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FIFTY-SECOND YEAR. JANUARY, 1898. VOLUME LVI, No. 1.

THE REPORT OF MR. GAGE, Secretary of the Treasury, contained a plan for currency reform, which, if it is enacted as law, will remove most of the difficulties which surround the administration of the finances of the United States Government, and those that now tend to depress and retard the most advantageous exercise of public and private credit.

The recommendations of the report have been formulated in a bill that has been presented to Congress and is now before the Banking and Currency Committee of the House. Mr. GAGE has been invited to explain his bill to the Committee, and he has done so in two interviews. These interviews are, it is understood, to be resumed after Congress reassembles.

The bill prepared by Mr. GAGE contains provisions which exceed the province of the Banking and Currency Committee, and it is stated that that portion of the measure relating to the refunding of the debt in bonds bearing a lower rate of interest will be considered by the Committee of Ways and Means. It is certainly a disadvantage, that a complete measure of currency reform cannot be passed on and presented to the House by one committee.

Before considering Mr. GAGE'S measure in detail, it may be remarked that in practical adaptation to existing conditions it surpasses any plan that has yet been proposed. It builds upon the present foundations, and the changes are such as can be carried out without shock to business conditions.

The bill embodies well-considered features from plans proposed in the past, among others by the late JOHN JAY KNOX, by the Baltimore Convention of the American Bankers' Association, by BRADFORD RHODES, Editor of the BANKERS' MAGAZINE, and by others.

The proposal to refund the interest-bearing debt of the United States, at lower rates of interest, giving a larger amount of principal where necessary to equalize the present worth of the exchanged bonds, and to permit National banks to issue a certain per cent. of circulation upon the security of the general assets and a safety fund, was made to Congress by Mr. KNOX in 1887. The Convention of the American Bankers' Association at Baltimore in 1894 recommended the Baltimore plan, which was chiefly founded on that of Mr. KNOX. Mr. RHODES, in the same year, proposed to retire United States demand notes by using them as a basis for National bank circulation. The Secretary's measure contains all of these features in modified forms.

The first section of his bill establishes in the Treasury Department a division to be known as the division of issue and redemption. To this division is to be transferred a fund of $125,000,000 in gold coin and bullion, and silver dollars and bullion, equal to the outstanding silver certificates and Treasury notes of 1890. The division is to have charge of all business relating to the issue, redemption and exchange of all forms of United States money, notes and coin. The Secretary is also authorized to make any exchanges that he may deem best between the funds in the redemption division and the general funds of the Treasury. When Treasury notes and silver certificates are redeemed, they are to be held as part of the redemption fund, and are only to be disbursed upon the receipt of an equivalent amount of the coin in which the notes were redeemed.

The Treasury notes by present law are redeemable either in gold or silver, and the silver certificates in silver dollars.

The second section of the bill provides for the issue of bonds payable in gold coin, and redeemable at the pleasure of the Government after ten years, bearing interest at two and a half per cent. per annum. All outstanding United States bonds, except the fours of 1925 and the two per cents, are to be converted into these new bonds at an equitable adjustment of their respective present worths. These bonds are to be received as security for National bank circulation.

Section five provides that any National bank may deposit United States notes, Treasury notes and silver certificates with the Treasurer of the United States, and receive an equal amount of circulating notes from the Comptroller of the Currency. The amount of United States notes, etc., so deposited is not, however, to exceed $200,000,000. In this way the Secretary expects to have placed in his hands $200,000,000 of the demand notes of the United States, and by the use of his discretion in the exchange of the various forms of currency that shall come into the Treasury from this source to finally place $200,000,000 of legal-tender notes in the control of the redemption division. When these notes are deposited by the banks the Secretary will obtain possession of them by putting in their place in the Treasurer's hands an equal amount of the new two and a half per cent. gold bonds. If his plan should succeed he will thus have $200,000,000 of the legal-tender notes in the redemption fund, to be paid out only in exchange for gold.

When the redemption division first goes into operation it will have a reserve fund of $125,000,000 in gold to protect $346,000,000 of legal-tender notes and $107,000,000 Treasury notes of 1890—a reserve of about twenty-seven per cent. against notes for which gold may be demanded.

If the $200,000,000 of legal-tender notes in the hands of the redemption division shall all be put in circulation, and gold received in exchange for them, there would then be held $325,000,000 of gold coin against $453,000,000 of legal-tender and Treasury notes outstanding, or over seventy per cent. reserve.

The portion of the Secretary's bill which has been the subject of the most criticism is that which relates to his securing the legal-tender notes by means of the banks depositing them as security for circulation. It is said that as permission is given to deposit any form of Government paper, that the banks will hold on to their legal-tender notes and deposit silver certificates only. It is highly probable that a large proportion of the $200,000,000 so deposited will be silver certificates, but assuming that the whole sum consists of this form of money, the final ingathering of $200,000,000 of legal-tender notes into the redemption fund will be not the less certain. Instead of $200,000,000 of silver certificates an equal amount of bank notes will be put in circulation; the silver certificates will be placed in the redemption fund only to be paid out on the presentation of a like amount in silver dollars or gold. As all the silver dollars except some fifty millions are already in the Treasury, the silver certificates in the redemption fund are not likely to be drawn out immediately. In the meantime payments into the Treasury will be made in larger proportion, on account of the reduced quantity of silver certificates, in bank notes and legal-tender notes. The legal-tender notes the Secretary can at once put in the redemption fund, in place of silver certificates; with the bank notes he can obtain more legal-tender notes, and it will not take long to place the full $200,000,000 of legal-tender notes where they will be a source of strength to the reserve.

The National banks, under the bill, have three ways of issuing circulation, by depositing bonds, by depositing Government notes and upon the security of their general assets. The bill extends the present limit of circulation from 90 to 100 per cent. of the capital of the bank, from ninety per cent. of the face value of bonds to 100 per cent., and reduces the tax on circulation from one per cent. to one-half of one per cent. per annum. On the other hand, however, upon the circulation issued without deposited security a tax of two per cent. per annum is imposed to furnish a safety fund to protect the Government in giving its guarantee to the notes.

There is no doubt that the National banks will find it to their interest to exchange the bonds now held by them for the new ten-year two and one-half per cent. bonds. These bonds will probably not for a long time be quoted much above par, and will, with circulation issued to the face value of the bonds, afford a reasonable profit.

A very large proportion of the National banks carry much less than the amount of circulation to which they are entitled; under the more favorable conditions proposed by the bill, the National banks will most likely find it for their interest to issue about three hundred millions additional circulation. Thus a bank of $100,000 capital now having on deposit the minimum amount of bonds ($25,000), issues $22,500 in notes. Under Mr. GAGE'S bill, this bank could at once take out $25,000 more on the bonds already deposited. By depositing $75,000 more, either in bonds or in Government notes or certificates, the bank could obtain $75,000 more. In fact, the probability is that the issue of National bank notes would more than keep pace with the retirement of silver certificates or legal-tender notes.

But there will be causes of contraction that will modify the tendency to too rapid inflation of the aggregate paper money of the country by the new bank issues. In the first place, the banks will be restricted in their issues by the possibilities of the loan market. They will not issue more than business demands. No doubt this freedom of issue will, to some extent, stimulate enterprise, but the banks will not be able to obtain a dollar without giving security, and they are not likely to loan it without getting the same. As their issues increase they will have to increase their reserves, and as these reserves must be kept in coin or Government paper, the amount of the latter in circulation outside the banks will diminish as the circulation increases. The Secretary's bill increases the redemption fund from five to ten per cent. of the circulation outstanding.

No bank can take out circulation based on the general assets of the bank, unless it has previously taken out fifty per cent. of its capital in circulation based on bonds, or what is the same thing in the end, on circulation based on deposits of Government notes. This provision will probably have the effect to restrict issues on bonds by each bank to fifty per cent. of capital, so that if new banks are not taken into account, the probable limit of the circulation issued under this bill will be in the neighborhood of seventy-five per cent. of the capital of all the banks. This capital on October 5 was $631,488,095. Seventy-five per cent. of this sum is $473,616,072. It can thus be reasonably foreseen that the limit of National bank circulation under this bill would be about $500,000,000. The ten per cent. redemption fund would require a reserve of $50,000,000. Of the $500,000,000 one-third, or about $167,000,000, would be based on the general assets of the bank. A tax of two per cent. per annum on this circulation would be about $3,334,000. At the end of the first year this latter sum would be placed in the safety fund to protect the notes based on general assets of such banks as might fail. The measure further provides for banks of $25,000 capital in places of less than 2,000 inhabitants.

It only remains to consider whether a bill like this is not preferable to plans which depart more radically from our present system.

The objections to Mr. GAGE'S suggestions seem to be from two quarters. From those who oppose the gold standard and from those supporters of the gold standard who desire to see all Government notes retired, and banking entirely freed from Government control. The latter would apparently not be content with anything less than the retirement of legal-tender notes, Treasury notes and silver certificates by funding into gold interest bonds, and the relegation of the control of banking to the State governments. These objectors really desire the repeal of the ten per cent. tax on State bank notes. The first class of objectors are those who are perverted by the ideas of the fiat money and silver advocates. Their objections are contradictory in themselves. At one time the plan of the Secretary is dangerous because it commits the country to the gold standard ; at another they object that it will bring the country to a silver basis.

The admirers of banking as practiced in other countries are dissatisfied because the Secretary does not advocate the Canadian or the Scotch or the English, or the French system.

The United States has been committed for nearly the whole period of its existence to a banking policy which allows the free enjoyment of the business of banking to any citizen who can show a moderate capital. This policy has been against granting special charters savoring of monopoly. Under this policy banks have grown up large enough to manage the most gigantic financial operations, and small enough to render benefits to the portions of the country most lacking capital. The faults of the American system have of late years been the restrictions preventing natural development on its own lines. A measure that would substitute something entirely opposed to the traditions of banking in the United States may satisfy theorists and may have proved practical in other countries with different institutions. The plan of Mr. GAGE merely frees the banks as they now exist from the most onerous of their burdens, and leaves them free to enlarge their usefulness.

While apparently applying to National banks only, it in reality helps banking capital whether invested in National, State or private banks. The privileges granted are thrown open to all. On the other hand it relieves the Government of the burden of its currency debt by calling in the assistance of the banks. The benefits which will flow from it if it becomes a law will be divided between the Government, the banks and the people.

THE GOLD BALANCE in the Treasury has increased until it now exceeds $160,000,000, and the recent importations of gold at New York and San Francisco point to a still further increase. The importations of gold during the fall months were checked by the holding of sterling exchange by the New York banks, and it was then surmised that this would prove but a temporary check, and that the importation of gold would be renewed unless prevented by large importations of foreign products.

The payments on account of the Union Pacific road have helped to swell the Treasury cash, which is now, including the gold, nearly $250,000,000. The absorption of this large sum in the Treasury, drawn as it is from the money centers, has a tendency to cause stringency at those points. It is a slight renewal of the difficulty caused by the Treasury surplus of former years, although it would be more difficult for the Treasury to relieve the situation as it then did by the redemption and purchase of bonds. The difficulty rests not in the fact that there are no bonds to be called in, since there are over $25,000,000 of two per cents. outstanding which can be redeemed at any time, but because for the first time since the panic of 1893 the growing strength of the Treasury is again restoring the confidence of the country in the ability of the Government to maintain gold payments. If any of this gold reserve were used to relieve the market by the redemption of bonds, apprehension might be easily excited which had better be let rest. The revenues now do not cease to show a deficit, and until they begin to equal the expenses there will still be much timidity as to the future.

The large disbursements of the Government, with the incoming new year, estimated at about $40,000,000, will tend to make money more plentiful after the first of January.

Under the present financial laws it seems that a large surplus gold reserve has its dangers as well as a small one. So long as the commercial and manufacturing credit of the country depends so largely upon the flow of cash into and out of the Treasury the money market cannot fail to be in a chronic condition of uncertainty. The banks at one time may be full of money in excess of their reserves, and yet enterprise hesitates to avail itself of cheap money, not being able to foresee when the demands of the Treasury may deplete the banks and bring about stringency. In order to secure confidence in the heterogeneous mass of paper issued the Treasury has to keep on hand at all times and withdraw from circulation an enormous sum of gold. If it were not saddled with this burden of maintaining the credit of its demand notes, the surplus gold could be used to reduce the bonded indebtedness and stop interest.

Nevertheless the present situation of the Treasury is vastly better than it has been at any time during the last four years. If the revenues should show signs of increase, there undoubtedly will be removed one of the last obstructions in the way of a permanent revival of business. But as to the sufficient increase of the revenues from the present tariff there seems to be great uncertainty. It is doubtless true that, if there should be a great revival of prosperity and an increase in the business and wealth of the country, and there is no corresponding increase in the expenditures of the Government, in process of time the revenues from the present tariff will augment with the growth of the country. The views expressed by the majority in Congress seem to favor letting the present tariff alone, and not even to impose additional taxation. In fact, they advise waiting and giving the new law time to prove its sufficiency.

The country, through its innate vitality and the immensity of its undeveloped resources, has been able to continue to thrive notwithstanding the insufficiency and foolishness of its legislators and laws, but this very impunity from serious harm encourages a dangerous belief in the future that some time or other will prove unwarranted. Nations, like men, have their times of youth and strength when they can throw off the results of wrong living. But dissipation of force is sure to be regretted in the long run.

THE REPORTS OF THE COMPTROLLER OF THE CURRENCY have undoubtedly lost in general interest with the decline of the currency issuing function of the National banking system.

This system, inaugurated in 1863, was intended to furnish a paper bank note currency for the country, after the retirement of the legal-tender notes issued during the war. It may, of course, now be said after the experience of over thirty years with a bank note system based on Government debt, that such a system was of necessity self-terminating; that it could not outlast the payment of the debt on which it was based. But in 1863 and 1864 no one could foresee what had never happened in the history of any foreign nation, the payment of a great war debt within the lifetime of one or two generations succeeding the war. War debts in France and England had always been regarded as perpetual, and there was no reason at the close of the Civil War for even the most far-sighted statesman to predict anything different in the case of the United States. With a perpetual debt the life of National bank note currency was not at that time in doubt.

The utterances of all the political leaders of the war period, when the legal-tender law was enacted, and long afterwards, pointed to the retirement of legal-tender notes when specie payments were resumed, at the farthest. The provisions of the banking laws recognized this. They provided for certain changes in the note circulation when resumption should take place. The original names "National Currency Act" and Comptroller of the Currency, both point to the belief in the gradual substitution of bank notes for legal-tender notes, with a strong supporting basis of specie. All of these expectations were, however, gradually defeated by the logic of events. The rapid payment of the debt and the fatal fascination of the Government legal-tender note, prevented in two ways the increase of the bank currency, and the subsequent restoration of silver dollars, with their attendant silver certificates, led to their gradual retirement, until to-day of $1,050,479,684 paper notes of various kinds in circulation in the United States only $224,956,210 are National bank notes, and of these $201,735,572 only are issued by the banks, the remainder having been retired by the banks by a deposit of lawful money. The circulation of the banks no longer makes any important figure in the eyes of the public. They know as the debt is paid even these figures must continue to diminish.

The majority of the banks themselves do not regard their circulating notes as an advantage. They are compelled to deposit a certain minimum of bonds, and on these they perforce issue circulation which, if it is not a source of loss, is of very little profit to them.

For the first twenty years of the existence of the National banking system before and during the great refunding operations of the Government, the Comptroller's reports contained information and suggestions as to the management of nearly one-half of the paper currency of the country. There was still a possibility until 1878 that the legal-tender notes might be retired; between 1875 and 1878 thirty-five millions had been actually cancelled, and National bank notes had taken their place. But the influence of the payment of the debt had already been felt, and notwithstanding laws for the encouragement of the National bank note, they did not correspondingly increase.

The Act of February 28, 1863, and the subsequent Act of June 3, 1864, authorized an issue of three hundred millions of bank notes, which was increased by the Act of July 20, 1870 to three hundred and fifty-four millions. The Act of June 20, 1874, authorized any

National bank desiring to withdraw its circulating notes, in whole or in part, to deposit lawful money with the Treasurer of the United States in sums of not less than $9,000, and to withdraw a proportionate amount of bonds; the Act of January 14, 1875, repealed all provisions restricting the aggregate amount of bank circulation and required the Secretary of the Treasury to retire legal-tender notes to an amount equal to eighty per cent. of the bank notes thereafter issued until the legal-tender notes should be reduced to three hundred millions.

The Act of June 20, 1874, gave the banks the opportunity to realize the premiums on the bonds they held, and the bank note circulation decreased until 1877, after which there was a small increase. In May, 1878, Congress prevented any further retirement of legal-tender notes. In February of that year silver dollars and silver certificates were authorized.

The highest amount of National bank notes outstanding at any one time was $351,927,246, on November 1, 1874. Under the Act of June 20, 1874, the National banks have since that date retired their notes, as they found it expedient to do so, either on account of the high premium on bonds, their being called for payment, or on account of the abundance of silver certificates and legal-tender notes rendering bank notes unnecessary.

The Comptroller's reports formerly devoted much space to the discussion of the currency question upon the basis of the practical operations of the banks as issuers of notes, but of late years more space has been given to the other operations of banking. While these are interesting and useful, and extremely valuable to experts, they do not attract the attention of the general public.

As the currency question has begun to occupy the wider field of national politics, the Comptroller of the Currency's report is more and more relegated to the position of a storehouse of facts and figures for reference, while the public appetite for monetary argument is fed with the reports of the Secretary of the Treasury, the messages of the President, the speeches of Senators and Representatives, and all the literature of the stump.

And yet in regard to the operations of the banks of the United States, National and all other classes, the Comptroller's report is a storehouse of statistical information such as has never before been drawn together. From 1863 to 1897 there have been thirty-five annual reports issued from the Comptroller's office, in which all the operations of the National banks have year by year been presented to Congress. Upon all phases of the working of the practical bank, here can be found, not theories or suppositions, but actual facts. Over a period of thirty years averages can be made up, showing the honesty and dishonesty of bank managers, their profits and losses, their chances of success and failure. These statistics also show the extent of the utility of various banking methods, the use of checks and money, and of clearing-house exchanges. There is not any feature of banking, whether relating to bank managers, to stockholders, to depositors, to borrowers and lenders, that cannot be enlightened by the information contained in these reports. The success of Government supervision of bank management in protecting the public from loss can be accurately determined by these carefully collated statistics. The success of the office in this respect has been great, and its operations and methods have been widely copied in the banking departments of the States. In most of the plans of reform there is some provision for the enforcement of the proposed law by the Comptroller of the Currency. In the event of any extension of the banking privileges, especially if the function of furnishing the paper currency of the country is restored to the banks, the pristine importance of this Bureau will return.

The text of the Annual Report of the Comptroller for the year just closed, together with many valuable statistical tables, will be found elsewhere in this number of the MAGAZINE.

THE INTRODUCTION OF BILLS in Congress for the establishment of postal Savings banks has already aroused much discussion of the subject in the newspapers.

The establishment of such banks is earnestly urged by the Postmaster-General in his report, and a large quantity of statistics bearing on the subject has been collected by the Comptroller of the Currency.

There are, however, very grave doubts whether such institutions are needed in the United States or whether they are suited to the conditions which now exist.

The great argument in their favor is that they encourage savings among the poorer classes, and that they teach thrift and industry where such lessons are most needed. In some countries, too, where the Governments are continual borrowers, there is the argument in their favor that the money so accumulated is a benefit to the Government. In this country this argument does not have any force. The public debt since the Civil War has been in process of reduction, and although the depression of the last four years has caused some increase in the debt, it is equally certain that when normal conditions return the payment of the debt will be continued with even greater rapidity than heretofore.

Unless it is intended to tax the general public to pay a greater rate of interest to this particular class of creditors than would be paid to depositors in other Savings banks, the Government could not afford to pay over two and one-half per cent. on these savings, which is less than the Savings banks already established throughout the length and breadth of the country now pay to their customers.

The quotations of Government bonds now indicate a borrowing power at between two and three per cent., and Secretary GAGE is confident that if authority were given him that he would be able to fund the present interest-bearing debt at two and one-half and perhaps at two per cent.

The present Savings banks pay from three per cent. upwards on savings deposits, and they give their customers almost the same facilities in the withdrawal of the money as do commercial banks.

Rates of interest vary greatly in the different sections of the country, and it is possible that postal banks might succeed in those sections where the rate was very low; but in those sections where savings are most needed the rates of interest are generally high, and, unless the Government was prepared to pay much more than its normal borrowing power would warrant, such postal banks would not attract much money. If the rate of interest paid by the Government were uniform throughout the country it is plain that some offices would attract deposits and some would not. If the Government raised its rates to conform with the locality where the post office was located, deposits would be attracted from all sections to where the highest rate was paid. In all localities the Government would come into competition with existing banks for savings.

In addition to the interest on such savings the Government would have to pay all the expense of clerical work and stationery required. Of course it will be said that the work would be done by the present force of the Post Office Department, but no one can doubt that in the long run this force would increase as the postal savings business augmented.

The Government does not need the money. If postal Savings banks are authorized the result would be the payment of interest out of the revenues just for the sake of encouraging a certain portion of the people in the habit of saving money.

If there were no other encouragement to thrift in the United States, if the citizens generally were thoughtless and careless of the future, it might, perhaps, be wise to establish this kindergarten on a gigantic scale to bring the people up to the proper economic standard, that is if thriftless people can be so easily reformed. But, as a matter of fact, the Savings banks all over the country are a standing monument of the saving habits of the masses of the people. Who would be gathered in by the postal Savings banks who are not already customers of the regular Savings banks, it is difficult to see.

Of course, if the Government paid higher rates of interest, it would attract the people who now avail themselves of the Savings banks.

The money which is now in the latter is used in the ordinary business of the country. It is loaned in all sorts of ways where good security is offered. It comes from one set of people and goes into the hands of another set. It is constantly used under wise management to stimulate the normal industries and trades. If the Government should take a portion of this money it would have to invest it in its own debt or loan it in some other way. Outside of its own debt hardly any one will claim that the Government can invest money with anything like the safety that those trained in the management of Savings banks can place it. If the Government should, for instance, undertake to loan the deposits made in the postal Savings banks to private parties as the Savings banks do, who can prophesy the abuse that might arise from political pressure brought to bear to obtain loans in needy sections of the country. The depositors might not lose, as the Government would be strong enough to pay them in spite of losses, but who could long endure a system by which the Treasury became exposed to political raids.

If the Government confined its investments to its own bonds, where would it get them. It would either have to buy those already on the market or issue bonds on purpose, which would be the same as appropriating money to pay the interest.

In countries where Savings banks were not already established and the Government was in such need of money that it always stood ready to borrow all that was offered, such postal Savings banks have a reason for existence. In the United States, however, reflection will show that if established they will probably prove a burden to the Treasury, a possible source of loss to the Government and an injury to the existing Savings banks. These latter now accept the smallest sums on deposit, and any one who has any tendency to save receives all the encouragement he needs.

The banks of Canada pay interest on deposits in much the same manner as Savings banks here. In competition with them the Dominion Government established postal and Government Savings banks. After some years experience it has been proved that the money so obtained costs the State in interest and expenses more than the same amount borrowed on bonds would cost in interest. The banks at first paid four per cent. and the Government the same. When the Government reduced its rate to three and one-half per cent. large amounts were taken from the postal banks and placed in the regular banks, showing that so far from encouraging thrift in any different manner, the depositors in the postal banks were of the same class and actuated by the same motives as the ordinary class of depositors.

There is, moreover, the same objection to the Government going into the business of accepting deposits and loaning and investing money as there is to its going into the business of providing a credit paper circulation.

In a country like the United States where the duty of the Government is to maintain order, such businesses are best left to private enterprise. In a thrifty community where money is ready to be deposited, it is not long before a Savings bank is established. Whether the Savings bank makes the thrift or is the natural consequence of that thrift may be a moot point. In the United States, at least, it is to be believed that there is no community so ignorant but that when they have money to invest they know how to find a Savings or other bank to place it in.

THE MONETARY COMMISSION'S REPORT, which will be found in unabridged form in another part of this issue, is a clear and able statement of existing financial conditions and the changes which are necessary to put the currency of the country upon an unquestioned basis, to relieve the Government of the embarrassment of sustaining a large volume of demand obligations, and to free the banking capital of the country from the restrictions which now hinder it from fully aiding in developing the business enterprises and resources of the United States.

Perhaps what is most commendable in the Commission's Report is its straightforwardness and the entire absence of that cringing and sycophantic spirit which marks the treatment of the subject in Congress and in the political platforms. To understand this it is only necessary to read the Report and then read the Act of November 1, 1893, repealing the purchasing clause of the Sherman Act, and also contrast the Commission's treatment of the silver question with the recent temporizing with the exploded scheme of international bimetallism by the dominant political party.

