with a capital of \$50,000, is now in the hands of Mr. E. F. Aydlett.

- N. C....Raleigh.....Farmers and Merchants Bank will be established in July, with \$100,000 capital.
- ..Rutherfordton...Rutherfordton is to have a new bank.
- OHIO...Akron.....Barberton Savings Bank.
- ..Bloomdale.....Bloomdale will have a new bank.
  - ..Clarkson.....Clarkson Coronet Bank has been incorporated.
  - ..Cleveland.....Lorain Street Savings Bank. D. H. Kimberly, *President*; Herman Junge, *1st Vice-President*.
  - ..Columbus.....Arrangements are being made to change the Deshler Bank into a National bank, to be known as the Deshler National Bank. The capital stock will be \$200,000, and will be held by the present owners of the Deshler Bank.
  - .. " ..Articles of incorporation were filed for a local organization known as the Ohio State Savings and Loan Association. Capital, \$500,000. Incorporators: Lorenzo D. Hagerty, John W. Bradshaw, Geo. J. Karl, John J. Stoddard, S. J. Flickinger, J. A. Hedges and Elmore J. Sneever.
  - ..Cuyahoga Falls.Summit County Bank is now ready for business.
  - ..Lima .....New bank opened here.
  - ..New Carlisle....New bank to be organized here.
  - ..Toledo.....New bank to be started on the east side.
- PA. ....Germantown...A new National bank to be organized. Among those prominent in the movement are Samuel Bradbury, Stephen Hartwell, Edwin F. Partridge, H. H. Houston.
- ..Lancaster.....The Conestoga National Bank and the private banking firm of Reed, McGrann & Co., have agreed upon terms of consolidation, the latter firm's business being merged into that of the National Bank.
  - ..Pittsburgh .....Mercantile Trust Co. Capital, \$250,000. Directors: J. S. Craig, Chas. Holmes, Samuel McElroy, H. E. Armstrong, W. P. Potts, W. B. Brickell, J. A. Lingfelt, Pittsburgh; W. H. Graham, Wm. A. Stone, T. Sproull, F. J. Torrance, Allegheny.
  - ..Wilkinsburg. ...New bank to be incorporated at this place.
- R. I... Central Falls...New trust company to be established here. Apply Mr. F. G. Jillson, of Providence.
- TENN...Jackson.....Jackson Banking Co. J. W. N. Burkett, *President*; W. E. Dunaway, *Vice-President*; F. B. Fisher, of Bells, *Cashier*. Will begin business May 5th.
- ..Memphis.....American Banking Company. Apply, John E. Randle, R. A. Parker, L. B. McFarland, W. I. Cole.
- TEXAS..Fort Worth....The Citizens National Bank of Mason and the First National Bank of Fort Worth have consolidated by E. J. Marshall purchasing the stock of F. W. Henderson.
- ..Granbury .....Granbury is soon to have a private bank.
- VT.....Hardwick.....National bank to be started here. Promoters solicit subscriptions to stock; and any one communicating to J. H. McLoud, a reliable gentleman, will receive an immediate reply.
- VA.....Lynchburg.....Virginia Investment and Banking Co. Capital, \$55,000.
- W. VA..Martin's Ferry...Peoples Savings Bank. A. D. Seamon, *President*; B. F. Brady, *Secretary*.
- WYO.. Casper.....Casper has a new bank.

## APPLICATIONS FOR NATIONAL BANKS.

The following *applications* for authority to organize *National Banks* have been filed with the Comptroller of the Currency during April, 1891.

- N. Y. CITY..... Windom National Bank, by Joseph Pool and associates.  
 ALA.... Bridgeport..... First National Bank, by Edward J. Nellis and associates.  
 ARK.... Russellville..... First National Bank, by W. G. Weimer and associates.  
 COL.... Delta..... First National Bank, by T. H. McGranahan and associates.  
 DAK. N. La Moure..... First National Bank, by H. G. Merritt, Fargo, North Dak., and associates.  
     ▪ S. Canton..... Canton National Bank, by C. B. Kennedy and associates.  
 IDAHO.. Boise City..... Idaho National Bank, by George H. Roberts and associates.  
 LA..... Shreveport..... Shreveport National Bank, by S. Levy, Jr., and associates.  
 MD .... Aberdeen..... First National Bank, by T. L. Hanway and associates.  
 MINN... Marshall..... First National Bank, by H. M. Langland, Decorah, Iowa, and associates.  
 MONT.. Kalispel..... First National Bank, by W. C. Whipps and associates.  
     ▪ .. Monaco..... First National Bank, by W. C. Whipps and associates.  
 NEB.... South Omaha.. Packers' National Bank, by John L. Miles, Omaha, Neb., and associates.  
 N. J.... Bayonne ..... First National Bank, by Arthur Pressey, Haddenfield, N. J., and associates.  
 N. Y... Ilion ..... Peoples National Bank, by John F. Thomas and associates.  
 PA. .... Brookville..... Farmers National Bank, by Scott McClelland and associates.  
     ▪ .. California..... First National Bank, by Isaac C. Ailes and associates.  
     ▪ .. Irwin..... First National Bank, by C. W. Pool and associates.  
 TEXAS.. Brownwood.... Brownwood National Bank, by F. W. Henderson and associates.  
     ▪ .. Dallas..... Continental National Bank, by Jas. B. Simpson and associates.  
     ▪ .. Goliad..... First National Bank, by W. B. Campbell and associates.  
 WASH.. Acosta..... First National Bank, by F. D. Parsons, Hoquiam, Wash., and associates.  
     ▪ .. Tacoma..... Columbia National Bank, by Henry Oliver and associates.  
 WYO... Sundance..... Sundance National Bank, by Wm. M. Baird and associates.

## CHANGES, DISSOLUTIONS, ETC.

(Continued from April No., page 830.)

- ALA.... Anniston ..... Anniston Savings and Safe Deposit Co. reported assigned.  
 ARK.... Prescott ..... Nevada Co. Bank (W. H. Terry) has been incorporated.  
 CAL.... San Francisco.. Donohoe, Kelly & Co. now the Donohoe-Kelly Banking Co., incorporated.  
 DAK. N. Bathgate ..... Bathgate Dakota Bank now First National Bank.  
     ▪ .. Church's Ferry. North Dakota Bank (Morgan & Davis) has been incorporated, same correspondents.  
     ▪ .. Fargo..... Exchange Bank has retired from business, no successors.  
     ▪ .. Jamestown .... "Lloyds" now Lloyds National Bank, same correspondents.  
     ▪ .. Wahpeton..... Citizens Bank now Citizens National Bank.

- DAK. S.. Hill City..... Bank of Hill City has discontinued business.
- .. Huron ..... Beadle Co. National Bank has gone into voluntary liquidation.
  - .. Iroquois..... Farmers & Merchants Bank and Bank of Iroquois have consolidated under title of Bank of Iroquois.
- FLA.... Fernandina.... Bank of Fernandina now First National Bank, same officers and correspondents.
- .. Seville ..... Bank of Seville has discontinued business, no successors.
  - .. Tampa ..... Commercial Bank of Tampa now Tampa National Bank.
- ILL.... Chicago..... Felsenthal, Gross & Miller now Bank of Commerce.
- .. Macon ..... J. L. Hight now J. L. Hight & Son.
  - .. Peoria ..... C. E. & C. M. Anthony now Anthony Loan and Trust Co.
- IND .... Bremen..... Union Bank now Union State Bank.
- IOWA... Holstein..... German State Bank now First National Bank.
- .. Lester..... Bank of Lester has retired from business, no successors.
  - .. Oxford..... Oxford Bank now Oxford State Bank, same officers.
  - .. Sioux City.... Ballou State Banking Co. now Ballou Banking Co.
  - .. St. Charles.... St. Charles Deposit Co. succeeded by Brown, Wood & Co.
- KAN.... Anthony.... .. Anthony National Bank has gone into voluntary liquidation.
- .. Ashland..... First National Bank has gone into voluntary liquidation ; succeeded by the Farmers and Stockgrowers Bank.
  - .. Atwood ..... Bank of Atwood has gone into voluntary liquidation, no successors.
  - .. Bala City..... Bala City Bank has discontinued business.
  - .. Salina ..... John Sherrin has discontinued business, no successors.
  - .. Winfield..... Farmers Bank now Cowley Co. National Bank.
- LA..... Plaquemine.... Roth & McWilliams succeeded by Bank of Plaquemine.
- MD..... Baltimore..... John A. Hambleton & Co. now Hambleton & Co., John A. Hambleton retiring.
- MASS... Boston ..... Ballou State Banking Co. now Ballou Banking Co.
- .. Stockbridge.... Stockbridge Savings Bank has been placed in the hands of a receiver.
- MICH... Bay City ..... Bay National Bank now First National Bank of Bay City ; same officers.
- MINN... Motley..... Motley Exchange Bank has closed its business here and removed to Park Rapids, under title of Bank of Park Rapids.
- .. Sleepy Eye.... Bank of Sleepy Eye (F. H. Dyckman & Co.) has been incorporated.
- MO..... Kansas City... Winner Investment Co. reported assigned.
- .. Montgomery... Farmers & Traders Bank reported closed.
- NEB.... Moorefield.... State Bank has gone into voluntary liquidation.
- .. Taylor..... Loup County Bank is closing up business, no successors.
- N. Y. .. Binghamton... Merchants National Bank now Merchants Bank, same officers and correspondents.
- .. Utica..... Chas. Green Son & Co. have changed their title to Chas. Green Son, Brainard & Co. and removed to Waterville.
- N. C. .. Goldsboro..... Bank of New Hanover succeeded by Bank of Wayne.
- OHIO... Cleveland..... E. B. Hale & Co. now Marine Bank Co.
- .. Lima ..... Merchants Bank has gone into voluntary liquidation.
- PA. .... Catawissa ..... Catawissa Deposit Bank now First National Bank.
- TENN .. Clarksville.... Farmers & Merchants National Bank has resumed business.
- TEXAS.. Houston ..... W. T. Cummings reported suspended.



## FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, APRIL, 1891.

Opening, Highest, Lowest and Closing Prices of Stocks and Bonds in April.							
GOVERNMENTS.		Interest Periods.	Open- ing.	High- est.	Low- est.	Clos- ing.	
4½s, 1891....	reg.	Mar.	102	102	101	101	
4s, 1891....	coup.	Jan.	102	102	101	101	
4s, 1907....	reg.	Jan.	121½	122½	120¾	120¾	
4s, 1907....	coup.	Feb.	122½	122½	120¾	120¾	
6s, cur'cy, 1895, reg.			110	113	110	113	
6s, cur'cy, 1896, reg.		Jan.	113	115	113	115	
6s, cur'cy, 1897, reg.		&	116	118½	116	117	
6s, cur'cy, 1898, reg.		July.	119	121½	119	120	
6s, cur'cy, 1899, reg.			121½	123½	121½	122	
RAILROAD STOCKS.			Open- ing.	High- est.	Low- est.	Clos- ing.	
Atlantic & Pacific.			4½	5½	4½	5½	
Canadian Pacific.			78½	80½	77½	79½	
Canada Southern.			—	52½	49½	—	
Central of N. J.			—	122¾	114½	—	
Central Pacific.			—	31¾	29½	—	
Ches. & Ohio.			17½	19½	17	19	
Chic. & Alton.		1st pref.	53	54½	52¼	53½	
Chic. & Do.		pref.	—	—	123½	—	
Chic. B. & Q.			80	92½	79½	91½	
Chic. & East'n.			—	67½	48	67½	
Chic. M. & St. P.		pref.	91	97½	90	97½	
Chic. & N. W.			56	65½	55½	65½	
Chic. & N. W.		pref.	104½	111½	109	115	
Chic. R. I. & P.			131½	137½	131½	137½	
Chic. St. P., M. & O.		pref.	69½	80	69	80	
Chic. Do.			25	29	24½	28½	
C. C. & St. L.		pref.	60½	65½	60	65½	
RAILROAD STOCKS.			Open- ing.	High- est.	Low- est.	Clos- ing.	
Col. Coal & Iron.			36¼	38¾	35¾	39½	
Col. H. Valley & Tol.			—	23½	24	23½	
Del. & Hudson.			135¾	140¾	134½	137	
Del., Lack. & W.			17¼	18½	17	19½	
Den. & Rio Grande.		pref.	58	61½	57½	61½	
Do			—	7½	6½	—	
East Tenn. V & G.		1st pref.	15½	16½	15½	—	
Do		ad pref.	125	129	121	—	
Evansville & T. H.			95½	102½	95	102½	
Illinois Central.			—	14½	13½	—	
Lake Erie and Western.		pref.	57½	61½	57	61½	
Do			109¾	113½	109½	112½	
Lake Shore.			95	96½	92½	92½	
Long Island.			74½	82	73½	82	
Louisville and Nashville.			105	109	104½	107	
Louisville, N. Alb. & Chic.			—	23½	20¾	23	
Manhattan Consol.			91	95½	91	—	
Mexican Central.			—	80	79	—	
Michigan Central.			—	104½	104	104½	
Mil., L. S. & W.		pref.	—	5	4	—	
Do			—	12	9½	—	
Minn. & St. Louis.			—	16½	11½	16½	
Mo., Kan. & Texas.			66½	73½	66½	73½	
Missouri Pacific.			—	100	94½	100	
Nash., C. & St. L.			14	103½	102½	103½	
N. Y. C. & Hudson			—	68	66½	—	
N. Y. C. & St. L.		pref.	18¾	22½	18¾	22½	
Do			—	56½	51½	—	
N. Y. & New Eng.			36½	41½	35½	41½	
N. Y., Ont. & W.			17½	18½	17	18½	
N. Y., Sus. & W.			—	8½	7½	—	
Do		pref.	—	33½	31	33½	
Norfolk & Western.			—	16½	14½	16½	
Do		pref.	53½	56½	53½	56½	
MISCELLANEOUS.			Open- ing.	High- est.	Low- est.	Clos- ing.	
Northern Pacific.			26¼	28½	24¾	27½	
Do		pref.	71½	72½	66¼	72½	
Ohio & Mississippi.			—	19½	17	19	
Ohio Southern.			—	31½	27	31	
Oregon Impt.			—	77½	75½	77½	
Oregon R. & N.			—	30	23¼	39	
Oregon Short Line.			36¼	39¼	36¼	39	
Peoria, Decatur & Evansville			20	34½	30	34½	
Philadelphia & Reading.			30½	34½	30	34½	
Pullman Palace Car Co.			17½	19	17½	18½	
Rich. & W. P. Term.			112½	114½	112	—	
Rome, W. & Ogd.			31	36	31	—	
St. Louis, A. & T. H.		pref.	—	70	68½	—	
Do			—	—	—	—	
St. Louis & San Francisco.		1st pref.	—	32	24¼	—	
Do			—	92½	89	—	
St. Paul & Duluth.			—	109	106½	—	
Do			29¾	33	29¼	31¼	
St. Paul, M. & M.			80¾	92½	81½	89½	
Southern Pacific Co.			—	16½	13¾	15¾	
Sugar Refineries.			44½	52½	44½	52½	
Texas & Pacific.			—	23½	17½	23½	
Union Pacific.			—	22½	19	21½	
Wabash, St. Louis & Pacific.			—	28½	24	27½	
Do		pref.	—	20¼	18¼	19½	
Wisconsin Central.			145	147	143	143	
MISCELLANEOUS.			Open- ing.	High- est.	Low- est.	Clos- ing.	
Am. Cotton Oil Trust.			24½	28½	24	27½	
Nat. Lead Trust.			18½	20¼	18¼	19½	
Tenn. Coal & Iron.			35½	37½	34	36½	
Express-Adams.			—	119	116	—	
American.			—	60½	67	—	
United States.			—	145	143	83	
Wells-Fargo.			80½	83	80½	83	
Western Union.			32	37½	31½	36½	
Wheel. & Lake E.			—	—	—	—	

THE  
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AND  
*Statistical Register.*

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VOLUME XLV.

JUNE, 1891.

No. 12.

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RECENT BANK FAILURES.

During the last nine months the number of bank failures, National, State, and private, has been unusually large. Indeed, they led legislators, during the sessions that have just ended, in many of the States, to inquire into bank management more carefully, perhaps, than ever before, and to devise new regulations for their future conduct. We have published the more important laws enacted, and which reveal a careful study of the subject, and a strong desire to prevent these events in the future. It is well for the State to do whatever it can to guard against frauds and mistakes in banking, but when it has acted with the utmost wisdom, it must be admitted that it cannot do very much; and the soundness of the business must depend essentially on those with whom it is intrusted rather than on external regulations and supervisors.

Successful banking depends mainly on two things: first, capable and honest officers; secondly, on a prosperous business community. If the officers of a bank are wisely chosen and attend to their duties, and the community in which the bank is located is prosperous, the institution itself is sure to succeed; on the other hand, if the officers be worthy of their places, and the conditions of business become hazardous and unprofitable, losses will be sustained. No foresight will wholly prevent losses to a bank. It is true that the record of bank losses from the failure of customers varies greatly. Some banks conduct their business with so much prudence that the losses from year to year are very small, even



when possessing a large capital, but in the long run a lending bank will share somewhat in the losses sustained by its customers. This has been the history of all banking in the past, and no doubt will be the history of the business in the future.

But there are some losses, some bank failures, which it would seem ought to have been prevented by a more thorough performance of the duties of examiners, auditors, or directors. Every now and then a bank fails, and an alarming condition of things is revealed to the public eye. Those who are thus informed of what has happened at once exclaim, what was the Examiner about; or where were the directors, or did the bank practically have none; was the institution a one-man affair who had the sole control and surrounded simply by dummies called directors; were these people simply blinds to give character to the institution and to fool the public? These are the questions often asked when a bad failure has occurred in which the president, or other managing officer, has apparently had the sole control. It cannot be denied that such a revelation is most unwelcome to the community where the bank existed, as well as to the other banks located there. It cannot be denied that a bank failure always reflects unfavorably on surrounding banks, weakening the general confidence in them. It cannot be denied that the banks, as a system, are interested in sustaining one another, in observing conservative methods, and in insisting on their observance by all concerned. It cannot be denied, too, that banks are not always thoughtful about these matters, and do not exercise that restraint on one another which is conducive to the general welfare of all. On the other hand, it is unquestionably true that the banking methods of recent years are far in advance of those which were practiced formerly. Commercial paper is discounted with more intelligence, fewer bank officers are engaged in speculative operations, while the organization and management of Clearing Houses everywhere has a strong tendency to check those who otherwise would be inclined to adopt rash methods, and to undertake hazardous operations for the sake of increasing their gains. These modern institutions everywhere undoubtedly have the effect of enforcing conservative methods, and of strengthening the business wherever they have been organized.

One of the evils in banking twenty, thirty years ago, or longer, was the use of a large amount of bank capital in speculative enterprises, in which the officers too frequently were partners. Lands were purchased, building operations were undertaken, railroads were constructed, either wholly or partly by bankers, and with the use of the funds in their institutions. A very marked advance in this regard has been noticeable within the last twenty years. It is true that every now and then a bank failure occurs, like the Keystone in Philadelphia, in which it is seen that the president

had been using the funds of the bank largely in outside operations in which he was personally interested, but these cases, we repeat, are comparatively rare. One reason perhaps is, that the National banking law wisely prohibits the lending of money on real estate security. This has often been regarded as a defect in the law, as the security which can be thus offered for a loan may be of the highest character. It is said that the farmers, in the West especially, have suffered from this provision in the National banking law. They declare that in order to get a loan it is needful for them to resort to brokers, or to the agents of trust companies, or to private bankers, and who are unwilling to make a loan except for a longer time and for a larger amount than will suffice for their purpose. So in order to get the money it has been needful to accept the terms offered, and thus many a farmer has contracted a loan for a much larger amount than he needed, and for a much longer period, because he was not able to obtain it on other terms. Had the National banking law not contained the provision mentioned, it might have loaned just the sum needed, and for a shorter period, and thus helped the farmer; while, in consequence of this provision, it is unable to do anything for him. This is regarded by the farmers as one of the most serious defects in the law, and, consequently, many have come to believe that it ought to be remedied without delay. On the other hand, this provision has prevented banks from tying up their funds in long loans; from preventing their officers, and those who might be associated with them, in lending their money on real estate, or in buying lands, or engaging in building enterprises, or constructing railroads and the like. This is the good side of the restriction. It may be, however, that a modification is desirable, permitting banks to lend on real estate security for a short period, and not exceeding a specified amount, thus rendering these institutions more helpful to the farmer on the one hand, and without jeopardizing their funds on the other.

The failure of the Spring Garden National Bank, in Philadelphia, is an illustration of the danger of lending on real estate security, or of putting the resources of a bank into building operations or business enterprises. It seems that that bank was controlled by a single family, who for years managed its affairs prudently, but stringent as the law is against real estate loans, it has been set at naught, and serious mischief has followed.

One or two reflections may be made on these failures which are worthy of consideration. The first is, that a board of directors cannot be regarded as a sure preventive against wrong-doing on the part of the president or other chief manager of a bank. These recent occurrences show how easy it is for an evilly-minded manager to fool his board of directors, to cover his wrong-doings

to a very large amount. They clearly show, too, that these operations may be carried on for years without discovery, even by a vigilant bank examiner or board of directors. The National Bank Examiner of Philadelphia has an exceedingly good reputation; he is regarded as a skillful and energetic officer, and attentive to his duties. Moreover, the Keystone Bank has been regarded for years as a questionable institution. Its chief president, Mr. Lucas, was largely engaged in outside operations, and it was well known that he was using the money of the bank in his operations. These things were known by the directors and by the Clearing House, of which it was a member, and it must be said, in justice to all concerned, that the Clearing House for several years had regarded the conduct of the bank with grave suspicion; nevertheless, it continued to thrive until last autumn, when the depression in the money market revealed its unsoundness and caused its final overthrow.

The next reflection is, if directors cannot always guard against the wrong-doings of those who are in charge of their institutions, and if public examiners and auditors fail to detect irregularities, there is greater need of watching the officials who are in charge, and whenever it is known that they are largely engaged in outside operations, requiring their withdrawal from their institution. For it is certain that if a bank president, for example, is buying real estate and building houses and the like, or street railroads, or engaged in manufacturing or similar enterprises, and has not large means of his own, it must be that not only are his thoughts and energies diverted, but also that he is probably using the bank's money for his purposes. And if the bank books do not reveal this fact is there not a strong reason for suspecting that he is doing so notwithstanding? And if he wishes to borrow openly certainly his wish should be disregarded; and if he is so situated that he can control, if he is the chief holder of the stock, or a party exists in the bank who is operating openly or secretly with him, this is a sufficient reason for withholding confidence from it. In short, whenever one man or a ring controls a bank it is a good institution to let alone. The only exceptions are those in which a handful of men own everything. We know of such men who have a very large interest in their respective institutions, and who manage them with consummate prudence and ability, but in other cases a bank that is run by a single individual or by a ring should usually be shunned, especially in these days when there are so many banks in all of our large cities that are managed with the utmost prudence, and are worthy of the highest confidence.

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## A REVIEW OF FINANCE AND BUSINESS.

## LITTLE IF ANY IMPROVEMENT IN MAY.

The winter is past and the spring is ended; but the salvation of the financial and commercial world seems farther in the dim distance than since the gloomy days of last autumn's panic had disappeared, with the stringency in the money market. Spring trade has been disappointing; values have not only not advanced, as had been expected, with increased activity, but have been sustained with difficulty in some branches of industry, while others have suffered a further decline. The only improvement has been in this country; and, in anticipation, rather than in realization of abundant crops and greatly increased exports of farm products, which are expected to render Europe more dependent upon us for food and feed supplies, for the coming crop year, than she has been during the last decade; and, at the same time, to stop the outflow of gold, which has increased so enormously the past month as to have created, under ordinary financial conditions, another monetary stringency that might have involved the entire business of the country. These anticipations have been based upon a pretty firm foundation, however, in the best crop prospects we have had on this side of the Atlantic in nearly ten years; and of the poorest on the other side, in the same period.

These prospects, at home and abroad, have been predicated upon the crop conditions existing on the first of May, since when we have passed through the most critical month of this crop, and during which the coldest and driest weather in years has been experienced throughout this country and in large areas of Europe. From the latter part of April, at which time the last Government crop report was made up, on the finest conditions almost ever known, until the latter part of May, the smallest rainfall in years has been general east of the Rocky Mountains, and nearly every crop was beginning to suffer from the drought—some severely, in isolated sections. Early in the month, and again, since the middle, we have also had equally and abnormally low temperature over the entire Atlantic slope, with frosts, during both periods, that have done material damage, through extended areas, to fruits of most kinds, and to early vegetables. But the great crops were either too far, or not far enough, advanced, to be injured to any general extent by the cold weather, while copious and general rains throughout the country, during the third week of the month, broke the drought and averted the general and growing danger of another short crop year, instead of the most abundant one on record, promised at the beginning of the month.

## MAY CROP PROSPECTS NOT MATERIALLY REDUCED.

Happily, therefore, for this country, and the expectations based upon April prospects, those at the end of May were not materially reduced for breadstuffs, if at all, except on oats; and it is doubtful if even that crop will be found to have sustained serious damage outside of Illinois, while the Northwest has a larger acreage than usual to offset the above-named State's shortage, from both drought and the oat louse. The damage by insects is also likely to prove less general than usual, owing to the cold spring, while the heavy rains the latter half of the month drowned out those that had appeared in Illinois and Kansas. The prospects of the cereal and other great export crops are therefore far above an average at the beginning of summer, as a whole, though not as universally brilliant as a month ago, and about two weeks later than usual, owing to the cold, backward spring. This latter fact, however, has been as favorable to some as unfavorable to other crops, for had corn been two weeks earlier it would have been cut down wherever frosts have occurred, and required replanting, as it is one of the most sensitive crops to cold weather, but can stand the greatest amount of hot, dry weather of any. Cotton is backward, like corn; but large crops of both are as often raised, after the time this year's was planted, as when planted before. The only material reduction in the crop estimates for the past month are, therefore, on fruits and early garden vegetables, instead of on the great food or feed crops.

On the other hand, the bad crop outlook of March and April in Europe has not improved as much the latter half of May as during the first half of that month, when warmer rainy weather, especially in France, was bringing the spring wheat, sown in place of that winter killed, to a considerable extent, rapidly forward, and repairing much of the damage to the winter crop. But cold, wet weather in Great Britain, as well as on the Continent during the last half of May, and drought in Hungary and Russia, have rather lowered than raised the crop estimates of both Eastern and Western Europe, and renewed the slackening demand for both our wheat and corn, which have been bought freely for the past two weeks, for shipment from now to next September for the latter, and to December for the former. From these facts it will be seen that the world's crop conditions of June 1st, warrant the expectation of higher values for our cereals than a month ago, by so much as Europe has fallen below May 1st conditions; and, that whatever we may have since lost in prospective yield, is likely to be made up in prices. This country is, therefore, in about as good position, both economically and financially, as it was a month ago, notwithstanding the heavy

exports of gold since then, until more than our annual product, by over \$10,000,000, has been shipped out since January 1st.

#### GOLD IMPORTS INSTEAD OF EXPORTS IN THE NEAR FUTURE.

But, with the opening of lake and canal navigation, exports are increasing, even on the short crop and high prices of 1890, and are likely to increase from now till the crops of 1891 shall become available, after which there need be no further fear of gold exports, but in their place gold imports, for the first six months of the coming crop year, beginning with September, are likely to be equally important. Between now and then, even, there is little prospect of further heavy exports of gold, unless the Russian Government persists in drawing all its deposits from Western European financial centers, and compels them to buy it here, whether it pays to export it or not. But even this is more than improbable, for the reason that the balance of trade against this country, which has been unnaturally large, owing to the enormous importations of last year, before the higher tariff took effect, have been mostly paid for, as well as the bulk of our securities bought back from Europe last fall and this spring. She must, therefore, sell us more goods, or her silver, to pay for our gold, before she can draw much more from here. Beside, London has begun buying our railway shares again, for the first time since the panic. This occurred near the end of the month, because of Europe's big crop deficit and our large surplus, which insures increased earnings for American railways the coming year. This and increased exports, from now on, will, in all probability, end the exports of gold in volume, with this month, and turn the tide back again before autumn. So far, then, as this country is concerned, we are still in as strong position, financially and commercially, as a month ago, although the improvement has not developed the past month, as then anticipated, because of the renewed financial disturbance of the great money centers of Europe, caused by the continued and increased withdrawals of gold by Russia. It will be recalled that it was this new element in the financial situation that puzzled Wall Street during April, and which was explained in this article a month ago, so far as the then developments made it possible by any one but the financiers on the other side, who were the first victims of this sudden and still mysterious change in the financial policy of that Government.

#### A NEW MENACE TO THE BUSINESS WORLD.

It is this new and unexpected menace to the financial and commercial world, that has paralyzed Europe, taken our gold and added to the general gloom and depression in her industries, as well as finances and commerce, caused by her short crops

and prospective outflow of gold to this country in the autumn, to make up her next year's deficit in food and feed supplies.

It is a new phase of the old Eastern question, whose ghost will not be laid, but which rises perennially on the political horizon, to disturb the peace and destroy the prosperity of Europe, that now hangs over it like a pall. Its "great powers" and financial security alike, are at the mercy of the same barbarians of the North, who overthrew the civilization of Rome, and whose influence in the affairs of Europe is more malevolent, and whose methods more "unspeakable" even, than the Turks, while its huge brute force is becoming more dangerous as well as more intolerable, with the increasing burdens of enormous defensive standing armies, year by year. At the same time this advancing shadow of the barbarian of the Dark Ages and of the Ancient World alike, is casting itself over the civilization of the nineteenth century and impeding its progress. This new danger is not, however, of an immediate eruption of the Cossack and Tartar hordes, across the Danube. It is in a financial role, entirely new to Russia, that her influence has become so overshadowing as to affect every money center of Europe. Not as a discredited debtor and chronic borrower seeking to place new loans, as she has been chiefly known hitherto in Western Europe; but as a great creditor and depositor of the proceeds of such loans perennially offered during the past few years by the "great bankers" of Europe, whose eagerness for gain has never before been known to be affected by race pride or patriotism.

With over \$100,000,000 in gold deposits at her command with these bankers, Russia has held the finances of London, Paris and Berlin at her mercy for the past year or more; and, since the failure of the Barings was precipitated by the calling of a 5,000,000 sterling loan by Russia, every banker in Europe has felt that his solvency was in greater or less degree dependent upon the caprice of that autocratic Government, which can as easily cause a financial, as a war panic, on every Bourse in Europe, at any time the whim or purpose of one man may select. All this terrible power, too, has been lent by the Western nations to enable their traditional enemy of Eastern Europe to make such war preparations against them as would never have been possible had these reckless financiers not given the indorsement of their names to these Russian loans, or refused to abet this almost bankrupt borrower and disturber of the peace of the old world. It is, therefore, but righteous retribution upon their own heads, that they should be the first to suffer from this new financial enemy of the industrial world, as the Barings were, nine months ago, as the result of their reckless haste to get rich by floating the equally doubtful loans of South American financial beggars. That default on these enormous Russian loans will precipitate another financial collapse, worse than

that in Argentine securities, sooner or later, cannot be doubted. For it is not the prosperity of Russia that has given her her present financial strength, but simply her ability to borrow and use other people's money; while her own people were previously impoverished by their enormous and increasing war burdens. The "Kings of Finance," who were willing thus to sacrifice the peace and prosperity, not only of their several native lands, but also that of Europe, to their insatiate craze for piling up such doubtfully gotten millions of the people's money, with which to betray both their liberties and their rights, alike of person and of property, to such a despotism as Russia, may find balm in the following cable from St. Petersburg, under date of May 25th:

Commenting on the report of M. Vishnegradsky, the Russian Minister of Finance, for 1890, a writer in the *European Messenger* draws the gloomiest pictures of the sufferings of all classes of Russians, and says that inevitable financial ruin is bound to overtake the Empire. He declares also that the repletion of the coffers of the treasury with gold is not needed in a country where paper has a forced circulation. This gold has been obtained by wholesale taxation and ruination of the people. The apparent financial success of Russia is a delusion, because it is not based on an improved economical condition.

#### EUROPE IN A BAD WAY FINANCIALLY.

That Europe is in a bad way financially, therefore, is beyond question. This condition is the result of general and long standing causes, begun in vast and universal war preparations, and in the raising of such standing armies as were never known in the history of the ancient or modern world; which can only end in the political destruction of some of the great powers, or the financial bankruptcy of all. No nation, however rich, can support an unproductive army of men, on a war footing, in time of peace, at an annual expenditure almost equal to times of war, without ruining its credit and impoverishment of its people. Without the "sinews of war," and with such costly armament as is required, by modern warfare, no nation can hope to hold place among the Great Powers. With continued peace, therefore, the financially weaker countries of Europe cannot stand much longer under these crushing burdens, and will soon welcome war as a relief, or an end of them. That Russia sees this inevitable outcome is due before long, and has nearly made her preparations, financial and military, for the final life and death struggle between the brute forces that now rule Continental Europe, is plain to be seen in this continued and steady withdrawal of the gold she has borrowed of her enemies wherewith to fight them. With this conviction, added to the destruction of the financial equilibrium of Europe, and her poor crop prospects for 1891, it is not difficult to account for the gloom, depression and stagnation that is settling over her; for war alone



can permanently remove the causes, by the annihilation of these vast unproductive bodies of the flower of her most productive population. The only alternative is their disbandment; and this can never be done with Russia's consent, until her military power and her financial resources are both destroyed. The sooner, then, this shall be done, the better, for general prosperity can never return to stay, under the present conditions. That a more or less general European war is inevitable seems certain; and, it would be a mercy to both combatants, taxpayers and the business world, to let it come now, and settle forever the wretched Eastern Question, that has already cost Europe more blood and treasure than the entire territory and commerce in dispute will ever be worth. Happily for this country, we are so situated by nature and politics as to be unaffected by such a struggle, except favorably, in supplying food to the nations involved, as we are already beginning to do, in quantities unknown during the last decade of universal peace in Europe. That this demand for our food and feed supplies is already so largely increased, is coming to be believed by well-informed people, to be in anticipation of a European war, before the end of the next crop year, as well as because of the prospect of short crops in both Eastern and Western Europe this year. We have already felt the ill effects of this financial situation in Europe, in the withdrawal of our gold. But this will soon cease, and then we shall only be benefited by the ill wind that blows across the Atlantic; whether in peace or war, so far as this crop year is concerned, in the former event and so long as hostilities should continue in the latter.

#### PROSPECTIVE EXPORTS AND EASY MONEY.

In view of the foregoing facts, this country has the brightest prospects of the biggest export trade in our great food and feed supplies that we have ever experienced, even in the old 1877-80 period of short crops in Europe and abundant ones here. With such prospects, the present all-controlling factor of gold exports will soon cease to exist, and be replaced by gold imports, probably in larger volume, notwithstanding the efforts already making in London and Paris to keep the gold drawn from here from coming back, with the increased export of our new crops. Such a condition of our foreign trade relegates the money market also to a secondary position, and removes all apparent ground for apprehension as to any stringency when the crops come to move; for their sale to Europe, as fast as harvested, will bring the money into the country, from there, to pay for them. The late scare about our depleted Treasury, in the face of such big crops, to be moved so early, has therefore dropped out of mind. Other industries and interests, financial and commercial, will fall

in the wake of big crops and export demand, and all will share in the prosperity of the agricultural and transportation interests, which are promised the best year in ten.

#### SPECULATIVE WEATHER MARKETS.

The position of the produce markets has been sufficiently indicated in the foregoing, they having been what are known in the trade as "Weather Markets," because particularly dependent upon the weather at this season of the year, as are the crops during the germinating and rooting period, when sunshine and rain make weak, and cold dry weather make strong markets. This and the foreign demand have been the controlling factors in all the speculative markets, as well as for export staples, except for stocks, which have been alternately strong on fine crop prospects and large export demand, and weak on the exports of gold and financial stringency in Europe. These, together with the first London buying of stocks since the Panic, have been the influences in the stock market. Yet money has remained easy here, in spite of Europe, because the return of currency from the country has continued in volume all the month, and kept rates from advancing, except in a few temporary cases. The bank reserves have also been well maintained, in the face of enormous gold exports, which have been offset by this return currency movement to a great extent, and because the loans of the banks have decreased with their deposits, and reduced proportionately the reserve requirements. All in all, the commercial and financial soundness of this country, as well as its resources, have again been demonstrated, as in the Panic, to be not only greater than Europe's, but also outgrowing financial dependence on her. The transportation interests by sea and land are having a dull time yet, owing to last short crops, but both are waiting for a harvest on next, for which their capacity has already been engaged months in advance.

#### OUR FOREIGN TRADE.

The official report of the Government Bureau of Statistics, lately published for April and the previous months, shows that for the eight months to December 31, 1890, our exports of merchandise exceeded the imports of the same by only \$7,821,721, whereas in the eight months to December 31, 1889, the exports of merchandise exceeded the imports by \$55,729,125, a decrease of \$47,907,404. In the four months to April 30, 1891, the exports of merchandise and silver were \$19,814,131 greater than the imports of the same. In the corresponding eight months to April 30, 1890, the excess of exports of merchandise and silver was \$22,210,192 over the imports of the same. This shows an improvement over

the comparison of the eight months, as the decrease from last year is \$2,396,061, and also why Europe has been able to draw on us for so much more gold in the last few months, as compared with the same time last year. Add to this the estimated \$100,000,000 worth of stocks sold back to us in the last six months of 1890, the curtailment of credits by the calling home of foreign capital loaned here, and it gives cause for wonder that only \$50,000,000 of gold should be sufficient to settle the decrease in our credit balance this year, as compared with last.

#### DOMESTIC TRADE.

The following returns of trade and speculation for the third week in May reflect the dullness of general business, when we consider the active speculation in grain, at high prices:

The aggregate clearings of sixty cities for that week were \$1,107,974,146, a decrease of 15 8-10 per cent. The decrease outside New York was only 6 per cent. New York decreased 21 4-10 per cent., Boston 21 8-10, Philadelphia 13 1-10, Baltimore 10 7-10, Pittsburgh 10 9-10, Kansas City 28, Milwaukee 8, Cleveland 9 3-10, Omaha 11 1-10, Denver 5 8-10, Duluth 17 1-10, Salt Lake 13 1-10, Seattle 6, Tacoma 8 3-10, Wichita 52½, Birmingham 24 8-10, Chattanooga 26 6-10, and Montreal 16½. Chicago increased 4 2-10, San Francisco 7½, Cincinnati 5½, Buffalo 18 9-10, Galveston 344, Minneapolis 7 7-10, Detroit 11 2-10, Indianapolis 130 8-10, Columbus 10 9-10, Memphis 13 2-10, Dallas 65 2-10, Nashville 30 1-10, Fort Worth 69½, Sioux City 39½, Norfolk 13 2-10, and Des Moines 30 7-10.

The statistical position of the cotton market is sufficient to account for the stagnation in that staple. The visible supply of cotton in this country is now at the ports 409,000. Interior towns 155,000, against 202,000 and 30,000 respectively last year, an excess of 332,000 bales. The total movement of the crop since September 1st is 8,284,000 bales, an increase of 1,202,000 over last year. The stock in New York warehouses is 140,000 bales, against 107,000 a year ago.

The iron trade has shown little or no change during the month, and certainly no general improvement as yet, for the railroads have delayed placing their orders for new equipment until the doubts regarding the damage done the crops by the May drought could be verified or removed. Their removal now seems pretty generally assured, and another month ought to show increased demand from this source.

The coal trade has shown an unusual and unexpected increase in demand for this season of the year, which is in marked contrast with a year ago, when stocks reached inconvenient proportions and demand was the smallest for years for domestic sizes.

Why the reverse is true this year and tide water stocks smaller than usual, as well as demand better and prices firmer, is not clear; yet such seem to be the undisputed facts, and the tendency is toward increased production and higher prices. And yet the last Reading statement was a poor one.

H. A. PIERCE.

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## FINANCIAL FACTS AND OPINIONS.

*Philadelphia Bank Failures.*—The failures of the Keystone and Spring Garden National Banks, in Philadelphia, have some unusual features, and which we trust will never be likened. The examination into the Keystone failure discloses some remarkable facts; not only is the defalcation for a very large amount, but it extends over a large period of time, and more extraordinary still, a large number of officials knew of it, and participated in concealing it from the examiner. One may wonder how the directors of a bank, meeting two or three times a week, and one of them acting as president for several months, could have been wholly ignorant of these things; and yet, if we are to believe their testimony, it appears that they supposed the affairs of the bank were all right. Furthermore, the bank examiner has been regarded as highly competent, and yet the failure discloses the fact that he was completely blinded. By this shock all banks in some degree suffer, but it must be remembered that confidence is not a perfect thing, and that this failure is unusual in magnitude and in other ways. The Spring Garden National Bank failure intensifies the other, especially as the relations between the two banks indicate that each had some knowledge of the condition of the other. It is true that in banking circles there had been suspicion of both banks for many months before the eruption. Very likely these failures will give rise to the creation of new safeguards for conducting the banking business; but the best safeguard of all is the selection of competent and honest men. This is the lesson which every bank failure conveys to us. Men cannot be made moral by machinery. It is true that it may have the effect of deterring men who are inclined to go wrong from following out their inclinations; but it does not change their purpose; it merely prevents them executing it. The supreme thing for bank directors is to select honest and competent officials and if they have neither time nor ability to attend meetings, they can at least have an eye on the conduct of their officials. And if they did, they would doubtless learn of their speculations, of all their outside business, and of their general standing. Furthermore, whenever they learned that they were regarded with suspicion; that they were considered sharpers; that they were speculators and the

like, then they could strengthen their institutions by supplanting them by better men having a different record and a better standing in the community. Bank directors can at least do this much, if not more.

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*The Liability of a Bank for Forged Indorsements.*—The suit of Shipman, Larocque & Choate, of New York, against the Bank of the State of New York, has been decided by the highest court of the State in favor of the firm. They were depositors and sought to recover from the bank a balance of \$198,045 with interest. The dispute was occasioned by the forgeries of a confidential clerk whose business consisted in lending money for the firm on bond and mortgage. The money lent was drawn from the bank on a check payable to the borrower or order. The clerk used to apply for loans in the name of some customer or in a fictitious name, then he would pretend to search the title and make a favorable report, whereupon he received a check, indorsed it with the name of the supposed borrower, and it was cashed through another bank. From the money thus received he paid the interest on the fictitious loans and spent most of the remainder in gambling. The firm began an action against the Bank of the State of New York, which had accepted the forged indorsements, for the balance of their deposit account as it would have stood had the forgeries not been accepted as genuine indorsements. The chief defense of the bank was that the firm, by failing to examine the returned vouchers, had been guilty of carelessness which transferred the responsibility to themselves; but this plea was overruled. The decision not only emphasizes the necessity for banks to employ only experts in hand-writing as paying-tellers, but also renders them responsible for the genuineness of every signature on which they pay the money of their depositors. Furthermore, the decision seems to go a long way towards releasing depositors from any obligation to scrutinize their checks that have been returned to them from the bank with which they keep an account. In the March number we remarked that the rule is very harsh which holds a bank liable for mistakes in paying checks and other instruments that are not detected by the depositor himself soon after the return of his pass-book and accompanying vouchers. It does not prevail in many States and ought not to exist anywhere. The United States Supreme Court has established, we think, the correct rule on the subject. A depositor should have a reasonable time after the return of his pass-book to examine it, to have errors in entries and mistakes in payments corrected; and if he does not do this within such time, the bank should not be regarded as liable for them any longer. This subject was fully considered in the last September number of the MAGAZINE. Ought not the principle thus established to be embodied

in a statute, substituting, however, an arbitrary time within which reclamations may be made, for a reasonable one? We have formulated the rule in the following proposed law: *Be it enacted, etc.,* That whenever a depositor shall receive his deposit book from his depository bank or banker, containing the entries of the deposits made with said bank or banker, and the sums withdrawn therefrom, from the date of the last entry by the bank or banker in the book (or from the beginning of the account, if no entries have been made in the deposit book), and he shall not, within sixty days from the date of receiving the book and the accompanying checks, notes, bills of exchange or other vouchers of payments made by the bank or banker, make reclamations for errors that may be discovered in the entries of the amounts deposited or amounts paid on the checks, notes, bills of exchange or other vouchers, or on forged indorsements, which are made or caused by an employe of the depositor of his name, or on forged signatures as makers, or in any other assumed capacity, or on alterations in the amounts, of such instruments, then the depositor shall have no recourse against the bank or banker for damages, *unless* he can prove that such erroneous entries or payments, or omissions of entries that should have been made, were caused by the fraudulent conduct of the employes or officials of the bank.

*New National Banks.*—The popularity of the National banking system is shown by the rapid increase in the number of these institutions, notwithstanding the high price of bonds and the approaching extinction of profitable circulation. A total of 104 new banks has been organized within six months. These are scattered through 33 States and the District of Columbia, and have a capitalization of \$11,170,000. This rate of increase is not quite so rapid as during the year preceding last November, but it is well up to the increase in other years, and indicates that the year 1891 will take rank with the years of greatest activity in the establishment of banks since 1865, when most of the State institutions took out National charters. The gratifying feature of the increase, as in other recent years, is that it is mostly in the new States of the South and West, where opposition to the banking system has been the noisiest. Only three of the new institutions of the past six months are in New England, and only eight more in New York and New Jersey. Pennsylvania shows twelve new banks, but is surpassed by Texas, with thirteen, and much surpassed in capitalization, which is only \$700,000 for her banks, against \$1,310,000 for the banks of Texas. The new State of Washington ranks third in the list, with ten banks, but their capital of \$500,000 is surpassed by that of the seven banks of Illinois, with \$1,450,000, the four banks of Maryland, with

\$1,050,000, and the three banks of Missouri, with \$1,300,000. Following is the complete list by States of the incorporations and the capitalization during the six months ending April 30:

<i>State.</i>	<i>No. Banks.</i>	<i>Capital.</i>	<i>State.</i>	<i>No. Banks.</i>	<i>Capital.</i>
Colorado .....	2	\$300,000	Montana.....	1	\$250,000
District of Columbia...	1	200,000	Nebraska .....	4	260,000
Florida.....	3	150,000	New Hampshire.....	1	50,000
Georgia .....	2	300,000	New Jersey.....	1	50,000
Illinois .....	7	1,450,000	New Mexico.....	1	50,000
Indiana.....	1	100,000	New York.....	7	500,000
Iowa .....	4	300,000	North Dakota .....	3	150,000
Kansas.....	3	400,000	Ohio. ....	2	100,000
Kentucky.....	2	150,000	Oregon .....	2	300,000
Louisiana.....	2	100,000	Pennsylvania .....	12	700,000
Maine .....	1	50,000	Tennessee.....	2	350,000
Maryland.....	4	1,050,000	Texas.....	13	1,310,000
Massachusetts.....	1	50,000	Utah .....	1	50,000
Michigan.....	1	50,000	Virginia .....	4	300,000
Minnesota.....	1	50,000	Washington.....	10	500,000
Mississippi.....	1	50,000	Wisconsin.....	1	200,000
Missouri.....	3	1,300,000			
				104	\$11,170,000

The last report of Comptroller Lacey showed the number of banks incorporated during the year ending October 31 to have been as follows for the last nine years:

<i>Year.</i>	<i>No.</i>	<i>Capital.</i>	<i>Year.</i>	<i>No.</i>	<i>Capital.</i>
1882 .....	227	\$30,038,300	1887 .....	225	\$30,546,000
1883 .....	262	28,654,350	1888 .....	132	12,053,000
1884 .....	191	16,042,230	1889 .....	211	21,240,000
1885 .....	145	16,938,000	1890 .....	307	36,250,000
1886 .....	174	21,358,000			

It may be remarked that these banks have not been organized for the sake of the profits on circulation. This appears from the fact that they are mostly banks of small capital, as the average is less than \$100,000. The average in the new State of Washington is exactly \$50,000 to the ten banks, while in Texas it is a trifle over \$100,000 to the thirteen banks. They are established to do business, and not to make money on their circulation.

*The Regulation of Savings Bank Investments.*—During the last session of the New Hampshire Legislature amendments were made to the laws relating to the investments of savings banks. The Bank Commissioners and the committee, to whom was referred the revision of the laws, submitted the following amendments, all of which were adopted: No savings banks shall hereafter invest its funds in the following named securities and stocks: 1. In loans to any person or corporation exceeding in the aggregate 10 per cent. of the amount of its deposits. 2. In loans and debenture bonds secured by mortgages of real estate situated outside of New England exceeding in the aggregate 40 per cent. of the amount of its deposits. 3. In loans or debenture bonds secured by mortgages of unproductive, unimproved, or unoccupied real estate situated outside of New England. 4. In loans secured by the pledge of

securities or stock in which it is not at liberty to invest. 5. In the stocks and bonds of any corporation exceeding in the aggregate, at their par values, 10 per cent. of the amount of the deposits of the bank. 6. In the stock of any corporation located outside of New England which has not earned and regularly paid dividends during the five years next preceding such investment. 7. In the stock of any corporation located within New England which has not earned and regularly paid dividends during the two years preceding such investment. 8. In the stock of any corporation, excepting National banks, organized under the laws of another State, which is engaged in the business of selling or negotiating loans, stocks, or other securities. 9. In the bonds, notes or other evidences of indebtedness of any county, city, town or district situated outside of New England whose net indebtedness (above the amount of sinking funds set apart for the payment of such indebtedness, and not including debts created for supplying the inhabitants with water) exceeds 4 per cent. of the amount of the last preceding valuation of property therein for taxation. 10. In the bonds, notes or other evidences of indebtedness of any other corporation, excepting railroad corporations, whose net indebtedness exceeds the amount of its capital stock actually paid in and remaining unimpaired.

*The Bank of Montreal Dividend.*—Though this bank—one of the largest and most prosperous on the Continent—continues to pay 10 per cent. dividends, the decline in its net profits has given rise to some questionings. The earnings of the bank for the last seven years are the following:

<i>Year.</i>	<i>Profits of year.</i>	<i>Percentage of capital.</i>
1885.....	\$1,393,116.88	11.02
1886.....	1,465,976.01	12.13
1887.....	1,520,195.10	12.66
1888.....	1,284,501.17	10.70
1889.....	1,377,176.01	11.47
1890.....	1,377,311.32	11.47
1891.....	844,999.45	7.04

The *Montreal Witness* says it is not improbable "that the earning power of all the banks, but particularly of the Bank of Montreal, which has had so large a share of the enormous financial business of the Government and the Canadian Pacific Railway Company during the last few years, will be diminished. Canada has been borrowing and spending large sums of money in the last twelve or fourteen years, during which our railway systems have been developed with extreme rapidity, and the banks have profited greatly by this course. The time for economy has come, and the earning power of all financial institutions, but especially of those which had a large share of the Government business, will probably be greatly reduced."



*National Debt Reduction.*—The people of this country have rejoiced much over the reduction of the National debt, but they know less about the reduction, of late years, in the English debt. Its total amount, five years ago, was \$3,711,000,000, while in 1890 the amount was \$3,449,000,000. This amount, even, is considerably larger than our debt when it reached its maximum at the end of August, 1865. It will be seen that the English debt during the last four years has been reduced \$262,000,000, while that of the United States during the same period has been reduced \$368,000,000. Statisticians are fond of working out the indebtedness of countries per capita, and on this basis it appears that the debt of Great Britain has been reduced from \$107.94 in 1880, to \$87 in 1890. The debt of the United States was \$42.27 in 1880, and in ten years has been reduced to \$24.78. Thus, while the debt of our country was reduced only \$17.50 per capita, the British debt was reduced \$20.94. But the per capita basis is misleading, for a reduction on this basis may be very great while not a dollar of actual indebtedness may have been paid. Furthermore, a reduction on this basis may be fallacious, for the reason that the people of a country may be less able to pay it than they were at a former period when the amount per capita was very much higher. And this reasoning may be not less misleading when applied to taxation. The mode of reducing the British debt is quite different from our own. It is effected chiefly by what is known as the terminable annuity system. By this the English Government agrees to make certain fixed payments to the holder of stocks for a specified number of years in exchange for them. Suppose, for example, a man has ten thousand pounds of  $2\frac{1}{2}$  per cent. stock, and that he is desirous of receiving a larger income than the two hundred and fifty pounds arising from this investment. He transfers his stock to the Treasury, which in turn pledges itself to pay him twice that sum for twenty years, at the end of which the obligation of the Government is to cease, and the stock is canceled. Though the Treasury's obligations are doubled during the twenty years that the annuity has to run, the debt is reduced by the amount of stock previously held by the annuitant. Large slices of the debt are often wiped off in this way. In 1883, for example, no less than \$300,000,000 of it was got rid of by this means. In that same year, also, quite as large a bulk of annuities was taken as at the previous issue; and it is plain, therefore, that after twelve years from now, when the annuities "fall in," as it is called, there will be another reduction of the debt by at least \$300,000,000. The English debt will stand a good deal of reduction, however, for it still amounts to the respectable figure of \$3,400,000,000—almost three times as much as ours.

*The Increase in the Use of Silver Money.*—The following table

shows that the proportion of silver money received at the New York Custom House of late has been rapidly increasing :

PERCENTAGE OF CUSTOMS RECEIVED IN

	<i>Gold.</i>	<i>Silver.</i>	<i>Gold Cert's.</i>	<i>Silver Cert's.</i>	<i>Legal Tender.</i>	<i>Silver Notes.</i>
July, 1890....	0.1	0.1	95.3	2.0	2.5	....
Aug., " ....	0.1	0.0	91.7	1.7	3.0	3.5
Sept., " ....	0.1	0.1	85.5	1.4	1.9	11.0
Oct., " ....	0.2	0.0	80.9	1.3	2.1	15.5
Nov., " ....	0.3	0.1	80.4	1.7	2.9	14.6
Dec., " ....	0.3	0.1	87.8	1.9	3.0	6.9
Jan., 1891....	0.1	0.0	88.5	2.1	4.1	5.2
Feb., " ....	0.1	0.0	81.0	6.6	5.0	7.3
Mar., " ....	0.2	0.0	64.9	16.5	6.0	12.4
Apl. 10, " ....	0.2	0.1	49.9	19.8	5.2	24.8
Apl. 20, " ....	0.2	0.1	49.4	19.0	6.2	25.1
Apl. 30, " ....	0.2	0.0	47.0	20.0	7.2	25.6

During the first ten days of May, the proportion of gold certificates fell to less than 25 per cent. of the total receipts, and during the second ten-day period of the month it has risen to 31.3 per cent., silver certificates decreasing from 29.4 to 24.7, Treasury notes from 35.1 to 32, and United States notes increasing from 10.8 to 11.7 per cent. The Treasury gold fund, under the influence of the large exports of gold, has declined from \$280,000,000 on May 1 to \$271,000,000 on May 10 and \$262,000,000 on May 20; the net gold fund falling from \$141,000,000 on May 1 to \$138,000,000 on May 10 and \$136,000,000 on May 20, \$12,000,000 of gold certificates having accumulated in the Treasury during the twenty days. For several years, since the adoption of the new silver regulations, the quantity of silver received at the chief Custom House in the country has not been large, and as gold or gold certificates have been generally used, the Government has been well supplied with gold. If, however, silver payments should continue to increase as they have during the last few months, within a comparatively short time the stock of gold in the possession of the Government will run very low. Last autumn, when the new Treasury notes were issued, only large denominations could be supplied, and no adequate demand for those in circulation was felt, so that they came back to the Custom Houses in large amounts. Afterward small denominations were prepared and issued, and for about three months the proportion of such notes received in payment of customs was not large. But now many have been returning to the city from the country, where they were distributed last fall for farm products, and as that kind of money naturally returns of which there happens to be more than people want, the payments in silver notes and silver certificates suddenly rise. The Treasury is still putting out the new Treasury notes in the purchase of silver bullion at the rate of 4,500,000 ounces each month. But the receipts at New York alone through the Custom House were of new silver notes about \$2,700,000 in April, and of silver certificates

about \$3,000,000. Thus the amount of new Treasury notes outstanding increased only a little during that month, while the amount of silver certificates decreased. It does not necessarily follow that the full limit of use for the new silver notes or the silver certificates has been reached, so that no more can be taken into circulation when business becomes more active. On the contrary, there is reason to expect that there will again be a large demand for these and other forms of paper next fall, and not improbably the amount then brought into circulation may be larger by several millions than the amount now outstanding.

*New Designs for the Silver Coins.*—Among the wise acts of the last Congress was a law authorizing the Director of the Mint to have new designs prepared for the silver coins. The designs that have so long been in use have often been criticised. It has been asserted that to cover the entire surface of the coin an inch and a half in diameter with a single figure indicates a poverty of design. Again, it has been asserted that the wings of the eagle on the reverse side resemble pancakes more than wings, and that the liberty on the half dollar and quarter represents a homely woman with a scrawny neck sitting in a very trying way on the sharp corner of a shield, and that the eagles of these coins have a distinctly drunken appearance, with a beak like the nose of a rhinoceros. While these criticisms may be too severe, it has long been acknowledged that the artistic conception is as poor as their mechanical execution is excellent. The Director of the Mint, Mr. Leech, has decided to avail himself of the opportunity made by a law of the last Congress authorizing him to adopt new models of the National emblems for use upon the coins. He has already communicated with such American artists and sculptors as he could conveniently get at, inviting the submission of five designs, and offering a payment of \$500 for each design selected. The obverse and reverse of the silver dollar, and the obverse only of the half dollar, quarter dollar and dime, are to be the coins and sides affected by his proposals. The models must be presented in the form of medallions in plaster, in low relief, and with no other inscriptions than are authorized by law. These for the silver dollar are the words "Liberty" and "United States of America," and it is also required that upon the reverse of this coin shall be the figure of an eagle. Upon the obverse of the other three coins there must be an impression emblematic of liberty, and an inscription of the word "Liberty." These conditions met, the opportunity of invention is unlimited. Mr. Leech will supply to any one desiring them copies of his circular offer and the law. It is to be hoped that the sums offered for the designs are sufficiently large to tempt artists to display their utmost skill. For many

years the mechanical execution of our coins has been of the highest order, and there is no reason for remaining so far below other enlightened nations in their artistic appearance.

*Continuing the Four and a Half per Cents.*—It is reported that the Secretary of the Treasury will probably continue the remainder of the four and a half per cent. bonds, amounting to about fifty millions, at two per cent. interest, redeemable at the pleasure of the Government. This would be simply a repetition of the plan which Secretary Windom adopted with respect to an issue of bonds which matured while he was Secretary during President Garfield's administration. To some persons it seems a somewhat strange proceeding to continue bonds that may be matured at par, and to pay a premium of twenty-two per cent. for other bonds which must be purchased for fulfilling the requirements of the sinking fund. It is asserted, however, that for \$50,000,000, \$40,983,600 of the four per cents could be bought at 122 if these ran until they matured, which would be October 1st, 1907. The interest payments would amount to \$25,956,280, making their total cost \$66,939,880. If the four and a half per cents were continued at two per cent., and ran until July 1st, 1907, they would cost at that date, for principal and interest, \$65,833,333. There are two strong reasons for continuing the four and a half per cent. bonds at a reduced rate of interest, besides the saving in dollars which might result. One reason is that the continuance of the old bonds in September would postpone the disbursement of the money until a month or two later, when the pressure for money was greater, and when there would be a little larger accumulation in the Treasury. The other reason affects the banks and explains their interest in the subject. Letters are coming to the Secretary, and also to the Comptroller of the Currency, protesting that if the four and a half per cents are redeemed, circulation based upon them will be promptly retired. The banks will not replace their four and a half per cents by purchasing fours at their present heavy premium if they can maintain the required holdings of bonds without such purchases. It is thought by the Treasury officials that about half of the circulation of \$22,000,000 now based upon deposits of \$24,601,200 in four and a half per cent. bonds would be retired. This would mean a reduction of the available circulation of the country by just that amount. The circulation outside of the Treasury might be maintained for a time by the fact that cash was paid for the bonds purchased which would take the place of the bank notes withdrawn, but the Treasury cash would be depleted to just that extent, while it might be spent for bonds that did not sustain circulation under the other plan. Some of the letters which are coming to the Treasury Department from banks which have already

reduced their circulation to the minimum threaten that the banks will go out of the National banking system altogether if their four and a half per cents are redeemed. There is probably more bark than bite in this threat, because many practical difficulties would arise in changing systems, but the attitude of the banks is significant of the hardships under which they now labor.