Some of the declarations in the Report are so bold and uncompromising as to have the effect of a dash of cold water upon the spinal column of the average politician; but the more vigorous the shock given to these timorous individuals the greater hope there will be for the establishment of the currency upon a basis calculated to aid in restoring permanent prosperity to the business enterprises of the country.

There has been no want of a courageous attempt to meet the situation as it exists. When the Report states that "No silver dollars shall be hereafter coined," it states what every honest student of the subject admits—that the coinage of two full legal-tender coins, of unequal commodity value, is unsafe and unwise, to use no harsher term. Equally courageous is the recommendation that silver dollars should be redeemed in gold coin on presentation. This would be a way of preserving the parity that anyone could understand, and would avert the danger of the present law which leaves so much to the policy of the Executive.

Nor does the Commission speak with bated breath in regard to the gold standard, but following the precedent of Secretary GAGE in the recommendations contained in his Annual Report, declares in favor of the present gold dollar as *the standard of value*, and that all obligations for the payment of money shall be made in conformity to this standard, and all the obligations of the United States, existing or to be hereafter entered into, are declared to be so payable.

The BANKERS' MAGAZINE has for years pointed out the defects in the currency system of the United States, and the reforms which are necessary to correct the operations of these harmful principles engrafted upon our financial system.

Some of these reforms are obvious and fundamental, and include the firm establishment of the gold standard, better provision for maintaining the parity of the silver certificates and the silver dollars (until the final withdrawal of the latter and their sale as bullion), the gradual retirement of the Government demand obligations and the substitution of a bank-note currency based upon the commercial assets of the banks, protected by adequate safeguards. All these conditions have been fully met by the Commission, as also the no less important necessity for providing a method for meeting temporary deficiencies in the revenues, so long advocated by the MAGAZINE.

Some of the details of the Commission's plan may be open to criticism; as, for instance, the continuation of the present system of redeeming bank notes. Also, if bank notes are to be limited to denominations of $10, why should not all paper be so limited ? This would bring silver dollars and gold coin into actual circulation. The sentimental effect of putting $5 and $10 gold pieces into circulation can hardly be overestimated, though doubtless the silver dollars would be found clumsy and undesirable. There are other minor details of the Report which we shall examine and freely criticize hereafter.

An important feature of the Report is the strength and simplicity of the language used in presenting the facts in regard to our monetary system. This will make the document one of the most effective ever issued for use in carrying on a sound money campaign.

From a Commission composed of men of such high character, and clothed with such large representative powers, much was expected, and expectation has been in nowise disappointed in the results of the Commission's labors, which will be enduring.

MAKING DEFALCATIONS DIFFICULT.

Whenever any community is startled with the news that some officer or clerk of a leading financial institution has proven himself unfaithful to the trust reposed in him, the question is very often and properly asked, Can't there be some method of bookkeeping devised which will prevent embezzlements and defalcations ?

A few years ago, when one read of the successful feats of the safe-blower in burglarizing the best built safes of the day, in which the valuables of the institution were stored, one naturally asked himself the question, Can't safes be built which are proof against burglars ?

To both of these questions the answer undoubtedly must be, no. Note what improvements have been made in recent years in the construction of safes and safety vaults for the storage of valuables. Every known appliance for safety has been introduced, until to-day they are monuments to the mechanical genius of the manufacturer. But are they *now* proof against burglars ? The answer must be, no. It is a well-known fact that there does not exist at this time a safe or safety vault that an expert burglar, if given the necessary time and opportunity, cannot gain access to.

What additional safeguards to prevent burglary have been employed by the officers of banks, trust and safe deposit companies, other than the employment of faithful watchmen ? The latest electrical appliances have been introduced whereby a regular code of signals is used between the watchman and the Central office, and should any attempt be made to burglarize the vault it would be instantly known at the Central office, and means at once taken to prevent its accomplishment. This has reduced the chances of burglary to a minimum, if it has not absolutely made the same impossible.

For the safe keeping of the valuables of banks and trust companies, during the hours of night, there is provided in the principal cities of the Union the strongest safes and safety vaults that man can construct, guarded by tried and faithful watchmen, and protected by every known electrical appliance that will add in any measure to their safety. What would be thought of the bank officer who did not provide himself with these protections against burglary, but contented himself to use the old iron money-chest that was used forty years ago, and who considered the services of a watchman an unnecessary expenditure of money ?

When one considers what great strides have been made in recent years in devising means to protect the money and securities of the stockholders and depositors of our financial institutions from the raid of the burglar at night, and then thinks of the little attention that has been given, in too many of our financial institutions, to protecting the institution from the raids of the embezzler and defaulter during the day, one is amazed and justly so. While it must be conceded that no system of bookkeeping, of itself, will prevent embezzlements and defalcations, still the fact remains that the use of a good system, coupled with the proper examination of the books and accounts, will reduce the chances of loss, from that source, to a minimum.

The best known safeguards against defalcations are :

First: The use of a good system of bookkeeping, one which is surrounded with every known safeguard, which will render false entries difficult and dangerous.

Second: The transferring of clerks from one department to another, or from one set of books to another, in the same department.

Third: Thorough examination of books and accounts at frequent and irregular periods by a skilled accountant.

The system of keeping accounts that was used forty years ago, when the clerical force in the majority of financial institutions was necessarily limited, is to-day useless, lacking many, if not all, the safeguards to be found in the improved systems of to-day.

The system that would be considered perfection in a large bank would be a flat failure in a smaller one, and *vice versa.* The one used must be adapted to the requirements of the business.

In determining what system of bookkeeping can be most successfully used, the character and volume of the business transacted, and the number of employees engaged to transact the same, are all factors that must be considered.

If the question were asked every banking official in this country, What book do you consider the most dangerous one used in a bank or trust company when kept by a dishonest clerk, the replies no doubt would cover nearly every book used by those institutions; and perhaps few of the officials would name the one that experience has taught the writer as being the most dangerous of all others.

Those who will call to mind the very large loss entailed upon two National banks located in New York city and in New Orleans, La., to say nothing of the large number of smaller losses sustained by banks and trust companies in different parts of the country, through the defalcations of individual ledger bookkeepers, will at once perceive that the book referred to is the Individual Ledger, which, of course, includes all ledgers that contain the account of a depositor, whether it be that of an individual, firm or corporation, by whatever name the ledger may be designated.

A more dangerous book never was used in a bank than the old-fashioned individual ledger, with only its debit and credit column; when the bookkeeper who kept the same settled the pass books of the depositors, or made out the statement rendered to them.

What safeguards are there against the depredations of a dishonest bookkeeper when aided by some outsider who keeps an account with the bank, with such a ledger in use, and bookkeepers not changed from one book to another at periods unknown to them? Absolutely none that a busy bank official could employ.

Will the balance sheet taken from the ledger by the bookkeeper show the true condition of affairs? Of course not. It is safe to say that when called upon to furnish a balance sheet, it will be a "*forced*" one, showing that the total amount due to depositors, as per his ledger, agrees with the amount as shown by the general ledger. Will a verification of the balance-sheet with the individual ledger reveal anything wrong? Most assuredly not. The shrewd manipulator of the accounts will have his lead pencil additions of the debit and credit sides of the several accounts in his ledger absolutely correct, and the difference between them recorded upon the balance sheet.

The bank officer or bank examiner could examine the ledger until they were gray with old age, and not discover the discrepancy. Thus the bank officer would repose in utter ignorance of his surroundings, to be suddenly awakened to the true condition of affairs when some one, by a mere accident, makes the discovery that the trusted bookkeeper is a defaulter.

No doubt the question is revolving in the mind of the reader, how then could the defalcation be discovered? The answer is, *First:* By having some clerk, other than the bookkeeper who keeps the ledger, settle the pass books of depositors, and compare the balance as shown by the pass book settlement with the ledger. The settlement of the first pass book of any depositor whose account upon the ledger had been "manipulated," would reveal the fact that a defalcation existed, whether the false entries had been made upon the ledger or upon the bookkeeper's cash book, generally known as a "tickler." It might require the settlement of a large number of pass books before the fraud would be discovered, owing to the fact that an inactive account is usually selected by the bookkeeper for manipulation, and it would possibly be some time before a pass book of an account of that character was presented for settlement.

Second: By checking the entries in the ledger with those upon the bookkeeper's cash book. This would reveal the defalcation, should the false entries, made to conceal the same, have been made upon the ledger. This is a very slow and tedious piece of work, and might require days or weeks of labor to discover a shortage.

Third: By verifying the additions of the bookkeeper's cash book and comparing the total of each days' debits and credits with the amount as shown by the general ledger. Any manipulation of the cash book, such as crediting an account with a deposit that had not been made, or increasing the amount of a deposit, omitting to charge a check that had been paid, or decreasing the amount of a check paid, would at once be discovered.

There has been introduced into some banking institutions what is known as the "Boston Ledger," sometimes called the "Skeleton Ledger." This book is a labor-saving device, but when the paid checks of depositors are charged to their several accounts in a lump sum and not itemized, and when deposits are treated in a like manner, the saving in clerk's time is more than lost when security against errors or fraud is considered. A ledger of this character, being the only kind kept by the institution and in the manner described, is a very dangerous book. The largest defalcation ever known to have been perpetrated by an individual ledger bookkeeper, was where only this character of ledger was kept. The loss to the bank was over half a million of dollars, which would have paid the salaries of quite a number of bookkeepers for a considerable period of time.

A large number of banking institutions are now using what is known as the "Three-Column Ledger," which contains a debit, a credit and a balance column. It is the old-fashioned ledger with the addition of the balance column. When kept in conjunction with a cash book, in which all the paid checks of depositors are itemized, it is, in the opinion of the writer, the best individual ledger used by a bank or trust company, where the "duplex" system of ledgers is not employed. All entries made therein should be in ink, and the balance to the debit or credit of an account should be entered, credits in black ink and debits in red ink, every time there is a change in the same. Should there be a debit and a credit to one account upon the same day, one extension of the balance at the close of the day's work will suffice.

The "duplex" system of individual ledgers is recognized by all who have given the subject careful consideration, and by those who have been placed in a position to see wherein other systems were lacking in safeguards that should surround that most important of all other books of a banking institution, as being the best ledgers that can be used, possessing every safeguard that has been made known by the students of the subject. It consists in the use of two ledgers, not kept by the same bookkeeper, in which the same transaction of a depositor with the banking institution is recorded in both books. One ledger being an absolute check upon the other.

The best ledgers that can be used in the "duplex" system are the "three-column" ledger in conjunction with a cash book, and the "Boston" or "Skeleton" ledger, which have been before described. Both of these ledgers contain a balance column, which should be compared, by some clerk other than either of the bookkeepers who made the entries therein, to ascertain if the balance to an account in one ledger agrees with the balance to the same account in the other ledger. This should be done at very frequent periods. In some institutions, where the system is now in successful operation, it is done each morning before banking hours.

With this system in use, as an additional safeguard against errors, whether of a clerical or criminal character, the bookkeepers should not be the custodians of the paid checks, or settle the pass books of depositors. This duty should be performed by some other clerk of the institution, who, when he settles a pass book, should compare the balance as per the pass book with the balance in both ledgers to the debit or credit of the depositor. This would prevent the possibility of a collusion between the bookkeepers, similar to the one recently exposed in one of our Eastern National banks.

Another most excellent book that should be kept by all banking institutions is a register, showing when the pass book of a depositor was settled, and the amount of the depositor's balance. This register should be kept by the clerk who settles the pass books and the entries therein should be "O. K.'d" by one or both of the bookkeepers who keep the ledgers containing the account of the depositor. An officer could see at a glance how often each depositor's pass book had been settled, together with the balance at each settlement, and would know whose pass books had not been settled, and have the same called in for that purpose.

Had a book of that character been in use in a bank that the writer was called upon to examine to collect the evidence of the guilt of the bookkeeper and his accomplice, the account of the accomplice could not have remained as it did for over three years without being settled, unknown to the officers of the bank.

A very good form of register to use, is a book ruled similar to a balance book, with the cross lines a little wider apart. On the left of the page, a space for the names, followed by twelve columns, ruled for dollars and cents, representing the twelve months of the year. Every account upon the individual ledger should be entered in the register, and when a pass book of a depositor is settled, the date of the settlement and the balance of the depositor should be entered in the proper month's column.

Should any bank official offer as an excuse, against the introduction of the changes suggested, that the expense is more than the business will justify, the reply is, that there is something radically wrong with a business that does not produce sufficient profit to warrant its being carried on with all the safeguards that can be thrown around it to insure its safety, and the sooner the cause of the failure of the earning power is discovered and corrected the better it will be for the stockholders, depositors and the public. What would be thought of the merchant or manufacturer who carried no insurance against loss from fire upon the ground that the profits of the business did not warrant the expenditure of the insurance premium? All business must be conducted upon safe and prudent lines, and extraordinary risks are sure, sooner or later, to bring disaster to those who assume them, banking men not excepted.

The large majority of employees are absolutely honest; those who have turned out to be defaulters, except in some isolated cases, were not dishonest at heart but yielded to temptation, owing to the ease with which they could cover up their rascality under the poor system of bookkeeping used. The examinations made by the Department of Justice at Washington, through expert bank accountants, of the books of the recently failed National banks confirm this statement. EDWARD P. MOXEY.

PHILADELPHIA, Pa., January 3, 1898.

The author of the foregoing article has been for a number of years past an expert examiner of banks, representing the Bureau of the Comptroller of the Currency and the Department of Justice at Washington. His work in the examination of failed banks, and in bringing to light some notable defalcations, makes his suggestions of more than ordinary value. In future papers Mr. Moxey will tell about other bank books that need watching.

NEW YORK SAVINGS BANKS.—A striking exhibit in the Annual Report of the Superintendent of the Banking Department of the State of New York, transmitted to the Legislature on January 1, is the large resources of the Savings banks of the State, compared with those of other banking institutions.

The resources of the Savings banks exceed those of the banks of deposit and discount, the trust companies, safe deposit companies and building and loan associations all combined, amounting to $839,671,900, against $832,155,-501 for the other classes of moneyed institutions. In a State having such a large amount of capital invested in State banks of deposit and discount, and where the trust companies hold such a large amount of estate funds, it is remarkable that their resources should be exceeded by the Savings banks, which derive the bulk of their deposits from those in moderate circumstances.

The trustees of the Savings banks in New York State serve without compensation, and all the earnings of the banks belong to the depositors, there being no stockholders. That the condition of these banks is so satisfactory is a strong proof of the excellence of their management, and is a good indication of increased thrift and easier circumstances of the masses of the people.

A system that has produced such results is worthy of study. The advocates of the establishment of Government Savings banks may especially find much food for thought in these figures.

HISTORY OF THE LEGAL-TENDER NOTE.

The first Act authorizing the issue of legal-tender notes, known popularly as greenbacks, was approved by President Lincoln on February 25, 1862. It provided for an issue of $150,000,000 notes in denominations of not less than five dollars. By the same Act all holders of these notes were permitted to deposit any sum not less than fifty dollars or any multiple thereof, with the Treasurer of the United States or any Assistant Treasurer, and receive United States bonds bearing six per cent. interest.

The first notes issued bore date March 10, 1862. On June 7 of the same year a further issue of $150,000,000 was recommended by Secretary Chase, and was approved by Congress and the President on July 11, 1862. Of this second $150,000,000, thirty-five millions were authorized to be in denominations less than five dollars.

A third issue of $150,000,000 was authorized March 3, 1863, making a total of $450,000,000. This last Act, however, rescinded the right given by the original legal-tender Act of February 25, 1862, to holders of the notes to exchange them for six per cent. bonds. It provided that "the holders of United States notes issued under former Acts shall present the same for the purpose of exchanging them for bonds as provided therein on or before July 1, 1863, and thereupon the right to exchange the same shall cease and determine."

In this sketch we are not concerned with the motives which led Congress to deprive the legal-tender note of its convertibility into bonds at the option of the holders of such notes.

The Acts of February 25, 1862, and July 11, 1862, authorized the Secretary to issue United States bonds at the market value thereof in exchange for legal-tender notes. The Act of March 3, 1863, removed the restriction, confining the exchange of notes for bonds to the market value.

The withdrawal of the privilege to holders of notes to exchange them at their option for bonds bearing six per cent. interest did not at this time work any great hardship, for so abundant were the bond issues, and issues of various interest-bearing certificates of indebtedness, that any holder of legal-tender notes could find profitable investment for them in Government securities without the repealed provision. It was only after the war had closed and the issues of new securities ceased that the absence of this provision begun to prevent the absorption of the legal-tender notes.

Many of the securities issued consisted of legal-tender notes bearing interest, compound and simple, and these were in denominations that caused their circulation as money.

The highest amount of legal-tender notes outstanding at any date was on January 3, 1864, $449,338,902.

The depreciation of the value of the legal-tender notes was accelerated by the issue of the short-time interest-bearing securities in such large amounts. During the calendar year 1862 the average gold premium was 113.3. During

1863 the average premium was 145.2, and during the year 1864 it was 203.3. In July, 1864, this premium reached its highest point. For that month it averaged 258.1.

In the Act of June 30, 1864, Congress provided that, "the total amount of United States notes issued or to be issued, shall not exceed four hundred millions of dollars, and such additional sum, not exceeding fifty millions, as may be temporarily required for the redemption of temporary loans.

In 1865, the Secretary of the Treasury, McCulloch, expressed the opinion that the legal-tender Acts were war measures and ought not to remain in force one day longer than should be necessary to enable the people to prepare for a return to the gold standard. The House of Representatives passed a resolution almost unanimously, cordially concurring in the views expressed by the Secretary in relation to the necessity of a contraction of the currency, with a view to as early a resumption of specie payments as the business interest of the country will permit. A law approved March 12, 1866, provided for the retirement and cancellation of not more than ten millions of legal-tender notes within six months of the passage of the Act, and thereafter not more than four millions during any one month. The effect was to reduce the legal-tender notes outstanding on December 31, 1867, to $356,000,000.

This reduction and the rapid payment of the Treasury notes of 1861, of the 7.30's of 1861, 1864 and 1865, of the one and two-year notes of 1863 and the compound interest notes, which together with the legal-tender notes, were used as currency, caused so sudden a contraction of the circulating medium, and such stringency in the money market, that the complaints from all quarters so alarmed Congress that on February 4, 1868, a law was enacted prohibiting the further reduction of the legal-tender notes, and $356,000,000 was the amount outstanding until October 1, 1872. Between this date and January 15, 1874, the Secretaries of the Treasury issued notes until the aggregate stood at $382,979,815.

During the period of twenty-two months while the retiring Act of March 12, 1866, was in operation, seventy-four millions had been drawn into the Treasury, but it seems they had not been cancelled so definitely as not to leave doubts as to their permanent and irrevocable retirement.

The Secretaries of the Treasury at this time, yielding to the arguments and clamor of those who desired to inflate the currency, affected to regard the seventy-four millions which had been so retired as a reserve which might in certain emergencies be reissued, and the increase to $382,979,815 was the result. Congress, however, on June 20, 1874, enacted that "the amount of United States notes outstanding and to be used as a part of the circulating medium shall not exceed the amount of $382,000,000, which said sum shall appear in each monthly statement of the public debt, and no part thereof shall be held or used as a reserve."

In 1875 another attempt was made to reduce the aggregate amount of the legal-tender notes preparatory to the resumption of specie payments. The Resumption Act, January 14, 1875, contained a provision authorizing the retirement and cancellation of legal-tender notes equal to eighty per cent. of the National bank notes thereafter issued until the amount of legal-tender notes outstanding should be $300,000,000, and no more. Under the operations of this law $35,318,984 of legal-tender notes were retired, but on May 31, 1878, further reduction of the legal-tenders was forbidden by Congress, and the amount outstanding at that date has continued the maximum until the present time.

On January 1, 1879, the resumption of specie payments took place as provided in the Act of January 14, 1875. In the meantime desperate efforts had been made to repeal the provision for redemption of the legal-tender notes in coin, but without effect.

At the time the Resumption Act was passed in 1875 there was no legal-tender coin in existence recognized by United States law except the gold coinage of the country, but in February, 1878, less than a year before resumption, the coinage of standard silver dollars was authorized. These coins were made a legal tender for all debts, etc., unless otherwise expressly stipulated in the contract.

Whether the legal-tender notes, the redemption of which in coin was provided for in 1875 when the only coin in existence recognized as legal tender by law was gold coin, can be paid in silver dollars, is a question which cannot be answered satisfactorily to those who advocate a return to the silver basis. But the general and doubtless sound construction of the law of 1875 is that it was an express contract to redeem the legal-tender notes in the coin then recognized as legal tender and in such coin only, that is in gold coin. As a matter of fact, from 1879 to the present day, the Treasury has continued to redeem the legal-tender notes in gold coin.

The constitutionality of the Acts authorizing the legal-tender notes was first passed on by the United States Supreme Court in the case of *Hepburn* vs. *Griswold*, in 1869. This suit was on a note made in 1860 before the Acts were passed, but fell due five days after the approval of the Act of February 25, 1862. The maker of the note tendered legal-tender notes in payment, which were refused. The court held that the Acts were unconstitutional. The Supreme Court at the time this case was argued and decided consisted at first of eight and afterwards of seven members only, instead of the full number of nine. The vacancies were filled by President Grant, and a new case being brought before the full court, the decision in *Hepburn* vs. *Griswold* was reversed, and the legal-tender Acts were declared constitutional both as to transactions before and after their enactment. The reversal rested mainly on the war powers of Congress given by the Constitution.

This still left open the question whether such notes issued in time of peace were also constitutional. Thus admitting that the original issues were in accordance with the fundamental law, it was still doubtful whether, after these original issues were redeemed or paid into the Treasury, *the reissues* made in time of peace to carry out the law of Congress of May 31, 1878, requiring a certain maximum of notes to be always kept in circulation, were equally constitutional. A case came before the court and was decided in 1883. The opinion of the court was that under the Constitution Congress has power, if it deems it expedient, to issue legal-tender notes to any amount either in time of peace or war.

At the time of the resumption of specie payments the sum of one hundred and thirty-five millions of gold coin and bullion was held to provide for the redemption of such notes as might be presented. This was about forty per cent. of the notes outstanding. There was no provision requiring the Secretary to keep on hand any fixed percentage of gold coin. In the Act of May 12, 1882, however, a proviso was inserted that whenever the gold coin and gold bullion in the Treasury reserved for the redemption of United States notes falls below one hundred millions of dollars, the issue of gold certificates shall cease. This has been held to indicate that one hundred millions of gold coin and bullion was regarded by Congress as the limit below which the reserve for the redemption of legal-tender notes should not be permitted to fall. At least it fairly implies that when the reserves fall to this limit that there should be a cessation, as far as the Treasury is able to bring such cessation about, of all influences likely to deplete the gold still on hand or prevent the accumulation of more. By action of the officers of the Treasury this one hundred millions appears in the accounts as a special reserve on legal-tender notes.

The gold reserve accumulated for resumption purposes was intended as a reserve upon legal-tender notes alone of the aggregate amount of $346,681,016. It was originally $135,000,000, and a minimum below which it should not fall of $100,000,000 was fixed by the Act of May 12, 1882, at least the Act has been practically so considered, as mentioned above.

If this reserve had not been called upon to bear other burdens there would probably never have been any doubts as to its sufficiency. In 1878, however, began the coinage of silver dollars and the issue of silver certificates. These notes were kept at par in gold by their interchangeability in the operations of commerce for legal-tender notes. They were thus an indirect charge on the gold reserve. From 1878 to 1890 they increased at the rate of over $2,500,000 a month. In that year (July 14, 1890,) an Act was passed providing for the issue of Treasury notes in the purchase of silver bullion, which provided also for the coinage of some of the bullion purchased into silver dollars. These Treasury notes were redeemable both in gold and silver, and as the Government never availed itself of its option to redeem in silver when gold was demanded for them, these notes as they were issued became a further burden on the gold reserve provided for the legal-tender notes.

By the beginning of the year 1893 the legal-tender notes, silver certificates and Treasury notes had reached an aggregate of nearly $800,000,000, all depending on the Treasury reserve for gold redemption.

This reduction of the percentage of gold held to the amount of the demand liabilities raised doubts as to the ability of the Government to maintain gold payments, and the legal tenders and Treasury notes were presented for redemption. The depletion of gold was so great that on one or two occasions there was danger that the reserve would be exhausted, and resort was had to the sale of bonds to procure gold to replenish the reserve.

The issue of further Treasury notes was stopped by the repeal of the Act of 1890 in November, 1893, and since this repeal confidence in the ability of the Treasury to maintain gold redemptions has been gradually restored.

Under the provisions of the Act of May, 1878, the legal-tender notes when redeemed cannot be canceled. They must be paid out again, and therefore when reissued they may again be presented for redemption. This constitutes the so-called endless chain by which the gold in the Treasury is always liable to be drawn out.

The legal-tender notes, therefore, supplemented by the silver certificates and Treasury notes, constitute under present law a perpetual threat to the credit of the United States and the maintenance of the gold standard.