*The Treasury Reserve.*—A few months ago the administration was roundly denounced in many quarters for having such a large surplus in the Treasury, which was accumulated, so it was contended, by the sacrifice of our business prosperity. The last Congress sought to correct the evil, if it really existed, by diminishing the revenues and thus withdrawing less money from active circulation. Since the adoption of this policy the scare has been raised by the opponents of the administration that there is danger of National bankruptcy. While it is true that Congress appropriated money with unparalleled recklessness, there is not the smallest danger that every appropriation will be paid, besides observing the sinking fund requirement. It should be considered that the real condition of the Treasury is not shown in the monthly public statements. There are many reasons why these cannot represent the true condition of things. So they have been changed from time to time for the purpose of making the situation a little clearer, but they never can tell the whole story. The change in the form of the statement adopted by Secretary Manning, June 31, 1885, reduced the loose cash in the Treasury by isolating different sums to meet specific liabilities. By this process a balance of \$172,800.-851, on June 30, 1885, was reduced to a net balance of \$40,676.-930. Under previous statements the gold reserve figured as a part of the cash, and no deduction was made for the fractional silver and minor coin, which Mr. Manning set aside as unavailable for the reduction of the debt. The annual report of the Secretary of the Treasury for a number of years contained a summary of the cash reserve and of the liabilities which had to be deducted from it. The assets were the gold coin, the gold bullion, the standard silver dollars, the fractional silver coin, the silver bullion, the deposits in National banks, and the legal tender notes and National bank notes in the Treasury. The legal tender notes did not appear as a liability, but the gold and silver certificates, the balances of disbursing officers, and the fund for the redemption of National bank notes, was set down with the smaller items of matured liabilities. The surplus shown by this method for the fiscal year 1881 was \$146,443.491; for 1882, \$135,151,688, and for 1883, \$160,822,545. The same form of statement adopted now would make the gold reserve an available asset, but would reduce the total by the amount of some \$60,000,000 on account of the redemption of

National bank notes. The aggregate surplus would then appear as about \$96,000,000, including the fractional silver coin and the deposits in National banks. Now that the bank note redemption fund has been transferred by law to the available cash, it would of course be counted, and the surplus stated at \$156,000,000. This would permit some drafts to be made without drawing the amount below the gold reserve of \$100,000,000. Treasurer Gilfillan, in his annual report for 1881, recommended that the amount of money held in the Treasury against liabilities should be no larger than 40 per cent., although it then appeared as 54.1 per cent., including United States notes, and rose in 1883 to 58.2 per cent. The present percentage, by the same method of computation, except that the bank note redemption fund has been absorbed, is about 54 per cent., which indicates plainly enough that the Treasury is well equipped with money, and that its present condition of seeming depletion is relative to its condition a few years ago rather than an absolute depletion.

*Commerce in Precious Metals.*—The facts presented in the report of Mr. Leech, Director of the Mint, on the production and movement of the precious metals for 1890, possess more than usual interest. The value of the foreign gold bullion imported into the United States during the calendar year 1890 was \$2,450,165. Of the gold bullion imported, \$1,024,509 came from Mexico, \$402,270 from the British possessions in North America, \$366,071 from Germany, \$145,995 from England, and the remainder principally from countries of Central and South America. Foreign gold coins were imported of the value of \$14,865,368, of which \$5,084,708 were from Australia, \$2,676,624 from England, \$2,451,798 from Cuba, \$2,174,486 from France, \$1,884,470 from Germany, and the rest in small lots from various countries, principally Mexico and South America. Our own gold coins were returned to the United States during the year, of the value of \$2,914,557. The total imports of gold into the United States during the calendar year may be summed up as follows:

<i>Classes.</i>	<i>Value.</i>
Foreign bullion.....	\$2,450,165
Foreign coin.....	14,865,368
Foreign ores.....	149,366
Total foreign.....	\$17,464,899
United States coin .....	2,914,557
Total imports.....	\$20,379,456

The domestic exports of gold bullion aggregated \$16,280,224, of which \$15,040,987 were bars bearing the stamp of the Assay Office at New York, nearly all of them being exported in the months of June, July and August. The exports of gold were principally to Europe, \$12,661,600 going to England, \$2,774,335 to Germany

and \$761,032 to France. United States gold coins were exported during the year of the value of \$4,374,736, of which \$1,211,073 went to Hayti, \$1,119,616 to Venezuela, \$825,910 to the Hawaiian Islands, \$583,597 to Hong Kong, and the remainder to various countries, principally of South America. The movement of gold from the United States during the calendar year was as follows:

<i>Classes.</i>	<i>Value.</i>
United States bars.....	\$15,040,987
Other domestic bullion.....	1,239,237
Domestic coin.....	4,374,736
Domestic ores.....	32,060
Total domestic.....	\$20,687,020
Foreign bullion.....	\$1,200
Foreign coin.....	3,406,914
Foreign ores.....	34
Total foreign.....	3,408,148
Total gold exports.....	\$24,095,168

From the totals of the two preceding tables it will be seen that there was a net loss of gold to the United States during the year by excess of exports over imports amounting to \$3,715,712.

*Gold Exports.*—The ability of the American people to repurchase within a few months a hundred millions of securities held abroad, and to export in addition fifty millions of gold, are splendid proofs of the financial greatness of the country. A few years ago the sale of such a large quantity of securities here by foreign owners would have demoralized the market, while such an export of gold as has happened within the last few weeks would have perhaps created a panic. One reason, perhaps, why the withdrawal has had so little effect is, it is believed a large portion of the gold will soon find its way back in payment of wheat, cotton and other exports. Our crops are unusually promising. It is estimated that the wheat crop will not be less than 500,000,000 bushels, and that Europe will need a large portion of the surplus. The cotton crop is surpassing expectation, and not less than 8,500,000 bales are in sight. Portugal, France, Spain and other heavy bread consumers are removing their custom house barriers for the admission of American grain. Already the outward flow of gold has passed the stage where Europe is calling for the settlement of indebtedness incurred in the past, the high premium paid by the Bank of England for American coin being indubitable evidence that foreign governments are drawing upon the United States to tide over an emergency, irrespective of ordinary considerations of profit and loss. The commonly accepted theory is that Russia is the primal source of disturbance, and that her demands upon London, Paris and Berlin cannot be evaded. The causes of this outflow have been widely discussed, but the general

conclusion seems to be that the gold has gone to Russia. There is always something ostentatious in these Russian gold transactions. It looks as if the Finance Minister were anxious to make a display of wealth and of his power over foreign markets, and therefore shifted his balances about from this center to that in order to make them manifest. Whether it will stay there long or not is now the important question. The eminent German Berlin banker, Bleichroeder, in a recent interview, asserts that the gold will soon return, for Russia must repay the Dutch loans of 1790 and 1850, and is accumulating gold for this purpose. In due time the gold must be paid out, and will return to this country.

*Silver Exports.*—The exports for the last six years ending with March have been :

1891.....	\$1,066,875	1888.....	\$11,761,132
1890.....	21,347,691	1887.....	8,686,147
1889.....	14,685,758	1886.....	14,908,829

Before the enactment of the last silver law, a considerable quantity of silver, as these figures show, was annually exported, but as this country is now the highest market for silver, exports have practically ceased. Had the former state of things continued, about \$18,000,000 of silver would have been exported, canceling to that extent our foreign indebtedness and saving the export of a similar amount of gold. It is true that as a larger amount is employed for monetary purposes under this law than before, the total volume of circulation in this country is not diminished by this movement, but the effect of the law in retarding the exports of silver and necessitating gold exports can hardly be questioned.

*Argentine Finances.*—The experience of the Argentine Republic in issuing money enough to go around and make things easy for the honest agriculturist is instructive. The chief agency employed for that purpose was like that which the Farmers' Alliance seeks to establish by the sub-treasury bill, except that the Argentine scheme was more conservative. Money was not advanced on crops, but an owner of land on application could obtain 50 per cent. of its value in notes guaranteed by the Government, known as cédulas. Of these there are now about \$400,000,000 outstanding, and they are quoted at less than half their face value, although the security of the land as well as the credit of the Government is behind them. Besides the cédulas there is a paper currency of \$280,000,000. Surely this ought to be enough to make the Argentines the most happy and prosperous people in the world. As a matter of fact they are ruined. People who had been in good circumstances find themselves reduced to poverty, industry is depressed, enterprise at a standstill, gold is at 250 per cent. premium, and prices are on a corresponding scale. There was a great boom while it lasted, and



fictitious prosperity was sustained to an unnatural extent by the fatuity with which the Barings and other foreign investors emptied their millions in Argentine speculations. As time passes, and the true situation becomes more clearly revealed, the collapse of credit resulting from the Argentine troubles was much more disastrous than it was supposed to be when the Barings failed in November. The latest news from Buenos Ayres does not encourage the hope that the Government of the Confederation will speedily be able to repair its shattered finances, or even to effect a satisfactory settlement with its creditors, and the private banks and other financial corporations of the country are still worse off. The result is that the Bank of England has not yet recovered from the securities placed in its hands by the Barings enough to pay its advances to them by £4,000,000, and it will have that amount of money locked up for an indefinite period. Indeed, whether it will ever get it all back is doubtful, as is proved from the fact that a premium of 15 guineas per £100, or 15¼ per cent., was asked for the insurance of the debt.

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*A Financial Collapse in Brazil next.*—An era of speculation prevails in Brazil which in some respects appears from this distance to be nearly a repetition of the recent financial career of the Argentine Republic. Prior to 1889 there were half a dozen great banks in Rio de Janeiro. At the head of these stood the Bank of Brazil, an old institution with a capital of \$15,000,000, and a note issue of like amount. It was the only bank in the empire having a note issue. The Government put out Treasury notes corresponding to our greenbacks, and the issue at the beginning of 1889 was about \$100,000,000. There was nominally a gold and silver coinage, and a subsidiary coinage of nickel and copper, but, as a matter of fact, the Treasury notes had been at a discount for many years, and the gold and silver had been hoarded. Beginning in 1888, the paper money gradually appreciated in value, and in September, 1889, it reached par, twenty-seven pence to the milrae. This was brought about by an unprecedented crop of coffee, which commanded high prices, and an increase in the price of sugar and rubber. The revolution postponed to a later period the fine prospects about to open, but the boom had been started, and in February, 1890, an opportunity was improved by the new administration to establish by decree the Bank of the United States of Brazil, with a capital of \$100,000,000, and the right to issue a like amount upon 4 per cent. bonds to be deposited in the National Treasury. Other banks were authorized, to whom were granted special privileges favorable to almost every kind of speculative undertaking. It is estimated that within a year not less than one hundred have been established, including savings banks, building

association banks, banks for the poor, and banks for workingmen, with a large nominal capital. A letter from Rio de Janeiro says that the aggregate nominal capital of the companies which have been created since September, 1889, amounts to several billions of dollars. As the law stood prior to October 13, 1890, a company was supposed to pay up ten per cent. on their nominal capital before they could organize, and ten per cent. more before their shares could be transferred. A decree of October 13, 1890, was designed to stop the creation of new companies and to discourage speculation, and for this purpose it was required that deposits of money paid in should be with banks of issue over which the Government had supervision. This attempt seems to have proved futile. Means were found to evade the law, and a few days ago a decree was issued to regulate the formation of stock companies. Whether it will prove more efficacious is doubtful, as new corporations, each fully equipped with high salaried officials, continue to multiply. Some are already able to place to their credit handsome amounts of legitimate net earnings, while others are of such a visionary character that their end may plainly be foreseen. The occasional brilliant successes only tend to aggravate the situation already regarded as critical by conservative minds. The *Rio News* says: "It must be admitted that we are rapidly drifting into a very critical financial situation. In the first place, the confused state of the currency has led to a very widespread movement against the outside bank emissions, the Custom House even refusing the notes of the Rio Grande and Bahia issue banks. The shameful privilege accorded to these banks some months ago by Ruy Barbosa, by which they were permitted to issue their notes in this city, even when they were being refused in their own States, has led to an excessive issue of these notes in this market. As the notes of the State banks are not legal tender here, and are received only because the regional banks are required to redeem each other's issues, they have been received with a certain amount of reserve. Lately, however, the Banco da Republica has been refusing to receive the notes except in payments, or on deposit; the Custom House has been refusing them, and a majority of the reputable banks also decline to accept them. Very naturally, this has completely discredited them, and no one wants them. What the result is to be no one can foresee. It is asserted that the Banco da Republica has been issuing a large quantity of paper recently, although no one knows by what authority. It is also known that some of the speculative banks and other corporations are getting short of cash, although the old conservative banks have more than they desire to keep unemployed. Exchange has been steadily going down, coffee is scarce, prices are going up, discontent exists everywhere, and the speculators are all unconsciously drifting over to

the ranks of the 'sellers.' Of course, more money is demanded, and the probability that the Government will yield is helping to depress exchange. The situation is certainly far from reassuring, and if the signs are not altogether misleading, we are not far from the day when Brazil will be compelled to experience the natural penalty for the excesses which have ruled during the past eighteen months. A balloon never continues going up indefinitely; some time it must fall. And that this contingency is being anticipated may be seen in the haste with which a few of the shrewdest speculators are now transferring their gains into pounds sterling and sending them abroad. The much vaunted prosperity of the country will soon be all on the other side of the Atlantic, while we shall have nothing but the tokens of it left to contemplate."

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## RENEWAL OF THE PRIVILEGE OF THE BANK OF FRANCE.\*

[CONTINUED.]

We come now to the act of 1845 governing the banks of issue in Ireland. Since that date no new institution of circulation can be formed in that country, and for those existing at that period their circulation uncovered by specie is limited to the figure of May 1, 1845. As we shall see below for Scotland, each of these banks has numerous branches (on an average thirty to each bank). The Bank of Ireland is alone provided with an act of incorporation, which relieves the stockholders of all liability beyond their capital. We may add, that the State is its debtor to the amount of £2,630,780, on which it pays interest at  $3\frac{1}{2}$  per cent. a year. It should be remarked, that the banks invested by the act of 1845 with the right of issue (there are five of them at present), can either unite among themselves or transmit by contract their right of issue, but only to the Bank of Ireland.

Let us pass into Scotland. Here we tread a soil friendly to liberty, even in the matter of issue. This system has not been fatal to it, for, in the investigation of 1826, the bankers of this country showed, not without legitimate pride, that, since the foundation of the first bank (the Bank of Scotland in 1695), the public had only lost by the failure of banks of issue the insignificant sum of £36,000.

On pretext of assimilating Scotland to its southern neighbor, the English Parliament wished to apply there the system inaugurated by the act of 1826. An investigation resulted in favor of

\* Translated from the French of Alphonse Courtois by O. A. Bierstadt.

the free system existing for over a hundred years.\* Public opinion caught fire among these robust partisans of private initiative and individual responsibility, and Walter Scott, dropping for a moment his pen as a novelist to use that of the journalist, took part in the discussion. The author of *Waverley* said in effect, that if England felt sick, she might physic herself, but she ought not to force those to swallow medicine who were well.

Compelled to draw back, the English Parliament had its revenge in 1845, and, upon Sir Robert Peel's motion, inflicted on Scotland the act of 1845, analogous to the one concerning Ireland, excepting that the banks of issue have the right to unite among themselves, but cannot renounce their right of issue in favor of another, even in favor of one of the three incorporated banks. In case of cessation, the right of issue lapses. Since the enforcement of this act, two disasters have tempered, wrongly, in our opinion, the universal admiration of the old Scotch system of banking. In November, 1857, the Western Bank of Scotland, already helped by the Bank of England in 1847, and the City of Glasgow Bank suspended. The latter was able to resume this time, but the former liquidated with heavy losses. The stockholders—it is well known that with the exception of the three incorporated banks (Bank of Scotland, Royal Bank of Scotland, and British Linen Company) the Scotch banks of issue are under the system of joint liability of the silent partners—the stockholders, we say, over and above their interest (£1,500,000) had to pay up over £300,000. In 1878 the City of Glasgow Bank suspended, this time not to resume again. But can the liberty of banking be made responsible for these two disasters all the more striking because they are exceptional? First the act of 1845 paralyzed, in certain respects, the liberty of Scotch banks; then these failures were due more to misdemeanors than to the natural play of banking affairs.

Thus, the capital of the Western Bank of Scotland being only £1,500,000, four insolvent houses (so Gilbert informs us in "*The Principles and Practice of Banking*," 1871, p. 301) were alone debtors to the amount of £1,603,000; now a loss of 25 per cent. of the capital was, according to the statutes, to involve the liquidation of the establishment. As for the City of Glasgow Bank, its situation was still worse. At the time of its suspension, in October, 1878, two directors, James Morton and Smith, were alone

\* We may remark that the Bank of France found nothing useful to glean from this investigation for the "Extracts from English Parliamentary Reports on questions of banking, monetary circulation, and credit, translated and published in 1865, by order of the Governor and board of directors of the Bank of France and under the supervision of Messrs. Couillet and Clement Juglar." This omission is easily explained; the report of 1826 favored liberty.

indebted to the Bank, the former to the amount of £2,113,000, the latter to the amount of £1,702,000, being unsecured and having only 7 or 8 per cent. to show for them. Now the capital of this bank was only £1,000,000. (See the *Economist* of December 27, 1879, p. 1481.) Can any system of banking whatever, liberal or restrictive, be held responsible for facts belonging to criminal justice, for fraudulent acts? When the Federal Bank of Bern was robbed at Zurich by a dishonest cashier of 3,248,843 francs, in 1869, when the Bank of Belgium (the one of 1835) for want of proper supervision allowed itself to be robbed of 21,000,000 francs of securities by T'Kindt in 1876, could one say that these criminal acts gave proof for or against any system of banking? No; once more, fraud is no more presumed in political economy than in law.

The Scottish system enriched the country; the good sense of the Scotch did not make it responsible for what frightened continental Europe and also the English somewhat. We may remark merely that, as in England, for the act of 1844, its counterpart of 1845 has prevented nothing, but has diminished the amount of services which Scotland drew from its banks so much boasted of by Adam Smith in his "Wealth of Nations."\*

These services are indeed numerous. They issue £1 bank notes (as does also the Bank of Ireland), such small notes being the bugbear of England. (Before 1765 they even issued 10, 5, and 1 shilling notes; an act of 1765 prohibited the emission of notes for less than £1.) They make uncovered advances, on condition that they are backed by two jointly responsible cautioners. They have consented to no loan to the State, making only some administrative collections for it. The incorporation of the three banks mentioned above has left the other joint-stock banks full liberty to be established without requiring, as in England since 1708, that there should be at least six associates. McCulloch, doing justice to the solidity of the Scotch banks, shows that in 1793 and in 1825, when so many English banks came to grief, not a single credit establishment in Scotland succumbed. It is above all to the extent of the deposits bearing interest that the banks of Scotland owe their resources, much more than to their issue; they answer for savings banks, and they also do the work of popular banks. Schulze-Delitzsch evidently got some of his inspiration from them for the formation of his fine German loan banks.

There are only a dozen banks of circulation in Scotland; but they possess numerous offices or branches; the number of them is over 800. Every important city possesses several. This makes one

\* "That the trade and industry of Scotland, however, have increased very considerably during this period, and that the banks have contributed a good deal to this increase, cannot be doubted." Adam Smith, "Wealth of Nations."

bank or office to 4,225 inhabitants. In France, joining to the central Bank the 94 branches, the 38 auxiliary offices, the 20 places connected each with one of these establishments, and the 105 adjoining towns, in all 258 bankable places (Report of the Bank of France of January 29, 1891, page 31), we have only one establishment to 160,000 inhabitants, and what establishments, comparing their activity, enterprise, and liberty with the smallest of the Scotch branches.

We come now to Sweden, the country that disputes with England the invention of the bank note uncovered by specie. Johan Palmstruch founded in 1656 a bank, which was soon changed from a deposit bank to a bank of issue. Unfortunately, for want of experience, he did not sufficiently understand the dangers to be shunned, and his institution got into difficulties. The State took it in hand in 1668 and founded the establishment that still exists in our day under the name of the *Sveriges Riksbank*. This bank of issue is a State bank, the nation collectively having an interest in it, and it is managed by a commission appointed by the Swedish Chambers. We do not dwell upon it long; it is not the one we propose for the study of our rulers.

Until 1830 the Riksbank was the only one in Sweden to issue bank notes payable to bearer and at sight. A royal decree of January 14, 1824, authorized the formation of banks of issue of a particular form, the stockholders being jointly responsible for the redemption of the notes; but the first bank of this kind was not established until October, 1830, at Ystad (afterwards it moved to Malmö); the second was founded in 1832, the third in 1835, the three following in 1837, etc. On December 31, 1890, there were twenty-six of them, possessing about 150 branches. This makes nearly 175 establishments for issue, or one to 25,000 inhabitants, and having a circulation of 58,597,000 kronor (the krona, the monetary unit of the three Scandinavian kingdoms, is equal to twenty-eight cents), of which 35,000,000 are in ten-kronor or smaller notes, and with a total capital of 55,226,000 kronor, besides 1,000,000 kronor from associates not responsible for the liabilities payable at sight.

These institutions, which render great service to the commercial, industrial, and agricultural public, are quite minutely regulated by the general laws. The primitive decree of January 14, 1824, was successively modified by the royal decree of January 9, 1846, the laws of October 6, 1848, November 10, 1855, May 20, 1864, and finally June 12, 1874, which takes the place of all the preceding decrees or laws. This last law is the work especially of two illustrious Swedish financiers: one C. Fr. Waern, who was minister of finance, and the other A. O. Wallenberg, director of the joint-stock bank of Stockholm (*Stockholms Enskilda Bank*), a banker of the highest merit, who died in 1886.

The formation of a joint-stock bank (*Enskilda Bank*) must be submitted to and approved by Government authority. The capital is contributed by associates jointly responsible, and by silent partners responsible only for the amount of their investment, but the latter form a very small minority. Two banks only have any of them, and the slight importance of their capital has been seen above (a million and a half of kronor). The stock is transferable only with the consent of the board of directors. The capital stock must all be paid up, and three-fifths of it at least must be converted into mortgage notes. The circulation is composed of 5, 10, 50, 100, 500, and 1,000-kronor notes. All the Enskilda Banks are obliged, in the manufacture of these notes, to adopt for each denomination the same dimensions and the same color of paper, but they may differ from the similar notes of the Riksbank. Their issue is limited; they cannot exceed all together: the mortgage notes absorbed by the capital stock; the amount of the stockholders' reserve invested in the same kind of securities; the loans made by the bank, provided they do not go over half the establishment's capital and there is in hand a minimum of coin of one-tenth of the said capital. The notes issued by the Enskilda Banks are redeemable at sight in coin; formerly they had the privilege of redeeming them in notes of the Riksbank, the latter alone being legally payable in metal. Since 1874 all these notes, both those of the Enskilda Banks and those of the Riksbank, are convertible, at the bearer's pleasure, into gold or silver coin. The Enskilda Banks are prohibited from holding any real estate other than what is intended for their offices; they have, too, for the recovery of debts due them, the same privileges as the Riksbank.

None of these institutions has thus far caused a loss of a crown to the public; two only have liquidated voluntarily (*Wadstena Enskilda Bank*, founded in 1856, and *Oskarshamns Enskilda Bank*, founded in 1876) since the new law.

Let us now go down into Germany. In the matter of the banks of issue, as in politics, there has been a struggle in this country between centralization and particularism. In any case, if Sweden, England, and perhaps Italy (the three dispute with one another the invention of the bank note issued without being covered by specie) had not imagined the bank note, Germany would not have been the one to invent it. To limit absolutely the circulation uncovered by specie, as in England since 1844, was the principal object of the law of January 30, 1875, which instituted the system now in force. A central bank, the *Reichsbank*, whose management is in the Government's hands, has the largest share, and is empowered to receive entirely the right of issue of the banks now possessing that privilege and which cease voluntarily or involuntarily to make use of it.

The Reichsbank, which succeeded the Bank of Prussia, founded of old by Frederick the Great, has, by the law of 1875, the right to issue, uncovered by specie, 250,000,000 marks. Thirty-two other banks had it, at that time, to the amount of 135,000,000 marks—in all 385,000,000 marks.

But since 1875, by negotiations or otherwise, twenty-four banks out of the thirty-two have seen their right pass to the Reichsbank, so that the latter has now the right for 292,117,000 marks, and the eight other banks of issue (still going on) for 92,883,000 marks.

Warned, however, by the lesson of the three blows given in England in 1847, 1857, and 1866 to the act of 1844, the German law of 1875 avoided setting up in figures an absolute and insuperable barrier. It was content to put a tax of 5 per cent. a year to the profit of the public treasury upon the uncovered circulation issued subsequently to these sums, thinking that in order to escape this tax the Bank of the Empire might raise its rate of discount sufficiently not to see the total of its issue increase in an alarming manner.

Moreover, the Reichsbank is obliged constantly to have a specie reserve of a third at least of its circulation.

These obligations are also imposed on the other banks of issue. Each bank, authorized to issue, must accept and pay on presentation the notes of the other banks, being allowed to have them redeemed by the bank which issued them, but it cannot put them into circulation again except when the notes are those of the Bank of the Empire.

The notes issued since 1875 are for 100, 200, 500, and 1,000 marks. The Reichsbank has a mission which article 12 of the law of January, 1875, thus defines: "To regulate the monetary circulation in the whole empire, to facilitate the means of payment, and to render productive the capital at hand." This reminds us of Richard Cobden's very true remark, at the time of the investigation of the banks of issue, April 14, 1840, that to manage the currency, to regulate the currency, he considered all that as possible as it was to govern the waves, or to lay down rules for the stars and the winds.

It is more probable that the German Government, judging from what we know of its tendencies of that time, not to say of to-day, wanted to form a bank that might help it in case of war. It sacrificed a certain part of the prosperity produced by peace to the fortunately very uncertain contingency of war. Thus the first consul, as Mollien tells us, called the Bank of France, which he had just been helping to found, *My Bank*. We may observe how much, under the influence of the same passions, good or bad, man resembles man, whatever may be the century and the country.



To finish, we may say that the German Government has reserved a share of the profits. After  $4\frac{1}{2}$  per cent. paid on the capital and 20 per cent. of the excess carried to the reserve, the treasury of the empire takes half the surplus until the stock has received 8 per cent., and three-quarters of the rest after payment of the 8 per cent. to the stockholders.

[TO BE CONTINUED.]

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## RIGHTS OF A PAYEE OF A CHECK.

SUPREME COURT OF NORTH CAROLINA.

*Hawes v. Blackwell.*

The drawer of a check had a deposit more than sufficient to pay it when drawn. Before presented, the bank had assigned for the benefit of creditors, as had also the drawer of the check, and payment was refused. *Held*, that the holder could not recover judgment against the bank, or its assignees, or the assignees of the drawer, but only against the drawer, with an adjudication that the dividends paid by the bank's assignees on account of the deposit be applied *pro rata* to the payment of the judgment.

The plaintiff is holder for value of the check specified in the complaint, whereof the following is a copy: "\$508.80. Durham, N. C., Nov. 10th, 1888. The Bank of Durham, pay to S. H. Hawes, or order, five hundred eight and 80-100 dollars. No. 1632. J. W. BLACKWELL." The defendant, J. W. Blackwell, is the drawer of the check, and the defendants, M. W. Hicks and S. E. Watts, are trustees in the deed of trust executed by him (presently to be mentioned), to secure his creditors therein mentioned. The defendant, W. T. Blackwell, was president and owner of the Bank of Durham, and the defendants, W. S. Halliburton and V. Ballard, are trustees in the deed (presently to be mentioned) executed by him to secure his creditors therein named. The case was submitted to the court for its judgment, upon the following state of facts agreed upon by the parties: "The check referred to in article 1 of the complaint was forwarded by defendant, J. W. Blackwell, to plaintiff, S. H. Hawes, at Richmond, Va., on Saturday, November 10, 1888, and reached plaintiff on Monday, November 12, 1888. It was presented on November 16, 1888, to the Bank of Durham, and, not being paid, was protested. That said check was received by the First National Bank of Durham, at Durham, in November, 1888. That J. W. Blackwell was promptly notified of the non-payment of said check and its protest. That W. T. Blackwell conducted a banking house and business in the town of Durham. That J. W. Blackwell, a resident of the town of Durham, was a depositor of the Bank of Durham, and had on deposit, to his credit, in the Bank of Durham on November 10, 1888, a large sum of money, more than enough to pay the check of \$508.80 forwarded by him to plaintiff. That on November 13, 1888, W. T. Blackwell made and delivered to defendants Ballard and Halliburton a deed in trust for the benefit of creditors, which was duly registered in the county of Durham, on November 15, 1888, at 6 o'clock A. M. That J. W. Blackwell, on November 14, 1888, executed and delivered to defendants Hicks and Watts a deed in trust for the benefit of his creditors, which said deed was registered in the county of Durham on November 15, 1888, before

9 o'clock of said day. That both of said deeds were sufficient in form to convey all the real and personal estate of the respective grantors, and all their real and personal estate, all notes, accounts, books, debts, money, and choses in action; and all other personal property, of every kind and nature whatever, and wheresoever situate, were conveyed in said deeds (copies of said deeds attached as a part of this agreement). That, at the time said check was presented for payment, the account of J. W. Blackwell stood in credit at the Bank of Durham, in a sum more than sufficient to pay the check of plaintiff. That in the deed of W. T. Blackwell the depositors of the Bank of Durham were in the class of fifth preferred creditors, who were directed by said deed to be paid in full before any succeeding class of creditors, and the estate of said W. T. Blackwell is sufficient to pay in full the depositors of the Bank of Durham. That the check given to plaintiff by defendant Blackwell is not preferred in the said J. W. Blackwell's deed of trust, and the said J. W. Blackwell's property is probably not sufficient to pay any part of said check. That the trustees of W. T. Blackwell have paid the depositors of the Bank of Durham the sum of 70 per cent. of each deposit, 50 per cent. of which was paid before this action was brought, and 20 per cent. of which has been paid since the bringing of this action. That the remaining 30 per cent., now due by the trustees of the Bank of Durham, or W. T. Blackwell, the account of J. W. Blackwell's deposit, is sufficient to pay said check. That protest fees for protesting said check are \$2.75, which have been paid by plaintiff. That no part of said check or the protest fees have been paid plaintiff, though he has demanded payment of the defendant. That the defendants Ballard and Halliburton took possession of the property conveyed to them in the deed of trust of W. T. Blackwell on November 15, 1888, immediately after the registration of the said deed on said day, and had then no notice of the existence of plaintiff's check. That the defendants Hicks and Watts took possession of the property conveyed to them in the deed of J. W. Blackwell, on the 15th day of November, 1888, immediately after the registration of said deed, and had no notice at that time of the existence of plaintiff's check. J. W. Blackwell's trustees had knowledge of assignment of W. T. Blackwell and the Bank of Durham before the presentment of said check, and before they or W. T. Blackwell's trustees had notice of its existence; and W. T. Blackwell's trustees had knowledge of J. W. Blackwell's assignment before the said check was presented, and before they had notice of its existence. Plaintiff lived in Richmond, Va., in November, 1888. There were two daily mails each way between Durham and Richmond, and several banks in both places. Plaintiff sent J. W. Blackwell a receipt for the money paid by the check, which receipt he received November 13, 1888." The court "adjudged that the plaintiff recover of the defendants the sum of five hundred and eleven and 55-100 dollars, and interest thereon from November 16, 1888, until paid, to be paid out of the funds of the Bank of Durham, or W. T. Blackwell, due to the account of J. W. Blackwell as a depositor of said Bank of Durham; and that the plaintiff recover his costs, to be taxed by the clerk." The defendants excepted, and appealed to this court.