THE BANK OF SCOTLAND.

The Scots have long been known for their thrifty and frugal habits. These qualities naturally lend themselves to the deposit side of banking, and they are admirable antidotes, along with industry and ability, to an ungenial climate and a stubborn soil. But banking is also dependent on political security and the peaceful pursuits that follow in its train. It also expands with the wider area over which the national commerce extends. In short, it is bound up with all that makes for the weal or woe of the nation.

About the close of the seventeenth century the goldsmiths in Scotland performed banking of a kind. The country was then poor, distracted by civil war, and the population small and scattered. It speaks much for the foresight and courage of its promoters that under such unfavorable conditions a Scottish banking establishment should have been formed. The Bank of England had been founded in 1694, and its provisions were adopted in the main for its Scottish prototype—the Bank of Scotland.

To an English merchant—John Holland—is due the initial movement for setting the Bank on foot in 1695. An Act of the Scottish Parliament was passed on July 17, 1695, which stated that "Our Sovereign Lord, considering how useful a publick Bank may be in this kingdom, according to the custom of other kingdoms and states, and that the same can only be best sett up and manadged by persons in company with a joint stock sufficiently indued with these powers and authorities and libertys necessary and usual in such cases * * * a joint stock amounting to the sum of twelve hundered thousand pounds money" (£100,000 sterling) was allowed "to be raised by the company hereby established for the carrying on and manadging of a publick Bank."

The subscribers to this joint stock were "declared to be one body corporat and politick by the name of the Governors and Company of the Bank of Scotland," with perpetual succession and a common seal. The Bank was prohibited from all commerce, traffic or trade, "excepting the trade of lending and borrowing money upon interest, and negotiating bills of exchange allenarly (only) and no other. It was also declared that for the space of twenty-one years after the date of the Act it should not be lawful "to any other persons to enter into and sett up any distinct Company of Bank within this kingdom."

The Act contains the wise proviso that dividends could only be paid out of the Bank's profits. There was also a curious clause by which aliens purchasing the Bank's stock would *ipso facto* become naturalized subjects. This was largely availed of in the beginning of the century by refugees, Jews and others. This power of naturalization was, however, taken away by an Aliens Act passed by the British Parliament in 1818.

The main features of this, the first Scottish Bank, are: (1) That the capital took the form of joint stock. (2) That the subscribers formed a corporation. (3) That it obtained a monopoly of banking in Scotland for twenty-one years.

The joint stock feature remains to this day distinctive of Scottish banking, although it had for a long time numerous wealthy private banks as competitors. These, however, in the struggle for existence, have not been fated to survive, and so the joint stock banks now reign supreme.

As regards the "corporation," this word imports in the eye of the law that only the funds belonging to the corporation, and not to the corporators, *i. e.* the persons forming the corporation, can be held liable for the debts due by the corporation. The practical effect of this is to limit the liability of the stockholders to the amount of stock subscribed for by them. Then with reference to the monopoly, this lasted till May 31, 1727, when the Royal Bank of Scotland obtained its charter.

The Bank of Scotland was at first purely a bank of issue, for it issued notes from the outset, and a clause in the Act provided for legal measures to be taken to enforce payment of these notes or "tickets." The famous £1 notes date from 1704. The other denominations were at first £5, £10, £20, £50 and £100, and later on £2 2s., £2 and £1 1s.

In order to float these "tickets" and so obtain the money which they represented, the Bank opened branches in Glasgow, Aberdeen, Dundee and Montrose. This inland exchange trade did not thrive, for the money lodged at the places named could not be redrawn thence by bills from Edinburgh, but had to be taken back by horse carriage. The directors fell back on this theory of a bank—that it was "chiefly designed as a common repository of the nation's cash, a ready fund for affording credit and loans, and for making receipts and payment of money easy by the company's notes." The more freely the notes were taken, the more money the Bank was able to lend out at interest.

In 1704 it had £50,874 of notes in circulation, or five times its paid-up capital.

The part performed by the note circulation is a most important one. As the celebrated John Law said of the Bank of Scotland: "Its notes went for four or five times the value of the money in the Bank and so much was added to the money of the nation. Its notes passed through the whole country, while those of Amsterdam only in that town, and those of the Bank of England are of little use but at London."

The Cash Credit System.

As a powerful agent in keeping Bank notes in active circulation stands out the cash credit system—a peculiarly distinctive feature of Scottish banking—which also served well the purpose of the borrowing public. The Royal Bank of Scotland opened the first credit account in 1728, the Bank of Scotland following in 1729. Previous to this period the latter used to lend money mainly on mortgages, personal bonds, and discounts. The loans were charged interest at the rate of 6 per cent. with an abatement of 2 per cent. if regularly paid every half year; but the rate of discount on bills was 8 per cent. for sums above £50, and 12 per cent. for smaller sums. The loans were thus preferred to the bills.

The cash credit system, besides helping the note circulation immensely, aided greatly in providing capital for the traders and agriculturists of a poor country such as Scotland then was. In fact, nothing contributed so much to the prosperity of Scotland during the eighteenth century as this banking feature alone. It was well described by the House of Lords Committee in 1826:

"There is also one part of their system, which is stated by all the witnesses (and in the opinion of the committee very justly stated) to have had the best effects upon the people of Scotland, in producing and encouraging habits of frugality and industry. The practice referred to is that of cash credits. Any person who applies to a bank for a cash credit is called upon to produce two or more competent securities, who are jointly bound, and after a full enquiry into the character of the applicant, the nature of his business and the sufficiency of his securities, he is allowed to open a credit, and to draw upon the Bank for the

BANK OF SCOTLAND.

Main Office at Edinburgh.

whole of its amount, or for such part as his daily transactions may require. To the credit of his account he pays in such sums as he may not have occasion to use, and interest is charged or credited upon the daily balance, as the case may be. From the facility which these cash credits give to all the small transactions of the country, and from the opportunities which they afford to persons who begin business with little or no capital but their character, to employ profitably the minutest products of their industry, it cannot be doubted that the most important advantages are derived to the whole community The advantage to the banks who give these cash credits arises from the call which they continually produce for the issue of their paper, and from the opportunity which they afford for the profitable employment of part of their deposits. The banks are indeed so sensible that, in order to make this part of their business advantageous and secure, it is necessary that their cash credits should (as they express it) be frequently operated upon, that they refuse to continue them unless this implied condition be fulfilled."

The evidence of Mr. Blair, Treasurer of the Bank of Scotland, in regard to his Bank's experience of cash credits is as follows: "I literally have hardly ever heard of a bad debt by cash accounts. The Bank of Scotland, I am sure, lost hardly anything in an amount of receipts and payments of *hundreds of millions. They may have lost a few hundred pounds in a century.*"

The salaries paid to the Bank staff were on a small scale at first. The treasurer, as the chief officer in the Bank of Scotland is designated, received in 1697 a salary of £100 a year, the Accountant £60 and the Secretary £25. The annual wages of the messenger were only £12, while the directors received emoluments to the extent of £120, the total cost salaries of the staff and directors being £652 for the year.

Establishment of Branches of the Bank.

After the abortive efforts to establish branches in 1697 and 1698 at a few towns the Bank did not renew the attempt until 1731, when it had again to close them. The times were not propitious. Between 1768 and 1776, however, branches were opened in Glasgow, Dumfries, Ayr, Inverness, Kilmarnock, Kelso, and Stirling.

The branch system in Scotland has received it greatest extension during the past fifty years, for the number of banking offices in 1819 was 127, in 1830 172 and 396 in 1845; to-day the number is about 1,200. In 1819 the Bank of Scotland had only thirteen branches; it has now 120. This system of branches is without doubt a peculiarity of Scottish banking. Compared with any other country, the number of bank offices stands higher in Scotland, relative to population. The Scottish bankers have been reproached with sweeping the country of its floating money. This has been done through the branches acting as reservoirs for the deposit money of the country, and through the notes of the banks popularizing their establishment in even the remotest parts. The expense of maintaining so many branch offices in places where they they cannot all be said to be self-sustaining is a matter which is bound up in the question of note issues and the benefits derivable therefrom.

Until the Act of 1845 was passed, bankers were free to issue notes. Even traders and all and sundry manufactured and put them into circulation. This abuse was checked by the Bank Act of 1845 (Scotland) which confined the right of issue to the then existing banks and the amount—termed the authorized circulation—to certain defined limits. Beyond these limits coin must be held equal to the excess. The purpose of this Act was "to regulate the quantity of the paper circulation, so as to keep its value identical with what the value of the metallic currency would be." It is only against the excess of notes in actual circulation over the authorized issue that gold must be held by the Scottish banks. The notes which they keep in their coffers as till-money require no coin to be kept against them. It is only when a note is out of the Bank's hand that it comes under the provisions of the Act. By the power which the banks enjoy to keep their own notes as cash, they are spared the necessity of providing coin to that extent, and it is because of this potential power that they are able to maintain so many branch offices in existence.

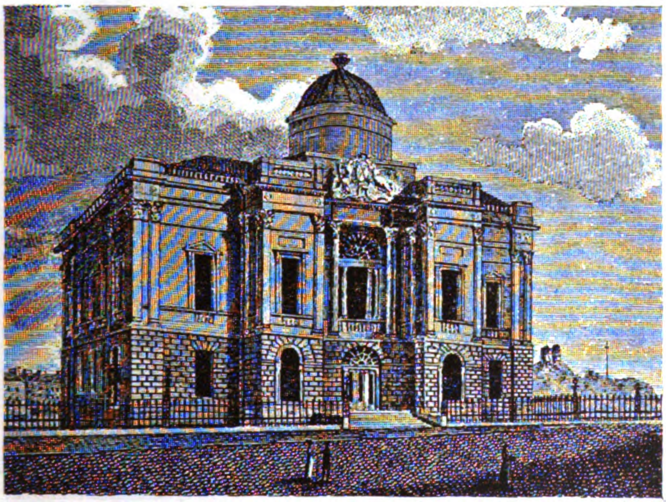
BANK OF SCOTLAND, EDINBURGH.

Entrance Hall and Corridor.

Increase of the Deposits.

The deposit system is another feature characteristic of Scottish banking, and necessarily dependent on the extent of branch banking. The deposits of the Bank of Scotland amounted in 1728 to £418. In 1729 money was received on deposit on the bank's bond or bill, with interest at five per cent. In 1731 the rate was fixed at four per cent. for twelve months, and three per cent. for six months. In 1762, both it and the Royal Bank of Scotland advertised that "they would receive money at their respective offices on receipt for six months certain at five per cent. per annum, and at four per cent. for accounts repayable on demand; that this measure was taken to avoid the inconvenience of a sudden call upon their debtors and towards the support of public credit, trade and manufactures, which had always been the care of the banks." As the banks could not make a profitable use of their deposits, they repaid these in the following year. Later on, in 1789, the deposit system really began when three per cent. interest was allowed on deposits payable on demand, and a higher rate for a fixed period. Naturally when the branch system reached its height, deposits were greatest. Until a very recent period the banks allowed interest on all deposits whether lodged on receipt or on current account. Now interest is only given on deposit receipts which have remained in bank one month or longer. These receips constitute about two-thirds of the whole deposits; the current accounts which represent the remaining third receive no interest. The growth in deposits may be seen by the following figures: Total bank deposits in Scotland in 1826, 20 millions sterling; in 1845, 33 millions; in 1896, 95 millions sterling.

Shortly after the Bank of Scotland was established it was employed by the Government to receive and issue the new coin which was to take the place of the debased old coin in circulation when, in 1707, the union of the



BANK OF SCOTLAND, EDINBURGH.

As it appeared in 1806.

English and Scottish Parliaments was effected. The old coin amounted to £411,117 sterling, and the Bank was paid one-half per cent. for the service. From 1355 to 1707 the Scottish money had sunk till it was only a twelfth part of the value of English money of the same denomination, one penny sterling being equivalent to one shilling Scots, and one pound Scots only equalling twenty pence sterling.

Previous to this coinage operation the Bank was led into trouble and in December, 1704, had to stop payment. This stoppage was caused by "the scarcity of money all over the kingdom," and by "a report that the Privy Council was to cry up the value of specie." So said a "Memorial and Intimation from the Governor and Company of the Bank," which added that "on Monday, the 18th of this instant, December, the money in the Bank was wholly exhausted and thereby payments stopped."

A committee appointed by the Privy Council to inquire into the Bank's books reported that "the Bank had sufficient provision to satisfy and pay

BANK OF SCOTLAND.

New Building in Bishopsgate Street, London.

all their outstanding bills and debts, and that with a considerable overplus." The run on the Bank came to an end soon after.

In 1715 when the Jacobite standard was hoisted "on the braes of Mar," the Bank's cash was lodged for safety in the vaults of Edinburgh Castle. The then Treasurer of the Bank, Mr. David Drummond, was said to have been a Jacobite and to have taken part in the historic battle which decided the fate of the first Jacobite rebellion. He acted as treasurer of a fund which was afterwards raised for the defence of the prisoners charged with high treason. When the Bank resumed business it allowed interest on its notes for the time that payment of them had been stopped, as it had done seven years previously. The Jacobite rebellion of 1745 was a much more serious affair, but it had at Culloden a more disastrous ending. When the troops of Prince Charlie captured Edinburgh, the Castle held out and thither the Bank of Scotland and Royal Bank of Scotland sent their cash for safe keeping. While this hostile occupation of Edinburgh lasted no bank business was transacted save an exchange of bank notes for gold to the Pretender under a flag of truce. Business was resumed when the Highland army left Edinburgh for their march into England.

After the final suppression of the Jacobite rebellion the trade and commerce of the two countries advanced greatly, and their intercourse was more harmonious ; and by this improved relationship the banks benefited. The Bank of Scotland increased its original capital of £100,000 sterling from time to time as the exigencies of its extending business demanded. In 1774 the amount was enlarged to £200,000; in 1784 to £300,000; in 1792 to £600,000; in 1794 to £1,000,000; in 1804 to £1,500,000; and in 1873 to £1,875,000 of which £1,250,000 was paid up, leaving a liability on the part of shareholders to the extent of £625,000. When the bank obtained leave in 1873 to create this additional capital the power was granted subject to the condition that any new capital granted should be placed on the same footing as the previously existing capital, viz.: two-thirds called up and one-third callable.

The Bank of Scotland in common with the other Scottish banks has cultivated the discount of bills, advances on current accounts and on cash credits. Bills still remain as indispensable instruments of commerce. Advances on open accounts are now given for fixed periods, the interest on them being paid beforehand. Temporary loans against produce, stocks, etc., are also made, showing that banking is ready to adjust its methods to the needs of the times. With regard to cash credits, these are not so common as formerly and their decadence is due to many causes. They are less in demand by the community. Such loans undoubtedly imply the locking up of money for a considerable time, since the arrangement cannot be lightly disturbed save for good reasons once a cash credit has been granted. Bankers like to have a certain amount of money at call, and therefore a limit would fall to be set on the amount lent under cash credits. The Bank of Scotland and the Royal Bank of Scotland were obliged in 1762 to restrict their advances on cash credits to three-fourths the amount of each credit. This is a proceeding which could hardly be resorted to nowadays. When a bank grants a cash credit it renders itself liable for the difference between the amount actually drawn and the full amount of the credit. Then repeated troubles have arisen to banks owing to lawsuits brought against them through alleged irregularities in the keeping of cash credits and in dealings

THE EARL OF STAIR, K. T.

Governor of the Bank of Scotland.

with the sureties. Advances on letters of guarantee appear to be preferred to those by way of cash credit, simplicity and directness being desiderated in all instruments of debt.

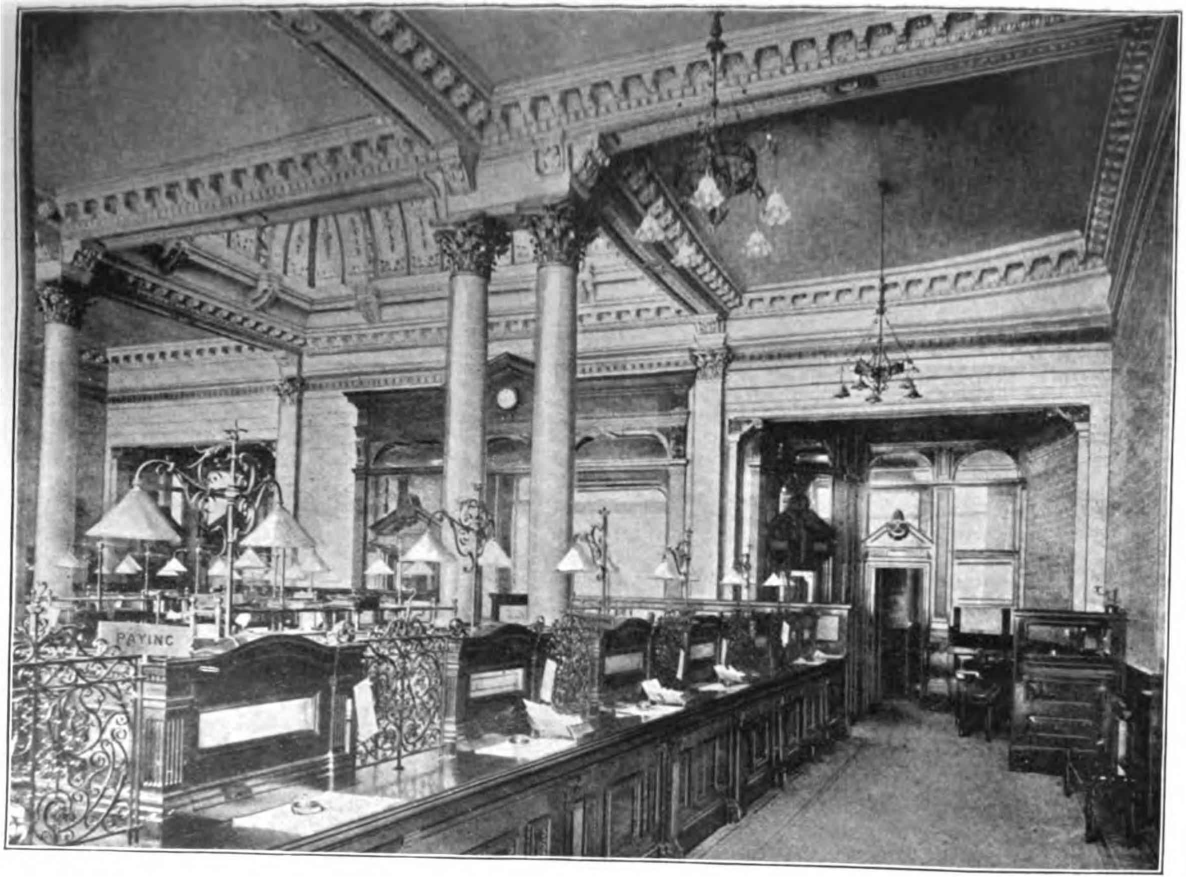
In its early days the Bank of Scotland had for head office a humble abode in the Parliament close, Edinburgh. Afterwards it betook itself to the old Bank close, nearly opposite the Advocates' Library. In 1806 it emerged from its obscurity and moved to new premises at the top of the earthen mound, which cuts in two the well-known Princes Street Gardens. As will be seen the building is a solid and chaste structure with a dome rising from the center. A range of Corinthian pilasters decorated its second floor, and over the door was a Venetian window ornamented with two columns of the Corinthian order and surmounted with the arms of the Bank. The needs of business, however, demanded an extension of this building, on which a considerable amount of money was expended. To the old structure two wing additions were made; the building was considerably heightened and the frontage extended. A handsome hall and corridor form part of the new building, which was formally opened to business in 1868. It stands on a commanding eminence, and with its figure of Fame seven feet high on the top of the dome, arrests attention.

Administrative Affairs of the Bank.

The affairs of the Bank of Scotland are directed by a Governor, Deputy-Governor and twelve ordinary directors. In accordance with the Bank's Act of Parliament three of the latter retire annually by rotation, but are eligible for re-election. The Governor is usually a Scottish nobleman of high character and business ability. The portrait painted by the famous Sir Henry Raeburn of one who long adorned the post—Viscount Melville—hangs in the Bank's hall. The present holder of the office is the Earl of Stair, who received lately a substantial tribute of regard from a county

LORD BALFOUR OF BURLEIGH.

Deputy Governor of the Bank of Scotland.



BANK OF SCOTLAND, LONDON.

Interior of Main Office.

BANK OF SCOTLAND, GLASGOW (TO LEFT).

where he acted for long as Lord Lieutenant. The Deputy Governor, Lord Balfour, of Burleigh, is Secretary of State for Scotland in the British Cabinet, and his business capacity is well known throughout the country. The ordinary directors are drawn partly from the land-owning class, on whom the administrative work in their respective counties principally falls, and partly from the professional classes, such as advocates and writers to the signet, and partly from the mercantile community. The directors enter minutely into the affairs of the Bank. All the Bank appointments, granting of loans, etc., must first be submitted to them for approval. To facilitate matters they form committees of their number to overtake the various sections of their important labors.

The most important branches of the Bank are in London and Glasgow. By the kindness of Messrs. Waterlow & Sons, Ltd., a reproduction of their photo-lithograph of the exterior and interior of the Bank of Scotland, London, is given.

Although the London office is only a branch it has most important functions to perform in virtue of its place in the financial world. The Manager of the Bank there is expected to keep the directors informed of the movements in the principal stocks, and of the general current of affairs, in addition to carrying on the business conducted between it and the Scottish offices of the Bank. The importance of the London office becomes greater as the loans made in Scotland tend to diminish through the centralization of financial settlements in the English metropolis. In Scotland Glasgow takes the first place, its population being so considerable and ranking in that respect next to London.

The Bank of Scotland has a good hold of business in Glasgow, its Manager being much respected there. Its office is very favorably situated for business, and is near the main railway terminus and opposite the gardens in which statues of Glasgow's famous men have been set up.

ABSTRACT BALANCE-SHEET

As at 27th February 1897.

LIABILITIES.			
I. To the Public:—			
Note Circulation		£1,035,781 0 0	
Drafts issued payable within fourteen days		241,400 12 6	
Deposits		14,478,328 9 8	
Acceptances:—			
To Banking Customers	£756,792 2 3		
To other Customers	289,844 18 8		
		1,046,637 0 11	
			£16,802,147 3 1
II. To the Proprietors:—			
Paid-up Capital		£1,250,000 0 0	
Reserve Fund		825,000 0 0	
Half-yearly Dividend, payable 15th April 1897		75,000 0 0	
Balance of Profits carried forward		15,904 14 10	
			2,165,904 14 10
Total Liabilities			£18,968,051 17 11
ASSETS.			
Gold and Silver Coin, Notes of other Banks, Cash Balance with the Bank of England, and Cheques in course of transmission		£1,302,639 14 11	
Government Securities, and Money in London at call or payable within twenty days		4,844,129 18 3	
Indian and Colonial Government Securities, and other Stocks and Investments		1,255,889 17 3	
			£7,402,659 10 5
Bills Discounted, Cash Accounts, and other Advances		£9,908,386 11 11	
Bank Premises at Edinburgh and Branches		237,981 6 11	
Freehold Property, Bishopsgate Street, London		188,423 7 6	
Heritable Property yielding Rent		183,964 0 3	
Liabilities of Banking and other Customers for Acceptances by the Bank, as *per contra*		1,046,637 0 11	
			11,565,392 7 6
Total Assets			£18,968,051 17 11

In connection with the Bank's branches the tendency now is to establish them in towns where building extension appears to necessitate such a step.

The Treasurer, or chief officer of the Bank of Scotland, is Mr. James A. Wenley, who has been now over fifty years in the Bank's service. A Jubilee portrait, in commemoration of so long a connection and subscribed for by the staff, has been painted by Sir George Reid, President of the Royal Scottish Academy, and will be presented one of these days, the intention being to hang it in the Bank. Mr. Wenley's oldest son, it may be mentioned, is Senior Professor of Philosophy in the University of Michigan. The Treasurer is responsible to the directors, and along with the Secretary attends the

Board's meetings several times a week for discussion and transaction of the Bank's business.

The other leading officers are the Accountant, who is answerable for the entire bookkeeping of the Bank, the Cashier, who has charge of the notes and cash, and the Superintendent of Branches, who has the important duty of supervising all the loans made at the branches and the appointments of the staff officers, in fact, all that concerns the material and personnel of the branches.

The rate of dividend paid by the Bank during its early years was from twelve to thirty per cent., then it fell to seven or eight per cent., at which it remained for the first portion of the century. The dividend is now twelve per cent. The average rate of dividend and bonus paid from 1699 to 1810 was £9, 19s.; from 1810 to 1881, £9, 4s., 11d., and from 1699 to 1881 £9, 13s., 9d. The Bank's stock averaged in price £156 from 1800 to 1810; from 1810 to 1881, £216, and from 1800 to 1881, £212. It is now selling at £370. The Bank's shareholders number 2,210 in all.