MERRIMON, C. J. (*after stating the facts as above*).—When a bank, in the course of its business, receives deposits of money, in the absence of any agreement to the contrary, the money deposited with it at once becomes that of the bank, part of its general funds, and can be used by it for any purpose, just as it uses or may use its moneys otherwise acquired. The depositor, when and as soon as he so makes a deposit, becomes a creditor of the bank, and the latter becomes his debtor for the

amount of money deposited, agreeing to discharge the debt so created by honoring and paying the checks or orders the depositors may from time to time draw upon it, when presented, not exceeding the amount deposited. The relation of the bank and depositor is simply that of debtor and creditor, the debt to be discharged punctually in the way just indicated. The contract between them, whether express or implied, is legal in its nature, and there is no element or quality in it different from the same in ordinary agreements or promises founded upon a valuable consideration to pay a sum of money specified or implied to another party. There are none of the elements of a trust in it. The bank does not assume or become a fiduciary as to the money deposited for the depositor, nor does it agree to hold a like sum in trust for him. (*Boyden v. Bank*, 65 N. C. 13; *Bank v. Millard*, 10 Wall. 152; *Bank v. Schuler*, 120 U. S. 511, 7 Sup. Ct. Rep. 644.) Hence, if the bank should fail to pay its depositor when called upon to do so, the latter would have his remedy by proper action, just as in the ordinary case where the debtor refused to pay his creditor the debt he owed him. If the depositor should draw his check on the bank for some part of his deposit, the debt the bank owed him, the payee or holder of such check could not maintain his separate action against the bank for non-payment of the check on presentation of the same for payment—it could not until the bank accepted the check, or agreed to pay it. Then, and not till then, would the bank become his debtor in his sole right as against it. The check, however, in the hands of the payee therein, or the holder thereof, would have an interest in the deposit as against the drawer to the amount specified in the check, subject to the right of the bank to pay all outstanding checks of the depositor, and such as he might subsequently draw, and which might be paid before it had notice of the check in question, and subject to the right of the bank to set off debts due which the depositor might owe at the time such check should be presented. The check, as to the drawer thereof, is, in effect, an assignment to the holder thereof to the amount specified in the check; and, under the method of civil procedure in this State, the depositor and the holder of the check might jointly maintain an action against the bank for the deposit, in case it failed to pay the same when called upon, and they might recover, subject to the rights of the bank as above explained. And so also, if the depositor had given his check for the whole of his deposit, the holder might maintain his separate action against the bank, if it refused to pay the same, subject to its rights as to checks on the deposit paid before notice of such check, and likewise subject to its rights of set-off. This is so because the check for the whole deposit would be, in effect, an assignment of the depositor's whole debt against the bank to the holder of such check. He, being the real owner of the deposit—the debt—might sue for it in his own name; and a holder of a check for a part of the deposit might in some cases have appropriate equitable relief as against the depositor and the bank if they should seem to impair his rights as the equitable owner against the drawer of part of the deposit. Such check makes the holder thereof part owner of the deposit, as against the drawer, subject to the rights of the bank. The depositor agrees in effect, by implication of law, to set apart so much of his deposit as is specified in the check for the holder thereof. As against the drawer, that much of the deposit belongs to the drawee. If, however, it turns out that the check is not paid by the bank on due presentation for payment, the holder of the check will have his remedy against the drawer. The depositor—the drawer—agrees that the check will be paid by the bank when it shall be duly presented to it for payment; and if it shall be

be, then there will be a breach of the drawer's contract with the holder of the check. (*Kahnweiler v. Anderson*, 78 N. C. 133; *Nimocks v. Woody*, 97 N. C. 1, 2 S. E. Rep. 249; *Brem v. Covington*, 104 N. C. 589, 10 S. E. Rep. 706; *Spain v. Hamilton's Admr*, 1 Wall. 604, 624; *Bank v. Schuler*, 120 U. S. 511, 7 Sup. Ct. Rep. 644; 2 Morse, Bank. § 496.)

Now, in the present case, the depositor of the Bank of Durham, James W. Blackwell, was the simple creditor of that bank to the amount of his deposit. It owed him a debt for that sum, just as it owed its creditors other than its depositors. It did not hold the money he deposited, or any part of its moneys, in special trust for him, or for any persons to whom he gave checks on the bank. The owner of the bank, the defendant, William T. Blackwell, might sell, assign, and transfer all his property, including all the assets of his bank, as he did do, to the defendant trustees for his creditors, including the deposits of general depositors in the bank; and the latter were on the same footing as other creditors, except as he classified them, and preferred certain classes over others in the trust created for their benefit. The depositor, James W. Blackwell, might have maintained his action against the bank to recover from it the amount of his deposit therein when and as soon as it failed and refused to pay him the same. The present plaintiff might have joined him in such action, because he had, in effect, assigned to the plaintiff part of the deposit, a part equal to the amount of the check. But the plaintiff could not have maintained a separate action against the bank for the amount of the check, because the bank did not accept and agree to pay it, nor did the plaintiff have any equitable or other lien upon the assets of the bank. It was not charged with a particular trust in favor of the plaintiff. He was on no better footing than any other creditor of the bank. The plaintiff might have maintained his action against the drawer of the check, the subject of the action, because the drawer, in legal effect, contracted with him that the check would be paid on presentation to the bank, and it was not so paid. He can maintain this action against the defendant drawer of the check, because of such breach of contract. Moreover, such drawer, when he drew the check in favor of the plaintiff, in effect sold and assigned to him a part of his particular deposit—his debt against the bank—equal to the sum of money specified in the check. Hence, if the plaintiff shall recover against the drawer of the check in question, he will be entitled, in equity, to share in whatever sum shall be paid to such drawer, or the defendant trustees for his creditors, on account of his deposit in the Bank of Durham by the trustees of William T. Blackwell. This is so, because the drawer, James W. Blackwell, as we have seen, in legal effect, specially set apart so much of his deposit as was equal to the amount of the check drawn in favor of the plaintiff to pay it. The ground of the plaintiff's recovery from the defendant, James W. Blackwell, is that the latter drew the check on the bank in favor of the plaintiff, and thereby agreed that the bank would pay the same when presented for payment. But the bank did not pay the check, and the plaintiff's action at once accrued against the drawer, as we have seen, upon such breach of contract. The plaintiff may recover for such breach the amount of the check, and he has a right to have so much of the drawer's deposit as was specially set apart to pay the check applied to the payment of his judgment against the drawer, because that part of the deposit was devoted to the purpose of paying the check. For the reasons stated, the plaintiff is not entitled to recover judgment against William T. Blackwell and the defendant trustees for his creditors, on account of the plaintiff's check, nor against the defendant trus-

tees for the creditors of James W. Blackwell. He is entitled to recover judgment against James W. Blackwell for the amount of his check, and to have it adjudged that so much of the dividends in the hands of the defendant trustees for the creditors of William T. Blackwell as shall be paid on account of the deposit of James W. Blackwell as will be equal to the *pro rata* share thereof in favor of the check of the plaintiff, be applied to the payment of the plaintiff's judgment, so far as the same may be adequate; and to have it further adjudged that the defendant trustees of the creditors of the defendant, James W. Blackwell, shall allow such judgment to share in the assets in their hands in the class of creditors to which it shall belong by the terms of the deed of trust, whose provisions they are charged to execute; and, further, to pay out of the dividends they have received from the defendant trustees for the creditors of William T. Blackwell, on account of such deposit of the defendant, James W. Blackwell, the *pro rata* share of the check of the plaintiff in such dividends, to the credit of the plaintiff's judgment, so far as the same may be adequate. There is error. The judgment must be corrected, as directed in this opinion, and, when so corrected, affirmed. To that end, let this opinion be certified to the Superior Court. It is so ordered.

## DURATION OF LIABILITY OF NATIONAL BANK SHAREHOLDERS FOR ASSESSMENTS.

CIRCUIT COURT, D. MASSACHUSETTS.

*Butler v. Poole.*

Actions by the receiver of a National bank against stockholders for assessments on the stock are subject to the State statutes of limitations.

COLT, J.—This is an action at law, brought by the receiver of the Pacific National Bank against Seth B. Poole, to recover an assessment on certain shares of stock owned by him at the time of the failure of the bank. The writ is dated March 14, 1883. On the 9th day of February, 1884, the defendant Poole died, and on November 16, 1886, his death was suggested of record. January 28, 1887, the plaintiff's counsel filed a petition for a *scire facias* to summon in the executors of defendant's will, which was granted and issued without notice. Counsel for the executors now appear specially, and move to quash the *scire facias* and dismiss the suit, upon the ground that the action is barred by the following provision of the public statutes of Massachusetts (chapter 165, § 8):

"The citation [to executors to appear and defend] shall not be issued after the expiration of two years from the time such executor or administrator has given bond for the discharge of his trust, if he has given notice of his appointment, as required by law."

The executors gave bond on the 4th day of March, 1884, and gave the notice required by law. The only question upon the present motion is whether the Massachusetts statute of limitations is applicable to this case. Section 940 of the Revised Statutes provides that the practice, pleading, and forms and mode of proceeding in the federal courts shall conform, as near as may be, to those of the State. In actions of this character it has been held that State statutes of limitation, where no special provision has been made by Congress, form the rule of decision in the courts of the United States. (*McCluny v. Silliman*, 3 Pet. 270; *McElmoyle v. Cohen*, 13 Pet. 312; *Ross v. Duval*, Id. 45; *Taylor v. Holmes*, 14 Fed. Rep. 498, 511; *Price v. Yates*, 19 Alb. Law J. 295 (1879); *Bank*

v. *Dalton*, 9 How. 522; *Amy v. Dubuque*, 98 U. S. 470; *Mitchell v. Clark*, 110 U. S. 633, 4 Sup. Ct. Rep. 170.) The authorities cited by the plaintiff, taking a contrary view, are cases where the subject-matter is within the exclusive jurisdiction of the federal courts, like patents, and they are not applicable to cases where the jurisdiction is concurrent. The position taken by the plaintiff that this is, in substance, an action brought by the Government, and that therefore the statute does not run, is not tenable. The fact that the receiver in this suit is proceeding under certain provisions of an Act of Congress establishing a National banking system does not make this in any proper sense a Government case. The Government has no pecuniary interest in this suit. It is, in fact, a contest between creditors and a stockholder of the bank.

It is further urged by the plaintiff that section 955 of the Revised Statutes provides *scire facias* as the process to be issued, without any limitation as to the time when the writ may issue. But it has been decided that section 955 is governed by the statute of limitations of the State. (*Barker v. Ladd*, 3 Sawy. 44; *Price v. Yates*, 19 Alb. Law J. 295.) That the Massachusetts statute provides one mode of bringing the parties before the court, and the federal statute another, is not material in this connection. Congress might adopt a totally different system of pleading from that of the States, and yet the State statute of limitations would apply. Motion granted.—*Federal Reporter*.

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## BONDS—DISCHARGE OF SURETIES.

### COURT OF APPEALS OF MARYLAND.

#### *McShane et al. v. Howard Bank.*

The charter of the Howard Bank (Acts Md. 1847, c. 88) requires the bank officers to take an oath that they will discharge their several trusts "diligently, honestly and faithfully"; and Acts 1854, c. 222, prohibit any of the officers from borrowing money from the bank. *Held*, That the cashier's official bond, conditioned that he shall "well and faithfully discharge the duties imposed on him as the cashier of said bank by the charter and by-laws thereof," is broken by his embezzlement of the bank's funds under the pretense that he had borrowed them, though there were no by-laws, and though the charter failed to especially define the cashier's duties.

The cancellation of a memorandum of the cashier's indebtedness to the bank does not operate as a discharge of the sureties on his bond, where he procured the cancellation by means of false entries made for the purpose of hiding his own and the president's defalcations, and to misrepresent the real condition of the bank.

The fact that the bank released its president from the obligation of making good part of his defalcation does not operate to discharge the cashier's sureties, who were in no manner answerable for the president's dishonesty, from their obligation to make good the cashier's defalcations to the stockholders, though the cashier and president had possibly aided each other in violating their duties.

A release by the bank president of the sureties on the cashier's bond will not relieve such sureties from liability for defalcations committed before that time, nor will it estop the bank from recovering payment therefor.

The retention of the cashier in his office by the directors, with knowledge of his dishonesty on the part of some of them, and without notice thereof to his sureties, will not discharge the latter, as corporations which can act only by officers and agents do not guarantee to the sureties of one officer the fidelity of the others.

The bank's failure to set off the amount of salary due to the cashier against his indebtedness to it does not discharge the sureties on his bond given to recover that debt.

The doctrine that a surety is released when the creditor parts with a lien for the

payment of the principal's debt to which the surety has the right of subrogation does not apply to a case where a bank cashier, by means of false entries, procures the return to himself of a certificate of stock which he had previously pledged as security for money wrongfully taken by him from the bank.

The admissions by the cashier as to his indebtedness to the bank are competent, though not conclusive, evidence against his sureties.

The measure of damages sustained by a bank by the embezzlement of different sums of its money by its cashier is the amount so embezzled, with interest on each sum from the time of its embezzlement.

**McSHERRY, J.**—The Howard Street Savings Bank of Baltimore was incorporated in 1847 by the General Assembly of Maryland, and by subsequent legislation its powers were enlarged, and its name was changed to the Howard Bank. By the third section of its charter (the act of 1847, c. 88), it was empowered to take bonds for the corporation from all or any of the officers, agents, or servants appointed by the directors with security conditioned in such form as they shall approve, "for the faithful execution of the duties of such officers, agents, or servants, and to secure said corporation from loss"; and by the third article of section 7 it was enacted that "the president, treasurer, directors, and other officers and servants, before entering upon the duties of their respective offices, shall take an oath or affirmation before some justice of the peace of the city of Baltimore to discharge their several trusts diligently, honestly and impartially." Section 8, Act 1854, c. 222, prohibited officers from borrowing from the bank, and made it a penal offense for them to do so. In March, 1879, Thomas S. Ridgaway was made cashier, and he held that position until May, 1889, when he was removed. On the 26th of June, 1879, he delivered to the bank a bond, the condition of which is in the words: "The condition of the above obligation is such that if the above-bound Thomas S. Ridgaway do and shall well and faithfully discharge the duties imposed upon him as the cashier of said bank by the charter and by-laws thereof, and all other duties which may hereafter be thereby imposed upon him as the cashier of said bank, then this obligation to be void," etc. There were no by-laws ever adopted, and the charter does not particularly describe the cashier's duties. Henry McShane, whose executors are the appellants in this proceeding, was one of the sureties on this bond. Between April, 1881, and February 17, 1883, Ridgaway, in violation of his duty, took from the bank and applied to his own use the sum of \$8,133, and never restored or returned it or any part of it. To recover this sum the pending action was brought in July, 1889. To conceal this defalcation, and a very much larger one on the part of Samuel Edmonds, the then president of the bank, a memorandum showing the exact amount of each default as well as other items, was kept in the drawer of the paying teller, and counted as cash. This system was practiced, apparently without the knowledge of the directors, until about March, 1885, when a different scheme was devised and put into operation by Ridgaway. At that time the bank, desiring to become a member of the clearing house, was required by the rules of the latter to submit to an examination by an expert. It then became necessary to get this memorandum out of the apparent cash, and this is how it was done: The cashier procured accommodation promissory notes amounting to some forty odd thousand dollars made by some of the directors and customers of the bank, and caused them to be entered on the discount book, but deducted no discount. He then carried the apparent proceeds of this fictitious discount, aggregating the full face of the notes, to the credit of the transient discount account, which is checked out usually by the cashier. He then delivered to the paying teller sundry checks drawn by himself and the makers of

these accommodation notes against this apparent or fictitious discount, and those checks produced a credit sufficient to take up the cash items represented by the memorandum. In other words, when the checks drawn against the transient discount passed into the paying teller's hands, he paid them by merely taking the memorandum out of the drawer. When the accommodation notes matured, cashier's checks were drawn, and the notes were taken up in that way, but not paid, and an entry was made in the deposit ledger to the debit of an account called "Sundry Accounts," which was not, however, the regular sundry account. In 1889, the bank, being cramped, was notified by the clearing house that it must submit to another examination, and the same scheme of borrowing notes, this time amounting to \$100,000, was resorted to. These notes were passed through the same process, and only apparently discounted. The bank examiner rejected these notes as assets, and a reorganization of the bank followed, its stockholders surrendering one-half of its capital to make good its heavy losses. The new board of directors caused suit to be brought on the bond of Ridgaway. In 1885 the finance committee, consisting of three of the directors, became aware of Ridgaway's defalcations, but the other members of the board of directors do not appear to have been apprised of it until the reorganization in 1889. During the time that Ridgaway was cashier, he was regularly paid his salary, and upon his removal he delivered to the new president some certificates for shares of Baltimore & North Carolina Gold & Copper Mining Company. This stock the bank still holds. It is worth from five to thirty-five cents per share. In January, 1886, Mr. McShane addressed a letter to Ridgaway requesting to be released from the bond, and a few days later he received a reply inclosing the following letter from Edmonds, viz.: "Henry McShane—Dear Sir: Your request to be relieved as bondsman for the cashier of this bank, Thos. S. Ridgaway, Esq., is hereby complied with from this date. Respectfully, SAMUEL EDMONDS, Pres'd't." After the reorganization, the directors settled with Edmonds, receiving from him a small percentage of the amount he owed, and executing to him a release under seal of the corporation.

There are several questions arising out of these facts and others to be noted hereafter, and they are relied on by Ridgaway's sureties to defeat a recovery on the bond. The first of these is presented by the demurrer filed to the replications assigning breaches. The plaintiff declared generally on the bond. The defendants cravedoyer of the bond and charter of which the plaintiff made profert. The defendants then pleaded general performance, to which plea the plaintiff filed four replications assigning breaches, and to these the defendants demurred. The Superior Court overruled the demurrer, whereupon rejoinders were filed, and issues were joined thereon. The first replication avers that the charter of the bank imposed upon Ridgaway the duty of discharging diligently, honestly and impartially the trusts of his office as cashier, but that he did not so discharge them, in that he wrongfully converted and applied to his own use divers sums of money in his custody and under his control belonging to the bank. The second avers that he did not diligently, honestly and impartially discharge the trusts of his office as cashier, in that, upon ceasing to be cashier on May 1, 1889, he failed to account for or turn over to the bank, \$8,133 of its moneys which had come into his custody and under his control as cashier, since April, 1881. The third avers that by the charter of the bank it was provided that no officer of the bank should borrow money from it, and that, while Ridgaway was cashier, he had under his control divers sums of money which he has ever since retained, pretending that he had borrowed the same from



the bank. And the fourth avers that he did not diligently, honestly and impartially discharge the trusts of his office as cashier, in that he wrongfully withdrew by drafts and checks divers sums of money, though he had no money on deposit with the bank, and to conceal his fraudulent doings made or caused to be made false and deceptive entries in the books of the bank, in violation of his duty. Were these acts breaches of the obligation sued on? Now, the argument, shortly stated, is this: The condition of the bond provides that Ridgaway shall well and faithfully discharge the duties imposed upon him as cashier by the charter and by-laws. There are no by-laws, and the charter imposes no duties upon him. Therefore, no act that he did of those set forth in the replication was a breach of the condition of the bond, and consequently no liability has attached to his sureties. The obligation of a surety is to be strictly construed, and his liability is not to be extended by mere implication beyond the letter of his contract. Upon that contract he has a right to stand, and nothing can be lawfully imported into its terms to enlarge his responsibility. "But still the bond constituting the contract must have such construction given to it as to carry out the intention of the parties thereto." (*Engler v. Insurance Co.*, 46 Md. 322.) While the particular duties of the cashier are not set forth or described in the charter of the bank, there are at least two distinct duties imposed upon him thereby, the faithful observance of which was guaranteed by the obligation of the sureties. The third article of the seventh section required him as one of the officers of the bank to make oath that he would discharge his trusts diligently, honestly and impartially; and a subsequent statute expressly prohibited him from borrowing any money from the bank. However undefined his general duties might have been, that of being honest in his position was explicitly enjoined by the very terms of the charter. By those terms, he was forbidden to avail himself of his official position to misapply or embezzle the funds of the bank, or to resort to any unlawful or dishonest device inconsistent with the diligent, honest and impartial performance of his trust. The charter exacted honesty of the officers, and, whatever else it failed to require, that it unequivocally imposed. Aside from the consideration that the very nature of the employment involved that duty, the direct and mandatory language of the act imposed it, and imposed it, too, under the sanctity of an oath. Upon what principle can it be said that a cashier, whose sworn duty it is to discharge his trusts honestly, has not violated that duty by the embezzlement of the funds of the bank, even though the charter contains no provision forbidding him to steal? If he did steal, are his sureties relieved merely because the charter did not declare in so many words that he should not steal? If he did embezzle, has he done that which the charter required him to swear he would do—honestly discharge his trusts? His embezzlement of the funds of the bank was a direct violation of a duty imposed by the charter—a duty which his sureties guaranteed that he would honestly perform. The charter prohibited an officer from borrowing money from the bank. If Ridgaway did nevertheless appropriate the bank's funds, pretending that he had borrowed them, he was clearly guilty of a breach of duty imposed by the charter; and, if loss resulted from that act, his sureties are liable within the strict letter of their engagement. These conclusions seem to us to be perfectly clear, and entirely free from doubt or difficulty. Entertaining this view, we are of opinion that the replications demurred to properly assigned breaches of the condition of the bond, and that the demurriers were rightly overruled. The same question was raised by the tenth, eleventh, and twelfth prayers presented by the appellants to the court below. These prayers were properly rejected for the reasons we have already given.

It was urged that the fictitious credit produced by the pretended discount of the accommodation promissory notes, and that the checks drawn thereon, whereby the memorandum representing Ridgaway's indebtedness to the bank was withdrawn from the paying teller's drawer, operated as a payment of what Ridgaway owed, and that his sureties are consequently released. This contention cannot be supported. The accommodation notes were procured for the purpose of hiding, by simulated entries, the defalcations of the bank's officers, and for the further purpose of covering up, temporarily, losses sustained on its discounted paper. False and fraudulent credits were given, and equally false and fraudulent checks were drawn against those credits, to conceal the actual truth from the bank examiner. The notes were returned to the makers, and not a dollar was ever paid upon them. The whole transaction consisted only of untruthful entries made by a faithless officer to cover up his own dishonesty, and to misrepresent the real condition of the bank. Under these circumstances the court was entirely right in granting the appellee's seventh prayer, and in instructing the jury, under the fourth prayer of the appellants, as modified by the court, that these transactions furnished no defense to the sureties unless the promissory notes were discounted for the *bona fide* purpose of extinguishing Ridgaway's debt. And this would have been so, even though the directors of the bank had been aware of and had participated in the fraudulent conduct of Edmonds and Ridgaway. The directors owe a duty of fidelity to the stockholders, and their breach of that duty by participating in the malversations of executive officers, or by aiding the latter in their attempts at concealment, differs nothing in principle from a case where the directors deliberately authorize a cashier to plunder the funds of a bank, or to cheat the stockholders of their interest therein. "Every act of fraud, every known departure from duty, by the board, in connivance with the cashier, for the plain purpose of sacrificing the interests of the stockholders, though less reprehensible in morals, or less pernicious in its effects, than the cases supposed, would still be an excess of power from its illegality, and, as such, void, as an authority to protect the cashier in his wrongful compliance." (*Minor v. Bank*, 1 Pet. 70.) This principle was correctly announced to the jury in the sixth instruction given by the court at the instance of the appellee.

The first prayer presented by the appellants asked the court to instruct the jury that if they found that Edmonds loaned the money in question to Ridgaway, or if Edmonds conspired with Ridgaway to enable the latter to procure said money wrongfully, and that after the reorganization, the directors, with knowledge of this, released Edmonds from any liability for or on account thereof, then such release inured to the benefit of the joint wrong-doer, Ridgaway, and his sureties. The Superior Court properly rejected this prayer. Edmonds had taken some \$38,000 of the bank's money wrongfully. Ridgaway had also taken \$8,133. Each had violated his plain duty, and possibly each had helped the other to do so. But Edmonds is not a party to Ridgaway's bond, either as joint obligor or surety. The release of Edmonds for a small part of his heavy defalcation from all the balance that he owed to the bank could in no way operate to discharge the sureties of Ridgaway from liability for what their principal owed to the bank. The sureties of Ridgaway were not answerable for Edmonds' dishonesty, and any adjustment made by the bank with Edmonds, with a view of securing something from him neither increased nor diminished nor in any way affected their liability for the wrongful acts of Ridgaway. The causes of action against Edmonds and Ridgaway were distinct and separate, and though both were wrong-doers they were not such joint tort-feasors as that the

release of one from the result of his wrongful acts discharged the other also from the consequences of his. In ordinary cases of joint tort-feasors, if one is released from responsibility for an act jointly committed by both, and for which each is liable to the full extent of the injury done, both are discharged. (*Gunther v. Lee*, 45 Md. 60.) But the primary civil liability of Edmonds and Ridgaway was separate, and extended to the amounts respectively due by each, though each incidentally might have been involved criminally in the penal act of the other. The obligation upon each was to restore that which he had taken. The extent of that obligation was measured by the amount which each had abstracted. The return by one of them of any part of what he owed, and his release as to the balance, could not possibly discharge the other from his duty to restore what was due by him. As between the stockholders on the one hand and Ridgaway's sureties on the other, no claim existed except as to Ridgaway's own misappropriations, and the release of Edmonds, for whom the sureties were in no manner bound, could not affect their liability for Ridgaway, for whom alone they were responsible.

The fifth prayer of the appellee has reference to the correspondence between the late Mr. McShane and Ridgaway. By that instruction the jury were told that the letter written on January 22, 1886, by Edmonds to McShane did not release McShane from liability for any moneys taken and retained by Ridgaway from the bank after the date of the bond sued on, and prior to the date of that letter, and did not estop the bank from recovering payment therefor. There was no error in this. The defalcation had taken place between April 1, 1881, and February 17, 1883. The liability of Ridgaway's sureties was fixed long before this letter was written, and the president had no power to release them, or any one of them, upon his own authority, and thus voluntarily surrender a right which belonged, not to him, but to the stockholders. It was not within the scope of his agency to do it. (*Morse, Bank*, 144.)

But it has been insisted, under the appellants' fifth and seventh prayers, that if the indebtedness of Ridgaway to the bank was known to the president and directors or the finance committee in August, 1883, and if no notice thereof was given Mr. McShane by the bank, this failure to give notice, and the letter of January 22, 1886, operated to release the sureties. These prayers were rejected. A creditor is under no obligation to be actively diligent in pursuit of his principal debtor. He may forbear the prosecution of his claim, and remain inactive, without impairing his right to resort to the surety, particularly when his forbearance amounts to no more than mere inaction or passivity. (*Sasscer v. Young*, 6 Gill & J. 243; *Freaner v. Yingling*, 37 Md. 491.) If the creditor is not bound to active diligence, his mere failure to voluntarily give information to the surety of the default of the principal cannot have the effect of discharging the surety. (*Forrester v. State*, 46 Md. 154; *Railroad Co. v. Shaeffer*, 59 Pa. St. 356.) This question was not involved in *Roberts v. Mattress Co.*, 46 Md. 374. But, if this view was at all doubtful, the result would not be different in this case. The directors are not the creditors; the body corporate is. If the directors were derelict in not giving notice to the sureties, or if the directors ever connived at the fraud of Ridgaway, the sureties of the latter cannot claim exemption because of the neglect or misconduct of other officers. It is a sound principle that the failure of one officer of a corporation to discharge his duty does not release the sureties of another from responsibility for the defaults of the latter. "Corporations can act only by officers and agents. They do not guarantee to the sureties of one officer the fidelity of the others. The fact that there were other unfaithful

officers and agents of the corporation who knew and connived at his infidelity, ought not in reason, and does not in law or equity, relieve them from their responsibility for him. They undertake that he shall be honest, though all around him be rogues. Were the rule different, by a conspiracy between the officers of a bank or other moneyed institution, all their sureties might be discharged. It is impossible that a doctrine leading to such consequences can be sound." (*Railroad Co. v. Shaeffer*, 59 Pa. St. 356; *Taylor v. Bank*, 2 J. J. Marsh, 565; *United States v. Kirkpatrick*, 9 Wheat. 720.) It is true some cases have held that where the employer has knowledge of the servant's fraud and dishonesty, and still retains him, and gives no notice to the surety, the latter is discharged. (*Telegraph Co. v. Barnes*, 64 N. Y. 385; *Phillips v. Foxall*, L. R. 7 Q. B. 666.) However this may be, we are of opinion that the doctrine has no application to this case. Conceding that Ridgaway was dishonest, and that the directors of the bank knew it, and still retained him in his position, without notice to the sureties, this could not release the sureties, even though it had been the duty of the directors to give such notice, unless it be held that the failure of one set of officers to discharge their duty will release the sureties of another delinquent officer, whereas, as we have seen, just the reverse is the law.

The prayers marked "6" and "6½" presented by the appellants, and rejected by the Superior Court, sought an instruction to the effect that if the bank had knowledge of Ridgaway's default, and retained him as cashier, and paid him a salary, and if the bank after the default had any money or securities in its possession the avails of which might have been applied to the payment of the debt, and the bank failed or neglected to hold the securities, or to apply the avails thereof and the money towards the payment of the debt, it could not recover for any money so paid Ridgaway for salary, or which might have been realized from said securities. The mere fact that the creditor retains the principal in his employment after knowledge of a default will not discharge the surety from an antecedent liability. (*Railroad Co. v. Shaeffer*, 59 Pa. St. 356.) In the ordinary dealings between a bank and its customer, when the latter has money standing to his credit on deposit in the bank, and the bank holds his independent promissory notes, upon which there are sureties, if the bank, upon the maturity of the note, honors the customer's check drawn against that credit, instead of applying the credit to the payment of the note, the sureties are not released. The right of the bank to apply the credits of the customer to the satisfaction of such a note is rather in the nature of a set-off or of an application of payments, neither of which, in the absence of express agreement or appropriation, will be required by the law to be so made as to benefit the surety. (*Martin v. Bank*, 6 Har. & J. 235; *Bank v. Peck*, 127 Mass. 301; *Glazier v. Douglass*, 32 Conn. 393; *Strong v. Foster*, 17 C. B. 217.) Now, Ridgaway stood towards the bank in this respect precisely in the situation occupied by a customer. To the latter the bank is a debtor to the extent of the balance to his credit on deposit; to Ridgaway it was a debtor for his salary. Its failure to set off the debt due by it to the customer against the note due by him to it does not release the sureties on that note. Why should its failure to set off the amount of the salary due by it to Ridgaway against the debt due by him to it discharge the sureties on the bond which secures that debt? We see no reason for any distinction, and, in our opinion, the legal principle applicable to the one case must govern and control the other.

The other proposition stated in prayer 6½ respecting the securi-

ties delivered by Ridgaway to it must be considered in connection with the particular facts disclosed by the record, and relating to this subject. It appears that on February 16, 1883, Ridgaway took \$750 of the bank's money, and in place of it left his check for that amount, to which was pinned, as collateral, a certificate of Baltimore & North Carolina Gold Mining Company's stock. This check represented part of the indebtedness of \$8,133, and, with the certificate pinned to it, was carried as cash by the paying teller until February, 1885. When the device heretofore spoken of was resorted to by Ridgaway, in February, 1885, to get the evidence of his defalcation out of the cash items, the paying teller handed back to Ridgaway the \$750 check, with the certificate of stock still pinned to it. Thus Ridgaway first embezzled the money, and then, by means of fictitious entries, abstracted the stock which he had previously pledged to the bank. How the failure of the bank to realize anything out of this stock, under these circumstances, can affect its rights, or alter the responsibility of Ridgaway's sureties, we are utterly unable to see. Ridgaway's fraudulent conduct prevented the bank from realizing on the collateral, and surely this additional breach of duty on his part can furnish no exoneration to his sureties. When the creditor parts with a surety security upon which he has a lien for the payment of the principal's debt, and to which the surety has a right of subrogation on paying the debt, he impairs his claim against the surety. But that doctrine has no application to a case where the principal has himself fraudulently abstracted the very collateral which he had previously pledged.