The Bank is the oldest of the Scottish banks, its bicentenary having occurred in 1896, and its resources are also the largest, being close on nineteen millions sterling, or nearly $100,000,000. It is thus a not unworthy representative of the solidity and stability of our Scottish banking establishments.

J. MACBETH FORBES.

EDINBURGH, Scotland.

NO BONDS NECESSARY.—The "New York Press," which is giving a careful and intelligent review of the several plans presented for reforming the currency, comments approvingly in a recent issue on the plan of the Editor of the MAGAZINE to retire the demand notes of the Government, as proposed in 1894 at the Convention of the American Bankers' Association, and more recently in reply to the interrogatories of the Monetary Commission. In reference to our suggestion to issue bank notes on the security of Government notes deposited in the Treasury, the "Press" says:

"This is important as showing anew what Secretary Gage showed—that, in reducing the demand obligations of the Government to manageable proportions, there is no necessity of giving to the voice of demagogy a new variation of its old tune of 'Government bonds for bank leeches.' It differs from Mr. Gage's proposal only in the method of the ultimate cancellation of the notes, and, we think, on the whole, improves upon it. Mr. Rhodes' idea is that this demand debt should be slowly extinguished by means of a sinking fund from surplus revenues. Mr. Gage's is that it should be bonded at the discretion of the Treasury Department.

The advantage of the Gage plan is, of course, that it more rapidly and safely disposes of the whole subject. It puts this great mass of debt beyond the reach of all repudiation, save of a sort too brutally direct to be likely of attempt even by a Free-silver Congress and President. But this advantage is too slight and remote to offset the plentiful chances for misrepresentation which the plan offers.

But this point of difference in detail should not be allowed to obscure the great point of agreement in general of the plans. That consists in making non-interest-bearing United States notes, instead of interest-bearing United States bonds, the basis of bank circulation, and thus disarming both the open and secret foes of the gold standard of the weapon with which the one slashes the country's credit from in front and the other stabs it from behind. 'If it shall be decided,' in the language of the Monetary Commission, 'to retire the United States notes,' it can certainly be done 'without adding to our bonded debt.'"

POSTAL SAVINGS BANKS.

THEIR EVIL EFFECTS UPON THE COUNTRY.

The reader is asked to recall the old story of the fellow who, having absorbed somewhat of doctor-books, imagined himself so well equipped for the profession that he ventured to hang out his shingle ; also, that in due time he was called upon to prescribe for suffering humanity; how, in a critical case, he ran against a snag in knowing neither how to treat nor to diagnose ; his perplexity thereat, and, as a resort to heroic treatment, this final announcement : "Now, if I could only succeed in throwing the patient into fits, I could easily pull him through, for I am great on fits."

A condition not unlike the above may be that of the United States—financially sick. Standing over the patient, we have a goodly army of attending and consulting physicians of the various conflicting schools. Among these are some, who, through the medium of a Postal Savings Bank, are endeavoring to throw this country into financial "fits." And all this, too, in the hope of curing our financial ills, and forever settling the mysterious question of public finance.

To such as are not in position to foresee its workings, the postal savings project presents several very attractive sides. Its advocates are among our most worthy citizens, and, being honest of conviction, their opinions must command respect.

To others, whose station gives greater opportunity for measuring results, the proposed project means disaster, and nothing but disaster, to the industrial and commercial interests of this country.

THE WITHDRAWAL OF CAPITAL.

One of the direct results of the operation of a postal savings institution would be the withdrawal of capital from every nook and corner of the land; and, too, from communities that can ill afford to lose it. The project would open out a channel that might ultimately drain to the dregs every village, city, county and State of the Union. Such a condition would prove so serious and so far-reaching in its effect as to block the wheels of industry, hamper the pursuits of agriculture and paralyze the marts of trade. Verily, a community robbed of its capital soon sinks to depths of pauperism.

Surplus capital, not unlike the flowing water, seeks and finds its level. This surplus, so called, is commonly loaned by neighbor to neighbor, or drifts into the banks, the trust companies or loan associations. From these latter institutions it is usually sent forth on errands of usefulness to the people of their respective localities. This identical surplus is the power which moves our grain, cotton and other products of the soil; which brings to surface and transports to market our coal and iron; which builds and fills our stores and warehouses, drives our ships and railway trains, and, in short, the "stuff" which blows the breath of life into the nostrils of every successful enterprise.

The private citizen in need of financial assistance must either call upon his neighbor or bank to tide him over. Surely, the Government cannot anticipate the individual needs of seventy million people, nor undertake to satisfy their manifold wants. But the Government should not make it impossible for the people to help themselves, or to help each other, yet this is the logical outcome of the proposed scheme; and that the Government shall step in, drain the community of its surplus capital, making money an unreachable luxury—in fact, *a monopoly in the hands of the Government.*

AWAKENING DEAD CAPITAL.

One of the strongest arguments favoring the measure is a sanguine hope that, somehow, the introduction of postal Savings banks might be the means of unlocking secreted wealth. In a measure, this expectation might be met. But never fully, for, unfortunately, very many of our money mound-builders are so firmly fixed in habit, and so distrustful of things in general, that they absolutely refuse to accept either bank or Government paper. Nothing but the golden coin satisfies their morbid desires, and all the postal systems of the globe could not call forth their hoardings.

But, conceding the possibility of a partial resurrection, it is still here assumed that while the Government is employed in bringing forth a hundred hidden dollars, it is also engaged in locking up as many thousand. And so it comes, that in anxious effort to enlarge the working capital of the people, the Government has actually diminished that capital, bringing about a condition directly opposite to the end sought.

RATES OF INTEREST—CONCENTRATION OF CAPITAL.

It is a recognized fact that when there is an active, urgent demand for money, with an inadequate supply to meet that demand, lenders exact higher rates of interest. Furthermore, it is known that excessive rates of interest operate seriously against the advancement of business enterprise.

It is quite apparent that there is a strong, growing sentiment against undue concentration of capital. And this concentration, even in the hands of our own Government, is looked upon as an alarming menace to the country. A large accumulation of funds offers temptation for extravagance, for jobbery and political jugglery; it also puts into the hands of unscrupulous characters a club with which to control and manipulate the money market. The Government, therefore, has no business to go out into the highways and byways, gather up the surplus means of its citizens, and cart it off to Washington, there to be kicked about like a football.

DIFFICULTY OF MAKING INVESTMENTS.

Since it would be impracticable for the Government to make loans to private citizens, it is proposed, by the promoters of the project, that investments be confined to United States, State, county and municipal bonds. This naturally raises the question: has the Government any reasonable assurance that it can always obtain bonds in sufficient quantity to keep its deposits profitably employed? Or, has it any means of knowing whether or not these bonds can be had at prices that will reimburse it for actual outlay in the payment of interest on deposits? It is safe to affirm that neither of these questions can be answered with any degree of certainty.

It is further suggested that the Government might, with advantage, invest a portion of its deposits in the erection of public buildings. Just so. Now, suppose "pinching times" strike the country (as from time to time they surely will), and people call for their money, where is that money coming from? Can the Government pay off these depositors with custom-houses, postoffice buildings and the like? Hardly.

A Limitation on Deposits.

It is proposed that a limitation shall be placed on the sum total of each individual account. Everybody who knows anything about such restrictions knows that a limitation of the kind referred to is practically worthless; he knows that when a depositor's account has reached its maximum limit, the facility with which said depositor opens additional accounts in the names of other members of his family. Hence this restriction at once becomes a dead letter.

Taking Hazardous Risks.

The running of postal Savings banks involves many hazardous risks. Notwithstanding the excellent discipline of the Post Office Department, it now has its hands more than full in keeping affairs well in line. As an adjunct to its already overcrowded business, suppose the department were to take on that of banking, what then? Under the existing system of political spoils, with frequent "ins and outs," with inexperienced and unworthy men clamoring for and obtaining control of local offices, endless entanglements and losses would be inevitable. By multiplying the opportunities for handling large sums of money, we stimulate irresponsible men to greater activity in the mad rush for office. Regarding the facilities for the safe-keeping of funds, probably not one office in a thousand is suitably equipped—and right here is another source of danger.

While frequent remittances to the department at Washington would afford partial relief to local offices, the very fact of these remittances would greatly magnify the danger through increased exposure of the railway mail service. Overload the mails with money, and they at once become easy prey to robbers—both while in transit between offices and stations and on trains crossing the country.

Never, to any considerable extent, should the mails be made a vehicle for the transportation of money, for, in so doing, *the entire mail service is kept in a constant state of jeopardy.*

A Kindergarten of Dishonesty.

If the writer mistakes not, the bill now before Congress contemplates the establishment of places of refuge for all who seek to avoid the payment of debts. In effect, the Government says to this class of individuals: "Place your money in my hands, I am willing to receive stolen property, also, with the strong arm of law, ready to exempt and protect you against the annoyance of creditors." Can such a measure become law? Never! This country of ours has not reached the point of repudiation for itself, nor is it ready to establish kindergartens of dishonesty for its citizens.

Experience of Foreign Countries.

Foreign countries are held up to us as examples of the beneficial results of postal Savings banks. But we must bear it in mind that the conditions prevailing in other countries are altogether different from those here. And yet, notwithstanding all their favorable surroundings, we are given to understand that the postal savings system of foreign lands is very far from being an unmixed blessing, and that its operation is working injury to the masses.

The people of this country have long been confronted and disturbed with grave financial questions, and, unhappily, their mode of settlement still constitutes a bone of contention among political parties. If, therefore, in matters of finance, the Government cannot successfully cope with things essentially its own, how can it expect to manage the private affairs of citizens?

A. E. Rice.

Fremont, Ohio, January 3, 1898.

POSTAL SAVINGS BANKS IN CANADA.

Mr. George Hague, General Manager of the Merchants' Bank of Canada, Montreal, and one of the leading financiers of the Dominion, writes on the above subject as follows: "With regard to the subject of Government Postal Savings Banks, my views are as follows:

That they have been useful and for the public convenience in places where no chartered banks are established, but where there are such banks the Post Office Savings Banks have entered into competition with them in a way that has not always been for the public benefit, especially in the fact that a higher rate of interest has been allowed in these banks than the use of the money was naturally worth. From their very establishment it is tolerably certain that the Government have paid more for deposits in these banks than they could have borrowed for in England, thus costing the country a very large amount of money, and raising the rate of discount to the commercial community by compelling the banks to follow the lead of the Government in allowing higher rates on deposits than was profitable.

In the judgment of those who have considered the matter, the only rational course for a Government in accepting deposits at all is that they shall allow less than is allowed by corporations who have to make their living by such transactions; and, also, that the funds so obtained shall not be absorbed—as those in our Post Office Savings Banks are—into the general revenue of the country, but invested specially, as is the case in England, in addition to which adequate cash reserves should be maintained, which is not the case in Canada at present."

SUCCESS OF THE PRESENT SYSTEM.

Col. Myron T. Herrick, President of the Society for Savings, Cleveland, Ohio, calls attention to the success of the present system of Savings banks in this country. He says: "The establishment of Savings banks in this country was actuated by motives of benevolence, and had for its object the encouragement of thrift and independence, and the movement enlisted the gratuitous services of eminent citizens of known ability and experience. So great has the success of their labors been, that these deposits aggregate more than $2,000,000,000—the 677 mutual Savings banks alone showing deposits of nearly $1,700,000,000, a sum greater than the National debt. While this vast trust fund has been controlled by comparatively few men, in all these years, with but few exceptions, the trust has been faithfully administered, and they have not been accused of abusing the power reposed in them. That they have exercised this power justly, and even benevolently, is uniformly admitted."

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A. F. RICE.

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... of the Merchants' Bank of Can... ... the Dominion, writes on ... subject of Government ...

WALTER H. BURNS.

WALTER H. BURNS.

Mr. Walter Hayes Burns, of the banking house of J. S. Morgan & Co., London, died November 22 at North Mymms Park, near Hatfield, England.

Mr. Burns had been the managing partner of the London house of J. S. Morgan & Co. since the death, some seven years ago, of its founder, Junius S. Morgan, and in this capacity he displayed great financial knowledge and upheld the high reputation which the firm has always sustained in London as well as in New York.

The senior partner in the house is J. Pierpont Morgan, the head of the firm of J. P. Morgan & Co., of New York, and the son of Junius S. Morgan. Some of the most noted operations in American Government and corporation financiering have been conducted by Mr. J. Pierpont Morgan, transactions which have been of great public benefit in more firmly establishing public credit and restoring confidence in American securities abroad.

By reason of his familiarity with the European money markets and his acquaintance and reputation amongst London financiers, Mr. Burns was able to facilitate the negotiations incident to the successful carrying out of the details of these various transactions. He was well equipped by training and experience to represent one of the most important financial houses in America at the world's money centre.

Mr. Burns was fifty-nine years old, and was a native of New York State. He left a widow, who is a sister of J. Pierpont Morgan, and a son and daughter.

Before going to London he was connected with the New York banking house of Morton, Bliss & Co.

Mr. Burns had been in poor health for some time, and it was his intention to retire from business. Mr. J. Pierpont Morgan was in London at the time of the death of Mr. Burns.

The funeral of Mr. Burns took place at Trinity Church, New York, December 9. The funeral service was conducted by the Rev. Dr. Dix, Rector of Trinity Church, assisted by Dr. William S. Rainsford of St. George's Church.

Both on account of his own abilities and the eminence of the house with which he was associated, Mr. Burns stood very high in London financial circles and was regarded as the best representative of American finances in that city.

The growth of international banking relations in recent years, or rather the entrance of American houses into a field to which they have heretofore paid too little attention, renders the position of managing partner of the London house above named one of great importance. Great and powerful banking houses are no longer confined to the European capitals. New York is becoming one of the banking centres of the world, and while not yet prepared to dispute with London for supremacy, her banks are rapidly increasing in magnitude. The international banking houses, by making possible the most economic use of capital, are greatly facilitating the world's progress.

FOREIGN BANKING AND FINANCE.

The Negotiable Wealth of France. The valuable series of articles which Edmond Théry, the editor of "*L'Economiste Européen,*" has been publishing in that journal for the past four months on the negotiable wealth of France, was brought to a conclusion in the number for November 26.

M. Théry reviewed in the number of November 12 the operations by which the Government paid the great German war indemnity by means of exchange operations and without shock to the financial interests of the country. French investors at that time disposed of many of their holdings of foreign securities abroad in order to obtain the funds necessary to purchase the new national loans, so that the operation became for them simply a transfer of their investment from a foreign obligation to a domestic one. M. Théry refers to the fact that, notwithstanding this immense burden, Frenchmen still have large foreign investments and that they constitute to-day not only a considerable source of profit for French savings, which are no longer able to find remunerative investment on French soil, but also valuable reserves for future emergencies, in case another big national loan became necessary for war purposes. He illustrates also the well-known fact that the interest on foreign loans is settled by commodities rather than by gold and that France is thus enabled to import nearly 1,000,000,000 francs a year in foreign goods and gold in excess of her exports, without economic disturbance. The excess of imports of gold recorded for the period from January 1, 1881, to September 30, 1897, was 1,126,600,000 francs ($220,000,000) and the excess of imports of merchandise was 14,198,700,000 francs ($2,800,000,000).

Taking up, in the number for November 19, the expenditure of foreigners in France, M. Théry eliminates the large number of Belgians, Swiss, Italians, Germans and Spaniards who simply come across the border as laborers, and finds that in 1891 there were 65,664 foreigners permanently residing in France, living mainly upon fixed incomes, and that in addition there are almost constantly 120,000 to 150,000 tourists coming and going. He calculates that they expend in France about 2,376,000,000 francs ($460,000,000) annually and that Frenchmen travelling abroad spend only about 400,000,000 francs ($80,000,000). He makes a computation also for the amount saved and sent home by laborers from border countries and the amount expended by them, reaching the final conclusion that the net expenditure in France of money earned by foreigners, and mostly earned outside of France, is about 1,500,000,000 francs ($280,000,000) per year. It is this large expenditure which accounts in some measure for the absence of an accurate balance of trade and which accounts for part of the import of commodities, in addition to the actual payment of interest on French investments abroad.

Summing up the results of all these investigations, M. Théry computes issues of French securities at the market rate at 67,734,700,000 francs ($13,000,000,000), of which he deducts ten per cent. for French securities held abroad, then adding 26,200,000,000 francs ($5,000,000,000) for foreign securities held in France, reaching a total of French holdings amounting to 87,161,-300,000 francs ($17,000,000,000). The total on July 1, 1880, was 55,913,900,000 francs, of which 15,000,000,000 was in foreign securities, and the total on July 1, 1890, was 74,391,800,000 francs, of which 20,000,000,000 was in foreign securities. The estimated net revenue obtained from domestic securities in 1880 was 1,706,000,000 francs and from foreign securities 750,000,000 francs, while the estimated net revenue in 1897 from domestic securities was 1,850,-867,600 francs and from foreign securities 1,121,360,000 francs.

M. Théry points out that if during this period of growth in French savings a part of them had not been diverted to foreign securities, but had contended for the possession of French securities, the rise in market value of the latter would have provoked new conversions and have reduced instead of increasing the net money incomes of Frenchmen. He indicates one of the difficulties of modern economic conditions by referring to the fact that the field of investment is narrowing, that the French railway companies no longer borrow, since their redemptions exceed their new issues, and that the great industrial enterprises have been reducing their capitalization. He closes his reference to this view of the case by referring to the fall of the rate of interest and declaring that the association of capital and speculation—the two great creative principles which have already so profoundly modified the face of the old economic world—increase unceasingly the volume of money capital, but new saving, that is new money capital resulting from association, constantly reduces the potency of ancient capital by contending for its place.

The Bank of France and Agricultural Credit.

The fact that the new charter of the Bank of France passed the Senate on November 4, in exactly the form in which it passed the Chamber of Deputies, was announced in the December number of the BANKERS' MAGAZINE. The vote in the Senate was nearly unanimous, 208 voting for the charter out of 219 voting. The action of the Senate gave the new charter the force of law, as the French President has no share in legislation. Several amendments were offered in the Senate, but were successively rejected. The debate called out, however, a declaration of the purposes of the Government regarding agricultural credit. M. Le Cour-Grandmaison called for an explanation of the purposes of the Government under article 18, which declares that certain sums paid by the Bank into the Treasury should be carried to a special account, pending the enactment of a law providing for one or more establishments of agricultural credit. M. Meline, President of the Council, replied that a project of law was already before the Chambers upon this subject and that its consideration would soon be resumed. The provisions of the bill to which M. Meline referred are thus stated by the Paris correspondent of the "London Economist," in the issue of November 20 :

"A Government bill has been presented in the Chamber of Deputies to enable farmers to borrow on their crops or produce by agricultural warrants. The tenant farmer would be bound to inform his landlord through a local magistrate of the quantity and value of the crop or produce which is to serve as the pledge and the amount of the loan, and the landlord to whom rent is overdue might within ten days notify through the same magistrate his opposition to the loan. The borrower on a warrant would be bound to insure the produce serving as guarantee in the name of the lender, who would have the same right over the indemnity as over the produce itself. Loans would have to be registered in the local court, and the intending lender would have a right to a copy of the entry or a certificate that no previous loan had been raised on the same produce. The borrower would have a right to reimburse the loan before it fell due, and deduct interest for the period unexpired, less ten days. The warrants might be discounted by bankers, the warrant itself representing one of the signatures required by the bank. In default of payment of the loan when due, the lender would have a right, after a week's notice, and without any other legal formality, to seize the produce and sell it by auction. The lender would have a privilege over all other creditors, with the exception of taxes and the costs of the sale. The farmer, who should dispose of or wilfully damage the produce to the prejudice of the lender, would be liable to punishment by fine and imprisonment. It does not appear from the terms of the bill, of which the above is the substance, that the landlord has any control over the portion of the crop or produce to be pledged, or any right to interdict the operation, unless the tenant-farmer is in arrear with his rent."

The taking effect of the new charter of the Bank of France, which forbids the Governor of the Bank to serve also as a member of the legislative body, has compelled the present Governor, M. Joseph Magnin, to surrender his position. M. Magnin has been Governor of the Bank since November 18, 1881, and has been through some notable crises as well as having witnessed the great development of the Bank. The gold reserve has increased during his term from 556,000,000 francs to 2,004,000,000 francs, while the circulation has risen from 2,516,000,000 francs to 3,671,000,000 francs. A very complimentary letter was sent to M. Magnin by M. Cochery, the Minister of Finance, upon the occasion of the adoption of the new charter. The new Governor is M. Pallain, who has for some time been Director of Customs.

The Bourse Law in Germany.

A recent legal decision by the German courts indicates that German attorneys are as well able as those of this country to drive a coach and four through legislation directed against the freedom of trade. The Berlin correspondent of "*Economiste Européen,*" in the issue of November 26, says:

"It will be recalled that on the morrow of the enforcement of the new Bourse laws, the dealers in cereals of Berlin, in order to escape the supervision of the Government agents, organized at the Fairy Palace a sort of private bourse, from which official control was excluded. The Government, as might have been expected, took the alarm and the prefect of police of Berlin forbade this sort of assemblies and closed the place. Those interested appealed to the tribunals and have just gained their case. The district commission (the tribunal of first instance) has annulled the decision of the prefect and charged the costs to the Government.

It is a question whether this decision of the justice does not destroy the entire work of the legislator against the liberty of markets for futures, but the Government, even after this judgment, does not appear to have decided to surrender and will continue the contest."

Promoting Agricultural Credit.

Several methods of facilitating credit for agricultural producers are under discussion in France, in addition to the project of an agricultural bank which is elsewhere referred to. A review of the systems of other countries is presented by M. Georges Michel in "*L'Economiste Français*" of December 4, including an interesting account of the agricultural loans by the French colonial banks. M. Michel refers to the reorganization of the Bank of Russia in 1894, by which the Bank was authorized to make loans upon grain which had been threshed to the amount of 75 per cent. of the selling price and upon un-threshed grain to the amount of 40 per cent. of the price. Quoting from a work by M. Ladislas de Zakrzewski, on "Institutions of Agricultural Credit in Russia," it is stated that every precaution is taken that the risks run by the Bank may be fully compensated, without the farmer having to complain of the intricacies of form which might deter him from employing the means at his disposal. The amount of the loan is fixed by the committee of discount of the Bank as the result of an inquiry made by the local agents. Credit is usually accorded for nine months at four and a half per cent. and the cereals pledged are left in the hands of the borrowers, but, in some cases, under seal in a particular place. The Bank of Russia also makes loans upon wool to promote the growth of sheep and upon the hop crops.

M. Michel refers to the system of warehouse receipts and elevators in the United States, which it is proposed to introduce into France, and then describes the adoption of the system of agricultural credit for the Banks of Martinique, Guadeloupe, and Réunion.

The committee of the Chamber of Deputies, when these banks were chartered in 1851, at first rejected the proposal that they should grant agricultural credit. M. de Chasseloup-Laubat, the Minister of Marine, succeeded in having the project amended and adopted, so that loans should be made only during the four months preceding the harvest, amounting only to one-third of the estimated value, and under conditions of publicity which gave creditors the opportunity of opposing the loan where they had prior claims. This system of agricultural credit was continued in the last extension of the colonial bank charters by the law of June 24, 1874. The loans of this character during the fiscal year 1895 were 5,049,414 francs at Martinique, 16,888,674 francs at Guadeloupe, and 1,423,570 francs at Réunion. Some plan of this sort will probably be tried in France. One of the projects now pending authorizes the issue of warrants upon grain, whether deposited in buildings or on the land where it is grown, and the acceptance of these warrants by institutions of credit.

The British Silver Currency.

The fact that the bankers of Great Britain have to pay a charge to the Bank of England for receiving considerable sums of subsidiary silver was discussed at some length at the Institute of Bankers, on Wednesday, December 1, by Mr. Robert Williams, the new President of the Institute. His argument was summed up in the London "Economist" of December 4:

"A great profit, he pointed out, is now made every year by the Mint on the coinage of silver. 'That profit,' he went on to say, 'amounted in 1896 to no less a sum than £564,-289, which not only paid the whole expenses of the Mint, but left a large sum for addition to the National revenue. Now we all know that from time to time many banks in the ordinary course of business become overloaded with silver coins; there is apparently now and again a redundancy of the very article out of which the Government make such a handsome profit. We also know that when we are obliged to rid ourselves of this we pay it into the Bank of England, and for all over a certain fixed amount are charged 7s. 6d. per cent. for the privilege. Now, I do not wish to make any complaint against the Bank. This 7s. 6d. per cent., I dare say, does no more than cover the cost of counting, washing, sorting, etc., the various coins, and I do not suppose the Bank of England is any more anxious than we are to accumulate silver in its vaults. But what I wish to urge is this: That, having regard to the profitable nature to the Government of the silver coinage, and also the invaluable help which we, as bankers, give in getting it into circulation, some arrangement should be made by which bankers should be able to pay their redundant silver into the Bank of England as agents for the Mint, without being charged for it. This is a matter in regard to which bankers have a legitimate cause of complaint, to which the Chancellor of the Exchequer may very properly be asked to abolish the petty impost referred to."

The Gold Standard in Japan.

The series of articles by M. Bourguin, of the University of Lille, upon the gold standard in Japan, is brought to a close in the November number of the "*Revue D'Economie Politique.*"

M. Bourguin finds some disadvantages in the new standard, but declares that exchange for Japanese money will remain stable at a fixed rate in pounds sterling, and will become movable only when compared with the course of silver in silver-standard countries. The Japanese Government, thus assured of a fixed exchange upon Europe, will be able to appeal to foreign capital and to contract gold loans without the fear of an increased charge for the debt in case of a new fall in silver. In her commerce with gold-standard countries, he continues, Japan will be able to develop more freely her exchanges, which will be withdrawn henceforth from the chances of speculation. She will preserve at the same time the advantages which the fall of silver has given her up to date, since prices in gold will remain as low as they were in exchange for silver before the reform, and since they are no longer exposed to the risk of rising in consequence of a rise in silver. Her production will not then suffer from a change in the course of silver, which will have the effect neither of raising the price of exported merchandise in francs, in pounds or in dollars, nor of lowering the price of European or American merchandise imported into Japan in yen. But it will no longer be possible to profit from a new fall of silver to diminish export prices nor to develop production under the shadow of a growing protection against the competition of gold-standard countries. It is pointed out that the conditions of a fluctuating exchange will be transferred to commerce with the silver countries, and that the position of Japan towards international bimetallism has undergone a change. Not that it will become more difficult to regain lost ground, if those interested desire it, and to maintain a fixed relation, but that to-day bimetallism could no longer have the effect of raising the gold price of merchandise exported from Japan nor of lowering the price in yen of merchandise imported into Japan from Europe or America. It would only be otherwise if Japan consented, not only herself to enter into a bimetallic union, but also to preserve her ancient gold yen with a silver yen slightly reduced, in place of having reduced by one-half her silver money as compared with gold.

Postals Savings Problems in England.

The rapid absorption of British consols by the reduction of the public debt and the demand by the postal Savings banks is raising a serious question in Great Britain regarding the future of the postal Savings bank system. A writer in the London "Bankers' Magazine" for December calls attention to the fact that the total national debt of Great Britain on March 31 last was £640,000,000, of which £183,000,000 was already held by various Government departments, leaving only £457,000,000 in the hands of the public. The amount of debt paid off annually is continually increasing, and now amounts to £8,000,000, while the net deposits in the Savings banks which are invested in the national debt now exceed £10,000,000. This takes £18,000,000 out of the market annually, which would absorb the whole public debt (including the amounts held by trustees and other permanent investors) within less than twenty-five years. Attention is called to the fact that under these conditions "it is clear that the article so needed must continue to be forced up and up in price, the only limit being the fact that in 1923 the State has the power, and, no doubt, will exercise it, of paying the whole remaining debt off at par." The fact that present prices, moreover, will leave the postal Savings bank with a large deficit by means of the maturity of the consols, also suggests an important phase of the matter which may prove troublesome to the Government.

The British postal Savings banks have been so successful in attracting deposits that they are now believed to hold the capital of many persons of ample means as well as the laborers. The limit for deposits is £50 ($250), and during 1896 the number of persons making this deposit in one sum was 54,700. The "Bankers' Magazine" suggests that "The power of making deposits among the working classes is, no doubt, very large, but we must confess to doubting whether this large increase in the number of those who were able to deposit £50 in one year can be drawn in any large proportion from these classes." It appears that the number of deposits exceeding £200 is 25,795, which is less than half of one per cent. of the whole number, but they have to their credit £7,188,044, which is 7.3 per cent. of the total deposits. The balances which do not exceed £50 stand to the credit of 5,858,191 accounts, or 90.8 per cent. of the whole number, but their deposits are only £35,306,192, or 36.1 per eent. of total deposits. The interest now paid depositors is two and a half per cent., which is equal to the amount which can be earned in other safe investments. It is admitted in the annual report of the Postmaster-General for the last fiscal year that "the rise in the price of consols has caused some embarrassment, and the whole business, after payment of expenses of two and a half per cent. interest to depositors, has shown a deficit of £3,791, which has been voted by Parliament. This is the first year since the establishment of the Savings bank that any deficit has occurred."

The Austro-Hungarian Bank.

The serious political crisis in Austria-Hungary delayed action by the legislative body upon the extension of the charter of the Austro-Hungarian Bank, which expired on December 31. There has been much discussion in Hungary in favor of the creation of a separate financial institution, but the advantages of the existing system are so great that the extension of the charter for another year was finally decided upon as a provisional measure. The Vienna correspondent of the London "Economist," in the issue of December 4, said upon this subject :

"The Finance Ministers of Austria and Hungary have exchanged notes and presented the result to the Governor-General of the Austro Hungarian Bank, proposing that the privilege of the Bank and all the other mutual arrangements should be prolonged for a year. All the arrangements at present in force shall, it is proposed, continue to be valid during 1898, the taxes on the Bank's transations and the freedom from some taxes to continue exactly as they are at present, but without prejudicing any future arrangements that may be made. It was intended to assemble the Council of the Bank on Friday, the 3d inst., when it would have been decided upon which day the general meeting should be held. The sudden change in the Government of Austria may have made other arrangements necessary. In any case, it is of urgent necessity to settle the question of the joint Bank of Austria and Hungary, even if the prolongation of the State's Treaty with Hungary should be still delayed."

The Gold Standard in Russia.

Two new imperial decrees were issued on November 26 by the Emperor of Russia for the complete enforcement of the gold standard and the resumption of specie payments. One of these decrees declares that in order to facilitate payments in gold money, it has been thought proper to approve the proposition of the Minister of Finance, which has been examined by a special committee, concerning the coinage and putting in circulation of a gold piece of the value of five rubles, in addition to the imperials and half imperials authorized by existing law. The old imperial represented ten gold rubles, but the readjustment of the coinage upon the basis of two-thirds of the old values makes the imperial worth fifteen rubles, and the half imperial seven and a half rubles. The new gold piece of five rubles is worth about $2.50 in United States money. The decree sets forth the exact weight and fineness of the new coins, providing that a pound of fine gold shall be minted into ninety-five gold pieces of the value of five rubles, and one ruble and 3 37-121 copecks. One side of the new coin is to bear the effigy of the Emperor in profile, with the inscription "By the Grace of God, Nicolas II., Emperor and Autocrat of all the Russias." The reverse side will bear the arms of the Empire with the inscription "five rubles."

The second decree, dated November 14, by the Russian calendar (November 26), provides for harmonizing the text of the inscriptions upon the paper rubles with the provisions of recent decrees for gold redemption. The notes are to declare that "The Bank of State pays credit notes in gold money without limit in amount." Former declarations relating to the method of redemption are replaced by the following provisions:

"1. The exchange of the credit notes of the State for gold money is guaranteed by all the resources of the Government.

2. The credit notes of the State shall circulate throughout the Empire at par with gold coin."

So successful has been the policy of the Government in the restoration of gold payments that it is announced in "*L'Economiste Européen*," the French bimetallic journal, that "Although the Bank of Russia now provides gold upon demand, its reserve has scarcely changed. The public, accustomed to the notes, do not seem to desire metallic money."

The Regulation of Securities.

A bill for the better regulation of the issue of negotiable securities has been offered in the French Chambers by M. Fleury-Ravarin, of the Department of the Rhone. The bill requires the publication of a detailed prospectus, indicating the value of the securities to be issued, before they are put forth, and the results of operations so far as they have been carried on. The prospectus of a foreign corporation whose securities are placed upon the market must be endorsed by the signature of a banking house which has been established for at least two years in France. Heavy penalties are affixed for false representations in regard to the condition of the property and securities. The bill is declared by M. Edmond Théry, the editor of "*L'Economiste Européen*," in the issue of December 3, to be incapable of execution in the case of French cities and foreign cities and States, because they do not make up their accounts within the time required by the bill. The guarantee required of the issuers and of the Bank, in the case of foreign securities, is declared likely to result in the suppression of every sort of issue, because of the difficulty of guaranteeing the absolute accuracy of every statement contained in a prospectus. There are already two laws in force in France upon this subject—those of July 24, 1867, and August 1, 1893—which M. Théry declares afford nearly all the security which subscribers can logically expect, and he does not see that the bill of M. Fleury-Ravarin increases the safeguards in a practicable manner.

Overbranching in Great Britain.

It appears that the advantages of branch banking are becoming so keenly appreciated in Great Britain that there is danger that competition among the banks in this respect will be carried to excess. The December number of the London "Bankers' Magazine" says upon the subject:

> "Some few years ago it was extremely difficult to persuade some of the biggest banks to open branches in the suburbs. Deputations of influential local people waited upon the directors in vain, and shareholders who ventured to address half-yearly meetings in advocacy of a policy of branch extension received no encouragement either from their fellow shareholders or from directors. Now all this is changed, and the most powerful institutions are vieing with each other in increasing the number of their offshoots. As usual in cases of the kind, the policy is being carried too far. In Streatham, for example, there were until lately three banks—two branches of the South-Western and one of Parr's. Now there are five, the latest comers being the City and the London and Westminster. No one who knows anything of the neighborhood in question will say that it can furnish business, either actual or potential, for so many banking offices. If this were an isolated case, it would not be worth noting, but it is not by any means."

Financial Reform in Italy.

Italian paper money has been improving its position upon European exchanges, and shows a loss of a little less than five per cent. The improvement is due in large measure to the plan of financial reform which Signor Luzzatti has submitted to the Chambers. He has declared his purpose to extinguish the Government notes which contribute to raise the price of gold and to devote to this purpose a sum of 21,000,000 lire ($4,000,000). He proposes to reduce by 45,000,000 lire the advances of the banks which have been represented by Government notes, and to convert into a permanent public debt to the banks 52,000,000 lire in Treasury bonds which now serve as the guarantee of the circulation.

The convention signed on October 29 for the enlarged coinage of subsidiary silver by the countries of the Latin Union is considered as aiding in the restoration of credit in Italy. The Government will be enabled to reduce the existing mass of 400,000,000 lire ($80,000,000) in five-franc pieces by the new coinage, which might otherwise have to be reimbursed in gold at the old parity upon the expiration of the Latin Union. The authority to strike 30,000,-

000 lire in new subsidiary money, moreover, will afford a benefit of about 1,000,000 lire to the Treasury in view of the greater fineness of the five-franc pieces over the smaller coins. The new fund of 30,000,000 lire will be deposited in the Government treasuries and will increase the issue of Treasury bonds of one and two lire which are already in circulation.

Banking and Financial Notes.

—The Austrian Reichstag has had its interpellation in regard to bimetallism, as well as the parliamentary bodies of Great Britain, France and Germany. Deputy von Berks inquired on November 5 if the Government was going to take part in the negotiations going on in Europe for the re-establishment of international bimetallism. The question, he declared, was of the highest importance for Austria, because they had more than 100,000,000 florins of silver money in circulation in the country, and the Austro-Hungarian Bank had 106,600,000 florins in silver as the guarantee of its notes, more than two-thirds of the sum which it possessed in gold florins. The ministry neglected to make any specific declaration of their intentions, and it is not expected that a serious discussion of the subject will occur.

—The Hungarian Government has announced its purpose to deposit 500,000 florins in gold pieces of twenty crowns in the Austro-Hungarian Bank for the purpose of withdrawing the "salt notes," whose circulation has so long checked the resumption of gold payments.

—The Imperial Bank of Persia is reported in Paris to be in a somewhat embarrassed position. Its circulation does not find ready acceptance in the north of Persia, and it has been found necessary of late to employ a large part of the coin reserve for the redemption of the notes. It has been necessary for the Bank to ask a *moratorium*, for the purpose of obtaining time to coin up the bullion in its possession.

—Electrical enterprises have attained such development in Germany that a bank has been founded for the special purpose of dealing in their securities and handling their affairs. The bank has been formed by the fusion of two older institutions.

—An important declaration has recently been made by the Finance Minister of Brazil, Campos Salles, regarding his policy of financial reform. He proposes the gradual redemption of the Government paper money, rigid supervision of the collection of revenues, the abandonment of needless protection, the reduction of expenses, the expansion of credit, the importation of foreign capital, and the reëstablishment of confidence.

—The Chilean Congress has recently voted a new refunding law. It provided that the banks should continue their issue of gold bills until the end of December, and withdraw the Government bills by paying into the Treasury their equivalent value in gold piastres.

—A fire at the Bank of Naples has seriously injured the valuable archives of the bank, which extend back to the sixteenth century. If they are completely destroyed, it will constitute an irreparable loss for the history of credit and finance.

C. A. C.

PRACTICAL BANKING DEPARTMENT.

HELPFUL HINTS DERIVED FROM EXPERIENCE.

CAN THE CONVENTIONAL CHECK BOOK BE IMPROVED?

Every observing banker must be cognizant of more or less of the objections that are raised by business men to the conventional check book. As a user of a check book, some of its inconveniences are brought home to him personally. He has probably never found a check book for his own use that exactly suited him. Coming in contact with the customers of the bank and listening to their requests from time to time with regard to the form and size of check books, he has the opportunity of learning in this way something of the objections that are raised to the usual shape and arrangement of this extremely necessary article.

When the check book was invented it no doubt met the wants of the business men of that period in an extremely satisfactory manner, but as years have gone by, improvements in other departments of business have been made, until to-day the check book is necessarily regarded from an entirely different point of view. It is contrasted with other articles of business equipment and suffers by the comparison. It is very much behind the times. With the exception of minor modifications in the check book made for the most part by those who have given special attention to the requirements of the pocket size, practically no change has been made in check books for many years. Meanwhile, as business has grown and developed, bank accounts of private individuals and firms have become far more active than ever before. Hundreds of checks are drawn to-day where one was used only a little while ago, and hundreds of checks are deposited to-day where a little time since the deposits of many customers of banks were entirely in currency. Almost every essay that is printed on business science contains references to the increasing use of bank checks in the business world. Statistics are freely cited on every hand to prove how little real money is used in modern commercial transactions, and how generally exchanges are effected at the present time through the medium of bank checks. However we may look at it, the bank check is increasing in use, hence the growing necessity that the means for its employment shall be brought up to the highest standard of convenience and utility.

The objections to the conventional check book by the progressive business man turn for the most part upon its inherent inconvenience, and its unwieldy size and form. Let us first examine the features of such check books as are commonly used in a business office. Usually an office check book is either the article furnished by the bank, say three checks in depth, bound in paper covered boards, or of a more sumptuous pattern made to order for the user by a local stationer. The latter is three, four or five checks in depth, and very frequently is substantially and attractively bound. In both kinds each check is provided with a stub on which to record the name of the person or firm in whose favor the check is drawn, together with notation of date and amount. Very generally the checks and their stubs are serially numbered. A column is usually provided at the outer margins of the stubs for receiving the amounts of the checks.

It has become a very common plan, for lack of a better place in connection with the record of checks, to keep a record of the deposits on the back of the stubs. The bank pass book is seldom used for anything more than a formal receipt from the bank for the amounts deposited. Details of the deposits do not appear upon it. In starting to use a new check book, therefore, there is first entered upon the fly-leaf facing the first page of checks the amount of the balance brought forward. To this is added, from time to time, the deposits as they are made, and from the sum of the balance and deposits the amounts of the checks drawn are subtracted. There is the necessity, of course, of carrying forward the amounts at the bottom of every page of checks, something that occurs very frequently, in view of the fact that a page holds only three, or at the most five, checks.

Now all this, theoretically at least, is a very pretty arrangement. It certainly serves the excellent purpose of correctly stating the business man's account with the bank. In actual use, however, it requires a good deal of care and attention, and in practice results in far more labor upon the part of a business man, cashier, or head bookkeeper, as the case may be, than can be afforded. Let the reader estimate the work where ten to twenty checks a day are drawn. The mere expense of keeping up such a check book is something which members of the extreme school of business economists would take into serious account. For a house that is issuing on an average, say, fifty checks a day (not by any means an unusual number), with occasional spurts running far above that number, this method becomes both irksome and tedious.

It is the custom in many offices for one man, for example the bookkeeper or cashier, to fill out the check, and for another, the proprietor or treasurer, to sign. The desks of these two persons are very generally some little distance apart. Quite often they are in different rooms. The book, therefore, be it large or small, must be carried from place to place. A check book, however, to last any considerable length of time, must be of considerable thickness, and frequently we find specially made check books from one and one-half inches to two inches in thickness. The books, therefore, are heavy in themselves, as well as awkward by reason of their page dimensions. Furthermore, stubs in a book an inch and a half in thickness, when the checks have been half or more used, are very obstinate things to manage. Rubber straps, metal clips and other devices in use for holding them in place are seldom sufficient. The check book, for reasons already named, must be passed from the desk where the check is filled out to the desk of the person that signs, regardless of these features, for it is comparatively seldom that the signer of checks is willing to affix the signature without examining the stub to note the agreement of the two in various essential particulars. Here, then, are the valid objections of size, weight and general inconvenience; and further, we have in the conventional check book the extra labor in calculations, made necessary by the shape of the book, the inadequate space it provides for recording amounts, and the necessity of frequent carrying forward.

One other point might be mentioned in this connection, going also to prove the common form of check book very inconvenient for the purpose, and that is that in many business concerns it is found expedient to record in the check book not only the deposit in gross, but also in the form of a detailed list of the items composing it. This makes necessary the writing on the back of the stubs a complete transcript of each deposit ticket. When this is undertaken in the conventional check book, and for lack of anything better it is very often so done, it results in a still larger amount of labor wasted because of the inconvenience of the only place that the book affords.

Turning now to the pocket check book, something which for mere convenience every business man would like to have with him at all times for paying private bills, house expenses and the like, and something which many banks supply gratis to their depositors, the inconvenience and awkwardness of the construction employed are quite as apparent as in the case already cited. It is scarcely necessary to go into details with respect to this phase of the subject, for the number of inventions and alleged improvements which have been brought out by those who have attempted to simplify the pocket check book and increase its utility, conclusively show the situation in this regard. However, let us take a casual glance at it as we commonly find it.

A pocket check book, as a rule, has a single check to each page, the page consisting of check and stub. Consider, then, for a moment, the labor of extending on to the stub the particulars of each check as it is drawn, and then making the necessary calculations of the state of the bank account at this stage by subtracting it from the balance opposite, in order to get the amount that is to be carried forward to the back of the stub, preparatory to the use of the succeeding check. Estimate the condition of mind of the average man when he has done this work on, say, ten checks, which, for example, the settlement of his month's household bills has required him to use. Is it any wonder that many men, aggressive and successful in general business affairs, stumble over the details of their bank accounts and are frequently compelled to call at the bank for a verification of their calculations? Is it surprising that many men admit that their account with the bank, for the keeping of which no better facilities are provided than the stubs of the pocket check book, presents more difficulties than they can conveniently overcome? They are successful with other accounts, because all other accounts are kept in a rational form.

Some of the alleged improvements which have been made in check books have had for their object a diminution of the labor of filling out the checks. One of these inventions, to which my attention was called some time since, uses for the stub or record of the check drawn an interleaf the full size of the check, and then secures a *facsimile* of the check by the use of carbon paper, thus filling out check and stub at one writing. Arguments in support of this invention include, in addition to the saving of labor, the fact that a *facsimile* of the check is retained, which, of course, would be positive evidence against any changes made in the paper after it leaves the signer's hands. The carbon sheet, however, is voted a nuisance by most men, and there are few users of checks, I take it, who would have the patience to fix the carbon in place each time for the slight saving of labor over the plan of writing out the details of the check on the ordinary form of stub. Hence this style of check book is not yet in very general use. But even if the carbon is used for a duplicate of the check, there still remains the necessity of determining the condition of the bank account by the laborious process of adding deposits and subtracting checks, one by one. Other inventions that might be cited similarly fail to meet the actual requirements of the case.

Let us next inquire about what there is in use in the way of improvements upon the conventional check book or in the form of substitutions therefor that, in part at least, remove the objections above enumerated. First, with regard to keeping a duplicate of the deposit ticket, which, as above mentioned, is very frequently written on the back of the stub, because it seems to be the only place for it. Many concerns at present with active bank accounts have their deposit tickets made out in considerable detail, writing opposite each item of checks the name of the drawer, or some other indication of the source from which the check comes, and then copy them into a press copy book or upon a page in the regular letter book. With this detail record of deposits in the office, available for examination at any time, they are safe in carrying to the back of the stub of the check book a statement in a single amount. To this extent the labor expended upon the check book itself is somewhat reduced. There is the further advantage of the labor actually necessary to the plan being performed under far more convenient conditions than in writing upon a narrow stub. Other concerns, working along the same lines, employ a carbon sheet for duplicating their deposit tickets, with results substantially the same. Methods of this general sort for recording the details of deposits are quite satisfactory in practice, and when used in a systematic manner leave very little to be desired.

A deposit made in the bank is, from the standpoint of the cashier or bookkeeper in the business office, a disbursement for which he should have a proper voucher. Of course, the amount entered in the pass book by the receiving teller meets, in a broad sense, the requirements of a voucher, but not in that detail, however, which many business men desire to see. Therefore, the duplicate deposit ticket, made by the carbon plan and regularly filed in a way to be instantly available whenever required, is more satisfactory. If a special press copy book is allotted to the deposit tickets, and good press copies are always secured, the book becomes the voucher record and serves the same purpose. As between the carbon slips and the letter-press book there would seem to be little more than the question of individual preference or choice.

Office men, in dealing with amounts, whether in the cash book or in ledger accounts with customers or creditors, become accustomed to pairs of columns, very generally side by side, or, at least, in proximity to each other, one of which represents the debit side of the account and the other the credit side of the account. They are in the habit of scrutinizing accounts made up in this way for the purpose of noting the difference between footings, or the balance. Such changes, therefore, as may be made in the means of keeping the bank account will have to embody in one form or other the plan of parallel columns, one recording the deposits and the other the checks, with possibly a third column for stating the balance, in order to secure general approval. Every man who draws a check, or who signs a check, refers instinctively at the time to the balance in bank, against which the check is drawn ; hence the desirability, if not the absolute necessity, of always keeping in evidence for the signer's benefit, a statement of the balance, whatever it is. A further requirement in any improvement to make it generally acceptable is that the carrying forward of amounts shall be as infrequent as possible.

My attention has been recently drawn to several attempts made in different directions to secure something better, more convenient and more satisfactory for use than the conventional check book. I shall refer to one or two of them in this connection. The first (Fig. 1) relates to pocket check books and was worked out for personal use by a man who makes it a rule to pay all his household bills and private accounts by check, and who accordingly desires to carry a convenient check book with him wherever he goes. An ordinary blank book of convenient size to be carried in the breast pocket of a coat, has

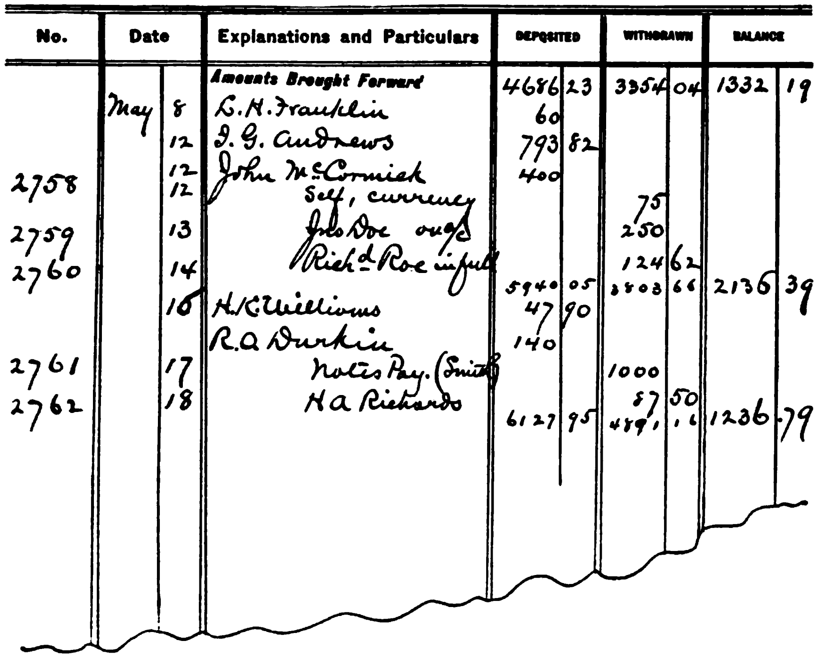

FIG. 1.—FORM OF POCKET CHECK AND DEPOSIT RECORD.

been ruled into columns. First, there is a space for check numbers, next comes the date, then a column for items, next a column for deposits, following which is a column for checks. Finally there is a column for noting the balance. A glance at the diagram will explain this arrangement much better than it can be described. The actual check book, which I have carefully inspected, has about twenty-five lines to the page. It is ruled comparatively close, and is not too deep for conveniently carrying in the pocket. At the top and bottom there are provisions for amounts brought forward and amounts carried forward, respectively. The checks, ready for use, are in loose form and are kept in a pocket in one of the covers. They are, in fact, the checks torn from the regular pocket stub-style check book, which the bank furnishes. Checks of this style are preferred by the user to the loose checks supplied by the bank, because they are somewhat smaller in size.