The only other security ever held by the bank for Ridgaway's debt was a certificate for shares in the Baltimore & North Carolina Gold & Copper Mining Company delivered by Ridgaway to Mr. Hooper, the new president, and these shares the bank still holds, and the sureties will be entitled thereto upon payment by them of the amount due by Ridgaway.

The prayer marked "5½" needs no special comment, as what we have said in disposing of the fifth, sixth, and sixth and a half prayers is sufficient to show that the Superior Court was right in rejecting it.

The eighth and ninth prayers of the appellants asked the court to exclude from the consideration of the jury the admissions of Ridgaway as to his indebtedness to the bank. These admissions were competent, though not conclusive, evidence against the sureties. (*State v. McKee*, 11 Gill & J. 378; *Ruby v. State*, 55 Md. 484.)

The third prayer of the appellants was abandoned.

The second prayer of the appellants was erroneous because it was founded on the theory that the president of the bank could lawfully loan the bank's money to an officer of the bank, despite the emphatic provision to the contrary in the charter. (*Engler v. Insurance Co.*, 46 Md. 322.)

The only remaining question arises under the first, fourth and fifth prayers of the appellee. And that question is, was the Superior Court right in instructing the jury to allow interest on each of the items making up the total defalcation of Ridgaway from the respective dates of those items? Generally speaking, the rule is that interest should be left to the discretion of the jury; but this rule is not without exceptions, and among its exceptions are cases on bonds or on contracts to pay money on a day certain, and cases where the money has been used. (*Fridge v. State*, 3 Gill & J. 117; *Gott v. State*, 44 Md. 339; *Comegys v. State*, 10 Gill & J. 186.) Ridgaway improperly and unlawfully took and applied to his own use the money of the bank, and his obvious duty is put the bank in the precise position it would have occupied had the

money not been taken and retained by him. As between him and the bank, the duty on his part to pay interest on each sum he embezzled from the time of embezzlement was as positive as the duty to repay the money itself. The whole sum and the interest on each item make up the true measure of damages against him for wrongfully taking and detaining or using the money of the bank. The extent of his liability fixes the extent of the responsibility of his sureties whenever the latter are answerable for him. (*Gott v. State, supra.*) Finding no errors in the rulings excepted to, the judgment will be affirmed, but the appellee will be required to pay the costs occasioned by the printing in the record of the opinion of the Judge of the Superior Court, as that opinion properly forms no part of the record. Judgment affirmed, with costs.

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## LEGAL MISCELLANY

**CORPORATIONS—OFFICERS.**—Under Civil Code Cal., § 2,228, which requires the highest good faith from a trustee towards his beneficiary, and under § 2,230, which prohibits the trustee from taking part in any transaction adverse to the beneficiary, the secretary of a corporation, who is also its general manager, and to whom all its affairs are committed, is guilty of a fraud against the corporation in secretly purchasing its property in his own name at execution and tax sales. [*San Francisco Water Co. v. Pattee, Cal.*]

**NEGOTIABLE INSTRUMENT—CONSIDERATION.**—In a suit on a note an answer is sufficient which, without showing consideration or that some defense was asserted in good faith, alleges a promise in writing to extend the time and dismiss the court in consideration of a partial payment, "and to avoid litigation and other considerations." [*Davis v. Stout, Ind.*]

**NEGOTIABLE INSTRUMENT—INDORSER OR SURETY.**—Where a note payable to a bank within the State is indorsed by a third person before its delivery, in order to give the bank the security of both names, according to the requirements of its rules, and with the intention of assuming the character and liability of indorser, he is liable as indorser, and entitled to notice of the dishonor of the paper; and it is wholly immaterial that the bank and the maker intended that he should be liable as surety. [*De Pauw v. Bank of Salem, Ind.*]

**NEGOTIABLE INSTRUMENT—MAKER.**—The rule laid down in *Pratt v. Beaupre*, 13 Minn. 187, and later cases, as to the *prima facie* liability of a person who affixes to his signature to a contract the word "agent," "trustee," or the like, followed, and applied in a case where the maker of certain promissory notes affixed the abbreviation "Pres." to his signature. [*Brunswick-Balke-Collender Co. v. Boutell, Minn.*]

**NEGOTIABLE INSTRUMENT—NOTICE OF PROTEST.**—Under Rev. St. Wis., § 176, requiring that a notary, on protesting a note, "shall give notice thereof in writing," etc., the notice is sufficient if it contains, in substance, a true description of the note; that it has been presented at maturity and dishonored; and that the holder looks to the indorser for payment. [*Glicksman v. Early, Wis.*]

**CORPORATION—ILLEGAL ACT OF DIRECTORS.**—A complaint by a stockholder against a corporation and its officers and directors, who hold a majority of the stock, charging them with fraudulently converting its property to their own use by voting themselves salaries, and by

other illegal corporate acts, is sufficient, without averring a demand upon the board of directors to correct the abuse, since it would be idle to request them to repair wrongs which they themselves have committed. [*Eschweiler v. Stowell*, Wis.]

**CORPORATION—PRELIMINARY SUBSCRIPTIONS.**—A corporation which has expended moneys and done acts in reliance on the mutual promises of different persons to take specified amounts of its stock, contained in a preliminary agreement, drawn up before its organization, may maintain an action to enforce the agreement against one of the subscribers, who attended the corporate meetings, and acquiesced in such acts and expenditures, though the act of incorporation does not provide for any preliminary subscription. [*International Fair & Exposition Ass'n v. Walker*, Mich.]

**CORPORATION—TRANSFER OF ASSETS.**—A valid transfer of the property of a corporation may be made by its president, with the knowledge, consent and acquiescence of the directors and stockholders, though there is no formal transfer under seal, nor any official action taken by the directors or stockholders. [*Ft. Worth Pub. Co. v. Hitson*, Tex.]

**NEGOTIABLE INSTRUMENT—ATTORNEY'S FEES—JUDGMENT BY CONFESSION.**—The maker of a note which provides for the payment of attorney's fees, if collected by process, is not liable for such fees unless there is a demand and refusal to pay the note before suit is brought. [*Lindley v. Ross*, Penn.]

**PARTNERSHIP—FIRM AND PRIVATE CREDITORS.**—A mortgage by a firm on partnership property to secure an individual debt of one of the partners is valid as against firm creditors, such debt having been made a partnership debt by agreement among the partners. [*Veal v. Veal*, Ga.]

**PARTNERSHIP—NEGOTIABLE INSTRUMENTS.**—Where by the articles of partnership it is agreed that one of the partners is to manage the business and carry it on with the money furnished by the other, who is to be the only firm creditor, the managing partner not being permitted to contract any debts for merchandise or other purposes, such managing partner cannot bind the firm by a note given to himself as guardian for money loaned by him as guardian to the firm. [*Wintermute v. Torrent*, Mich.]

**TRUST—BANK OFFICER.**—Where the president and cashier of a bank fraudulently divert the funds and assets of the bank, and invest them in mill machinery, fixtures, real estate and appurtenances of a corporation of which they were at the time the president and secretary, such corporation holds such property impressed with a trust in favor of the bank to the extent of the bank funds and assets that can be traced into such corporate property, unless such corporation can show that it acquired such funds and assets in good faith, and for a valuable consideration. [*Farmers & Traders' Bank v. Kimball Milling Co.*, S. Dak.]

**USURY—LIABILITY OF BANKS.**—Pub. Acts Tenn. 1859-60, ch. 129, does not apply to chartered banks, since they already possessed all the powers conferred, and most of those prohibited, and therefore no penalty for usury could be recovered, under the act, against a chartered bank. [*State v. Lookout Bank of Morristown*, Tenn.]

**NEGOTIABLE INSTRUMENTS—CONSIDERATION.**—Notes given for the stock of a telephone company whose only method of carrying on business is by the infringement of the patents of other telephone companies are without legal consideration, and void. [*Clemshire v. Boone County Bank*, Ark.]

## RECENT BANKING LEGISLATION.

## NEW JERSEY.

1. Be it enacted, etc., That there is hereby established a Department of Banking and Insurance, charged with the execution of all laws now in force or which may be enacted hereafter, relative to insurance, banking, savings, trust, guarantee, safe deposit, indemnity, mortgage, investment and loan corporations.

2. That the chief officer of said department, to be denominated the Commissioner of Banking and Insurance, shall be appointed by the Governor, by and with the advice and consent of the Senate, and shall hold office for the term of three years, beginning on the first day of April, one thousand eight hundred and ninety-one, and until his successor shall be appointed and confirmed, unless sooner removed by the Governor for cause; no person shall be appointed as such Commissioner who is not in any way connected with the management or control of any corporation affected by this act, and his term of office shall immediately cease if at any time he shall become so interested; before entering upon the discharge of his duties the said Commissioner shall give bond, conditioned for the faithful discharge of his duties, in the sum of twenty-five thousand dollars, with two good and sufficient sureties, freeholders of this State, to be approved by the Governor; he shall also take an oath of office before one of the Justices of the Supreme Court, in form similar to that now required of the Secretary of State, which bond and oath of office shall be filed in the Department of State.

3. That the said Commissioner shall receive an annual salary of four thousand dollars, to be paid monthly by the State Treasurer, on the warrant of the Comptroller; for all services performed by him he shall charge the same fees as are now fixed by law for like services in the Department of State, and shall make quarterly returns to the Comptroller of all fees and moneys collected by him, and pay the sum so collected into the State Treasury; he shall employ from time to time such clerks, agents and employes as may be necessary for the proper discharge of his duties; their compensation shall be fixed by the Governor and be paid in the same manner as that of the Commissioner; *provided*, that the entire sum paid for salaries annually in this department shall not exceed the amount of fees collected by the Commissioner and paid into the State Treasury.

4. That the said Commissioner shall have authority to appoint, with the consent of the Governor, a deputy, who shall have power to perform all the duties of the Commissioner in case of his absence or inability to act from any cause; said deputy shall be commissioned by the Governor, and before entering upon his duties shall execute a bond in the sum of ten thousand dollars, with two sufficient sureties, freeholders of this State, to be conditioned and approved in the same manner as the bond of the Commissioner; he shall also take an oath of office in the same manner as the Commissioner, which bond and oath shall be filed in the Department of State.

5. That this department shall be vested with all the powers and charged with all the duties and subject to all the obligations and penalties now vested in, conferred and imposed upon the Secretary of State, acting as Commissioner of Insurance, or upon the Board of Bank Commissioners or any other officer or board charged with the execution



of the laws relative to subjects recited in the first section of this act, as also building and loan corporations or associations organized under the laws of other States, transacting or to be admitted to transact business in this State.

6. That the said Commissioner, with the approval of the Governor, shall devise a seal of office, a description and impression of which, with a certificate of approval by the Governor, shall be filed in the Department of State; every certificate, assignment, conveyance or other official paper executed by the said Commissioner under authority of law and sealed with the said seal of his office, shall be received as evidence, and may be recorded in proper recording offices in the same manner and with like effect as a deed regularly acknowledged or proved before an officer authorized by law to take proof or acknowledgment of deeds; and all copies of papers in the office of said Commissioner, certified by him and authenticated by said seal, shall be accepted as evidence in all cases equally and in like manner as the original; an impression of said seal directly on paper shall be as valid as if made on wax or wafer.

7. That all books, blanks, papers and documents, securities, stocks, bonds and mortgages now in the custody of the Secretary of State, acting as Commissioner of Insurance, or in the office of any other State official or board connected with the matters embraced in this act, shall, on demand, be delivered and transferred to the Commissioner of Banking and Insurance, when appointed, and thereafter remain in his charge and custody.

8. That there shall be assigned to said Commissioner by the Governor suitable offices in the State House for conducting the business of said department, and the Superintendent of the State House and grounds shall from time to time furnish the necessary furniture, fuel, lights, and properly care for said offices, the expense thereof to be defrayed in the same manner as like expenses of other departments of the State Government.

9. That all acts and parts of acts inconsistent with the provisions of this act shall be and are hereby repealed, and this act shall take effect immediately.

#### MAINE.

The treasurers of savings banks shall pay tax on account of its deposits and reserve fund of three-fourths of 1 per cent. per year. On all deposits over \$2,000 standing in the name of one depositor, the bank shall pay a tax of one-fourth of 1 per cent. a year on the excess over \$2,000 in addition to the tax herein provided, and said bank may deduct the tax paid on such excess from any dividends due such depositor.

Treasurers of trust companies and building and loan associations shall pay a tax on account of their interest-bearing deposits of three-fourths of 1 per cent. a year, and in addition thereto the shares of stock in said companies shall be subject to municipal taxation, the same as shares in banks.

#### NEW HAMPSHIRE.

All trust companies, loan and trust companies, loan and banking companies, and other similar corporations now or hereafter organized under the laws of this State, receiving savings deposits, or transacting the business of a savings bank, shall conduct that business as a distinct department separate from their other business, and that department shall be amenable to the laws governing the savings banks of the State.

## THE TEXAS BANKERS' CONVENTION.

The fifth annual convention of the Bankers' Association of Texas met in the Board of Trade Hall, President Levy, of Victoria, in the chair. There were eighty-three members present.

Rev. Dr. Crappel, of this city, pronounced an invocation, after which Mayor McDonald delivered an address of welcome, in which he felicitated the Capital City on the honor conferred by the presence of the bankers, and expressed the hope that they would experience both pleasure and profit from their visit at Austin, of which he could not boast unduly, but which he would say was a live, beautiful and progressive city.

The address was responded to on behalf of the bankers by Vice-President Blake, who thanked the Mayor for his kindly and cordial welcome, and said that he and all his associates felt a pride in Austin, as

### THE CAPITAL OF THE STATE.

They all felt an equal interest in and watched with satisfaction its progress and growth. The laws of a great State were made here by the assembled legislators' wisdom, and therefore laws which bankers as well as others are pledged to serve and obey. The bankers met here not only to make and cement friendships, but to deliberate on matters that concern not only themselves, but the whole people.

### ANNUAL ADDRESS.

President Levy then delivered his annual address, in which he remarked that the banking system, an indispensable element of all industrial life, had progressed and developed with the growth of our country, and taken shape from the surrounding conditions. By its constitution and purpose each bank is a link in the great chain of the public welfare, and it should seek strength by intercourse and education, lest it become the weakest link in the chain. We have barely emerged from what threatened to be a great financial panic. He did not pretend to say what was the cause of the recent financial stringency, whether it was the agitation of the free silver question, the failure of Baring Brothers in London, or the McKinley bill; but whatever it was, the result was a partial loss of confidence in financial circles, which always produced stagnation by limiting the circulation of money. The crops of the present year will repair all the damage done, and money will once more get into the channels of trade. Keeping step with the growth and expansion of various industrial and other departments and enterprises of the State, her banks have grown in stability and numbers until now there are 147 private and

### 210 NATIONAL BANKS.

The National banks in the State increased since October, 1890, from 189 to 210. Their total resources at the beginning and the close of the last fiscal year were given as follows: Total resources December 11, 1889, in 135 banks, \$55,560,045; total resources October 2, 1890, in 180 banks, \$71,948,401.

Mr. Levy expressed a desire for data from each bank in the State from which to compile in compact form the amount of capital, surplus deposits and loans handled by the banks in the State for use at the Columbian fair. He also commended to the favorable consideration of the

convention the subject of a clearing bank for the clearing of out-of-town checks and drafts as more desirable than the present unsatisfactory way of carting them around the country.

Another topic of discussion suggested was the need for a more technical training for those who contemplated banking as a livelihood, and the addition to the Agricultural and Mechanical College of a department for that purpose.

It was also suggested that the convention adopt a resolution providing that no drafts, especially those by traveling men, be cashed but upon presentation of letters of credit.

Mr. Levy, as chairman of the executive committee, presented its report, making recommendations for a bankers' exhibit at the World's Fair; also recommending that steps be taken to prevent frauds in checks on the banks, and making various minor suggestions.

On motion, the address and suggestions of the president and the report of the committee were referred to a special committee appointed by the president as follows: Green, Longcope, Blake and McAshon.

Treasurer Gibbs submitted his report for the years of 1890 and 1891. Ending with this convention, it shows that there is on hand a balance of \$991.95.

#### BANK LEGISLATION.

A. P. Wooldridge, of the committee on bank legislation, made his report.

It is stated that the attempt to get the Legislature to adopt an amendment to the constitution, granting charters to banks in the State, and to authorize State depositories, had been a futile one, and that nothing definite had been accomplished in that direction.

The chair appointed Messrs. Shaw, Brash and Stone as an auditing committee.

Mr. Patton, president of the Planters and Mechanics' National Bank of Houston, read a paper on "Banks Paying Interest on Deposits."

Mr. Richardson, cashier of the First National Bank of Marble Falls, delivered an address on the same subject, and was followed by Mr. Groce, cashier of the Galveston National Bank, who advocated strongly the paying of interest on deposits, advancing some very good arguments therefor.

A telegram from Secretary Jones, of Temple, stating that it would be impossible for him to attend, on account of sickness in his family, and wishing for the convention a prosperous and pleasant session, was read.

An invitation from Mr. Shipe to the delegates, to visit Hyde Park on the electric cars this afternoon, was accepted with thanks.

On motion, the convention returned thanks to the gentlemen who had read papers, and the secretary was instructed to embody the same in the regular proceedings.

#### AFTERNOON SESSION.

Bankers Sleigh, of New Orleans; Russell and Bulline, of St. Louis, and Mr. Spalding, bank inspector, were given seats on the stand.

Mr. Sleigh, being called for, addressed the convention on the interest question, saying that he began the study of banking in Galveston twenty years ago, and was still a student, but not a graduate. Two years ago at Corsicana he spoke to the bankers in opposition to the plan of paying interest on deposits, but had since changed his opinion on that subject. He now believes it a good policy, especially in large cities, where money is loaned on call and large sums are handled. Paying interest

induces deposits, which enables a bank to enlarge its business. In smaller places it was purely a

#### QUESTION OF EXPEDIENCY. •

The locality determined the wisdom or unwisdom of the interest-paying policy. If a banker finds that he can use money advantageously, let him pay interest on deposits.

John A. Russell, of St. Louis, being called upon, said that no bank that paid interest on deposits ever failed—for that reason alone. He cited the savings banks of the country as proof that the policy could not be an unsafe one. Those first started are still in business, and the Bowery Savings Bank of New York has a capital stock of

#### FORTY-EIGHT MILLIONS.

Mr. D. J. Bulline, of St. Louis, thought that the interest on deposit question was entirely one of locality. In the large money centers it was a good policy to pay interest. It might or might not be so in smaller places.

President Levy took the floor and said that country banks could not afford to pay interest. It was otherwise in money centers, where different conditions existed, and another order of business principles prevailed.

Sterling exchange has ranged during May at from  $4.87\frac{1}{4}$  @  $4.89$  for bankers' sight, and  $4.83\frac{1}{2}$  @  $4.85\frac{1}{2}$  for 60 days. Paris—Francs,  $5.20$  @  $5.16\frac{1}{4}$  for sight, and  $5.22\frac{1}{2}$  @  $5.19\frac{3}{4}$  for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days,  $4.84\frac{3}{4}$  @  $4.85$ ; bankers' sterling, sight,  $4.88\frac{1}{4}$  @  $4.88\frac{1}{2}$ ; cable transfers,  $4.88\frac{1}{4}$  @  $4.89\frac{1}{4}$ . Paris—Bankers', 60 days,  $5.21\frac{1}{4}$  @  $5.20\frac{3}{4}$ ; sight,  $5.18\frac{1}{2}$  @  $5.17\frac{1}{2}$ . Antwerp—Commercial, 60 days,  $5.24\frac{3}{4}$  @  $5.23\frac{1}{4}$ . Reichmarks (4)—bankers', 60 days,  $94\frac{7}{8}$  @  $95$ ; sight,  $95\frac{3}{8}$  @  $95\frac{1}{2}$ . Guilders—bankers', 60 days,  $40$  @  $40$  1-16; sight,  $40\frac{1}{4}$  @  $40$  5-16.

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	May 4.	May 11.	May 18.	May 25.
Discounts.....	6 @ 7	6 @ 7	6 @ 7	6 @ 7
Call Loans.....	5 @ 3	6 @ 3	5 @ 2	4½ @ 3
Treas. balances, coin.....	\$132,715,689	\$16,271,849	\$119,068,137	\$113,006,395
Do. do currency.....	9,556,767	10,524,937	11,872,463	14,768,710

The reports of the New York Clearing-house returns compare as follows:

1891.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.	Surplus
May 2..	\$404,465,600	\$71,846,000	\$37,388,800	\$407,166,000	\$3,474,400	\$7,443,300
" 9..	403,081,400	68,159,200	37,509,300	403,618,200	3,480,900	4,763,950
" 16..	398,579,200	64,384,100	40,155,500	398,507,000	3,437,900	4,913,850
" 23..	392,921,800	61,889,300	41,129,700	391,205,400	3,448,400	5,217,050
" 29..	389,084,900	60,959,100	43,346,900	387,107,300	3,471,700	7,529,175

The Boston bank statement is as follows:

1891.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.
May 2.....	\$155,902,700	\$10,107,000	\$4,321,400	\$131,944,000	\$3,253,400
" 9.....	155,066,400	10,497,100	4,515,100	131,940,100	3,256,700
" 16.....	154,159,400	10,361,000	4,576,500	130,686,500	3,264,000
" 23.....	152,811,400	10,286,500	4,491,600	128,275,400	3,247,600
" 29.....	152,264,100	9,502,600	4,360,100	126,510,200	3,246,100

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1891.	Loans.	Reserves	Deposits.	Circulation.
May 2.....	\$96,678,000	\$31,472,000	\$100,747,000	\$2,136,000
" 9.....	94,809,000	31,903,000	100,452,000	2,094,000
" 16.....	94,273,000	31,692,000	100,070,000	2,076,000
" 23.....	93,287,000	31,074,000	97,423,000	2,079,000
" 29.....	93,059,000	30,605,000	97,392,000	2,079,000

## INQUIRIES OF CORRESPONDENTS.

ADDRESSED TO THE EDITOR OF THE BANKER'S MAGAZINE.

## SERVICE OF NOTICE BY MAIL OR PERSONALLY.

Will you kindly favor us with the law governing notary publics in Pennsylvania? Are they required to deliver local notices to indorsers and drawers personally, or at places of business, or is it legal to deposit them in the post office the same as notices to indorsers at a distance?

REPLY.—As this question comes from Pennsylvania, we will give the law contained in the decisions of that State on the subject. In *Haly v. Brown* (5 Barr. 178, 181), Judge Rogers said: "A notice of the protest of a bill of exchange or note, to be given by one to another who resides in the same city, must be served personally, or by leaving it at his house or place of business; depositing it in the post office directed to him is not sufficient. But when they reside in different places, a notice of protest sent by mail and directed to the indorser at the nearest post office is sufficient, and if properly directed it is good, although the letter containing it should miscarry." The same principle had been previously declared in *Kramer v. M'Dowell* (8 W. & S. 138), and has been since. (*Barnes v. Caldwell*, 3 Pitts. 336; *Stimple v. Herman*, 34 Leg. Int. 313.) In the latter case the indorser lived less than a mile from the bank from which the notice was sent, through the mail, but in an adjoining township, and the notice was adjudged to be valid.

In a city in which the system of a free delivery of letters exists, a different rule, however, has been established. If a notice is left at the post office in time to go by a letter carrier on the same day to the party who ought to receive it, this will suffice. This rule was established in *Shoemaker v. Mechanics' Bank*, 59 Pa. 79. In this case all the parties to the note in suit lived in Harrisburg. It has been since applied in *Browning v. Armstrong* (9 Phil. 59). This is in harmony with the law in England and elsewhere.

Again, if the parties reside in the same town and the mail is used for conveying notice, it will be sufficient whenever it has been duly received. The mode of conveying notice, whether personally or through the mail, is important only in two particulars: first, with respect to sending it; and second, the proof of sending it. As Parsons says, when duly received, the mere manner in which it was sent is wholly immaterial. (1 Notes and Bills, 481.)

## USURY.

Is a note for the legal rate of interest, and containing the stipulation also "with exchange and collection charges," usurious?

REPLY.—The stipulation concerning the payment for exchange is clearly legal unless it is designed to cover usury. (*Churchman v. Martin*, 54 Ind. 380; *Cornell v. Barnes*, 26 Wis. 473; *Marvine v. Hymers*, 12 N. Y. 223.) In *Buckingham v. McLean*, 13 How. 151, 172, Justice Curtis said: "The

reason why the addition of the current rate of exchange to the legal rate of interest does not constitute usury is that the former is a just and lawful compensation for receiving payment at a place where the money is expected to be less valuable than at the place where it is advanced and lent. And this reason exists when the lender discounts the drawer's bill as well as when he buys a bill in the market of the payee. In neither case is it usury to take the regular and customary compensation for the loss in value by change of place of payment."

The legality of the other stipulation concerning collection charges is more questionable. Such a stipulation would seem to be valid in Indiana. (*Churchman v. Martin*, 54 Ind. 380.) The Supreme Court of Alabama have recently decided the question in the same manner. (*Montgomery v. Cross-thwait*, 8 South. Rep. 498.) In delivering the opinion of the Court, Justice McClellan says: "Upon no other question in the law, perhaps, are the authorities so irreconcilably, and at the same time so equally, divided, both in respect to the number of adjudged cases and the respectability of the courts upon either hand. The following cases maintain the commercial character of notes which embody the stipulation referred to: *Stoneman v. Pyle*, 35 Ind. 103; *Pate v. Bank*, 63 Ind. 254; *Maxwell v. Morehart*, 66 Ind. 301; *Proctor v. Baldwin*, 82 Ind. 370; *Hubbard v. Harrison*, 38 Ind. 327; *Heard v. Bank*, 8 Neb. 10; *Sperry v. Horr*, 32 Iowa 183; *Nickerson v. Sheldon*, 33 Ill. 373; *Dietrich v. Bayhi*, 23 La. Ann. 767; *Gaar v. Banking Co.*, 11 Bush, 180; *Sewing Machine Co. v. Moreno*, 7 Fed. Rep. 806; *Seaton v. Scoville*, 18 Kan. 435; *Bank v. Sevier*, 14 Fed. Rep. 671; *Trader v. Chidester*, 41 Ark. 242; *Bank v. Rasmussen*, 1 Dak. 60; *Schlesinger v. Arline*, 31 Fed. Rep. 648; *Howenstein v. Barnes*, 5 Dill. 482; *Adams v. Addington*, 16 Fed. Rep. 89. And the following sustain the doctrine that the stipulation involves such contingency and uncertainty as to the sum payable as to destroy negotiability: *Bank v. Bynum*, 84 N. C. 24; *Bank v. Gay*, 63 Mo. 33; *Goodloe v. Taylor*, 3 Hawks, 458; *Bank v. Marlow*, 71 Mo. 618; *Samstag v. Conley*, 64 Mo. 476; *Bank v. Jacobs*, 73 Mo. 35; *Wood v. North*, 74 Pa. St. 407; *Johnston v. Speer*, 92 Pa. St. 227; *Bank v. Larsen*, 60 Wis. 206, 19 N. W. Rep. 67; *Manufacturing Co. v. Newman*, 60 Md. 584; *Mahoney v. Fitzpatrick*, 133 Mass. 151; *Jones v. Radatz*, 27 Minn. 240, 6 N. W. Rep. 800; *Bank v. Purdy*, 56 Mich. 6, 22 N. W. Rep. 93; *Altman v. Rittershofer* (Mich.) 36 N. W. Rep. 74; *Iron-Works v. Paddock* (Kan.), 15 Pac. Rep. 574; *Farguhar v. Fidelity, etc., Co.*, 13 Phila. 473. The question has never been determined in this State. It was mooted somewhat in the case of *Bank v. Johnson*, ante, 42 (at the last term), and dismissed with an indication on the part of the present writer unfavorable to the negotiability of such instruments. Such was the inclination of my mind at that time. A more careful investigation into the adjudged cases, and especially a more critical consideration of the reasons upon which the divergent conclusions of other courts are made to rest, have produced the contrary conviction, and led me to adopt the view first advanced by the Indiana and Kentucky courts, and which has since received the sanction of all recognized texts which discuss the point. Tied. Com. paper, § 28 b; 1 Rand. Com. Paper, §§ 205, 206; 1 Daniel, Neg. Inst. §§ 62, 62a; Pars. Notes & Bills, pp. 146, 147; 2 Amer. & Eng. Enc. Law, p. 324."

## BOOK NOTICES.

*Political Science and Comparative Constitutional Law.* By JOHN W. BURGESS, Ph. D., LL. D., Professor of History, Political Science and International Law, and Dean of the University Faculty of Political Science in Columbia College. 2 vols. 8vo. Boston and London: Ginn & Co. 1891.

In perusing this work no one can fail to be impressed with the author's extensive research and thinking, and also with his conscientious use of his knowledge. His modest and model preface is a superb introduction, for it warns the reader against expecting too much, while setting forth clearly his justification for another presentation of the subject. The best service we can perform for our readers is to give them an outline of the work, and thus whet their appetite, if possible, for a thorough exploration of the work itself. The author begins with setting forth the idea of the nation; the geographical distribution of nations and nationalities, and the composition of national political character. From these considerations some practical conclusions are drawn of great interest, and which we have no doubt will excite discussion. One of these is that Teutonic nations are particularly endowed with the capacity for establishing National States, and consequently must conduct the political civilization of the modern world, even to the interfering in the affairs of peoples that manifest an incapacity for such civilization. Says the author: "Both for the sake of the half-barbarous State and in the interest of the rest of the world, a State or States, endowed with the capacity for political organization, may righteously assume sovereignty over, and undertake to create State order for, such a politically incompetent population. The civilized States should not, of course, act with undue haste in seizing power, and they should never exercise the power, once assumed, for any other purpose than that for which the assumption may be righteously made, *viz.*, for the civilization of the subjected population; but they are under no obligation to await invitation from those claiming power and government in the inefficient organization, nor from those subject to the same. The civilized States themselves are the best organs which have yet appeared in the history of the world for determining the proper time and occasion for intervening in the affairs of unorganized or insufficiently organized populations, for the execution of their great world-duty."