The series of numbers carried on the checks seems to me to be a superfluous detail, but inasmuch as the checks in this account have been numbered from the beginning, the user of this check book does not see fit to stop numbering.

The process of filling out a check as practiced by this man, is as follows: The check book is opened and the check number is written in the number space, the number used being the next in succession to that last written. Then follows the insertion of the date, the name of the person in whose favor

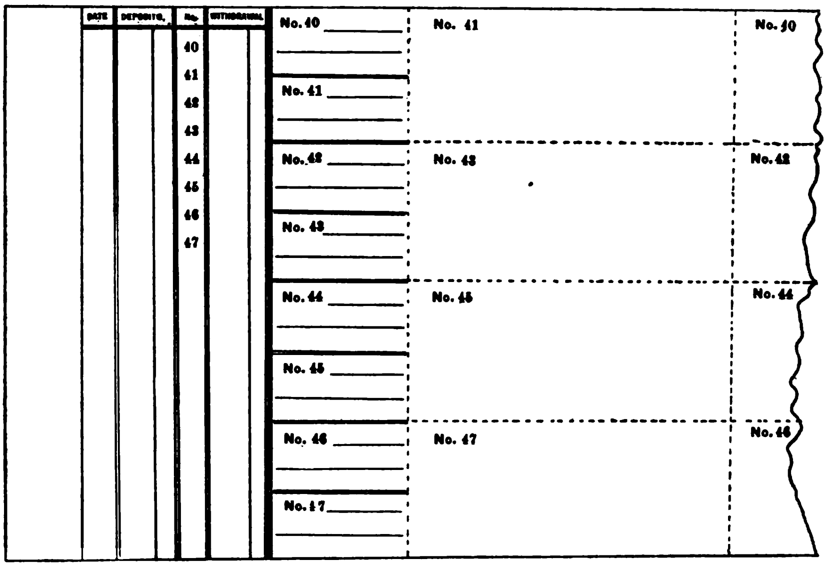

FIG. 2.—OFFICE CHECK BOOK USED BY A WESTERN DEPARTMENT STORE.

the check is drawn, and finally the amount of the check, which is extended into the "Withdrawal" column, being the second of the money columns. Next the check itself is filled out, first the number is inserted, then the date, together with name of payee and amount corresponding to what has already been written in the book.

Where a deposit is made, lines in the item space are used for details of the deposit, employing as many of them or as few as may be required for the purpose. The amounts of the deposit items are extended into the "Deposits" column. From time to time the two columns are footed in pencil as indicated by the small figures in the diagram, just as a regular ledger account would be footed preliminary to taking off a trial balance. The balance, also in pencil, is then thrown out into the third column. Nothing could be simpler for the purpose, nor yet more nearly in keeping with other accounting features of a modern business. This check book, which from the standpoint of the inventor and user, is more satisfactory than anything else he has tried, has not, so far as I know, been manufactured for general use, nor yet in any way offered for public approval. In its general features it will be noticed it closely resembles the debit, credit and balance form of ledger now in use in some banks.

In Fig. 2 is shown the form of a check book used in the office of a large

Western department store. It indicates an effort that has been made to escape the inconveniences of the conventional check book. It reduces by one-half the labor of carrying amounts forward, and it puts upon the face of the stub, which is made of liberal width, columns for recording deposits and checks drawn. The check book, as used, has pages four checks in depth. It would seem, however, that this number might be increased to five, or possibly six. The pages in width are equal to the stub and the length of two checks. About one-third of the width of the stub, being that part immediately adjacent to the ends of the checks, is devoted to a record of the purposes for which the checks are drawn. The stub record is restricted to one-half of the depth of a check. Both stubs and checks are numbered so as to secure correspondence in this regard. The numbers are also run down the column for summarizing, thus ensuring the entry of all the amounts. The deposit column is provided with a date space, thus checking with the pass book.

My correspondents, referring to this check book, say that it is not deemed expedient, in the house in which it is used, to foot and carry forward the deposits and checks, because thereby the amount of money remaining in bank

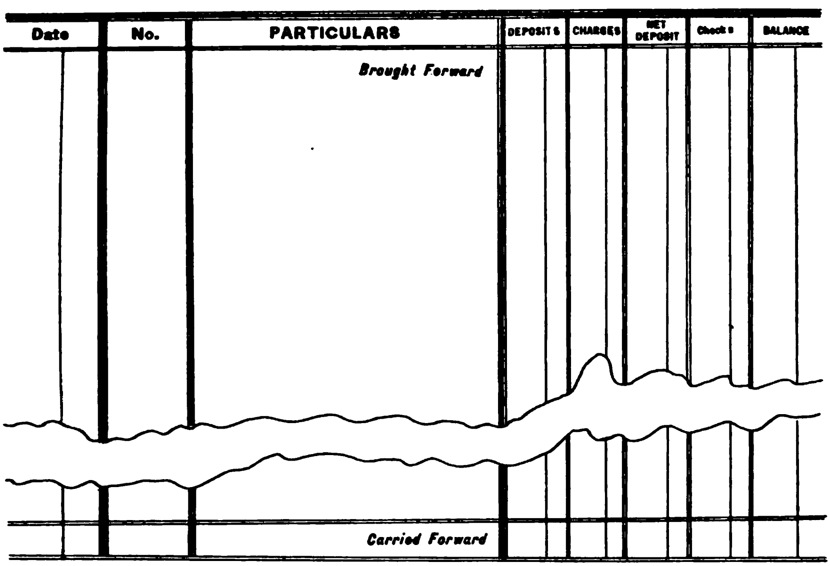

FIG. 3.—FORM OF CHECK AND DEPOSIT RECORD USED BY A NEW YORK FIRM IN CONNECTION WITH REGULAR CHECK BOOK.

would, on occasion, come to the eyes of some to whom the managers would not like to make known the condition of their bank account. Therefore, a separate computation slip, or book, is maintained, in which deposits and withdrawals, as footed on the separate pages of this check book, are summarized and the balances struck, thereby restricting this information solely to those in interest.

Fig. 3 shows a form of check book and deposit record in use by a New York firm, and which is made a part of their check book. The checks, with their conventional stubs, form one part of the book, while preceding the checks are a number of pages printed and ruled as shown in the illustration. As the checks are drawn, their several stubs are filled out in the usual manner. Afterwards, in the sense of making up the bank account, the record from the stubs is transferred to the pages, a sample of one of which is shown in the figure. Deposits and checks are recorded together down the middle column entitled "Particulars," in the order in which they occur. A single date column is used. For purposes of cross reference the numbers of the checks are recorded in the number column. Deposits are recorded in gross and also net. In this respect the record corresponds to the usages of various banks at present of deducting at the time a deposit is made whatever charge there is for exchange or collection. Alongside of the column showing net deposits is the column recording the amounts of checks, while the final column at the right is for recording the balances. In the particulars last mentioned, this check book for office use very closely resembles the pocket check book shown in Fig. 1.

In these illustrations I have by no means exhausted the varieties of check books to which my attention has been called. On another occasion, if the subject appears to have sufficient interest to warrant it, still other and more ambitious attempts to meet the demands of the day in the matter of keeping the bank account will be presented. The use of checks as vouchers for payments made is a growing quantity in various directions, and there are several adaptations of check books in this regard which are of more than passing interest to bankers.

A. O. KITTREDGE, F. I. A.

THE DISCOUNT REGISTER.

Keep a close watch on the discounted paper. Every bank should use an "offering book," in which all paper offered for discount, whether between boards or not, should be entered, and this duly presented to the board with the paper. After the paper has been passed upon the record should be signed by the board. All discounts should be regularly entered upon the register. Some banks have a custom of entering discounts upon the general cash or journal by tickets, they not appearing on the discount register. Such irregularity opens the door to fraudulent transactions. The discount register should be a more complete history of each transaction than is usually found. Instead of ending on the register with the net amount of the discount, as is customary, there should be two more columns which should describe further disposition of the paper, whether paid or renewed, giving date and amount so paid or renewed. A book so kept will show what notes are actually on hand at any time, and the balance between the two sides should agree with the amount as shown by the "bills discounted" account on the general ledger.

Any committee of directors can easily prove the notes when a register is kept arranged like this.

The discount register should also have an extra column for numbers, thereby enabling one, in case of renewals, to record the preceding numbers and render the renewals easily traceable. Each renewal note should show not only its regular consecutive number, but also its former number.

REPORT OF THE MONETARY COMMISSION.

To the Executive Committee of the Indianapolis Monetary Convention :

The Commission appointed by you under the resolutions adopted by the Indianapolis Monetary Convention on January 15, 1897, with a request "to make a thorough investigation of the monetary affairs and needs of the country in all relations and aspects, and to make proper suggestions as to the evils found to exist and the remedies therefor," respectfully reports that the members thereof met at Washington, on September 22, 1897, and organized by the election of George F. Edmunds, as chairman, and George E. Leighton, as vice-chairman.

The resolutions adopted by the Indianapolis Monetary Convention declare "that it has become absolutely necessary that a consistent, straightforward and deliberately-planned monetary system shall be inaugurated, the fundamental basis of which should be: First, that the present gold standard should be maintained; second, that steps should be taken to insure the ultimate retirement of all classes of United States notes by a gradual and steady process, and so as to avoid injurious contraction of the currency or disturbance of the business interests of the country, and that until such retirements provision should be made for a separation of the revenue and note-issue departments of the Treasury; third, that a banking system be provided which should furnish credit facilities to every portion of the country and a safe and elastic circulation, and especially with a view of securing such a distribution of the loanable capital of the country as will tend to equalize the rates of interest in all parts thereof."

We have accepted those principles as the basis of our action, not only because they are the instructions of the body of citizens by whom we have been appointed, but also because they meet the approval of our judgment.

We have also sought and received the counsel of many of our fellow citizens in all parts of the country. Their communications, while differing in some respects, have, upon the more important points, presented a concurrence of opinion which has been an invaluable aid in the formation of our conclusions.

We submit, for the reasons hereinafter stated, a plan of currency reform, in the hope that it will, if enacted into law, accomplish, so far as possible, these results:

1. To remove, at once and forever, all doubt as to what the standard of value in the United States is, and is to be.

2. To establish the credit of the United States at the highest point among the nations of the world.

3. To eliminate from our currency system those features which reason and experience show to be elements of weakness and danger.

4. To provide a paper currency convertible into gold and equal to it in value at all times and places, in which, with a volume adequate to the general and usual needs of business, there shall be combined a quality of growth and elasticity, through which it will adjust itself automatically and promptly to all variations of demand, whether sudden or gradual; and which shall distribute itself throughout the country as the wants of different sections may require.

5. To so utilize the existing silver dollars as to maintain their parity with gold without imposing undue burdens on the Treasury.

6. To avoid any injurious contraction of the currency.

7. To avoid the issue of interest-bearing bonds, except in case of unlooked-for

emergency; but to confer the power to issue bonds when necessary for the preservation of the credit of the Government.

8. To accomplish these ends by a plan which would lead from our present confused and uncertain situation by gradual and progressive steps, without shock or violent change, to a monetary system which will be thoroughly safe and good, and capable of growth to any extent that the country may require.

We cannot, within the limits of this preliminary report, go at length into the reasons which have led us to all the conclusions here expressed. A statement of those which relate to the more important points must suffice. Later a fuller and final report will be presented.

THE FACTS AS TO THE CURRENCY.

The people of the United States have ten different forms of currency: gold coins, silver dollars. subsidiary silver coins, minor coins, gold certificates, silver certificates, United States notes, currency certificates, Treasury notes of 1890, and National bank notes. The respective qualities of each. the amounts outstanding, the amounts in the Treasury, the amounts in circulation and the respective denominations of the paper currency, were on November 1, 1897, as follows:

1. GOLD COINS of the denominations of $20, $10, $5 and $2.50, weighing 25.8 grains to the dollar and .900 fine. They are a "legal tender in all payments at their nominal value when not below the standard weight and limit of tolerance provided by law for the single piece, and, when reduced in weight below such standard and tolerance, a legal tender at valuation in proportion to their actual weight;" receivable for all public dues, and exchangeable for gold certificates. Gold bullion is admitted to free coinage. The Treasury estimates that the stock of gold in the country is $729,661,110, of which $153,573,148 in addition to $36,814,109 held against outstanding gold certificates are held by the Treasury, and $195,895,107 are held by the National banks.

2. STANDARD SILVER DOLLARS, each containing 412.5 grains of standard silver .900 fine, coined for Government account, a "legal tender at their nominal value for all debts and dues, public and private. except where otherwise expressly stipulated in the contract;" receivable for all Governmental dues, and exchangeable for silver certificates.

From 1793 to 1873, the Mint coined silver dollars to the amount of $8,031,238. From 1874 to 1878, none were coined. The Act of February 28, 1878, required not less than two millions nor more than four millions dollars worth of bullion to be purchased monthly and coined into standard silver dollars.

The Act of August 7, 1882. directs the Secretary of the Treasury "to transport, free of charge, silver coins when requested to do so, provided that an equal amount in coin or currency shall have been deposited in the Treasury by the applicant."

The Act passed on February 19, 1887, which became a law, without President Hayes' approval, on March 3, 1887, directed that "trade dollars" received at the Treasury should be coined into standard dollars. The Act of July 14, 1890, required four million five hundred thousand ounces of fine silver bullion to be purchased monthly and Treasury notes to be issued in payment therefor. The Act of November 1, 1893, repealed the purchasing clause of the Act of July 14, 1890.

Under the Act of February 28, 1878, the Government purchased 291,272,018 ounces of silver at a cost of $308,279,260. Under the Act of July 14, 1890, the Government purchased 168,674,682 ounces at an average price per fine ounce of $0.9244, costing $155,931,002. The Government coined to November 1, 1897, $452,713,792. of which $392,715,014 are in the Treasury, and $60,196,778 are in circulation. The free transportation of the silver dollar has cost $1,064,106. The Government now holds 115,361,079.54 ounces of silver bullion, which cost $104,-

853,851.55, and which, at the price of silver on November 8, 1897, are worth $65,900,016.67. As against the 392,517,014 silver dollars now in the Treasury there are outstanding silver certificates to the amount of $372,838,919, leaving $19,678,095 in the Treasury uncovered by certificates.

As the silver bullion now in the Treasury and purchased under the Act of 1890 cost $103,957,026.25, and there are outstanding Treasury notes of 1890 to the amount of $109,313,280, silver dollars to the amount of $5,356,254 must be held as against these Treasury notes of 1890, and this amount deducted from the amount of silver dollars uncovered by silver certificates [$19,678,095] leaves as the amount of silver dollars uncovered by either silver certificates or Treasury notes of 1890, and subject to disposal by the Treasury. $14,321,841. The Act of July 14, 1890, declared it to be "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." The Act of November 1, 1893, declared it "to be the policy of the United States to continue the use of both gold and silver as standard money and to coin both gold and silver into money of equal intrinsic and exchangeable value, such equality to be secured through international agreement, or by such safeguards of legislation as will insure the maintenance of the parity in value of the coins of the two metals, and the equal power of every dollar at all times in the markets and in the payment of debts."

3. Subsidiary Silver, coined for Government account in denominations of fifty, twenty-five and ten cents, .900 fine, containing 385.8 grains to the dollar; "a legal tender in all sums not exceeding $10 in full payment of all dues, public and private;" receivable for governmental dues to $10, and exchangeable for lawful money at the office of the Treasurer or any Assistant Treasurer of the United States in sums of $20 or any multiple thereof. The general stock of subsidiary silver amounts to $75,414,007, of which $11,981,078 are in the Treasury and $63,432,929 are in circulation.

4. Minor Coins, coined on Government account in denominations of five cents and one cent; a "legal tender at their nominal value for any amount not exceeding twenty-five cents in any one payment;" receivable to the amount of twenty-five cents for all governmental dues, and redeemable in lawful money at the office of the Treasurer and the several Assistant Treasurers and depositories of the United States when presented in sums of not less than $20.

5. Gold Certificates, issued under the Acts of March 3, 1863, and June 12, 1882, for gold coin deposited in the Treasury, in denominations of $10,000, $5,000, $1,000, $500, $100, $50 and $20; not a legal tender; "receivable for customs, taxes and all public dues," and redeemable in gold at the Treasury or any Sub-Treasury.

Certificates to the amount of $38,348,169 are outstanding, of which $1,534,060 are in the Treasury and $36,814,109 are in circulation.

6. Silver Certificates, issued against standard silver dollars deposited, in denominations of $1,000, $500, $100, $50, $20, $5, $2 and $1; not a legal tender; receivable for customs, taxes and all public dues; exchangeable for standard silver dollars or smaller coin, and redeemable in standard silver dollars. There are outstanding silver certificates to the amount of $384,170,504, of which $11,331,585 are in the Treasury and $372,838,919 are in circulation.

7. Treasury Notes, issued under the Act of July 14, 1890, in payment for silver bullion; a "legal tender for all debts, public and private, except where otherwise expressly stipulated in the contract;" receivable for customs, taxes and all public dues, and "redeemable on demand in coin" at the office of the Treasurer or any Assistant Treasurer of the United States. There have been issued $155,931,002, of which $46,617,722 have been redeemed in silver and cancelled, $7,553,325 are in the Treasury and $101,759,955 are in circulation.

8. UNITED STATES NOTES, issued under the Acts of February 25, 1862, July 2, 1862, and March 3, 1863, in denominations of $1, $2, $5, $10, $20, $50, $100, $500, $1,000, $5,000 and $10,000; a "legal tender in payment of all debts, public and private, within the United States, except for duties on imports and interest on the public debt;" redeemed when presented since January 1. 1879, in gold coin at the Sub-Treasuries in New York and San Francisco and reissued. The highest amount of these notes outstanding at any time was on January 3, 1864, when it reached $449,338,902. By the Public Credit Act of March 18, 1869, "The United States solemnly pledges its faith to make provision at the earliest practicable period for the redemption of the United States notes in coin." The Resumption Act of January 14, 1875, authorized the use of surplus revenues and the issue of bonds for their redemption. The Act of May 31, 1878, prohibited their further cancellation or retirement, and directed the reissue of such as might be received or redeemed by the Treasury. The amount outstanding has therefore since remained at $346,681,-016, of which $37,684,018 are in the Treasury, $48,625,000 are held against outstanding currency certificates and $258,996,998 are in circulation.

The aggregate amount outstanding of United States notes, Treasury notes of 1890, and silver dollars is $908,708,088, of which $61,274,184 are now in the Treasury, but liable to reissue, and $847,433,904 are in circulation.

As against this large amount of that which is a credit currency, aside from the value of the silver bullion and dollars in the Treasury, the Treasury now holds $153,573,147 in gold coin and bullion, after deducting the amount of the gold certificates.

9. CURRENCY CERTIFICATES, issued under the Act of June 8, 1872, in denominations of $10,000, upon deposit of United States notes, payable to order, and not a legal tender, nor receivable in exchange for anything other than legal-tender notes; $48,625,000 are outstanding, of which $340,000 are in the Treasury, and $48,285,000 are in circulation.

10. NATIONAL BANK NOTES, issued by the National banks of the United States in accordance with the Act of June 3, 1864, to the extent of ninety per cent. of the par of Government bonds deposited by such banks with the Treasury; not a legal tender; receivable at par "in all parts of the United States in payment of taxes, excises, public lands and all other dues to the United States except duties on imports; and also for all salaries and other debts and demands owing by the United States to individuals, corporations within the United States, except interest on the public debt and in redemption of the National currency;" receivable also by every National banking association for any debt or liability to it, and redeemable at the Treasury.

The National bank notes outstanding are $230,132,275, of which $4,998,012 are in the Treasury, and $225,134,263 are in circulation.

The National banks were organized under the Act of February 25, 1863, and its supplements. They were authorized to issue a circulation based upon bonds, in order that there might thereby be created a demand for the bonds of the United States.

On July 2, 1866, there were 1634 banks; on December 26, 1873, 1976; on October 2, 1890, 3540; on December 9, 1892, 3773, and on October 5, 1897, 3610. The maximum capital was $689,698,017 on December 9, 1892. The maximum circulation was on December 26, 1873, $341,320,256, and the minimum circulation on October 2, 1890, $122,928,084. Up to 1892, the tendency was towards increase of capital. Since then the tendency has been in the direction of a decreasing capitalization. From 1873 to 1890, there was a marked decrease in circulation, with occasional fluctuations; but since 1890 there has been some increase of circulation, with no prospect of any material increase under the existing system.

On October 5, 1897, there were 3610 banks, with an outstanding note issue of $230,132,275 (of which $4,998,012 were held in the Treasury), with a capital stock of $631,488,095, with an aggregate capital, surplus and undivided profits of $966,240,-095, with deposits of $1,869.491,310, and with investments in discounted paper (re-discounts deducted) of $2,043,803,392, in United States bonds of $277,235,920, in other stocks and securities of $208,831.563, and in lawful money of $388,882,631, of which $195,895,107 are in gold coin. The five per cent. redemption fund held by the Treasury now amounts to $10,021,689. From the organization of the system in 1863, to June 30, 1897, the National banks have paid in taxes to the United States $150,207,339.44; and the United States has also made a profit of $2,826,466 from that amount paid by the banks to redeem circulation which has not been presented.

The Defects of the System.

The defects of the existing system are:

First. The vast amount of Government credit currency without a certain and adequate provision for its redemption, and the consequent diminution of public confidence in the continued maintenance of the gold standard.

Second. The continuance in circulation of Government promises to pay, which, when made a legal tender, constitute a forced loan, which are secured only by such resources as the exercise of the taxing power can render available, and which are payable only at the will of the debtor.

Third. The failure to provide the means for a gradual and sufficient increase of the volume of the currency to meet the needs of an increasing population and an enlarging commerce.

Fourth. The want of a natural outflow and inflow of the currency when and as, and only when and as, the agricultural, manufacturing and commercial interests of the country require, at a given time, either a greater or a less quantity of currency in circulation.

Fifth. The failure to secure such a distribution of the loanable capital of the country as will tend to equalize the rates of interest in all its parts.

Sixth. The confusion of the fiscal functions of the Treasury as the receiver of the public revenue and the disburser thereof under Congressional appropriations with its issue and redemption functions in exchanging and redeeming the currency.

Seventh. The circulation of different forms of Government currency having different qualities as to legal tender and receivability for Government dues.

Eighth. The circulation of silver dollars of full legal-tender quality whose nominal value as coins so largely exceeds their value as bullion, that they offer tempting inducements to successful counterfeiting.

Ninth. The circulation of a National bank currency based upon Government bonds, presupposing a continuing issue of those bonds, diminishing the loanable funds of the banks, and, by reason of their bond basis, incapable of increasing in volume with a temporary demand for more currency, and of decreasing with the cessation of that demand.

The Standard.

The most serious evil affecting our present monetary system is the threatened degradation of its standard. The story is familiar, but it will be useful to recall it briefly in this connection. The close of the Civi War found the people of the United States in the possession of a depreciated legal-tender paper currency, with its inevitable accompaniment of inflated prices. To return from such a condition to one of sound money and normal prices is always a painful process, and when the Government began that process, under Secretary McCulloch, in 1866, there was an outcry against it, and it was suspended. From a remonstrance against the payment of the demand obligations of the Treasury at *that* time the movement grew to an opposition to the payment of them at *any* time, and finally to a demand for the issue of more of them, and that, not in the form of promises to pay, but of fiat paper dollars. The number of persons who were carried away by these delusions was very great The political struggle which ensued was prolonged and intense, and the victory which the defenders of sound money achieved in the passage of the resumption law of 1875 was a close one.

That victory ought to have settled all disturbing questions in relation to the monetary policy of the United States, and would have done so, so far as can now be seen, if it had not been for the fall in the value of silver, which began while the contest was going on. From 1792 to 1873 the legal standard of value in the United States was the double one of gold and silver at prescribed ratios. By the Coinage Act of 1873 the silver dollar, which was then worth more than the gold dollar, and which no one could foresee would ever be worth less, and of which very few were in existence, was dropped from the coinage, leaving gold as the only full legal-tender coined money.