From the nation the author proceeds to develop his idea and conception of the State, its origin, its forms and its ends. A history of the formation of the Constitutions of Great Britain, the United States, Germany and France are next given. His treatment of the British Constitution seems somewhat scant, but his account of the formation of the Constitution of the German Empire displays the hand of an easy master. This completes the first part of the work. The second part relates to comparative constitutional law. This is not so original as the first, but is, nevertheless, replete with facts and inferences. The second volume deals with the constitution

of government, of the executive, and of the judiciary. The comparative method is continued throughout the work, but perhaps the value of it appears more conspicuously in the chapter devoted to the application of the tests of the forms of government than in any other. In no other work in English can such a concise and accurate presentation of the principles of the English, French and German Governments be obtained as in the work before us. The study of German political institutions especially is of the highest interest to us at the present time, because so much has been accomplished in theory and practice. The results are here placed before us in a readable form, and within reasonable compass, and we are sure that this work will be eagerly welcomed as a valuable addition to our political literature.

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*Capital: A Critical Analysis of Capitalist Production.* By KARL MARX. Translated from the third German edition, by SAMUEL MOORE and EDWARD AVELING, and edited by FREDERICK ENGELS. New York: The Humboldt Publishing Co.

This work is often called on the continent of Europe "the Bible of the working-class." In cold acute analysis it is one of the greatest works of the kind produced by this generation. It must be considered as very close reading, especially by those whom the author supposed would profit most by it, yet the style is unusually clear and lively. It is quite unlike the ordinary dry, styleless German economic works. Perhaps no great work on political economy has been more strongly attacked, because, while its main positions are regarded by many economists as unsound, the force of the author's presentation no one has ever denied. Notwithstanding the constant attacks which the work has sustained, it still stands as one of the most conspicuous economic productions of the century, while its circulation increases as its original principles become better understood. Whether the reader agrees with the author or not, he must admire the acuteness of his reasonings, and his vast collection of facts, garnered from many fields, and so disposed as to throw a brilliant light on a subject greatly in need of illumination.

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*Six Centuries of Work and Wages.* A History of English Labor. By JAMES E. THOROLD ROGERS, M. P., Late Professor of Political Economy of Oxford. New York: The Humboldt Publishing Co.

The character of this work, which stands as a monument to the industry and research of its author, is well known to economists. It is largely due to Professor Rogers that we now possess a larger body of accurate information regarding the rise and fall and *real value* of English wages than exists regarding the wage statistics of any other nation. In the collection and presentation of facts the author of "Work and Wages" is both accurate and fair. His conclusions, however, are often one-sided. The sources whence these wage statistics have been derived are old exchequer bills, college records, manor rolls, and old farm accounts. Beside an appendix, the editor of this abridgment, Rev. W. D. P. Bliss, contributes three charts, representing by decades for the last six centuries, respectively, (1), "The Wage Condition of the Agricultural Laborer in England"; (2), "The Wage



Condition of the English Carpenter"; (3), "The Length of the Working Day." One thing those charts certainly show, and that is that the progress of the laboring classes has not been uniform with the increase in civilization and wealth. The laborer has had his ups and downs. To those who hold that the amelioration of the condition of the working class is inevitably concomitant with the advance of civilization, the moral taught by these charts is obvious. Professor R. T. Ely, of the Johns Hopkins University, contributes a short introduction.

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*The Theory of Credit.* By HENRY DUNNING MACLEOD, M. A. Vol. 2. Part 2. London: Longmans, Green & Co. 1891.

This is the concluding part of the work. A concise and admirable account is given of banking in England, Scotland and Ireland, which is followed by a statement of definitions of currency by Lord Overstone, Mr. Norman, and Col. Torrens, and an elaborate criticism of them. Next John Law's scheme is reviewed, and then the bank acts of 1844 and 1845 pass under critical review. The larger portion of the remainder of the volume is occupied with a description of the commercial crises and financial panics that have occurred in Great Britain. The author's theory of credit is so unlike that generally held among men, that his deductions of course meet with no more favorable acceptance. Yet no one will question his familiarity with the modern financial history of Great Britain, and the work before us, regardless of the truth of his theories and criticisms, is a valuable contribution to banking literature. The attractiveness of the work is enhanced by a lucid and bright style, in sharp contrast with most works of this nature.

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*Legal Hygiene ; or How to Avoid Litigation.* By A. J. HIRSCHL, of the Iowa Bar, author of the "Law of Fraternities and Societies." Davenport, Iowa: Egbert, Fidler & Chambers. 1890.

It is somewhat remarkable that the common law which is so completely interwoven into all the affairs of daily life, and a knowledge of which it is assumed every person possesses—an assumption which is absolutely essential to the preservation of social order—should be, not only very imperfectly understood, but its acquisition rendered difficult by the almost universal assertion of those who are supposed to be most familiar with its principles, that it cannot be popularized. A few centuries ago the same claim was maintained for theology, science, medicine, and, in short, for nearly the whole realm of knowledge. As Plato dreamed that a republic was only for the select few, so have a larger number contended for knowledge. Only the self-constituted few were capable of understanding the mysteries of the Bible, the wonders of science and the intricacies of the law. The claim for the exclusive study of Bible by church teachers was overthrown by the thirty years war; the most eminent and brilliant leaders in science have been the busiest in popularizing their discoveries; and at last the popularizing of the principles of the law has begun. There is, in truth, no reason why its principles, which are so practical, and which all are required to observe, should not be generally understood. If they are too

difficult for ordinary comprehension, this is a conclusive reason for abolishing or amending them. Nothing is more certain than the movement in this direction will go on rapidly in the future. The necessity of our situation compels this. The work before us is of this character. The most practical subjects are considered—contracts, negotiable paper, principal and agent, partnership, corporations, purchase of real estate, and the like. The author is an eminent lawyer; his statements of the law are clear and trustworthy, and we do not hesitate to commend this work to those for whom it is designed.

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*Idle Time Tales.* By FRANCOIS COPPÉE, HONORÉ DE BALZAC, ALPHONSE DAUDET, and ALFRED DE MUSSETT. Translated from the French by O. A. BIERSTADT. Chicago and New York: Rand, McNally & Co. 1891.

This is a collection of four stories, prefaced by a short account of each author. All of them have a secure place in the literary heaven; the popularity of their work is too well known to require an analysis.

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## DEATHS.

BOOTH.—On April 20, aged fifty-eight years, W. C. BOOTH, of the firm of Booth & Bentley, Springboro, Pa.

BUNNELL.—On May 16, aged fifty-three years, H. H. BUNNELL, senior member of the firm of Bunnell & Scranton, New Haven, Conn.

BUTLER.—On May 6, aged seventy-eight years, WM. A. BUTLER, President of Mechanics' Bank, Detroit, Mich.

CUNNINGHAM.—On May 12, aged seventy-four years, R. W. CUNNINGHAM, Vice-President of National Bank of Lawrence Co., New Castle, Pa.

HALL.—On May 9, aged forty-three years, E. W. HALL, President of the firm of E. W. Hall & Co., Shepherdsville, Ky.

HARRINGTON.—On April 23, aged forty-three years, GEO. H. HARRINGTON, Vice-President of Tazewell Co. National Bank, Delavan, Ill.

HOLMES.—On April 20, aged eighty nine years, CYRUS W. HOLMES, President of Monson National Bank, Monson, Mass.

HOLMES.—On April 26, aged sixty-six years, CYRUS W. HOLMES, JR., President of Monson Savings Bank, Monson, Mass.

HOOVER.—On March 4, aged sixty years, DENT HOOVER, Cashier of First National Bank, Nicholasville, Ky.

LORD.—On May 2, GILDEROY LORD, President of City National Bank, Watertown, N. Y.

PARSE.—On May 22, aged fifty-five years, CARMAN PARSE, Cashier of First National Bank, Plainfield, N. J.

REITZ.—On May 13, aged seventy-five years, JOHN A. REITZ, President of German Bank, Evansville, Ind.

RICHARDS.—On May 7, aged seventy years, WM. F. RICHARDS, President of Gardiner National Bank, Gardiner, Me.

RUNYAN.—On April 4, aged forty-seven years, P. L. RUNYAN, Cashier of State Bank of Warsaw, Warsaw, Ind.

ST. CLAIR.—On April 30, aged fifty-three years, H. C. ST. CLAIR, Vice-President of First National Bank, Independence, Mo.

TENNEY.—On May 2, aged seventy-one years, N. F. TENNEY, President of Winthrop National Bank, Boston, Mass.

WOOD.—On May 1, aged seventy-one years, DANIEL P. WOOD, President of Onondaga Co. Savings Bank, Syracuse, N. Y.

WYNKOOP.—On April 17, aged seventy-four years, ROBT. G. WYNKOOP, Vice-President of Onondaga Co. Savings Bank, Syracuse, N. Y.

## BANKING AND FINANCIAL ITEMS.

## GENERAL.

**A FAITHFUL BANK CASHIER.**—A bank cashier story from the South has a pleasing variation from the usual form. The cashier had served for many years, had been compelled to retire from his place, and soon afterward committed suicide. The incidents are unfortunately not peculiar thus far, but in this case an examination of the cashier's accounts showed that instead of a deficiency there was a credit of \$70,000 in his favor on the books of the bank. The despondency which caused his violent act was simply due to the feeling of regret that old age prevented him from longer performing the duties which he had faithfully discharged for many years.

**DEATH AND BURIAL OF A BANK NOTE.**—There is a certain ceremony which attends the death and burial of a Bank of England note. It is only three days after its canceling that it is carried to its last home in the Bank Note Library. Its first dark day of nothingness is spent in the inspector's office, where severe judges sit in judgment on its virtue. During its second day it and its thirty or forty thousand fellows, done up into parcels, are counted and sorted; that is to say, each parcel is dealt out like a pack of cards, according to dates and denominations of value. The third day they are posted in ledgers, which are kept as indexes to the paid notes; and then, on the evening of their last day in the upper regions of light and air, they are carried down with scant ceremony in huge bags to the Bank Note Library.—*Falkirk Herald*.

**OLD SAVINGS BANKS.**—The *New York Times* has taken it for granted that the Bank of Savings in that city, which opened in 1819, is the oldest savings institution in America. This erroneous impression is corrected by the *Boston Herald*, which invites the attention of its contemporary to the Provident Institution for Savings in the town of Boston, "incorporated in 1816, opened for business in the following year, and now the oldest savings bank in the world. The second savings bank was established in Philadelphia about a year later, and the third in Salem, and all of these are still flourishing. Possibly the New York institution," the *Herald* adds, "may be entitled to fourth place."

AN interesting fact noted by bank officers in the bank statement is the passing of the Park Bank for the first time since the panic last fall by the Chemical Bank in the amount of deposits. The deposits of the Chemical Bank last week were \$23,662,000, and those of the Park Bank \$23,397,000.

IT appears that out of 68,800 letters posted by the Bank of England authorities, notifying the conversion of stock, no fewer than 12,700 were returned through the dead letter office, owing to change of address, and the bank learned for the first time that hundreds of stockholders were dead and their representatives unknown.

**IMPERIAL BANK OF CANADA.**—A circular has been issued by the directors of the above bank to its shareholders, informing them that the capital stock of the bank having been increased by the sum of five hundred thousand dollars at the general meeting of the shareholders, held on the 20th day of June, 1889, they have made a *pro rata* allotment of the new capital stock, to take effect on the 16th May, 1891, at the rate of one share for every three held by the shareholders at the close of business on that day, but no fraction of a share will be allotted. The allotment is made at a premium of fifty per cent. The books for the subscription of the new stock will be opened at the head office of the bank in Toronto, on and after the 18th day of May next. The first call of ten per cent., with ten per cent. of the premiums, will be payable at the head office of the bank at the time of accepting the allotment or within thirty days thereafter, but not later than 11th August, 1891, with a similar call payable on the 18th day of the same month and monthly thereafter until the 18th April next. Shareholders will be allowed to pay the full amount of their subscriptions or any number of calls in advance, at any time after date of subscription. Shareholders who do not accept of the allotment before the 18th day of August, 1891, forfeit all their rights thereto.

## EASTERN STATES.

NEW HAVEN, CONN.—Henry H. Bunnell, of the banking house of Bunnell & Scranton, who died last month, was born in that city. He was a director in the New Haven County Bank, and a trustee in the Connecticut Savings Bank.

LEWISTON, ME.—A bank book has been brought into the First National Bank in Lewiston, in which deposits were entered in 1860. The book had not been in the bank for thirty-one years.

ADAMS, MASS.—Robert W. Adam has been the faithful treasurer of the Berkshire County Savings Bank of Pittsfield over twenty years, and at their meeting the other day the trustees of the bank paid him the compliment of increasing his salary \$500, making it \$4,000. Mr. Adam had no suspicion of their intention, and was more surprised than anybody.—*Adams Enterprise*.

NORTHAMPTON, MASS.—The trustees of the Northampton Institution for Savings made Treasurer Maltby a donation of \$2,500 at their annual meeting. Mr. Maltby has been a valuable man for the bank, and his sagacity has added greatly to the value of its resources. This recognition of his services is a fitting tribute to their worth.—*Northampton Gazette*.

NORTH ADAMS, MASS.—The Greylock National Bank has been formally opened. The North Adams *Transcript* says: "The institution has every promise of success, from its pleasant business quarters to the men and money that stand by it, and, withal, it is a fixture that Adams will be proud of in the future. The bank opened with a capital stock of \$100,000 and \$50,000 surplus, with William B. Plunkett, president; J. Kelly Anthony, vice-president; and the following directors: William B. Plunkett, E. J. Noble, A. B. Mole, David Follett, Charles T. Plunkett, of this town; E. N. Gibbs, of Norwich, Conn., and Gen. W. F. Draper, of Hopedale. The cashier, Frank Coenan, of Springfield, and clerk, F. W. Spalding, have entered promptly upon their duties."

CAMDEN, N. J.—The National banks have been notified by District Attorney Graham, of Philadelphia, that unless they close their branch offices in that city they will be indicted. Wilbur F. Rose, the cashier of the National State Bank, contends that the District Attorney is in error, and that the banks are not violating the State statute relating to the subject. He says: "We are chartered by the National Government and not by any State charter. Our office in Philadelphia is not a place of discount, as all discounting is done at our bank in Camden. We think we will be able to show that we are not violating this statute, and we are operating under the sanction of the Comptroller of the Currency, and we have been operating for 26 years under the National Banking laws. We will continue to transact business at our Philadelphia office, at least until something more definite is known."

NEW YORK CITY—EARLY DAYS OF JOHN THOMPSON.—In his reminiscences, which are soon to be published, he says: "About 1838 Moses Y. Beach, having owned the *Sun* for several years, was organizing wildcat banks in New Jersey, Washington, etc. I exposed his nefarious schemes in my *Bank Note Reporter*. To get square with me he attacked me in the *Sun* in an outrageous way, calling me all sorts of hard names. My lawyers told me that he was liable for heavy damages and advised me to enter suit. I did so, and employed 'Prince' John Van Buren, the brilliant son of Martin Van Buren, to make the closing speech at the trial. When the case went to the jury they gave me all I asked—\$10,000—without leaving their seats. It was in 1832 that I opened my broker's office in Wall street. The place was small and unpretentious, and would serve only as an ante-room or cloak-room for some of the large and elegant offices of the latter-day financial kings of this famous thoroughfare. Adjoining it was the office of the *Courier and Inquirer*, then the leading newspaper of New York. The Battery and Bowling Green were then the fashionable neighborhoods. At that time the financial and commercial portion of the city, the population of which about equaled the present population of San Francisco, was entirely south of the City Hall and almost entirely east of Broadway. Broad and Nassau streets were badly paved and were not occupied either by brokers or bankers, but Wall street then, as now, was the money center of the city and of the country. The Jay Gould of that early day was Jacob Little, a broker who in his time was the marvel of the Street, and who by his bold

operations commanded the attention of the country. According to my recollection, Mr. Little began business with a small capital, and in a few years amassed a fortune of \$3,000,000, something enormous for that day. Reverses eventually overtook him, however, and his wealth was swept away. At that period the most solid houses of the Street were those of John Ward & Co., Prime, Ward & King, Corning & Co., and Dykers & Alstine, the members of which are now all dead. The first-named firm occupied the same position in financial circles as Brown Brothers do now, and the others carried on an extensive and prosperous business, but not to be compared with the transactions of some of the Wall street houses of to-day. The principal stock dealt in then was that of the Harlem Railroad Company, the fluctuations in which, under the manipulations of Mr. Little and others, afforded ample scope for making and losing fortunes. Plain Captain Vanderbilt, then unknown to fame, owned and sailed a large sloop between New York and Staten Island; John Jacob Astor was the richest man in the city; Stephen Whitney was the next in point of wealth; Jay Gould was a baby, and Russell Sage, Sidney Dillon and other kings of finance were small boys, who little dreamed of Wall street or the grand future before them."

NEW YORK CITY.—Mr. J. Edward Simmons, president of the Fourth National Bank, is making an imperial tour to the Southwest. He has taken along with him, in a private palace car, the Protestant Episcopal Bishop of Nebraska and such other goodly company.

NEW YORK CITY.—A certificate of increase of capital from \$200,000 to \$500,000 of the Madison Square Bank of New York has been filed with the State Bank Department.

NEW YORK CITY.—The Columbia Bank of New York has filed in the State Banking Department in Albany a certificate of increase of capital from \$200,000 to \$300,000.

ALBANY, N. Y.—We are always pleased to note the efforts of bankers to instruct popular audiences concerning matters pertaining to their business. Apart from its importance, the business is deeply interesting to all seekers for intelligence. Of those who recently have thus been instructing the public is President Robert C. Pruyn, of the Commercial National Bank, who lectured at the State Normal College on "Our Banking System." Mr. Pruyn referred to the National banking system, and gave a sketch of it from its establishment to the present day. He stated that the banks did not accept it on account of its profitableness alone, but for its intrinsic merit. He thought that teachers were lacking in a knowledge of the subject and should be familiar with it, so as to be able to give information when required. Mr. E. M. Hendrickson, cashier of the Broadway Bank of Brooklyn, has also been lecturing on the same subject before the Young Men's Christian Association of that city.

BROOKLYN, N. Y.—Permission has been granted by the Supreme Court to the Brooklyn Bank to remove its business from Fulton and Front streets to Fulton and Clinton streets.

BUFFALO, N. Y.—The Buffalo *Times* remarks that "The number of banks for the convenience of business interests in Buffalo is probably much less than any city of its size in the country. In the last six or eight years the People's Bank has been the only new bank of importance added to the list of the older banks. One reason that a larger number of banks has not been established, as the city rapidly grew in business and population, is undoubtedly the fact that the existing banks, with great enterprise, constantly enlarged their efficiency and capacity to keep pace with the demands of the city. There is evidently, however, a ready field for the enterprising usefulness of the two new banks, to be in full operation during this and the coming month. There can be no question of a large field of operations that will immediately open to them. The two requisites for success are present. A sure constituency of solid and valuable customers and well-equipped, heavily-stocked banking houses, superintended and managed by experienced, safe financiers, gives a flattering outlook to the Queen City Bank and Metropolitan Bank, now about to open their doors for business."

CHESTER, PA.—The schools savings bank system, which has been in operation

in the public schools of Chester since February 24 of last year, has produced very encouraging results. In less than a year \$7,837.59 has been placed in the Chester Bank and Savings Fund to the credit of the boys and girls who have wisely "saved their pennies." Superintendent Foster, in his report to the State Superintendent of Schools, speaks of the system as most commendable. "The movement," he says, "is a popular one, and the results thus far seem to indicate that, as an educational agency for the promotion of the habits of order and economy in the community through the training of the children, it is in the same line as the efforts to inculcate patriotism, temperance and good morals."

PHILADELPHIA.—The *Philadelphia Record* says that the Philadelphia banks are among the strongest financial institutions in the world. The statement of their condition for the week preceding Monday, May 11, showed that with a line of deposits aggregating \$91,723,000, their reserves amounted to \$31,903,000, which was \$8,972,350 in excess of the legal requirements.

GERMANTOWN, PA.—A syndicate is said to have been organized which is looking around for a site in Germantown, on which to erect a building for the transaction of a banking business. Among those mentioned as being prominent in the movement are Samuel Bradbury, Stephen Hartwell, Edwin F. Partridge and Mr. H. H. Houston.

PROVIDENCE, R. I.—The adjourned annual meeting of the Bank Clerks Mutual Benefit Association was held in the Clearing House room, President George C. Noyes, cashier of the Globe Bank, in the chair, and George L. Barnes, of the First National Bank, at the secretary's desk. One hundred and twenty-nine members were present or represented. By an unanimous vote the constitution and by-laws were amended, the treasurer's salary being made \$100; and the election of officers was then proceeded with, the following being chosen, many of them continued in office: President, George C. Noyes; vice-president, W. W. Paine; secretary, George L. Barnes; treasurer, Eben McGregor; directors for one, two and three years, respectively, C. E. Jackson and J. W. Vernon, W. H. Parker and John Foster, M. E. Torrey and Owen Wescott; social committee, H. B. Dean, B. B. Manchester, J. M. Addeman, George A. Freeman, W. R. Sayles and B. W. Gallup.

#### WESTERN STATES.

PUEBLO, COLO.—The charter of the First National Bank has been renewed for another twenty years.

SPRINGFIELD, ILL.—The *Springfield Monitor*, after stating that Springfield has, in the aggregate, seven banking institutions, with millions of dollars under their control, placed there by the real bone, muscle, mind and financial sense of the community, thus continues: "Among the most reliable, longest established and thoroughly responsible banks of Illinois is the 'Ridgely National Bank,' named in honor of the lamented N. H. Ridgely, who commenced the life of a banker as discount clerk in the Bank of the United States at St. Louis in the year 1828. The relation of this bank to, and its business connection with, the best and oldest established banking houses of the world, both American and European, fully entitles it to rank as the 'financial Gibraltar of Central Illinois,' which it was christened in the memorable commercial crisis of 1878. The 'Ridgely' has a splendid record and a wonderfully interesting history. It was built up, it may be truthfully said, by a gentleman who, until the day of his death, was regarded as one of the most thoroughly known bankers of integrity in the nation. It can also be said as truthfully, that the genius as a financier with which he managed all these thousands of wealth; the care of the millions on deposit; the honestly acquired profits resulting from judicious investment, from negotiations made by an intellectual foresight and financial sagacity essential to success, and secured by a patient, industrious application, backed up by broad-gauged, comprehensive views of great financial facts, were generously bequeathed to his lawful heirs. These his successors, inheriting his native and acquired characteristics, have zealously guarded and preserved the reputation of this old-established banking house still within the hands of those who shared the confidence and affection of its founder. Nicholas H. Ridgely. There are few, if any, banks in the State, that grade higher or command more

respect and confidence in the financial and monetary centers of the nation than the Ridgely National."

CHICAGO.—A Banker's Athletic and Social Association has been organized. This originated with the National Bank of Illinois.

CHICAGO.—Mr. Lyman J. Gage, vice-president of the First National Bank, has returned after a month's trip through the Western States, particularly Colorado and California, making a brief stay at all of the principal cities. "I think the Western country, financially and otherwise," he said, "is in a better and healthier condition at the present time than it has ever been before. Denver, in particular," he added, "seems to be more of a Chicago town than any of the other cities I visited." The crop prospects Mr. Gage reported as excellent, California being more than usually favored in this regard.

IOWA.—The annual meeting of the Iowa Bankers' Association which convenes in Sioux City in June, promises to be an interesting one. The bankers of the tenth district are doing all they can toward making the meeting an assured success. Abner Graves, of Dow City, vice-president of the association for the tenth district, has written a letter to the members, in which he says, among other things, "Our next Legislature will surely be primed for passage of some law beneficial to, or inimical to, Western banking interests, and it behooves Western bankers to embrace this only opportunity presented before that legislative body meets, or its members are elected, and exchange views regarding what is wanted, or what is not wanted, and see if we cannot formulate some plan to give our lawmakers light on the subject."

DES MOINES, IOWA.—The *Leader* says: As a further evidence of the solidity of Des Moines, the fact may be cited, and it stands without a parallel among the cities of the West, that Des Moines has had but two bank failures in thirty years, and has had but one in the past twenty years. During all the financial flurry, which followed the almost failure of the Baring Bros., the banks of Des Moines rested secure in public confidence, with ample cash to meet all requirements. While the dispatches told of the story of empty vaults, the depreciated securities and the mired bankers elsewhere, the electric wires bore no such news from Des Moines. The banks of Des Moines never carried so much money as they do to-day. Money is "easy" here. It can be had at a reasonable rate of interest for all legitimate uses when proper security is tendered. Banks are the indices to the commercial condition of a community.

CEDAR RAPIDS, IOWA.—The State Bank of Vinton, with a capital stock of \$65,000, has been organized. Paul Corellis is president, and J. M. Hawkins, vice-president.

KANSAS.—John R. Mulvane, president of the Bank of Topeka, is reported as having expressed the following encouraging view of the financial situation in his State: "Never in the history of the State has there been such a large volume of debts paid in Eastern Kansas as in the past twelve months. The present necessity of the hour is the reassuring our creditors of our faithfulness and integrity, and rebuilding a credit that has been viciously defamed by designing people. In other words, we must correct the defaming attack made upon our credit as individuals and as a State. That we have the ability to pay as well as the willingness, we think the past twelve months will fully demonstrate."

TOPEKA, KAN.—In commenting upon the last quarterly statement of the city banks, Bestor G. Brown, in his quarterly publication, says: "The western country has suffered seriously in financial matters during the past six months, and all our financial institutions have seriously felt the monetary stringency. Notwithstanding this fact, the banks of this city exhibit a condition of which their officers justly may be proud, and which cannot fail to confirm the statement that the banks of Topeka are sound and conservatively managed. During all this financial difficulty the percentage of reserve has steadily increased, although the deposits have decreased. The increase of reserve has of necessity, therefore, been created by a reduction of the loans, and this very reduction of loans clearly demonstrates that this western country is not so seriously impaired as has been represented, nor are its people bankrupt. When the reserve of our monetary centers was steadily

decreasing that of this city was steadily increasing, the business men liquidating, and, in general, putting their affairs in shape to weather whatever storms might come. The statements of the five banks show an aggregate percentage of reserve of 49.94 per cent., and which is probably not excelled, if equaled, in a city of the financial and business importance of Topeka.

**KANSAS STATE BANKS.**—The Secretary of State has compiled a report taken from the semi-annual statements of 238 State banks, which shows that these banks are in a flourishing condition. The resources are as follows :

Loans and discounts.....	\$16,024,376	55
Overdrafts.....	149,419	01
Stocks and bonds.....	4,514,055	00
Due from banks.....	2,068,045	20
Real estate and furniture.....	1,660,778	40
Expense.....	236,043	57
Legal tenders, bank notes and specie.....	2,060,953	29
Other assets.....	329,116	69
Total resources.....	\$23,185,623	20

The liabilities are given as follows :

Capital stock.....	\$8,493,368	23
Surplus.....	775,185	86
Undivided profits.....	770,481	19
Dividends unpaid.....	44,565	56
Deposits.....	11,480,764	76
Due other banks.....	385,667	99
Other liabilities.....	1,235,589	61
Total.....	\$23,185,623	20

The amount given in liabilities as due other banks is largely on notes borrowed from Kansas City banks.

**HOISINGTON, KAN.**—At a recent meeting of the board of directors of the Hoisington State Bank, Wm. R. Smith, capitalist, of New York City, was elected president ; W. W. Truxall, vice-president, and Joe H. Borders, cashier. This bank is considering a proposition to increase its paid-up capital, and the erection of a new bank building.

**WHITEWATER, KAN.**—The Bank of Whitewater filed the first charter under the new Kansas banking law April 3. The capital stock is \$6,000. Directors : G. P. Neiman, J. H. Neiman, S. J. Newcomb, J. C. Kirkwood, A. H. Rich, J. W. Steiger and R. G. Kirkwood.

**DETROIT, MICH.**—William A. Butler, a prominent banker of Detroit, who died on the 6th of May, was born in Deposit, Delaware County, N. Y., in 1813. At the early age of 14 he left his home to carve out for himself a name and fame in the commercial world. He first came to Detroit in 1835, and since 1836 has resided continuously in this city. His earlier years in Detroit were devoted to mercantile pursuits. His initiation into the banking business, which has since been his life work, was in 1847. He formed a partnership with A. H. Dey, a well-known and influential citizen. This partnership was of brief duration, Mr. Butler retiring to establish a banking office of his own. He has ever since been in that business in Detroit. At the time of his death, Mr. Butler had been longer a Detroit banker than any other resident of the city. In 1870 his private bank gave way to the present Mechanics' Bank, of which institution he was president from the date of its organization to the time of his death.

**ST. PAUL, MINN.**—Another bank has been added to the banking institutions of that city. The new corporation is known as the Union Bank, and is organized under the State laws, with a capital stock of \$100,000. The officers are Maurice Auerbach, president ; J. W. Lusk and Robert R. Dunn, vice-presidents ; H. T. Johnson, cashier, and the directorate includes these gentlemen, and, in addition thereto, Arnold Kalman, Crawford Livingston and Frederick Driscoll, Sr. "These names," says the *Pioneer-Press*, "are of the sort that give solidity to any institution, and particularly to one of a fiduciary character, while the men who bear them are as well known to St. Paul people as our streets or public buildings. Maurice



Auerbach was one of the originators of the Merchants' National of this city, was its first president, and held that position from 1872 until 1881, when he resigned to attend solely to the business of Auerbach, Finch & Van Slyck, the largest wholesale dry goods house in the Northwest. J. W. Lusk is well and widely known both as lawyer and capitalist, and is general solicitor of the Chicago, St. Paul & Kansas City Railway. Arnold Kalman, of the firm of Oppenheim & Kalman, is one of the best known capitalists and one of the most successful men in Minnesota, and the same may be said of Crawford Livingston, president of the St. Paul Gas and Electric Light Company. Frederick Driscoll, Sr., is president of the Pioneer Press Building Company and general manager of the Pioneer Press Company. Robert R. Dunn is well known in St. Paul, and his father is senior member of the banking firm of Dunn Brothers, one of the most successful and largest banking houses of Philadelphia. Harry T. Johnson, the cashier, with whom patrons will come into direct contact, is as efficient as he is popular. He is a son of Gen. R. W. Johnson, U. S. A., was paying teller in the Merchants' National, St. Paul, for seven years and cashier of the Capital Bank, also of this city, for two years."

ODESSA, MO.—F. T. Bates is now vice-president of the National Bank of Odessa. Mr. Bates was formerly president of the Farmers' Bank of Odessa.

KANSAS CITY, MO.—At a meeting of the Clearing House association, J. S. Chick was elected president, W. S. Woods, vice-president, and F. B. Wilcox, manager.

#### SOUTHERN STATES.

COLUMBUS, GA.—State Treasurer R. U. Hardeman has completed his examination into the condition of the State banks in Columbus. The Columbus Savings Bank and Merchants and Mechanics' were the only banks examined by the Treasurer. Treasurer Hardeman said he found the Columbus institutions in excellent condition. Everything was found absolutely accurate. So far the Treasurer has examined banks only in the large cities of the State, but will now visit the smaller ones.

SAVANNAH, GA.—The American Surety Company of New York, having bonded Thomas Gadsden, late cashier, for \$30,000, has paid the amount in full upon presentation of the claim of the Merchants' National Bank to the company's representative, G. M. Trenholm.

LOUISVILLE, KY.—The Louisville Deposit Bank, recently organized here, has been denied admission to the Clearing House Association. Its officers assert that there is no reason for the refusal. The cause assigned is that fifty per cent. of capital is not paid up.

LOUISVILLE, KY.—The failure of the Schwartz Bank has brought to light the astonishing fact that for a number of years past it had been transacting a large business on a capital of only \$300.

CHARLOTTE, N. C.—A check came to the First National Bank of Charlotte, made out on a check form of the Merchants and Farmers' Bank, also of this city, drawn by N. Wittkowsky in favor of T. C. Kellogg and certified to by J. R. Holland, cashier. The check was punctured with the figures "835" and a special rubber stamp was used for the cashier's name. The back of the check showed that it was honored by the Merchants' National Bank of Jacksonville, Fla., and was sent by that bank to its New York correspondent—the National Park Bank—and was by that bank sent to the First National Bank of Charlotte for collection. The moment the bank men here laid eyes on it they knew it was a forgery on the name of S. Wittkowsky, a prominent merchant of Charlotte. Later the Merchants and Farmers' Bank received a similar check for \$750. The check received at this bank was identical with that received at the First National, except in the amount of cash it called for. The handwriting on the checks looks like that of a schoolboy. President E. K. Wright, of the National Park Bank, had his attention called to the matter, and said that his bank was in no way interested. The National Park Bank acts as New York correspondent for the First National Bank of Charlotte, a substantial concern, with large capital and trustworthy officers, and the Park Bank is also the correspondent of the banking house of Heath Bros., of Charlotte. Both of these Charlotte firms are conservative and reliable and their management was strongly indorsed by Mr. Wright.

JACKSON, TENN.—The new bank which has opened there is an encouraging instance of the growth and recuperative powers of the city of Jackson. The Bank of Madison crippled the city, but the *Jackson Times* says that "We are on our feet again."

NASHVILLE, TENN.—The second annual convention of the Tennessee Bankers' Association opened on the 12th of May, with over fifty bank officials present, representing all the important cities and towns in the State. The address of welcome was delivered by Hon. Lewis T. Baxter. President Porter said great care should be exercised in choosing the executive council. He thought the silver question would be avoided by both the great National parties. The question of taxation, however, was most important. The day was not far distant when banks would be heavily taxed, with both *ad valorem* and privilege tax. The officers elected for next year were: President, M. A. Spurr, Nashville. Vice-presidents, R. Dudley Frayser, Memphis; Sam. J. Keith, Nashville; John W. Faxon, Chattanooga. Executive council, one year term, James Nathan, Memphis; J. R. Feeney, Fayetteville; G. N. Henson, Chattanooga; two years, E. A. Collins, Milan; D. N. Kennedy, Clarksville; Edward Henegar, Knoxville; three years, F. B. Fisher, Jackson; A. W. Harris, Nashville; E. G. Oates, Nashville. Secretary, Fred Fowler, Memphis. Treasurer, C. W. Schulte, Memphis. John R. Godwin, of Memphis, read a paper strongly advocating the free coinage of silver, on the ground that it would cause the prices of farm products to advance. The subject of taxation was discussed at the afternoon session. Col. S. A. Champion, of Nashville, said that while the banks were taxed upon 90 per cent. of their par value, real estate and other property escaped at an assessment of from 25 to 60 per cent. Some action should be taken toward securing more equitable assessments. The executive council organized and elected A. W. Harris, of Nashville, chairman, and Fred Fowler, of Memphis, secretary. The action of the convention in putting the taxation question in the hands of the executive council was reconsidered and the matter turned over to a special committee. The next annual meeting will be held on Lookout Mountain in June of next year.

GOLIAD, TEX.—The Bank of Goliad succeeds Messrs. L. A. Maetze & Bro., May 1. The owners of the newly organized bank are L. A. Maetze & Bro., W. A. Pettus and A. Levi & Co. Their combined individuality, worth and responsibility is quoted at \$1,000,000.

NEW ORLEANS.—Steps have been taken to establish a banking institution, to be known as the "Banca Italo-Americana." Mr. Corte, the Italian Consul; Messrs. Lanata, Solari, Oteri, Cusimano, Monteleone, Drs. Formento and Dell'Orto and others are prominent in the movement. The bank will be operated in conjunction with the National Italian Bank in all transactions with the mother country, while a regular local banking business will be done. "The commercial transactions," says the New Orleans *Picayune*, "between this city and Italian ports are very important, and are constantly increasing, and will furnish a large business to such a bank. Its promoters here are all moneyed men, and there is no reason why it should not prove to be a prosperous undertaking, beneficial to them and to the commerce of this city generally. We wish it good fortune and abundant success."

#### PACIFIC STATES.

LOS ANGELES, CAL.—The Broadway Bank of Los Angeles has been licensed to commence business, with an authorized capital of \$100,000. The directors are: Warren Gillelen, president; George H. Bonebrake, George Sinsabaugh, J. A. Brown, J. M. Frew, George J. Cochran and H. C. Veazie.

SAN JOSE, CAL.—The Commercial and Savings Bank of San Jose has reopened its savings department. In speaking of this institution the *San Jose News* says: The Commercial and Savings Bank is one of the best known and most sound institutions in the county, and it is as well equipped and officered as any bank in the State. The fact that Hon. B. D. Murphy is the president, and devotes his energy to the active management of its affairs, is enough to recommend it to the most cautious. J. W. Findley, the vice-president, and John T. McGeoghegan, the cashier, are thoroughly competent, and, upon the whole, it would be hard to find a better officered institution.

#### CANADA.

CANADA.—The reserve fund of the Bank of British North America has been increased from £255,000 to £265,000.

## NEW BANKS, BANKERS, AND SAVINGS BANKS

*(Monthly List, continued from May No., page 920.)*

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N.Y. Correspondent.</i>
N. Y. CITY.....		Central Park Safe Dep. Co. ....	
	\$100,000	J. Jennings McComb, <i>P.</i>	David J. McComb, <i>Sec. &amp; Treas.</i>
		H. E. Garth, <i>V. P.</i>	
" ..		Hide & Leather Nat. B. ....	
	\$500,000	Chas. B. Fosdick, <i>P.</i>	F. K. Burckett, <i>Cas.</i>
		Chas. A. Schieren, <i>V. P.</i>	
ARK....	Augusta. ....	Bank of Augusta.....	Hanover National Bank.
	\$6,250	Thos. E. Stanley, <i>P.</i>	Isaac J. Stacy, <i>Cas.</i>
		Jas. H. Campbell, <i>V. P.</i>	
COL....	Delta .....	Farmers & Merchants B'k. ....	Chase National Bank.
	\$20,000		A. T. Blachly, <i>Cas.</i>
" ..	Denver.....	Rocky Mountain Dime & Dollar Savings Bank.	
	\$50,000	Frank S. Woodbury, <i>P.</i>	Ernest S. Thompson, <i>Ass't Cas.</i>
CONN...	Stamford .....	Stamford Trust Co.....	
	\$100,000	John A. Brown, <i>P.</i>	Walter D. Daskam, <i>Cas.</i>
		Walton Ferguson, <i>V. P.</i>	
DAK. N. Page.....		State Bank of Page.....	Seaboard National Bank.
	\$10,000	E. M. Lewis, <i>P.</i>	Louis B. Hanna, <i>Cas.</i>
		L. L. Hanna, <i>V. P.</i>	
" ..	Sheldon.....	State Bank of Sheldon...	Western National Bank.
	\$25,000	Gustav O. Brohough, <i>P.</i>	Albert O. Runice, <i>Cas.</i>
		Ed. Pierce, <i>V. P.</i>	John H. Smith, <i>Ass't Cas.</i>
" ..	S. Flandreau.....	Flandreau State Bank....	National Park Bank.
	\$30,000	Geo. A. Pettigrew, <i>P.</i>	Albert Faegue, <i>Cas.</i>
		Geo. H. Fern, <i>V. P.</i>	Jas. T. Bigelow, <i>Ass't Cas.</i>
" ..	Hot Springs....	Minnekahta State Bank..	Hanover National Bank.
	\$25,000	Fred T. Evans, <i>P.</i>	J. W. Hamilton, <i>Cas.</i>
" ..	Tripp.....	Johnson Bros.....	
	\$20,000		Frank H. Johnson, <i>Cas.</i>
" ..	Yankton.....	Yankton National Bank..	Chase National Bank.
	\$50,000		
GA.....	Quitman.....	Merchants & Farm. Bank.	National Bank of Republic.
	\$54,000	Jas. H. McCall, <i>P.</i>	Jesse C. McDonald, <i>Cas.</i>
		K. H. Williams, <i>V. P.</i>	
" ..	Rising Fawn...	Tate-Barker Co.....	National Park Bank.
		Jas. E. Tate, <i>P.</i>	
		N. L. Barker, <i>V. P.</i>	
" ..	Thomson .....	Bank of Thomson.....	National Park Bank.
	\$25,000	Wm. S. Witham, <i>P.</i>	Jas. T. Neal, <i>Cas.</i>
		Thos. A. Scott, <i>V. P.</i>	
IDAHO..	Coeur d'Alene..	Miners & Stock Growers Bank.	Hanover Nat. Bank.
	\$15,000	Wm. F. Matlocks, <i>P.</i>	Geo. P. Mims, <i>Cas.</i>
		Edward L. Mims, <i>V. P.</i>	
ILL....	Chicago.....	Central Tr. & Sav. Bank.	Western National Bank.
	\$200,000	Wm. Holgate, <i>P.</i>	Chas. Sparre, <i>Cas.</i>
		Wm. A. Paulson, <i>V. P.</i>	
" ..	Chicago.....	Commercial Loan & Tr. Co.	Fourth National Bank.
	\$500,000	James B. Hobbs, <i>P.</i>	Chas. C. Reed, <i>Cas.</i>
		John S. Woollacott, <i>V. P.</i>	
" ..	Decatur.....	Citizens National Bank..	
	\$100,000	Jerome R. Gorin, <i>P.</i>	John A. Dawson, <i>Cas.</i>
" ..	Mason City....	Farmers State Bank....	
	\$25,000	Wm. F. Thompson, <i>P.</i>	Harry C. Thompson, <i>Cas.</i>
" ..	Waynesville....	Waynesville Bank.....	Importers & Traders Nat. Bank.
	\$25,000	C. B. Tenny, <i>P.</i>	Fred Stuart, <i>Cas.</i>
		J. M. Buckholder, <i>V. P.</i>	
IOWA..	Bayard.....	Bayard Savings Bank....	
	\$15,000	Scott Horine, <i>P.</i>	D. Granville Garmes, <i>Cas.</i>
		J. A. McConnell, <i>V. P.</i>	

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
IOWA...	Dow City.....	Farmers & Merchants B'k. \$150,000 H. N. Moore, <i>P.</i>	Nelson B. Crowell, <i>Cas.</i>
"	.. Dubuque.....	Dubuque Clearing House. P. J. Lee, <i>P.</i>	James Harragan, <i>Mgr.</i>
"	.. Fort Dodge....	Commercial Nat. Bank \$50,000 S. J. Bennett, <i>P.</i>	J. W. Campbell, <i>Cas.</i>
"	.. Hawarden....	Sioux State Bank..... \$25,000 P. E. Granger, <i>P.</i>	G. F. Hunter, <i>Cas.</i>
"	.. Hubbard.....	Hubbard State Bank..... \$25,000 J. H. Bales, <i>P.</i>	J. K. Milner, <i>Cas.</i>
"	.. Monona.....	Monona Bank..... \$15,000 John Killen, <i>P.</i>	John Killen, <i>Cas.</i>
"	.. Stratford.....	Bank of Stratford..... \$10,000 S. T. Meservey, <i>P.</i>	John T. Drug, <i>Cas.</i>
"	.. Vinton.....	State Bank of Vinton.... \$65,000 Paul Correll, <i>P.</i>	Walter S. Goodhue, <i>Cas.</i>
"	.. Westside.....	Farmers Bank..... Jas. M. Hawkins, <i>V. P.</i>	Gustav Gradert, <i>Cas.</i>
"	.. Woodbine.....	Woodbine Savings Bank. \$30,000 G. H. Kibler, <i>P.</i>	Lewis Haas, <i>Cas.</i>
KAN...	Anthony.....	Harper Co. Bank..... \$25,000 Geo. R. Landers, <i>P.</i>	Importers & Traders Nat. Bank. Henry M. Denlinger, <i>Cas.</i>
"	.. Atwood.....	Ratcliff & Son ( <i>Brokers</i> )..	John D. Brown, <i>V. P.</i>
"	.. Winfield.....	Jarvis Conklin Bank'g Co. \$50,000 Jas. E. Jarvis, <i>P.</i>	Chas. E. Fuller, <i>Cas.</i>
KY.....	Ashland.....	Joseph E. Conklin, <i>V. P.</i>	John C. Rowland, <i>Ass't Cas.</i>
"	.. Beaver Dam....	Merchants National Bank. \$100,000 A. C. Campbell, <i>P.</i>	C. C. Martin, <i>Cas.</i>
"	.. Fulton.....	Beaver Dam Deposit B'k. \$100,000 I. P. Barnard, <i>P.</i>	John H. Barnes, <i>Cas.</i>
"	.. Prestonsburg...	First National Bank..... \$15,000 W. W. Robertson, <i>P.</i>	R. M. Chowning, <i>Cas.</i>
MASS...	Adams.....	Bank of Josephine..... \$100,000 Walter S. Harkins, <i>P.</i>	A. J. Davidson, <i>Cas.</i>
"	.. Lynn.....	John Finlayson, <i>V. P.</i>	John M. Widdington, <i>Ass't Cas.</i>
MINN...	Delavan.....	Greylock National Bank.. \$100,000 Wm. B. Plunkett, <i>P.</i>	Hanover National Bank. Frank Coenen, <i>Cas.</i>
"	.. Delavan.....	Job K. Anthony, <i>V. P.</i>	
"	.. Lynn.....	Manufacturers Nat. Bank. \$200,000 Wm. A. Clarke, Jr., <i>P.</i>	Frank L. Earl, <i>Cas.</i>
MINN...	Delavan.....	Wm. B. Littlefield, <i>V. P.</i>	
"	.. Milan.....	Delavan Bank..... \$10,000 John Dobie, <i>P.</i>	John E. Orr, <i>Cas.</i>
"	.. Minneapolis....	Robert Orr, <i>V. P.</i>	
"	.. St. Paul.....	Bank of Milan..... \$23,000 T. Anderson, <i>P.</i>	B. K. Sulversan, <i>Cas.</i>
MO.....	Norborne.....	C. C. Garland & Co.....	Holland Trust Co.
"	.. St. Louis.....	Union Bank..... \$100,000 Maurice Auerbach, <i>P.</i>	H. S. Johnson, <i>Cas.</i>
NEB....	South Omaha..	James W. Lusk, <i>1st V. P.</i>	Robt. R. Dunn, <i>2d V. P.</i>
"	.. Demersville....	Bank of Norborne..... \$25,000 H. A. Church, <i>P.</i>	Columbus National Bank. G. D. Viles, <i>Cas.</i>
"	.. St. Louis.....	T. C. Brown, <i>V. P.</i>	
"	.. St. Louis.....	Chemical National Bank. \$500,000 J. Clifford Richardson, <i>P.</i>	Chas. S. Warner, <i>Cas.</i>
MONT..	Castle.....	First National Bank..... \$65,000 Len Lewis, <i>P.</i>	
"	.. Demersville....	Northwestern Bank..... \$50,000	Ninth National Bank. Wm. C. Whipps, <i>Cas.</i>
NEB....	South Omaha..	Packers National Bank.. A. C. Foster, <i>P.</i>	A. P. Brink, <i>Cas.</i>
"	.. South Omaha..	John L. Miles, <i>V. P.</i>	

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
N.E.B...	University Place	Windom Bank.....	Hanover National Bank.
	\$25,000	Geo. H. Clarke, <i>P.</i>	Le Grand M. Baldwin, <i>Cas.</i>
		C. M. Ellinwood, <i>V. P.</i>	
N. H....	Lancaster.....	Lancaster Trust Co. ....	.....
	\$150,000		
" ..	Nashua.....	City Guaranty Sav. Bank.	.....
		Chas. H. Burns, <i>P.</i>	Geo. A. Ramsdell, <i>Treas.</i>
N. MEX.	Socorro.....	Socorro National Bank..	Hanover National Bank.
	\$50,000	Don Louis M. Baca, <i>P.</i>	Robt. A. Jones, <i>Cas.</i>
		John S. Sniffen, <i>V. P.</i>	
N. Y...	Amityville. ....	Bank of Amityville.....	Chase National Bank.
	\$25,000	E. Forrest Preston, <i>P.</i>	J. S. Davis, <i>Cas.</i>
		S. Ketcham Jr., <i>V. P.</i>	
" ..	Northport.....	Henry S. Mott .....	.....
" ..	Rochester.....	Commercial Bank.....	American Exchange Nat. Bank.
	\$200,000	Lewis P. Ross, <i>P.</i>	Chas. F. Pond, <i>Cas.</i>
		H. A. Brewster, <i>V. P.</i>	
N. C...	High Point....	Commercial Nat. Bank.	.....
	\$50,000	J. Elwood Cox, <i>P.</i>	W. G. Bradshaw, <i>Cas.</i>
" ..	Rockingham...	Bank of Pee Dee.....	National Park Bank.
	\$35,000	Thos. C. Leak, <i>P.</i>	W. L. Parsons, <i>Cas.</i>
OHIO...	Barberton.....	Barberton Savings Bank.	Chase National Bank.
	\$50,000	Ohio C. Barber, <i>P.</i>	Ed. M. Ruell, <i>Treas.</i>
		Wm. McFarlin, <i>V. P.</i>	Chas. Baird, <i>Sec.</i>
" ..	Canton .....	Peoples Savings Bank...	.....
	\$50,000	John C. Welty, <i>P.</i>	Conrad Schweitzer, <i>Cas.</i>
		Anthony Francis, <i>V. P.</i>	
" ..	Cleveland.....	Lorain Street Sav. Bank.	United States National Bank.
	\$50,000	D. H. Kimberly, <i>P.</i>	J. A. Melcher, <i>Cas.</i>
		Herman Junge, <i>V. P.</i>	
" ..	Lima. ....	South Side Banking Co..	.....
		John Crumrine, <i>P.</i>	N. W. Cunningham, <i>Cas.</i>
" ..	Martin's Ferry..	Peoples Sav. Bank Co....	Importers & Traders Nat. Bank.
	\$50,000	A. D. Seamon, <i>P.</i>	W. R. Ratcliff, <i>Cas.</i>
		B. F. Brady, <i>V. P.</i>	
" ..	Nelsonville.....	Bank of Nelsonville.....	Hanover National Bank.
		Clarence E. Poston, <i>P.</i>	Chas. B. Todd, <i>Cas.</i>
" ..	Newton Falls...	Trumbull Co. Bank. ....	Chase National Bank.
		J. M. Starbuck, <i>P.</i>	R. P. Hartshorn, <i>Cas.</i>
		Z. Dwiggins, <i>V. P.</i>	
" ..	Vermillion. ....	Erie Co. Bank.....	.....
		Zimri Dwiggins, <i>P.</i>	Edward L. Coen, <i>Cas.</i>
		J. M. Starbuck, <i>V. P.</i>	
" ..	Warren.....	Warren Savings B'k Co..	National Bank Republic.
		H. S. Pew, <i>P.</i>	Wm. Wallace, <i>Cas.</i>
		H. B. Weir, <i>V. P.</i>	
PA. ....	Avondale .....	Nat. Bank of Avondale..	.....
	\$50,000	Samuel Wickersham, <i>P.</i>	E. P. Passmore, <i>Cas.</i>
" ..	Cannonsburgh .	First National Bank.....	United States National Bank.
	\$50,000	Wm. Martin, <i>P.</i>	Geo. D. McNutt, <i>Cas.</i>
" ..	Jeannette.....	Jeannette Banking Co...	.....
		B. W. Caldwell, <i>P.</i>	Chas. W. Seibold, <i>Cas.</i>
TENN ..	Jackson.....	Jackson Banking Co....	Importers & Traders Nat. Bank.
	\$37,500	J. W. N. Burkett, <i>P.</i>	F. B. Fisher, <i>Cas.</i>
		W. E. Dunaway, <i>V. P.</i>	
TEXAS..	Brownsville ....	First National Bank.....	Hanover National Bank.
	\$50,000	Gabriel M. Raphael, <i>P.</i>	Jas. D. Anderson, <i>Cas.</i>
		William Kelly, <i>V. P.</i>	
" ..	Childress.....	First National Bank.....	.....
	\$50,000	John G. James, <i>P.</i>	Chas. S. Patterson, <i>Cas.</i>
" ..	Goliad.....	First National Bank.....	Hanover National Bank.
	\$25,000	Thos. P. McCampbell, <i>P.</i>	Wm. B. Campbell, <i>Cas.</i>
		Jonithan Payne, <i>V. P.</i>	
" ..	Goliad.....	Bank of Goliad.....	Kountze Bros.
		G. A. Levi, <i>P.</i>	Louis A. Maetze, <i>Cas.</i>
		W. A. Pettus, <i>V. P.</i>	
UTAH ..	Park City.....	First National Bank.....	.....
	\$50,000	M. S. Ascheim, <i>P.</i>	Sam. J. Kenyon, <i>Cas.</i>

<i>State.</i>	<i>Place and Capital.</i>	<i>Bank or Banker.</i>	<i>Cashier and N. Y. Correspondent.</i>
VT.....	Proctor.....	Proctor Trust Co.....	.....
	\$25,000	Fletcher D. Proctor, <i>P.</i> Wm. F. Walker, <i>Cas.</i>	
		W. W. Stickney, <i>V. P.</i>	
VA.....	Big Stone Gap..	Interstate Bank'g & Trust Co. ....	.....
		Wm. McGeorge, Jr., <i>P.</i> Wm. Adair McDowell, <i>Sec. &amp; Tr.</i>	
	.. Lynchburg.....	Va. Investm't & B'k'g Co. ....	Merch. Exchange Nat. Bank.
	\$55,000	James Hancock, <i>P.</i> Thos. F. Stearnes, <i>Cas.</i>	
		W. M. Lile, <i>V. P.</i>	
	.. Rural Retreat..	Augsburg Bank.....	Hanover National Bank.
	\$6,800	Chas. T. Pepper, <i>P.</i> Wm. H. Spence, <i>Cas.</i>	
		John B. Burrett, <i>V. P.</i>	
	.. Salem.....	Bank of Salem.....	Importers & Traders Nat. Bank.
	\$100,000	Theo. J. Shickel, <i>P.</i> Paul S. Davis, <i>Act'g Cas.</i>	
WASH..	Chehalis.....	Baily & Swain.....	Chase National Bank.
	.. Latah.....	Bank of Latah.....	.....
		T. Winter, <i>P.</i> C. W. Winter, <i>Cas.</i>	
W. VA..	Clarksburg.....	Traders National Bank..	.....
	\$85,000	Thos. M. Jackson, <i>P.</i> Chas. S. Sands, <i>Cas.</i>	
Wis....	Brandon.....	Foster's Bank.....	Columbus National Bank.
		(F. R. Foster & Son).	
	.. Marshfield.....	First National Bank.....	Hanover National Bank.
	\$50,000	Wm. H. Upham, <i>P.</i> Wm. D. Harshaw, <i>Cas.</i>	
		Adam Hafer, <i>V. P.</i> Edw. L. Reese, <i>Ass't Cas.</i>	
WYO..	Casper.....	American Exchange B'k..	.....
	\$6,000	Alex. McKinney, <i>P.</i> Jas. E. Plummer, <i>Cas.</i>	
		Peter O'Malley, <i>V. P.</i>	
MAN'BA.	Plum Coulee....	Siemens Bros & Co. ....	.....
ONT....	Elmvale.....	J. C. McKeggie & Co....	Bank of British North America.
			John McEachern, <i>Cas.</i>

## CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from May No., page 922.)

	<i>Bank and Place.</i>	<i>Elected</i>	<i>In place of</i>
N. Y. CITY.	National Bank of Deposit..	Henry L. Gilbert, <i>Cas.</i> ....	F. L. Brown.
	.. Fifth Avenue Bank.....	Frank Dean, <i>Cas.</i> .....	Frank Dean, <i>A. Cas.</i>
	.. Third National Bank.....	John B. Woodward, <i>P.</i> ....	.....
ARIZ...	Consolidated National Bank, {	H. E. Lacy, <i>P.</i> .....	D. Henderson.
	Tucson. {	W. S. Sturges, <i>V. P.</i> .....	H. E. Lacy.
CAL....	Bank of Lodi, Lodi.....	Francis Cogswell, <i>Cas.</i> ....	Guy W. Currier.
	.. Sav. Bank of San Diego Co., {	Bryant Howard, <i>P.</i> .....	E. W. Morse.
	San Diego. {	Monroe Johnson, <i>S. &amp; Tr.</i>	B. Howard.
COL....	Greeley Nat'l Bank, Greeley....	John M. B. Peterkin, <i>A. Cas.</i>	.....
	.. Weld Co. Savings B'k, Greeley.	W. C. Baker, <i>Cas.</i> .....	Jas. B. Phillips.
	.. Pueblo National Bank, {	A. E. Graham, <i>P.</i> .....	A. McClelland.
	Pueblo. {	J. J. Thomas, <i>V. P.</i> .....	A. E. Graham.
CONN...	Ætna National Bank, {	A. G. Loomis, <i>P.</i> .....	A. R. Hillyer.
	Hartford. {	A. Spencer, Jr., <i>Cas.</i> .....	A. G. Loomis.
	.. First National Bank, {	Chas. Bard, <i>P.</i> .....	L. W. Carroll.
	Norwich. {	H. W. Tibbits, <i>Ass't Cas.</i>	.....
	.. First National Bank, Suffield...	Chas. S. Fuller, <i>Cas.</i> .....	A. Spencer, Jr.
DAK. N.	Bottineau Co. Bank, {	Ghas. T. Harmon, <i>P.</i> .....	.....
	Bottineau. {	Milan S. Harmon, <i>V. P.</i> ...	.....
		Jas. H. Copeland, <i>Cas.</i> ....	.....
	.. First National Bank, {	Geo. E. Towle, <i>Cas.</i> .....	Sidney Clarke.
	Park River. {	Karl J. Farup, <i>Ass't Cas.</i>	Geo. E. Towle.
DAK. S..	Huron National Bank, {	Geo. Heinemann, <i>P.</i> .....	Lewis W. Hazen.
	Huron. {	N. B. Bailey, <i>Cas.</i> .....	John A. Fowler.
	.. Nat'l B'k of Dakota, Huron....	F. R. Brumwell, <i>P.</i> .....	D. L. Stick.
	.. Watertown National Bank, {	T. D. Ellefson, <i>V. P.</i> .....	.....
	Watertown. {	C. F. Kendrick, <i>Ass't Cas.</i>	.....

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
D. C.	Columbia Nat. B'k, Washington.	P. M. Hough, <i>Cas.</i> .....	.....
FLA.	Gulf National Bank, Tampa. }	Frank Bentley, <i>Cas.</i> ... C. E. Allen.	.....
		C. E. Allen, <i>Ass't Cas.</i> ...	.....
ILL.	Fort Dearborn Nat. B., Chicago.	Chas. H. McGrath, <i>A. Cas.</i> .....	.....
"	Nat. Bank of America, Chicago.	Morton B. Hull, <i>V. P.</i> ....	Henry Whitbeck.
"	Tazewell Co. Nat. B., Delavan.	Ira B. Hall, <i>V. P.</i> ....	G. H. Harrington.*
"	First Nat. Bank, Jacksonville...	J. T. Springer, <i>V. P.</i> ....	J. Trabue.*
"	First Nat'l B'k, Mt. Carmel....	James Mahon, <i>V. P.</i> ....	S. Z. Landes.
"	Quincy National Bank, Quincy.	G. G. Arends, <i>Ass't Cas.</i> .....	.....
IND.	State Bank of Warsaw, Warsaw.	Abe Brubaker, <i>Cas.</i> .....	P. L. Runyon.*
IOWA.	Farmers & Merchants St. B'k, } Columbus Junction. }	R. Stapp, <i>P.</i> .....	W. W. Eckman.
"	State Savings Bank, } Fairfield. }	Jas. Sullivan, <i>V. P.</i> .....	E. A. Howard.
"		E. A. Howard, <i>Cas.</i> .....	Jas. Sullivan.
"	Commercial N. B., Fort Dodge.	H. Norton, <i>V. P.</i> .....	.....
"	First National Bank, Ida Grove.	E. L. Kirk, <i>Ass't Cas.</i> ....	.....
"	Ottumwa Nat. Bank, Ottumwa.	Chas. E. Bonde, <i>Cas.</i> .....	M. B. Hutchison.
KAN.	Citizens Bank, Altoona.....	Edwin Lloyd, <i>P.</i> .....	John Ditto.*
"	Atchison Savings B'k, Atchison.	Wm. Osborn, <i>Cas.</i> .....	A. G. Otis.
"	First National Bank, } Atchison. }	S. A. Frazier, <i>Cas.</i> .....	J. T. Coplan.
"		H. H. Hackney, Jr., <i>A. Cas.</i> .....	S. A. Frazier.
"	First National Bank, Downs...	Hiram J. Stevens, <i>Cas.</i> ....	C. J. Sargent.*
"	Finney Co. Nat'l B'k, Garden Cy.	J. F. Kern, <i>V. P.</i> .....	Geo. W. Finnup.
"	Bank of Liberal, Liberal.....	M. C. Magill, <i>Cas.</i> .....	Cicero Coomer.
"	State Bank, Meriden.....	C. A. Shoup, <i>P.</i> .....	J. W. Walker.
"	Moran Bank, Morantown.....	J. S. Lyen, <i>Cas.</i> .....	Frederick W. Fox.
KY.	Clay City Nat. Bank, Clay City.	Frank B. Russell, <i>Cas.</i> ....	Grant Green, Jr.
"	First Nat. Bank, Nicholasville..	A. H. Brown, <i>Cas.</i> .....	Dent Hoover.*
"	E. W. Hall & Co., } Shepherdsville. }	F. P. Straus, <i>P.</i> .....	E. W. Hall.*
ME.	Nat. Shoe & Leather B., Auburn.	E. L. Smith, <i>Cas.</i> .....	M. C. Percival.
"	First National Bank, Portland.	Frederick Robie, <i>P.</i> .....	H. J. Libby.*
MD.	Continental Nat. B'k, Baltimore.	Thornton Rollins, <i>V. P.</i> ....	.....
MASS.	Manufacturers Nat. B., Boston.	Geo. B. Nichols, <i>V. P.</i> ....	.....
"	Traders National B'k, Boston...	T. W. Andrew, <i>Cas.</i> .....	C. T. Linley.
"	Winthrop Nat. Bank, Boston...	W. R. Evans, <i>P.</i> .....	N. F. Tenney.*
"	Second National B'k, Haverhill.	C. H. Dutton, Jr., <i>Cas.</i> ...	C. H. Goodwin.
"	Monson National B'k, } Monson. }	R. M. Reynolds, <i>P.</i> .....	Cyrus W. Holmes.*
"		S. F. Cushman, <i>V. P.</i> ....	R. M. Reynolds.
"	Monson Savings Bank, Monson.	S. F. Cushman, <i>P.</i> .....	C. W. Holmes, Jr.*
"	Randolph Nat. B'k, Randolph...	C. G. Hathaway, <i>P.</i> .....	Royal W. Turner.*
"	First National B'k, Reading...	B. Morrisson, <i>V. P.</i> .....	.....
MICH.	Wayne Co. Savings B'k, Detroit.	D. M. Ferry, <i>V. P.</i> .....	.....
"	Nat. City Bank, Grand Rapids.	Geo. G. Briggs, <i>V. P.</i> ....	Julius Houseman.*
MINN.	Bank of Canby, } Canby. }	John Swenson, <i>P.</i> .....	.....
"		C. Anderson, <i>V. P.</i> .....	.....
"		T. C. Peterson, <i>Cas.</i> .....	.....
"	Banking House of W. L. } Winslow, Park Rapids. }	Wm. M. Taber, <i>Cas.</i> ....	Fay E. Delezenne.
"	Winona Savings Bank, } Winona. }	C. A. Morey, <i>P.</i> .....	Wm. Windom.
"		R. B. Basford, <i>V. P.</i> .....	C. A. Morey.
MISS.	Hernando Bank, Hernando....	E. W. Smith, <i>Cas.</i> .....	Andrew P. Watson.
MO.	First National B'k, Hopkins....	J. H. Lindsay, <i>V. P.</i> .....	.....
"	Bank of Jasper, Jasper.....	A. T. Ball, <i>Cas.</i> .....	Robt. L. Reid.
"	Farmers Bank, } Odessa. }	W. T. Glover, <i>P.</i> .....	F. T. Bates.
"		B. Elliott, <i>Cas.</i> .....	W. T. Glover.
MONT.	Montana National B'k, Helena..	Robt. L. McCulloh, <i>Cas.</i> ...	L. G. Phelps, <i>Actg.</i>
NEB.	State Bank, Adams.....	H. H. Norcross, <i>Cas.</i> ....	H. J. Merrick.
"	Bank of Arapahoe, Arapahoe..	Frank C. Condon, <i>P.</i> ....	T. B. McPherson.
"	First National B'k, Arapahoe..	E. E. Emmett, <i>Cas.</i> .....	W. J. Gregory.
"	State Bank, Arcadia.....	G. H. Kinsey, <i>Cas.</i> .....	E. T. Garland.
"	Farmers & Merch'ts Nat'l B'k, } Fremont. }	Otto Huette, <i>V. P.</i> .....	C. H. Toncray.
"		Victor Leitz, <i>ad Ass't Cas.</i> .....	.....
"	State Bank, } Lushton. }	T. B. Clawson, <i>P.</i> .....	G. W. Clawson.
"		G. F. Abbott, <i>Cas.</i> .....	T. B. Clawson.
"	First Nat. Bank, Red Cloud..	M. B. McNitt, <i>P.</i> ....	R. V. Shirey.
"	Nebraska State Bank, } Schuyler. }	Alfred Stedman, <i>P.</i> .....	T. F. Cooke.
"		E. F. Kenny, <i>Cas.</i> .....	Alfred Stedman.