Soon after the passage of this law, the value of silver began to decline. The friends of cheap money saw their opportunity and lost no time in improving it. The clamor for the restoration of the sixteen-to-one silver dollar to free coinage began. This was a far more plausible, and therefore more dangerous, movement than the fiat paper money scheme. Silver had a real value. At the beginning of the agitation that value was not greatly less than sixteen of silver to one of gold in weight. It was claimed that its admission to free coinage would increase its value to the full measure of that ratio. Patriotic sentiment was invoked in its favor. It was said to be the money of the fathers and the Constitution. To this was added the appeal to class prejudice. Gold was said to be the money of the rich; silver of the poor. Gold was said to be increasing in value, and so depressing all prices, and increasing the burden of all debts to the unjust advantage of all creditors. The advocates of free silver professed to be the champions of the farmer, the mechanic and the laborer against the aggressions of the capitalist, the banker and the corporation. Such appeals come to men in debt, out of employment and downcast in spirits with great seductive force. Evidence enough of that fact is on record in the election returns of 1896.

The pertinence of this retrospect is the proof which it affords of the fact that so large a portion of the people of the United States have no conception of the nature or importance of a money standard. In such a country as ours the legal monetary standard is whatever a majority, or a plurality, it may be, of the voters say it shall be. It is therefore of the utmost importance that the standard shall not only be distinctly declared in the law, but clearly fixed in the minds of the people as the first and indispensable element of a sound monetary system. All history is evidence that the people who suffer most from a degradation of the standard are not the rich and powerful, but the poor and helpless. Compared with this danger all existing evils of mere kind or quantity of our present money are relatively only inconveniences. The first need of the situation is to fortify the standard.

There are some considerations as to the standard which ought to commend themselves to the judgment of the country. There must be some standard of value. The standard must have a market value as a commodity independently of any governmental fiat and of all legal-tender laws; it must be durable; it must be homogeneous; it must have a maximum of value proportioned to its bulk; it must have, as a commodity, as stable a market value as possible, and in order to secure the stability of that market value the relation between its supply and demand must be as constant as possible. Gold alone fulfills these conditions. The civilized world has therefore determined that the standard shall be gold. No government, however powerful, can in fact reverse that determination or, without injury to the interests of all its people, attempt to establish any other standard of value.

There is a clear distinction between the functions of money as a standard of value and as a medium of exchange. While that money which is the standard of value will always serve also as a medium of exchange, yet other forms of currency of inferior market value can in no sense be a satisfactory standard, and can be a suitable medium of exchange only when their convertibility at par into the standard money is assured. Any possible currency is therefore of one of two kinds. The first kind is that which has been adopted as the standard of value. The second kind is that which is, without reference to its market value as a commodity, receivable at par, because convertible at par into the standard money. To-day gold is the only currency of the first kind. United States notes, National bank notes, silver dollars, subsidiary silver and minor coins are currency of the second kind. The face value of the silver dollars, the subsidiary silver and the minor coins more or less largely exceeds their bullion value, and they differ from the note issues only in the fact that the material of which they are made has some market value as bullion. Under modern conditions of business purchases, sales, loans, the discharge of debts, and even payments of wages are effected in great part by drafts, checks or transfers of credits. While the work which the money, which is the standard, actually performs in the exchanges of the country is relatively small, yet every one of those exchanges is based on that standard. If all the money of the country is convertible at par into gold there may then be whatever and as much of the representative forms of currency as the convenience of the people may require.

On the other hand, if the standard of value be lowered, there necessarily follows a loss of public confidence, a lessened use of credit and of credit forms of currency, and a consequent diminution of the effectiveness of the currency.

The gold standard, therefore, does not mean gold monometallism, and it necessarily results, not in contraction, but in the greatest possible expansion of the currency within the bounds of safety.

As gold derives no value from any legal-tender law, nor any value from coinage at the mint beyond "the ascertainment that its weight and purity are what the law requires," and the certifying by the Government's stamp that it possesses those qualities, it is, and it ought to continue to be, admitted to free coinage. On the other hand, silver, nickel and copper should be coined only upon Government account, into coins of limited legal-tender quality, should be issued from the mint only in exchange for gold at par, and should be re exchangeable at the Treasury in convenient multiples for gold coin at par. Under this system there could be no arbitrary contraction or expansion of the coin currency, nor any tampering with the standard of value, and the people would then carry to their credit in the ledger of the Treasury Department the profits upon the coinage of silver, nickel and copper.

Many of our fellow-citizens have hoped in all sincerity that the problem of the standard would be solved by international bimetallism. An earnest effort has been made to realize that hope, but it must now be abandoned. The only alternatives, therefore, are the continued maintenance of the existing gold standard or the adoption of the silver standard. If the latter alternative be taken, the obligations of the United States, of the States, of all municipalities, of all private corporations and of all individuals, the receipts of income from every source, the proceeds of policies of insurance, the deposits in banks and saving funds and the wages of labor will then be payable in a debased and depreciated currency, and individual and corporate bankruptcy, and, worst of all, national dishonor, will follow. If the former alternative be taken, and the necessary means be adopted to secure the stability of the gold standard, the credit of the country will be established, the national debt can be refunded at lower interest rates, the surplus capital of the world will come here to find profitable investment, and our country will enjoy the prosperity that follows a currency system based upon a stable standard of value.

The means necessary to establish and preserve popular confidence in the continued maintenance of the gold standard are:

1. An explicit legislative definition of the gold standard and a pledge that it will be maintained.

2. A requirement that all obligations, public and private, unless otherwise stipulated in the contract, shall be payable in conformity with that standard.

3. The adoption of a plan for the gradual retirement of the outstanding note issues of the Government.

As the gold deposited for certificates cannot be used by the Government, and as the issue of gold certificates is of no advantage to the Government or to the people, there does not seem to be any reason for their continued issue.

The Silver Currency.

The silver certificates being the expressed representatives, dollar for dollar, of silver dollars deposited, ought to continue to be exchangeable only for silver dollars.

The face value of the subsidiary silver coins more largely exceeds their bullion value than is wise, even in the case of token coins. They might be called in and recoined, but the expense and inconvenience of that operation are such as to render its postponement advisable.

As the owners of a large stock of silver bullion, silver dollars and subsidiary silver, the people of the United States are directly interested in the continued use of silver as currency, provided that the silver can continue to be maintained at par with gold.

The silver dollar is by reason of its size and weight an inconvenient coin to carry about the person or to use in change. Most people, therefore, do not desire to use silver dollars as currency if they can have, as representatives of the coin dollars, notes in denominations of $1, $2 and $5. Even with the inducement of free transportation from the Treasury, it has never been possible to force into circulation at any one time an amount of silver dollars exceeding $67,000,000, and there are now outstanding only $60,196,778, of which at least $10,000,000 are held by the National and State banks. On the other hand, there are in circulation $354,355,081 of notes of the denominations of $1, $2 and $5, of which $154,965,478 are silver certificates and $199,389,558 are United States notes, Treasury notes of 1890 and National bank notes. Of the total amount of silver certificates outstanding $154,965,478 are, as before stated, in denominations of $1, $2 and $5, and $229,205,081 are in larger denominations. If, therefore the United States notes, Treasury notes of 1890 and National bank notes of the denominations of $1, $2 and $5 be retired, their places can be taken by a further issue of silver certificates to the amount of $199,389,558, in denominations of $1, $2 and $5, and an equivalent amount of silver certificates of larger denominations be retired, leaving of the $229,205,081 now outstanding in larger denominations $29,815,478 to be redeemed in silver dollars when presented for redemption. If, also, the silver dollars now in circulation and amounting to $60,196,778 should be deposited in the Treasury, the balance of $29,815,478 of silver certificates in denominations exceeding $5 could be replaced by an issue of silver certificates in denominations of $1, $2 and $5, and there might, without any expansion of the present outstanding circulation, be a further issue of silver certificates in denominations of $1, $2 and $5, amounting to $30,381,305, based upon the silver dollars so deposited. The place of the retired United States notes, Treasury notes of 1890 and National bank notes of small denominations would be taken by an issue of notes of large denominations of the same kinds, so long as the United States notes and Treasury notes of 1890 are unredeemed.

The effect of this plan will be that the currency of the country of all denominations below $10 will be silver coin, and silver certificates based upon silver dollars held in the Treasury, supplemented by gold coins of the denominations of $2.50 and $5.

The Government has received the full face value for all the silver dollars which have been put in circulation either in kind or by means of representative certificates. The silver coins differ from the note issues only in the fact that the material of which they are made has some market value as bullion. They are, nevertheless, as justly obligations of the Government and as properly exchangable at par for gold as the United States notes. A gold reserve must, therefore, be provided for such exchange; but as the retirement of the United States notes, Treasury notes of 1890, and National bank notes of denominations less than $10 will leave the silver dollar, the silver certificates in denominations of $1, $2 and $5, the subsidiary silver, the minor coins, and the gold coins of the denominations of $2.50 and $5 as the only currency for small transactions, it is probable that the trade of the country will keep the silver and its representatives in circulation, and prevent the coming in of any considerable quantity of that currency. It is also to be observed that when popular confidence shall have been restored as to the maintenance of the gold standard and the security of our currency system, there will be no general desire to exchange silver dollars or silver certificates for gold, for the silver currency will then be, beyond question, as good as gold.

The Treasury has an asset in its silver bullion not held against outstanding certificates which may be utilized by selling it from time to time, as the German Government has done with its surplus silver. Of course, such sales should be carefully made in such quantities as not to unduly depress the market for silver bullion. It is, therefore, suggested that authority be given to the Secretary of the Treasury to make such sales in his discretion.

It may be well to consider whether the sum of $452,713,792 of silver dollar pieces, with seigniorage of over fifty per cent., which remain as the evidence of a serious danger to the existing standard, is not too large to be permanently retained in our currency; and if this should prove to be the case, whether a sufficient number of these silver dollars should not be ultimately although not immediately, withdrawn and sold as bullion.

It is an essential part of a sound system of finance, that the Government should raise by taxation a revenue adequate to its necessary expenditures. But as the revenues are sometimes deficient, it is advisable that power be given to the Treasury to sell short-term bonds to supply such deficiency. Under existing legislation only long-term bonds can be sold; and if the Government comes into possession of a surplus, such bonds cannot be retired save by purchasing them at a premium. On the other hand, short-term bonds can, under a securely-established currency system, be negotiated at low interest rates; can be, if necessary, extended at maturity, and can be retired by purchase in advance of maturity without a heavy loss in payment of premium. For similar reasons it is suggested that long-term bonds should contain a reserved option to the Government of retirement.

It is to the interest of the Government and of the people that all the people should have an equal opportunity of investing their savings in the obligations of the Government when issued. As the mass of the people have not the necessary facilities for the safe custody of bonds, it is suggested that a system be adopted of inscription on the books of the Treasury, instead of bonds, similar to that which has long prevailed in the case of the English consols and the French rentes. Under this system it will be possible to place Government loans by a real popular subscription.

THE DEMAND OBLIGATIONS OF THE GOVERNMENT.

It is part of the plan submitted that the demand obligations of the Government shall be put in course of retirement by a process which shall be gradual in its operation as respects the current money and business of the country, but which will lead ultimately to the substitution of other forms of money in their place. The demand obligations, properly so called, consist of the United States notes or "greenbacks," amounting to $346,681,016, and the Treasury notes of 1890, amounting to $109,313,280. While the former are not in terms payable in gold, and the latter are by law payable in gold, or silver, at the discretion of the Secretary of the Treasury, it is obviously necessary, in order to keep good the pledge of the Government to maintain the parity of the two metals as coined, to pay all its notes in gold when gold is demanded by the holder. So that, in a practical sense, the note obligations of the Government payable in gold on demand must be reckoned at the sum of the greenbacks and the coin notes, that is, $455,994,296.

The measures recommended in relation to these obligations may be briefly summarized as follows:

1. The separation of the note issuing and redeeming operations of the Treasury from its ordinary fiscal operations by the creation of a Division of Issue and Redemption, and the transfer to it of the gold reserve and other resources held against obligations; the Government notes to be paid in gold coin on demand through that division.

2. The reserve to be maintained from revenue when adequate, and by sale of bonds when necessary; the proceeds of such sales to be used for that specific purpose, and no other.

3. Notes paid to be canceled as paid, up to the amount of $50,000,000; the cancellation thereafter for five years not to exceed the increase of bank notes. After five years the notes paid to be retired at a rate not exceeding 20 per cent. per annum of the amount then outstanding; at the end of ten years the legal-tender quality of the notes then outstanding to cease.

4. No note, once paid, to be reissued otherwise than in exchange for gold, except that, in case of an excessive accumulation of redeemed and uncanceled notes in the Division of Issue and Redemption, the Secretary of the Treasury may use them in the purchase of United States bonds for the benefit of the Division of Issue and Redemption; such bonds to be held in that division and sold for the benefit of the redemption fund when directed by the Secretary of the Treasury.

At the present time the Government has no fund for the payment of its demand obligations except the general balance in the Treasury applicable alike to the payment of all dues. Our revenues are more or less uncertain in amount; our expenditures are large and growing, and liable to vary with changes in the spirit of the times and the disposition of Congress and the people. It is, therefore, uncertain whether we shall have at any particular time an adequate fund for the redemption of the demand obligations without recourse to borrowing. Borrowing is an ineffectual resource, because, under the law as it stands, the notes which have been paid must be returned to circulation, and so may be used over and over to draw out the borrowed gold. The uncertainty of this situation is increased by the fact that the issue of bonds rests with the Executive Department, and whether it will be resorted to or not will depend upon the personal views and discretion of the officials at the head of that department. More serious still is the fact that it is in the power of the Executive Department, as the law now stands, to decide absolutely whether the Government notes shall be paid in gold or in silver. An end ought to be put to this anomalous and hazardous situation by making specific and adequate provision for the payment of the demand obligations, and directing in the law that such payment shall be in gold at the demand of the holder.

It is regarded as certain that if this were done there would be comparatively little presentation of notes at the Treasury for redemption, in the absence of serious public alarm, and that the best possible security against the recurrence of such alarm would be attained. The provision authorizing the purchase of bonds during the period mentioned is recommended, with t e belief that it would enable the Secretary of the Treasury to prevent any injurious contraction. The bonds purchased with the notes returned to circulation would furnish the means with which to redeem them when presented again.

A proposal to retire the Government notes may be received at first with disfavor by some persons, but it must be supposed that, upon due reflection, preferences which are to a large extent merely sentimental will yield to arguments resting on solid grounds of safety and advantage to the Government and the people. All good citizens must desire that the credit of the Government shall rest on a basis so secure that no wind that can blow will ever shake it; that the standard by which all obligations and values are measured shall be the most perfect expression of truth and honesty and unchangeableness which is possible of attainment: and that all the money in circulation shall be up to that standard in its value, and shall, in respect to its form and quantity and distribution, serve every requisite of commercial and personal use as equally and completely as is in the nature of things possible. If it is necessary in order to accomplish these results to relieve the Government from the function of supplying money in the form of its own notes, it is only necessary to make that fact clear to the people to secure their approval of the measure. Not to believe this would be to despair of the capacity of the people for wise and successful Government.

A Government paper currency educates the people who use it in false notions concerning money. Such a currency, circulating year after year without redemption, appears to those who do not look at it critically to derive its value from the "Government stamp." It ceases to be regarded as a promise to pay money, and is thought to possess the virtue of money in and of itself. It is so easy to create it that in any emergency the call for more is perfectly natural. There can be no doubt that the aberration of judgment on the money question by so many of our people in recent years has been largely due to the miseducating influences of the greenback currency. The young and middle-aged men of to-day have grown up in a vitiated financial atmosphere.

Such a currency also lacks the important quality of automatic adaptability to the varying demands of business. A paper dollar is a useful form of currency so long as there is legitimate use for it. When there is no legitimate use for it, it becomes a superfluous and injurious thing—a temptation to speculation, extravagance and unwise business ventures. A paper currency created by legislation is fixed in volume by the law of its creation, and can neither contract nor expand in response to those varying conditions which are bound to occur in the affairs of men.

More important than this is the fact that such a currency puts upon the Government the burden of maintaining the credit of all the financial institutions of the country. The Government notes are as good as gold only so long as the Government redeems them in gold. If it should fail in that, all bank notes, bank deposits, insurance losses and debts and dues of every kind not specifically payable in gold would be payable in the depreciated paper or in silver. Every passing incident, therefore, which raises an apprehension, however slight, of a possibility, however remote, that the Government may be unable or unwilling to maintain gold payment of its obligations sends a nervous tremor through the whole business system of the country. A sovereign government cannot be compelled to pay its debts; it pays them only when it wills so to do; and there is in the public mind more or less doubt as to the continuance of the will of our Government to pay its demand obligations in money satisfactory to the holders thereof. In these days of large invested capital and small profits such a condition is a serious drag on business enterprise.

The existence of a large outstanding debt payable on demand is also a source of weakness to the Government in its international relations. Modern warfare is so expensive that it is almost as much a matter of money as of men. A nation suddenly confronted by the alternative of war or dishonor would be greatly handicapped by a large demand debt which it must provide for at once. Great additional force is given to this consideration by the fact that it would be scarcely possible for this nation to engage in war in its present situation—counting as part of the situation the imperfect development of clear conceptions on the subject of money in the minds of the people—without a suspension of specie payments and a resort to further issues of Government notes. There is no occasion to criticize those patriotic men who believed that the issue of greenbacks was necessary to save the Union. But the world has advanced in financial knowledge and skill since then. There is no doubt that if our Government were relieved of its existing demand obligations, and our currency system put in working order upon a gold basis, it would be entirely possible for us to go through a war without suspension of specie payment, or any derangement of our monetary system. If war should come, the value to the country of the ability to thus avoid the indirect losses following from depreciated currency, inflated prices and financial demoralization would be so great that the burden of paying off now our demand obligations would be as nothing in comparison.

While the silver dollars are not, by the terms of the law, exchangeable for gold coin, their current value is sustained by the promise of the Government to maintain their parity with gold. So that we have a total volume of paper and silver in circulation amounting to $908,728,087, all resting for its value on the credit of the Government, except in so far as the bullion in the silver dollars has value. That credit is maintainable only as a whole. The paper of the United States could not be dishonored and its silver upheld. It is necessary, therefore, that the Government shall keep a large fund in gold, and continue to do so so long as the credit currency is outstanding. Such a fund in the hands of the Government is defenceless against attack. In countries where the Government has no demand debt outstanding, and the gold reserve is held by banks, the nation's stock of gold is capable of some degree of protection through the rate of interest charged for loans. But our Government has no such resource. Its great gold reserve is an open mine free to all who bring its notes. The exigencies of war or commerce are liable to create sudden and great demands for gold. And as the entire monetary system of the country hangs upon that one reserve, the situation is one of uncertainty and hazard against which no insurance is possible, and which is bound to continue while the Government demand obligations are extant in large volume. It would go far to relieve the perennial strain of this situation and strengthen our financial position at home and among nations to transfer this burden to the banks and other moneyed institutions.

As against these serious disadvantages there is no advantage which can possibly be claimed for paper money in the form of Government notes over any other form of paper money equally good—that is, equally current in all parts of the country and equally certain of redemption in specie on demand—except the saving of interest on so much of the public debt as is represented by the notes. Our National bank notes have served the uses of the people as well as greenbacks. In all ordinary business transactions no one cares which he receives or pays out. The supposed economy of the greenbacks is more apparent than real; indeed, when we consider all the facts they are an extremely costly form of money. To keep them good requires the maintenance of a large gold reserve in the Treasury, which offsets the saving of interest to the extent of one-fourth or more. When conditions arise which threaten to deplete that reserve and compel a resort to extraordinary measures to protect it, no limitation of cost can be observed, and it is impossible to know what sacrifice may become necessary.

In order to create the gold reserve required for the resumption of specie payments in 1879 United States bonds to the amount of $95,500,000 were sold, and most of which are still outstanding in a refunded form. During the years 1894, 1895 and 1896 bonds to the amount of $262,315,400 were sold. Throughout those years there was a constant drain of gold to redeem United States notes. By the law of 1878 it was provided that United States notes "shall not be retired, canceled or destroyed, but they shall be reissued and paid out again and kept in circulation." There being a deficit in the ordinary revenue, these notes continued to go out again and again in payment of ordinary expenses. Whether the deficit would have required the sale of bonds if there had been no want of public confidence in the payment of the notes, and they had not continued to be presented for redemption, is a point upon which there may be a difference of opinion. Not to enter upon that question closely, it is clear that with interest to pay on three hundred and fifty-seven million dollars of indebtedness incurred chiefly, if not wholly, in consequence of the existence of the Government notes, and one hundred millions of reserve lying idle in the Treasury, the saving in interest by the United States notes is a small gain compared with the unending burden of providing for their redemption.

In considering the cost of these operations it is necessary to take into account also the expense of engraving, printing, book-keeping and other incidents. From all of which it appears that instead of saving money to the people, the United States notes have been and are now costing them a large sum annually. This cost is liable to be increased by the further issue of bonds for the protection of these notes in emergencies, not now present nor immediately threatening, but always possible.

Between January 1, 1879, and November 1, 1897, the Treasury paid United States in gold to the amount of $507,470,149, being $160,789,133 in excess of $346,-681,016, the entire amount outstanding at the resumption of specie payments, which paid and repaid and yet undiminished amount still remains outstanding to be paid again, and, unless some change be made in the existing law, again and again.

Between July 14, 1890, and November 1, 1897, Treasury notes of 1890, issued for the purchase of silver bullion, have been redeemed in gold coin and reissued to the amount of $90,680,879.

Moreover, we are carrying a burden put upon us by the doubt and uncertainty which the presence of this large demand debt of the Government in the form of current money produces which no man can estimate. Any one of a number of circumstances might cause a suspension of gold payment of its notes by the Government. A war, a failure of revenue, a commercial revulsion, an election, a weak President—any one of these unfavorable conditions, exciting alarm and then panic, might cause the Treasury to be depleted of its gold and its notes to be dishonored. The injury which all business suffers from this condition of the currency is none the less real because it is not distinctly perceived. The evil may go long unnoticed, like friction in machinery or malaria in the air, but it has its effect nevertheless. When it comes to an acute manifestation of the evil, such as we have experienced within the last five years, the loss occasioned is beyond computation. Many concurring causes contributed to the business depression which the people of the

United States have suffered within that period; but it cannot be doubted that the fact that the entire paper currency of the country consisted of or rested upon notes of the Government, and that there was an uncertainty as to the redemption of those notes, was the chief cause of that great disaster. All the Government notes outstanding and all the interest they have saved since they were issued would pay only a small fraction of the loss which the American people have suffered within that time.

THE BANKING SYSTEM.

Under the present system a bank may issue circulation not exceeding 90 per cent. of its paid-up capital, and also not exceeding 90 per cent. of the par value of the bonds deposited. Each bank is required to deposit with the Treasury a redemption fund of 5 per cent. of its outstanding circulation ; and the notes are secured by a first lien on all the assets of the bank, including the liability of the shareholders. While in some cases shareholders of and depositors in National banks have lost by unskillful or unfaithful management, yet the bank circulation has been so well secured that no holder of a National bank note has ever had occasion to inquire what bank issued the note, or has ever lost any part of the amount of the note. But the relative increase in the number of the banks and decrease in the amount of the issue of the circulation shows that the system should be so amended that, while the notes issued thereunder shall be as adequately secured as under the present system, there will yet be an increased issue of bank notes, and an outflow and inflow of those notes as the business of the country may require.

A note circulation, issued under the present system, unquestionably satisfies the condition of security, but is open to grave objections.

1. It presupposes a continuing issue of Government bonds, when it ought to be the national policy to steadily reduce and ultimately extinguish the debt of the United States.

2. The investment in bonds diminishes the funds of the bank available for loans to its customers.

3. Such a currency does not increase in volume with a temporary demand for more currency, nor decrease with the cessation of the demand.

All the conditions can be met by—

1. A national system with improved regulations as to examinations supervision, etc.

2. The issues to be based upon those readily convertible assets which represent the exchangeable wealth of the country in its natural products and manufactured goods.

3. A limitation of the amount of the issues to the unimpaired capital of the issuing bank.

4. A further security in a common guaranty fund.

5. The continuance of the present redemption fund and method of redemption, with the extension of the places of redemption under the approval of the Secretary of the Treasury.