\* Deceased.

	<i>Bank and Place.</i>	<i>Elected.</i>	<i>In place of.</i>
NEB....	First Nat. B'k, South Sioux City.	A. L. Baker, <i>V. P.</i> .....	.....
"	Citizens Bank, Ulysses.....	F. H. Crane, <i>Cas.</i> .....	Geo. Dobson.
N. J....	Haddonfield N. B., Haddonfield.	J. H. Nixon, <i>Cas.</i> .....	Arthur Pressey.
"	First Nat'l B'k, Long Branch...	Thos. R. Woolley, <i>V. P.</i> .....	.....
"	German Nat'l B'k, Newark....	Allen Durand, <i>Cas.</i> .....	E. C. Fletcher.
N. Y....	Williamsburgh Savings Bank, Brooklyn.	J. V. Meserole, <i>P.</i> .....	Sam'l M. Meeker.*
"	National Central Bank, Cherry Valley.	Oliver P. Miller, <i>Cas.</i> .....	John Broach.
"	Elmira National Bank, Elmira.	H. L. Olcott, <i>V. P.</i> .....	.....
"	Johnstown Bank, Johnstown...	Leonard Dakin, <i>Act'g Cas.</i> .....	.....
"	State of N. Y. National Bank, Kingston.	J. Richardson, <i>P.</i> .....	C. E. Selover.
"	First Nat'l Bank, Newark.....	Chas. Kellogg, <i>V. P.</i> .....	J. Richardson.
"	Onondaga Co. Savings Bank, Syracuse.	C. C. Swan, <i>Ass't Cas.</i> .....	.....
"	City National Bank, Watertown.	Wm. McKie, <i>Cas.</i> .....	Henry W. Potter.
N. C....	National B'k of Greensboro, Greensboro.	Henry Abbey, <i>P.</i> .....	C. P. Ridenour.*
OHIO..	Cleveland Clearing House, Cleveland.	Aug. Schoonmaker, <i>V. P.</i> .....	Henry Abbey.
"	Kent National Bank, Kent.....	C. R. Williams, <i>Ass't Cas.</i> .....	Byron Thomas.
"	Citizens National Bank, Oberlin.	Edward S. Dawson, <i>P.</i> .....	D. P. Wood.*
"	Third National Bank, Piqua...	Wm. E. Abbott, <i>V. P.</i> .....	R. G. Wynkoop.*
"	Mad River National Bank, Springfield.	Clinton T. Rose, <i>Treas.</i> .....	Edwd. S. Dawson.
"	Merchants Nat. Bank, Toledo..	John E. Kemp, <i>P.</i> .....	Gilderoy Lord.*
PA....	First National Bank, Charleroi.	John Prouty, <i>V. P.</i> .....	John E. Kemp.
"	Edinboro Sav'gs B'k, Edinboro.	Neil Ellington, <i>P.</i> .....	Julius A. Gray.*
"	Union National Bank, Lewisburg.	A. H. Alderman, <i>Cas.</i> .....	Neil Ellington.
"	Perry Co. B'k, New Bloomfield.	John F. Whitelaw, <i>P.</i> .....	Truman P. Handy.
"	The Finance Co., Philadelphia.	W. H. C. Parkhill, <i>Cas.</i> .....	Chas. K. Clapp.
"	First National Bank, Pittson...	Arthur H. Johnson, <i>Cas.</i> .....	.....
"	Pennsylvania National Bank, Pottsville.	Clarence Langdon, <i>Cas.</i> .....	David N. Reid.
TENN..	First National Bank, Cardiff...	Thos. F. McGrew, <i>P.</i> .....	Jas. S. Goode.
"	Bank of Gordonsville, Gordonsville.	C. H. Bacon, <i>V. P.</i> .....	.....
TEXAS..	First National Bank, Bellville..	S. F. McGrew, <i>Cas.</i> .....	Thos. F. McGrew.
"	Bank of Daingerfield, Daingerfield.	T. C. Stevens, <i>Ass't Cas.</i> .....	M. C. Warn.
"	First National Bank, Giddings.	J. K. Tener, <i>Cas.</i> .....	C. H. Ulery.
"	First National Bank, Quanah...	I. R. Reeder, <i>P.</i> .....	Isaac R. Taylor.
UTAH..	Utah Loan & Trust Co., Ogden.	Levi Rooke, <i>P.</i> .....	W. C. Duncan.
"	National Bank of Commerce, Provo City.	W. D. Himmelreich, <i>V. P.</i> .....	.....
VT.....	First National Bank, Orwell.	Jas. Willis, <i>Cas.</i> .....	Wm. Willis.*
VA.....	State Savings Bank, Roanoke..	Geo. W. Blabon, <i>P.</i> .....	Wharton Barker.
WASH..	Bank of Cheney, Cheney.....	Simon A. Stern, <i>V. P.</i> .....	C. Tower, Jr.
"	Bellingham Bay Nat'l Bank, New Whatcom.	C. S. Crane, <i>Act'g Cas.</i> .....	W. L. Watson.
"	First National Bank, North Yakima.	Daniel L. Krebs, <i>P.</i> .....	R. F. Lee.*
"	First Nat. Bank, Port Angeles..	David H. Seibert, <i>Cas.</i> .....	Daniel L. Krebs.
N. B....	Merchants Bank of Halifax, Woodstock.	H. C. Young, <i>P.</i> .....	E. C. White.
"	First National Bank, Giddings.	J. T. Winfree, <i>P.</i> .....	B. A. James.
"	First National Bank, Quanah...	W. A. Baird, <i>V. P.</i> .....	J. T. Winfree.
"	Temple National Bank, Temple.	R. T. Erwin, <i>Cas.</i> .....	E. M. Reynolds.
"	Utah Loan & Trust Co., Ogden.	J. Y. Bradfield, <i>P.</i> .....	W. B. Womack.
"	National Bank of Commerce, Provo City.	W. B. Womack, <i>V. P.</i> .....	J. Y. Bradfield.
"	First National Bank, Giddings.	J. A. Fields, <i>P.</i> .....	A. H. Jones.
"	First National Bank, Quanah...	John S. Radford, <i>A. Cas.</i> .....	.....
"	Temple National Bank, Temple.	C. U. Yancey, <i>V. P.</i> .....	C. A. Brand.
"	Utah Loan & Trust Co., Ogden.	W. A. Barclay, <i>Cas.</i> .....	.....
"	National Bank of Commerce, Provo City.	Henry H. Rolapp, <i>Cas.</i> .....	J. M. Langsdorf.
"	First National Bank, Orwell.	Richard Brereton, <i>P.</i> .....	Elmer B. Jones.
"	State Savings Bank, Roanoke..	F. H. Simmons, <i>V. P.</i> .....	Richard Brereton.
"	Bank of Cheney, Cheney.....	Jas. W. Wallace, <i>Cas.</i> .....	C. S. Thompson.
"	Bellingham Bay Nat'l Bank, New Whatcom.	Thos. J. Green, <i>Ass't Cas.</i> .....	Jas. W. Wallace.
"	First National Bank, North Yakima.	C. E. Bush, <i>P.</i> .....	V. Rich.*
"	First Nat. Bank, Port Angeles..	Wm. B. Wright, <i>V. P.</i> .....	C. E. Bush.
"	Merchants Bank of Halifax, Woodstock.	Geo. H. P. Cole, <i>Cas.</i> .....	H. G. Cole.
"	First National Bank, Giddings.	John I. Melville, <i>Cas.</i> .....	W. E. Weygant.
"	First National Bank, Quanah...	T. F. Robertson, <i>A. Cas.</i> .....	.....
"	Temple National Bank, Temple.	A. W. Engle, <i>P.</i> .....	J. R. Lewis.
"	Utah Loan & Trust Co., Ogden.	Chas. Carpenter, <i>V. P.</i> .....	A. W. Engle.
"	National Bank of Commerce, Provo City.	W. W. Gray, <i>P.</i> .....	B. F. Schwartz.
"	First National Bank, Giddings.	Geo. A. Taylor, <i>Agent.</i> .....	W. R. Racey.

\* Deceased.



## PROJECTED BANKING INSTITUTIONS.

- ALA....Sheffield.....Capt. B. F. Little, of Sheffield, says that town will soon get another bank.
- ARK....Atkins.....Atkins wants a bank.
- ..Batesville.....New bank to be organized, with a capital stock of \$50,000, with James P. Coffin, of Walnut Ridge, as *Cashier*.
  - ..Fort Smith.....Arkansas Guaranty and Trust Co. Geo. Sengel, *President*; Stephen Wheeler, *Vice-President*; Gus A. Gill, *Secretary*; Sam Fellner, *Treasurer*.
- CAL....San Francisco..California and Washington Investment Co. Directors: H. C. Barron, C. E. Mayne, N. R. Gregory, J. E. Shephard, George A. Turner, E. B. Barrow.
- ..Riverside.....Articles of incorporation have been filed for the establishment of two additional banks in this city, with capital stock of each being \$500,000, with \$250,000 paid up in each. Principal stockholders are of this city, besides Senator Charles N. Felton, of San Francisco, and a number of other San Francisco capitalists. The Evans Investment Co. has also been organized, with a capital of \$1,200,000.
- COL...Akron.....State Bank of Akron incorporated, with capital stock of \$30,000.
- CONN...New Britain....Burritt Savings Bank. L. Hoyt Pease, *President*; T. B. Wilcox, *Vice-President*; V. B. Chamberlain, *Secretary and Treasurer*.
- DAK. S..Sioux Falls....A loan company is being organized in this city, with a capital stock of \$20,000,000. R. F. Pettigrew, *President*; B. H. Lier, of Brookings, *Treasurer*; C. H. Seyse, of Brookings, *Secretary*; Geo. W. Abbott, of Minneapolis, *General Manager*.
- D. C....Washington....Mr. Paul Hunt has gone into the banking business here.
- FLA....Bartow.....Frank Bentley, of Syracuse, Kan., and County Treasurer B. F. Holland, of Bartow, propose to organize a new bank at Bartow.
- ..St. Petersburg..A capitalist is corresponding with parties with a view of starting a bank at this place.
- GA. ....Abbeville.....Bank of Abbeville, organized seven weeks ago, will change to National with \$50,000. Peoples Bank of Atlanta will establish a branch at this place.
- ..Athens.....New bank to be started in Athens.
  - ..Atlanta.....Georgia Security & Banking Co. Capital, \$100,000. Directors: H. H. Cabaniss, J. W. English, Jr., Samuel Barnett, Wm. C. Hale, J. C. Clark, Chas. E. Harmon and Thos. B. Paine.
- ILL....Chicago.....American-German Loan & Savings Union. Capital stock, \$30,000,000. Incorporators: Henry Schwartz, Max Rehfeldt, W. F. Cooper, M. J. Dwyer and S. Rosenhaupt.
- ..East St. Louis..Ex-County Treasurer James D. Baker, of Lebanon, will start a new bank at East St. Louis.
  - ..Highland.....Highland Bank organized. Capital stock, \$25,000. Incorporators: L. E. Kinney, S. Pabst, G. Roth, J. C. Ammann.
  - ..Madison.....Most all the stock is subscribed of the National Bank of Madison.
  - ..Moline.....Moline State Savings Bank has commenced business with capital stock of \$100,000.
  - ..Odin.....Independent Bank open for business, with C. L. Miller as *Cashier*.
  - ..Roseland.....New Roseland bank to be opened June 1st.

- ILL....Savanna. ....**State Bank of Savanna. Capital stock, \$40,000. Organizers : O. P. Miles, E. Woodruff, John Mackay, George Hay and D. Flanigan.
- .. St. Anne.....A new banking house will open up here in a short time. The party will use bank of N. Bastien.
  - .. Waukegan.....Security Savings Bank organized with a capital of \$50,000.
- IND ....Bedford.....**Citizens Bank of Bedford. Capital, \$50,000. A. C. Voris, *President* ; J. R. Voris, *Cashier*.
- .. Haughville.....Fidelity and Savings Bank Union has opened a branch here. Dr. S. W. Foulston, *President* ; W. O. Trotter, *Vice-President* ; J. F. Craig, *Secretary and Treasurer*.
  - .. Wanatah.....Wanatah has a bank in prospect.
- LA.....New Orleans...**A banking institution, to be known as the "Banca Italo-Americana," is to be established here. Mr. Corte, the Italian Consul, Messrs. Lanata, Solari, Oteri, Cusimano, Monlelone, Drs. Formento and Dell'Orto, and others are prominent in the movement.
- ME.....Madison. ....**Mr. M. A. Hewett, of Chelsea, Mass., is in town, in the interest of a National bank. \$25,000 has been pledged, and the outlook for the balance is very encouraging.
- .. Portland.....Portland seems to be growing towards the west, and they are talking of a National bank and a savings bank at the West End.
- MD.....Gaithersburg...**Work on the new National bank is being pushed rapidly and it is expected that its doors will be opened for business not later than August.
- MASS...Boston.....**State Street Safe Deposit and Trust Company started by Third National Bank under special charter.
- MICH...Lapeer.....**State Savings Bank. Capital, \$45,000.
- .. Lawton.....Lawton will have a bank, to be owned and controlled by Chicago capitalists.
  - .. Merrill.....New bank to be established by W. O. Mason.
- MINN...Fairmont .....**Martin County Bank incorporated. Capital, \$25,000. A. L. Ward, *President* ; I. A. Paterson, *Cashier*.
- .. Kenyon.....A new State bank is to be started at Kenyon, in which A. K. Finseth and other prominent men of Kenyon are interested. B. H. Kelsey, of St. Paul, is the originator of the movement. It will have \$100,000 capital.
  - .. Marshall.....Marshall is to have a National bank. Mayor Langland of Decorah, Iowa, and W. W. Hardin, of Grafton, N. D., are now in Marshall to complete arrangements.
- MONT...Kalispel.....**First National Bank organizing.
- N. C....Winston.....**New bank to be started here.
- NEB....Dunbar .....**Dunbar State Bank incorporated. Capital, \$10,000. Incorporators : George R. Voos, W. L. May, R. W. W. Jones, G. E. King, Henry W. Kruse, D. Kruse, G. L. Baker and C. H. Wilson.
- .. Ulysses.....A third bank will be started at Ulysses within thirty days, as the result of a little difficulty between the stockholders of one of the old financial institutions.
- N. H...Bradford.....**New bank to be started. Apply Mr. Chapman of Haverhill, N. H.
- .. Whitefield.....New bank to commence business before long.
  - .. " .....Trust and Banking Co. Gen. Frank P. Brown, *President*.
- N. J....Bayonne.....**Arthur Pressy, Cashier of the Haddonfield National Bank, has resigned to organize a new bank at Bayonne.
- N. Y....Buffalo.....**Manhattan Bank. Jacob Dilcher, *Cashier*.
- .. " .....Niagara Bank. Capital, \$100,000.
  - .. " .....Metropolitan Bank. Capital, \$250,000.
  - .. Canaseraga .... There is talk of starting a bank here.
  - .. Hamburg.....Peoples Bank of Hamburg. Capital, \$30,000. Directors : R. B. Foote, G. J. Kopp, Dennis Kelly, B. M. Fish and A. H. Baker.

- N. Y. . . . .Holland is soon to have a bank with a capital of \$30,000.
- ..Huntington....There is a movement in Huntington tending toward the establishment of another bank.
  - ..Madison.....Stock is being subscribed for the establishment of a bank in the town of Madison.
  - ..Middletown ....Middletown is about to form a trust company, with a capital of \$100,000.
  - ..Victor.....A branch of the Genesee National Savings and Loan Association organized here. W. F. Brace, *President*; Chas. Frazer, *Vice-President*; F. M. Walling, *Secretary and Treasurer*.
- OHIO...Columbus.....State Deposit and Loan Company. Capital stock, \$500,000. Incorporators: S. S. Bloom, John Field, Chas. G. Lord, W. J. Redington, W. P. Bloom and S. A. M. Manigold.
- ..Kinsman.....Kinsman will have a new bank.
  - ..Mt. Sterling....Citizens Bank.
  - ..Wyoming.....Wyoming Loan and Savings Bank.
- PA.....Scranton.....Branch of New York Mutual and Loan Association organized.
- ..Waynesboro. .Peoples Bank.
- S. C....Greenville .....City Bank of Greenville. Capital stock, \$60,000. Corporators: D. A. P. Jordan, George A. Barksdale, A. St. C. Lee, J. W. Duckett and R. W. Major.
- ..Spartanburg....Spartanburg Savings Bank organized and elected following directors: R. L. Bowden, S. B. Reid, S. B. Ezell, T. H. Cannon, J. K. Jennings, A. B. Calvert, W. A. Law, A. H. Twichell, W. W. Simpson. W. A. Law, elected *President*; R. L. Bowden, *Vice-President*. Capital, \$50,000.
- TENN...Memphis.....The Memphis Trust Co., though still in its embryo state of existence, will be reorganized as soon as the charter is granted and returned from Nashville.
- TEXAS..Abilene.....Another National bank is being spoken of as a possibility of the near future, as the demands of the business of this section will make it a necessity within a short time.
- ..Archer City ....The establishment of a National bank is contemplated.
  - ..Brenham.....The First National Bank and the business of Mr. Heber Stone will be consolidated, the combination to go into effect early in May. Mr. Stone, *President*; C. A. Engelke, of the First National Bank, *Vice-President*; H. K. Harrison, of the Stone Bank, *Cashier*. Business to be conducted under name of First National Bank.
  - ..Gonzales.....A new bank needed here.
  - ..Pearsall.....A branch of the Texas National Loan and Investment Co. has been organized, with U. S. Scovill, *President*, and J. T. Gibbs, *Secretary*.
  - ..Richmond.....Fort Bend County Bank. Newell Porter, *President*; G. C. Brown, *Vice-President*; G. W. Hayward, *Cashier*; J. E. Gillespie, *Manager*. Mr. Gillespie and Mr. Hayward will make this city their home.
  - ..Saint Jo.....A bank needed in this place.
- UTAH..Ogden.....The Farmers and Merchants Bank is being organized by prominent business men.
- VT.....West Rutland..The question of a local bank is being agitated.
- W. VA..Ritchie C. H...The question of establishing a bank is being agitated here. There is no bank in the county at present.
- WASH..Coupeville. ....New National bank to be established.
- Wis....Cedarburg. ....Cedarburg is to have a bank.
- ..Marshfield. ....First National Bank organized, with capital stock of \$50,000. Officers: Major W. H. Upham, *President*; Adam Hofer, *Vice-President*; W. D. Harshaw, *Cashier*.
  - ..Sheboygan.....Nickel Savings Bank.
  - ..South Superior..New bank here.

## APPLICATIONS FOR NATIONAL BANKS.

The following *applications* for authority to organize *National Banks* have been filed with the Comptroller of the Currency during May, 1891.

CONN... Seymour..... Seymour National Bank, by V. H. McEwen and associates.  
 DAK. S. Vermillion..... First National Bank, by D. M. Inman and associates.  
 " .. Yankton..... American National Bank, by M. P. Ohlman and associates.  
 " .. " .. Yankton National Bank, by Newton Edmunds and associates.  
 ILL.... Chicago..... National Bank of the Republic, by W. W. Bell and associates.  
 IND. T.. Purcell.... Purcell National Bank, by Howard Ross, Arkansas City, Kan., and associates.  
 IOWA... Mason City.... City National Bank, by O. T. Denison and associates.  
 KAN.... Independence.. Citizens National Bank, by A. C. Stich and associates.  
 MINN... Marshall..... Lyon National Bank, by S. D. How and associates.  
 MO.... Cape Girardeau. First National Bank, by David A. Glenn and associates.  
 MONT .. Billings..... Yellowstone National Bank, by G. A. Griggs and associates.  
 NEB.... Auburn..... Farmers and Merchants National Bank, by J. C. Bonsfield and associates.  
 N. C.... Elizabeth City.. First National Bank, by Chas. H. Robinson and associates.  
 " .. Hickory ..... First National Bank, by E. C. Menzies and associates.  
 OHIO... Columbus..... Deshler National Bank, by William G. Deshler and associates.  
 " .. Oxford..... First National Bank, by F. S. Heath and associates.  
 " .. Toledo..... Holcomb National Bank, by Geo. H. Beckwith and associates.  
 PA..... Duquesne..... First National Bank, by J. R. Wylie and associates.  
 " .. Jeannette..... Citizens National Bank, by Chas. W. Seibold and associates.  
 " .. Titusville..... Titusville National Bank, by C. F. Lake and associates.  
 VA.... Newport News. First National Bank, by C. B. Orcutt, New York, N. Y., and associates.

## OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(*Monthly List, continued from May No., page 922.*)

No.	Name and Place.	President.	Cashier.	Capital.
4559	Merchants National Bank..... Ashland, Ky.	A. C. Campbell,	C. C. Martin,	\$100,000
4560	National Bank of Avondale..... Avondale, Pa.	Sam'l Wickersham,	E. P. Passmore,	50,000
4561	Lloyd National Bank..... Jamestown, N. Dak.	Wm. M. Lloyd,	Jas. M. Lloyd,	100,000
4562	Greylock National Bank..... Adams, Mass.	Wm. B. Plunkett,	Frank Coenen,	100,000
4563	First National Bank..... Fulton, Ky.	W. W. Robertson,	R. M. Chowning,	100,000
4564	First National Bank..... Park City, Utah.	M. S. Ascheim,	Sam. J. Kenyon,	50,000
4565	First National Bank..... Goliad, Texas.		Wm. B. Campbell,	50,000

<i>No.</i>	<i>Name and Place.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
4566	Commercial National Bank, . . . .	S. J. Bennett, Fort Dodge, Iowa.	J. W. Campbell,	\$50,000
4567	Hide & Leather National Bank, .	Chas. B. Fosdick, New York, N. Y.	F. K. Burckett,	500,000
4568	Commercial National Bank, . . . .	J. Elwood Cox, High Point, N. C.	W. G. Bradshaw,	50,000
4569	Traders National Bank, . . . . .	Thomas Moore Jackson, Clarksburg, W. Va.	Chas. Sprigg Sands,	85,000
4570	First National Bank, . . . . .	Wm. Martin, Cannonsburgh, Pa.	Geo. D. McNutt,	50,000
4571	First National Bank, . . . . .	John G. James, Childress, Tex.	Chas. S. Patterson,	50,000
4572	First National Bank, . . . . .	Len Lewis, Castle, Mont.		65,000
4573	First National Bank, . . . . .	Wm. H. Upham, Marshfield, Wis.	Wm. D. Harshaw,	50,000
4574	Socorro National Bank, . . . . .	Luis M. Baca, Socorro, N. Mex.	Robert A. Jones,	50,000
4575	Chemical National Bank, . . . . .	Jos. Clifford Richardson, St. Louis, Mo.	Chas. S. Warner,	500,000
4576	Citizens National Bank, . . . . .	Jerome R. Gorin, Decatur, Ill.	John A. Dawson,	100,000

## CHANGES, DISSOLUTIONS, ETC.

(Continued from May No., page 927.)

- N. Y. CITY, . . . . . Johnson & Boardman now S. F. Johnson & Co.  
 " " . . . . . Kidder, Peabody & Co. succeeded by Baring, Magoun & Co.  
 " " . . . . . Kuapp & Griffin now Tillinghast & Griffin.  
 " " . . . . . Weston & De Billier now De Billier & Co.  
 ALA. . . . . Birmingham . . . Birmingham Trust & Savings Co., capital \$500,000, instead of \$50,000.  
 CONN. . . . . New Haven . . . Bunnell & Scranton assigned.  
 DAK. N. . . . . Bottineau . . . . . Bottineau Co. Bank has been incorporated, same correspondents.  
 " .. Page . . . . . Bank of Page now State Bank of Page, same correspondents.  
 " .. Sheldon . . . . . Citizens Bank and Bank of Sheldon have consolidated, now State Bank of Sheldon, incorporated.  
 " .. Steele . . . . . Citizens Bank discontinued.  
 " S. . . . . Carthage . . . . . Van Voorhis & Co.'s Bank closing up business.  
 " .. Flandreau . . . . . Farmers and Merchants Bank succeeded by Flandreau State Bank.  
 " .. Flandreau . . . . . Moody Co. Bank (Hurlbut & McConnell) now Jesse A. Smith, proprietor.  
 " .. Hot Springs . . . . . Hot Springs State Bank & Minnekahta Bank have consolidated; title, Minnekahta State Bank.  
 GA. . . . . Rome . . . . . Printup Bros. & Co. closing out their banking business.  
 ILL. . . . . Chicago . . . . . Western Trust & Savings and the firm of Paulson & Sparre have consolidated, under title of Central Trust & Savings Bank.  
 " .. Mason City . . . . . Farmers Bank now Farmers State Bank, incorporated.

- IOWA.** .. Dow City..... Dow City Bank succeeded by Farmers & Merchants Bank.  
 " .. Hawarden. .... Sioux Co. Bank now Sioux State Bank.  
 " .. Murray .. .... Murray Bank (Riley, Simmons & Co.) now Simmons & Co., proprietors.  
 " .. Osceola..... Riley, Simmons & Co. now Simmons & Co.
- KAN.** .. Burr Oak..... First National Bank has gone into voluntary liquidation.  
 " .. Mahaska..... Bank of Mahaska (G. H. Cook) reported closed.
- KY.** .. Ashland..... Bank of Ashland succeeded by Merchants National Bank.  
 " .. Mayfield..... Graves Co. Banking & Trust Co. closed, succeeded by First National Bank of Fulton, same officers.  
 " .. Scottsville..... Bank of Allen Co. reported assigned.
- MINN.** .. Canby..... Bank of Canby has been incorporated.  
 " .. Fairmont..... Martin Co. Bank has been incorporated, same officers.  
 " .. Minneapolis... Garland Banking Co. succeeded by C. C. Garland & Co.
- NEB.** .. Davenport .... Peoples Bank has consolidated with State Bank of Davenport, under latter title.  
 " .. Westerville .... Exchange Bank closed.
- N. H.** .. Nashua..... City Savings Bank succeeded by City Guaranty Savings Bank.
- N. MEX.** Socorro..... New Mexico State Bank succeeded by Socorro National Bank.
- N. Y.** .. Rochester..... Commercial National Bank has gone into voluntary liquidation, succeeded by Commercial Bank, same officers.
- OHIO.** .. Martin's Ferry.. Exchange Bank succeeded by Peoples Savings Bank Co.
- PA.** .... Cannonsburgh . Cannonsburgh Bank succeeded by First National Bank, same officers.  
 " .. Philadelphia... Keystone National Bank is insolvent, and in the hands of a receiver.  
 " .. Spring Garden National Bank insolvent and in hands of a receiver.  
 " .. Penn Safe Deposit & Trust Co. assigned.  
 " .. Springboro..... Booth & Bentley succeeded by T. J. Bentley.
- TEXAS.** Goliad..... L. A. Maetze & Co. now Bank of Goliad.
- WASH.** Lynden..... Bailly & Swain have removed their banking business to Chehalis.  
 " .. New Whatcom. Bellingham Bay National Bank of Sehome has been changed to Bellingham Bay National, New Whatcom.  
 " .. New Whatcom. Columbia National Bank of Sehome (now New Whatcom) has been changed to Columbia National Bank of New Whatcom.
- WIS.** .. Hillsborough .. Merchants Exchange Bank succeeded by Bank of Hillsborough.  
 " .. Marshfield..... Marshfield Bank succeeded by First National Bank.  
 " .. Prescott. .... H. S. Miller has retired from business.