6. A further security in the liability of the shareholders to the full amount of the par of their shares.

The chief difference of the proposed from the existing system of bank notes is that it gradually does away with the requirement that there shall be a deposit of bonds with the Government as a condition for the issuance thereof. As now, the notes are to be a first lien upon all the resources of the banks, including the stockholders' liabilities. This change is necessary because of the scarcity of United States bonds ; and the attempt to substitute other bonds would lead to many evils. The change is wise because it permits the issuance of notes in the way and at the time when, and for the purpose for which, they would be issued under natural conditions, if no law prevented. Such a system would more perfectly than any other give the country a circulating medium; it would readily and quickly adjust itself from season to season to meet the wants of the business of the country requiring bank notes for its convenient transaction. Under the present system, the problem presented to a bank, when its customers call for currency, is not the amount of its own assets, but its ability and desire to make an investment in something quite apart from its usual business as a bank, in order that it may be in a position to provide a man who wishes to move property or employ labor with the tools most convenient at the time for his purpose. Notes secured as herein provided cannot fail to be safe, because, being based upon all the resources of all the banks issuing them, they are based upon the whole business of the country, and that business is the thing which gives life and value to all securities, Government, municipal, railway and individual obligations. Should all the resources of the banks ever so shrink in value as not to be ample security for the amount of notes that could be issued under this plan, then all other securities, even Government bonds, would become valueless. The banks are bound together for the security of these notes to accomplish the same purpose that the deposit of bonds is intended to accomplish, namely, to guard against loss through the misfortune or bad management of single banks, and thus save the holder of a bank note the need of ascertaining the standing of any bank. The objection that is sometimes made that the larger banks in the great cities would not issue notes because of an apprehended liability for other banks, is shown by statistics to be groundless. 1893 was the year of largest bank failures; but had all the banks of the country then issued notes up to 80 per cent. of their capital, the amount of their assessment to make good the ascertained deficiencies of that year up to the time of the Comptroller's report of 1896 would have been only a fraction of 1 per cent. Had 80 per cent. of the capital of all National banks been issued in notes, upon the proposed plan, since the beginning of the National banking system in 1863, the assessment upon the banks annually would have been an amount so insignificant that it need not be taken into account. Taking the country banks as a whole, it is found that on October 5 last they had $401,000,000 of the $631,000,000 of National bank capital. Should they issue notes up to 80 per cent. of that capital, they would have $321,000,000 of notes, and there would be $1,956,000,000 of resources against these notes, not counting stockholders' liability.

If these resources of the country banks are insufficient security for this amount of notes, they will be insufficient only because there would then be such a condition of business paralysis that Government, municipal, and railway bonds would be valueless, and also few, if any, banks in the reserve cities would remain solvent. The occurrence of this disaster is so improbable that its consideration may be dismissed.

In some quarters fear is expressed that there would be undue expansion under this plan. There is no danger of this. The system of redemption, not only at the banks but at the Treasury in Washington and at the sub-Treasuries, would strongly guard against that. The expansion over that which could be effected were no notes issued at all will be found, upon investigation, to be small. Dangerous expansion does not take the form of the issue of bank notes, but of the extension of credits. Very few borrowers take their loans in the form of bank notes. The bank note is only one form in which he to whom credit is given will use that credit; he can use it equally well for most purposes if the loan is placed to the credit of his account by the bank making the loan to him, or by some other bank or by a private person.

The plan increases stockholders' liability, so that each stockholder is absolutely liable to assessment up to the par of his stock, and not ratably and equally with every other stockholder as now.

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The existing tax of one per cent. per annum on circulation is repealed. In its place taxation of capital, surplus, and undivided profits is provided. The issue of circulating notes is only one form in which a bank expresses its demand liability. The other form, deposits, is, under the development of modern banking operations, of vastly greater importance, and the one which, in cities and highly organized commercial communities, is most used. In October, 1897, the country banks issued more than seventy-two per cent. of all notes issued. The reserve banks, except those of the central reserve cities, New York, Chicago and St. Louis, issued more than eighteen per cent., New York less than eight per cent., and Chicago and St. Louis together about one and one-half per cent. Surplus and undivided profits and capital show the profits and property of banks, and these are certainly more legitimate objects of taxation than the mere instruments which banks may be called upon by their customers to issue to serve chiefly the convenience of those customers. This tax makes as equitable an apportionment of the expenses of the system as can be devised.

The plan provides that these notes shall be received by banks and by Government in payment of debts and dues under the same conditions as now. This provision is made, not because it materially adds to the security of the notes, but that they may be more convenient to the people and in aid of their speedy redemption.

This method of passing from the present to the new system is proposed in order that the change may be gradual and that the country may become accustomed to it in this way, and also to guard against the possibility of undue sale of United States bonds. Doubtless portions of the country lack adequate banking facilities, and to meet this a diminution of the minimum capital required for banks in places of small population and authority for the establishment of branch banks are advised.

Plan of Currency Reform.

I. Metallic Currency and Demand Obligations.

1. The existing gold standard shall be maintained, and to this end the standard unit of value shall continue, as now, to consist of 25.8 grains of gold, nine-tenths fine, or 23.22 grains of pure gold, as now represented by the one-tenth part of the eagle. All obligations for the payment of money shall be performed in conformity to the standard aforesaid; but this provision shall not be deemed to affect the present legal-tender quality of the silver coinage of the United States or of their paper currency having the quality of legal tender. All obligations of the United States for the payment of money now existing or hereafter entered into shall, unless otherwise expressly provided, be deemed and held to be payable in gold coin of the United States as defined in the standard aforesaid.

2. There shall continue to be free coinage of gold into coins of the denominations, weight, fineness and legal-tender quality prescribed by existing laws.

3. No silver dollars shall be hereafter coined.

4. Silver coins of denominations less than $1 shall be coined upon Government account of the denominations, weight, fineness and legal-tender quality prescribed by existing laws.

5. Minor coins shall continue to be coined upon Government account of the denominations, weight, fineness and legal-tender quality prescribed by existing laws.

6. Subsidiary and minor coins shall be issued and exchanged as prescribed by existing laws, except as hereinafter otherwise provided.

7. There shall be created a separate division in the Treasury Department, to be known as the Division of Issue and Redemption, under the charge of an Assistant Treasurer of the United States, who shall be appointed by the President by and with the advice and consent of the Senate.

8. To this division shall be committed all functions of the Treasury Department pertaining to the issue and redemption of notes or certificates and to the exchange of coins; and this division shall have the custody of the guaranty and redemption funds of the National banks, and shall conduct all the operations of redeeming National bank notes as prescribed by law; and to this division shall be transferred all gold coin held against outstanding gold certificates, all United States notes held against outstanding currency certificates, all silver dollars held against outstanding silver certificates, and all silver dollars and silver bullion held against outstanding Treasury notes of 1890, and all subsidiary and minor coins needed for the issue and exchange of such coins, and the funds deposited with the Treasury for the liquidation of National bank notes. All accounts relating to the business of this division shall be kept entirely apart and distinct from those of the fiscal departments of the Treasury, and the accounts relating to the National banks shall be kept separate and apart from all other accounts.

9. A reserve shall be established in this division by the transfer to it by the Treasurer of the United States from the general funds of the Treasury of an amount of gold in coin and bullion equal to twenty-five per cent. of the aggregate amount of both the United States notes and Treasury notes issued under the Act of July 14, 1890, outstanding, and a further sum in gold equal to five per cent. of the aggregate amount of the coinage of silver dollars. This reserve shall be held as a common fund, and used solely for the redemption of such notes and in exchange for such notes and for silver and subsidiary and minor coins.

10. It shall be the duty of the Secretary of the Treasury to maintain the gold reserve in the Division of Issue and Redemption at such sum as shall secure the certain and immediate redemption of all notes and silver dollars presented, and the preservation of public confidence; and for this purpose he shall from time to time, as needed, transfer from the general fund of the Treasury to the Division of Issue and Redemption any surplus revenue not otherwise appropriated; and in addition thereto he shall be authorized to issue and sell, whenever it is in her judgment necessary for that purpose, bonds of the United States bearing interest not exceeding 3 per cent., running twenty years, but redeemable in gold coin, at the option of the United States, after one year; and the proceeds of all such sales shall be paid into the Division of Issue and Redemption for the purposes aforesaid.

11. To provide for any temporary deficiency which may at any time exist in the fiscal department of the Treasury of the United States, the Secretary of the Treasury shall be authorized, at his discretion, to issue certificates of indebtedness of the United States, payable in from one to five years after their date, to the bearer, of the denominations of $50 or multiples thereof, with interest at a rate not to exceed three per centum per annum, and to sell and dispose of the same for lawful money at the Treasury Department, and at the sub-Treasuries and designated depositories of the United States, and at such post offices as he may select. And such certificates shall have the like privileges and exemptions provided in the Act to authorize the refunding of the National debt, approved July 14, 1870.

12. Whenever money is to be borrowed on the credit of the United States, the Secretary of the Treasury shall be authorized, instead of issuing the usual forms of engraved bonds, upon receiving lawful money of the United States in sums of not less than fifty dollars ($50) in any single payment, to cause a record of all such payments to be made in books to be kept for that purpose in Washington, and thereafter, from time to time, to pay to those so registered on such books interest not exceeding 3 per cent. per annum in gold coin on the amount with which they shall severally stand credited on such books in the same manner and at the same dates as if they were the holders and owners of registered bonds of the United States; and he shall also pay to those so registered the principal sum originally deposited, in

gold coin, at the date of maturity of such inscribed loans. Suitable arrangements shall be made at each and every money-order post-office in the United States for receiving such payments into the Treasury on like terms, as well as for the transfer, on proper identification, of any inscription on the books in Washington, or of any part thereof not less than fifty dollars ($50). No interest shall accrue or be paid on inscriptions which shall have been reduced below fifty dollars ($50). No charge of any kind shall be made by any department or officer of the Government for any service in connection with the receipt or transmission of the lawful money, nor in the transfer of inscriptions on the books at Washington.

13. The Division of Issue and Redemption shall on demand at Washington, and at such sub-Treasuries of the United States as the Secretary of the Treasury may from time to time designate—

(*a*) Pay out gold coin for gold certificates.

(*b*) Pay out gold coin in redemption of United States notes or Treasury notes of 1890.

(*c*) Pay out silver dollars for silver certificates of any denomination.

(*d*) Issue silver certificates of denominations of $1, $2 and $5, in exchange for silver dollars or for silver certificates in denominations above $5.

(*e*) Pay out gold coin in exchange for silver dollars.

(*f*) Pay out silver dollars in exchange for gold coin, United States notes or Treasury notes.

(*g*) Pay out United States notes or Treasury notes, not subject to immediate cancellation, in exchange for gold coin.

(*h*) Pay out and redeem subsidiary and minor coins as provided by existing laws.

(*i*) Pay out United States notes in exchange for currency certificates.

14. United States notes or Treasury notes once redeemed shall not be paid out again, except for gold coin, unless there shall be an accumulation of such notes in the Division of Issue and Redemption which cannot then be cancelled under the provisions of the Act, in which case the Secretary of the Treasury shall have authority, if in his judgment that course is necessary for the public welfare, to invest the same or any portion thereof in bonds of the United States for the benefit of the redemption fund, such bonds to be held in the Division of Issue and Redemption, subject to sale at the discretion of the Secretary of the Treasury, for the benefit of the Division of Issue and Redemption, and not for any other purpose.

15. The Secretary of the Treasury shall be authorized to sell from time to time, in his discretion, any silver bullion in the Division of Issue and Redemption, and the proceeds in gold of such sales shall be placed to the account of the gold reserve in the Division of Issue and Redemption.

16. The gold certificates and the currency certificates shall, whenever presented and paid or received in the Treasury, be retired and not reissued.

17. No United States note or Treasury note of 1890 of a denomination less than $10 shall hereafter be issued, and silver certificates shall hereafter be issued or paid out only in denominations of $1, $2 and $5 against silver dollars held by or deposited in the Treasury.

18. The Assistant Treasurer in charge of the Division of Issue and Redemption shall, on demand, pay in gold coin all United States notes and Treasury notes presented for payment, and as paid cancel the same up to the amount of $50,000,000. After that amount shall have been paid and cancelled, he shall then from time to time cancel such further amounts of notes so paid as shall equal, but not exceed, the increase of National bank notes issued subsequent to the taking effect of the proposed Act.

19. If at the end of five years next after the taking effect of the proposed Act

any United States notes or Treasury notes shall be outstanding, a sum not exceeding one-fifth of such outstanding amount shall be retired and cancelled each year thereafter, and at the end of ten years after the passage of the proposed Act the United States notes and Treasury notes then outstanding shall cease to be legal tender for all debts, public and private, except for dues to the United States.

20. The Secretary of the Treasury may, in his discretion, transfer from surplus revenue in the general Treasury to the Division of Issue and Redemption any United States notes or Treasury notes which on such transfer could then lawfully be cancelled under the provisions of the proposed Act if they had been redeemed on presentation, and when so transferred the same shall be cancelled. The Secretary of the Treasury, in his discretion, whenever there may be United States notes or Treasury notes in the general Treasury which are not available as surplus revenue, and which upon transfer to the Division of Issue and Redemption could then lawfully be cancelled under the provisions of the Act, may exchange such notes with the Division of Issue and Redemption for gold coin, and such notes shall thereupon be cancelled.

21. All vested rights of property or contract, and all penalties incurred before the taking effect of the proposed Act or any part of it, shall not be affected by the passage thereof; and all provisions of law inconsistent with any of the provisions of the proposed Act should be repealed.

II. Banking System.

22. The total issues of any National bank shall not exceed the amount of its paid-up and unimpaired capital, exclusive of so much thereof as is invested in real estate. All such notes shall be of uniform design and quality, and shall be made a first lien upon all the assets of the issuing bank, including the personal liability of its stockholders. No such notes shall be of less denomination than $10.

23. Up to an amount equal to twenty-five per cent. of the capital stock of the bank (the whole of its capital being unimpaired) the notes issued by it shall not exceed the value of the United States bonds, to be fixed as hereinafter provided, deposited with the Treasurer of the United States. The additional notes authorized may be issued without further deposit of bonds.

Beginning five years after the passage of the proposed Act, the amount of bonds required to be deposited before issuing notes in excess thereof shall be reduced each year by one fifth of the 25 per cent. of capital herein provided for; and thereafter any bank may at any time withdraw any bonds deposited in excess of the requirements hereof.

24. Every National bank shall pay a tax at the rate of 2 per cent. per annum, payable monthly, upon the amount of its notes outstanding in excess of 60 per cent. and not in excess of 80 per cent. of its capital, and a tax at the rate of 6 per cent. per annum, payable monthly, upon the amount of its notes outstanding in excess of 80 per cent. of its capital.

25. Any bank may deposit any lawful money with the Treasurer of the United States for the retirement of any of its notes; and every such deposit shall be treated as a reduction of its outstanding notes to that extent; and the tax above provided for shall cease as of the first of the following month on an equal amount of its notes.

26. The Secretary of the Treasury shall annually fix the value of each series of bonds of the United States bearing a rate of interest exceeding 3 per cent. as equalized upon the rate of interest of 3 per cent. per annum, and such valuation as fixed by the Secretary on this basis shall be the valuation at which the bonds will be receivable upon deposit. Bonds payable at the option of the Government shall be receivable at 95 per cent. of their then market value as determined by the Secretary

of the Treasury. If any bonds shall be issued hereafter payable at at a date named, and bearing interest at 3 per cent., or less, they shall be receivable at par.

27. The Comptroller of the Currency shall from time to time, as called for, issue to any bank the capital of which is full paid and unimpaired any of the notes herein elsewhere provided for, on the payment to the Treasurer of the United States, in gold coin, of 5 per cent. of the amount of notes thus called for, which payments shall go into the common guaranty fund, for the prompt payment of the notes of any defaulted National bank. Upon the failure of any bank to redeem its notes, they shall be paid from the said guaranty fund, and forthwith proceedings shall be taken to collect from the assets of the bank and from the stockholders thereof, if necessary, a sum sufficient to repay to said guaranty fund the amount thereof that shall have been used to redeem said notes; and also such further sum as shall be adequate to the redemption of all the unpaid notes of said bank outstanding.

28. Persons who, having been stockholders of the bank, have transferred their shares, or any of them, to others, or registered the transfer thereof within sixty days before the commencement of the suspension of payment by the bank, shall be liable to all calls on the shares held or subscribed for by them, as if they held such shares at the time of suspension of payment, saving their recourse against those by whom such shares were then actually held. So long as any obligation of the bank shall remain unsatisfied, the liability of each stockholder shall extend to, but not exceed, in the whole, an amount equal to the par of his stock.

29. If the said guaranty fund of 5 per cent. of all the notes outstanding shall become impaired, by reason of payments made to redeem said notes as herein provided, the Comptroller of the Currency shall make an assessment upon all the banks in proportion to their notes then outstanding sufficient to make said fund equal to 5 per cent. of said outstanding notes.

Any bank may deposit any lawful money with the Treasurer of the United States for the retirement of any of its notes; or return its own notes for cancellation; whereupon the Comptroller shall direct the repayment to such bank of whatever sum may be the unimpaired portion of said bank's contribution to the guaranty fund on account of said notes.

Any portion of the guaranty fund may be invested in United States bonds in the discretion of the Secretary of the Treasury.

The taxes on circulation, provided for in Paragraph 24, as well as the interest accruing from investment of any part of the guaranty fund, shall be held in the Division of Issue and Redemption in gold coin or in United States bonds in the discretion of the Secretary of the Treasury, and shall be a fund supplementary and in addition to the guaranty fund, to be used only in case said guaranty fund shall ever become insufficient to redeem any bank notes issued hereunder, and it shall not be taken into account in estimating the amount of assessments necessary to replenish said guaranty fund or in repayments to banks of their contributions to the guaranty fund.

30. The present system of National bank-note redemption should be continued, with a constantly maintained redemption fund of five per cent. in gold coin, and with power conferred on the Comptroller of the Currency, with the approval of the Secretary of the Treasury, to establish additional redemption agencies at any or all of the sub-Treasuries of the United States, as he may determine.

31. So much of the provisions of existing law as require each National bank to receive at par, in payment of debts to it, the notes of other National banks, and making such notes receivable at par in payment of all dues to the United States except duties on imports, shall be extended to cover notes issued under the proposed plan.

32. National banks shall hold reserves in lawful money against their deposits of

not less than twenty-five per cent. and fifteen per cent. for the respective classes as now provided by law, at least one-fourth of which reserve shall be in coin, and held in the vaults of the bank. Neither the five per cent. redemption fund, nor the five per cent. guaranty fund, shall be counted as part of the reserve required. No bank shall count or report any of its own notes as a part of its cash or cash assets on hand.

33. Permit the organization of National banks with a capital stock of $25,000, in places of four thousand population or less.

34. Provision should be made whereby branch banks may be established with the consent of the Comptroller of the Currency and approval of the Secretary of the Treasury.

35. For the purpose of meeting the expenses of the Treasury in connection with the National bank system, a tax of one-eighth of one per cent. per annum upon its franchise, as measured by the amount of its capital, surplus and undivided profits, shall be imposed upon each bank.

36. So amend existing laws as to provide—

(*a*) For more frequent and thorough examinations of banks.

(*b*) For fixed salaries for bank examiners.

(*c*) To provide for rotation of examiners.

(*d*) For public reports, regular or special, at the call of the Comptroller of the Currency.

(*e*) To make it penal for any bank to loan money, or grant any gratuity, to an examiner of that bank, and penal for such examiner to receive it.

37. Any National banking association heretofore organized may at any time within one year from the passage of the proposed Act, and with the approval of the Comptroller of the Currency, be granted, as herein provided, all the rights, and be subject to all the liabilities, of National banking associations organized hereunder: provided, that such action on the part of such associations shall be authorized by the consent in writing of shareholders owning not less than two-thirds of the capital stock of the association.

38. Any National banking association now organized which shall not, within one year after the passage of the proposed Act, become a National banking association under the provisions hereinbefore stated, and which shall not place in the hands of the Treasurer of the United States the sums hereinbefore provided, for the redemption and guarantee of its circulating notes, or which shall fail to comply with any other provision of the proposed Act, shall be dissolved; but such dissolution shall not take away or impair any remedy against such corporation, its stockholders or officers, for any liability or penalty which shall have been previously incurred.

39. Any bank or banking association incorporated by special law of any State, or organized under the general laws of any State, and having a paid-up and unimpaired capital sufficient to entitle it to become a National banking association under the provisions of the proposed Act, may, by the consent in writing of the shareholders owning not less than two-thirds of the capital stock of such bank or banking association, and with the approval of the Comptroller of the Currency, become a National bank under this system, under its former name or by any name approved by the Comptroller. The directors thereof may continue to be the directors of the association so organized until others are elected or appointed in accordance with the provisions of the law. When the Comptroller of the Currency has given to such bank or banking association a certificate that the provisions of this Act have been complied with, such bank or banking association, and all its stockholders, officers and employes, shall have the same powers and privileges, and shall be subject to the same duties, liabilities and regulations, in all respects, as shall have been prescribed for associations originally organized as National banking associations under the proposed Act.

This plan is based in its main features upon principles which are conceived to be fundamental and unchangeable, and which never have been, and never can be, departed from without disaster. Its methods and details are, of course, capable of considerable variation consistently with these principles. The methods suggested have been reached after very careful inquiry and study, and it is thought that they will prove to be practical and adequate to the realization of a safe and steady system of finance and currency in which all the people of our country, of whatever calling or political opinion, are equally and most deeply interested.

All of which is respectfully submitted.

GEORGE F. EDMUNDS, *Chairman.*
GEORGE E. LEIGHTON, *Vice-Chairman.*
T. G. BUSH.
W. B. DEAN.
CHARLES S. FAIRCHILD.
STUYVESANT FISH.
J. W. FRIES.
C. STUART PATTERSON.
ROBERT S. TAYLOR.

WASHINGTON, December 17, 1897.

I sign except as to provisions relating to metallic currency and certificates issued thereon.

LOUIS A. GARNETT.

The undersigned, while heartily agreeing in general to the above plan, dissents from the principle involved in Section 14, by which the Secretary of the Treasury is empowered to reissue United States notes in purchase of bonds. Believing that the increase of the circulation should not be left to the decision of the Government officials; that no official should be exposed to the pressure which would thereby be created; that the issue of gold in redemption of the notes would prevent contraction, and that it is inconsistent with the principles on which an elastic bank currency has been recommended, because notes should not be issued by the Government in an emergency when bank issues have been above provided for exactly such an occasion.

J. LAURENCE LAUGHLIN.

NOTE.—The above Report is certain to have an important effect in shaping future legislation on the currency. A bill embodying the recommendations of the Commission has been introduced in the House, and from the present outlook there is a good prospect that it will at least serve to crystallize the sentiment of Congress in favor of some definite plan acceptable to both Houses. As this is the long session of Congress it is hardly possible that the session will be allowed to end without a strong attempt being made to pass a financial bill. It is understood that the Banking and Currency Committee will insist on having a time fixed by the Speaker for the consideration of a measure which the committee will present.

An extended analysis and careful criticism of the details of the Monetary Commission's Report will be published in the February number of the BANKERS' MAGAZINE.

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J. ... Loughlin

... certain to ... effect in shaping future ... recommendations of the Commis ... House, and ... a good ... Congress in favor of ... both Houses. As ... long session of Con ... to ... a strong ... that the Banking and ... Speaker ... the ...

... of the Monetary Com ... the February number of the Bankers'

JOHN FARSON.

In the course of its progress to the present commanding position which the city of Chicago occupies in the commercial and financial affairs of the country, many large banking institutions have been developed and great financial reputations have been made by the men actively engaged in their management.

As the center of a vast territory rapidly changing from the conditions of frontier life to those of the highest forms of civilization and refinement, Chicago has offered an attractive field for the specialization of banking along the lines connected with the promotion of municipal growth, such as the laying out and improvement of streets, installation of plants for electric light, gas and water, building of street railways, school houses, and in general all the elements of material progress.

The subject of this sketch is the head of a banking house whose special aim is to bring into active use some of the idle capital of the country, especially that part of it which is indisposed to take any risks, and makes security of the principal the first consideration. It is admitted that municipal bonds, based upon the obligations of the public, are a safe and desirable form of investment, particularly when the circumstances of their issue have been carefully investigated and certified to by a responsible firm. That the firm of Farson, Leach & Co., has gained an enviable reputation as negotiators of public securities is evidenced by the fact that their transactions in this line now reach about $20,000,000 annually.

Mr. Farson was born in Union City, Ind., October 8, 1855. At the age of five he was taken to Champaign, Ill. His father was a Methodist minister and a powerful champion of public education, a dominant trait in the son's character. John Farson attended the public schools of Champaign and later took a two-years' course in the University of Illinois. He came to Chicago in 1877 and studied law in the office of Senator Doolittle. In 1880 he was admitted to practice, but opportunity constrained him to enter the banking business. He became connected with Preston, Kean & Co., and rose rapidly to positions of trust. When he succeeded Mr. Preston in 1885 he was manager of the bond department and thoroughly grounded in all the systems of finance. Mr. Farson remained with this firm until 1889, two years prior to its failure. The firm of which he is now the head rose rapidly in the confidence of banking people, and the extension of its interests necessitated the opening of a house in New York.

Mr. Farson is a member of the Chicago Board of Trade and Stock Exchange, a director of the Union League Club and a member of the Chicago Athletic Association, the Bankers, the Illinois, the Sunset, the University of Illinois and the Oak Park Clubs, of Chicago, and the Lawyers' Club, of New York.

In 1880 he was married to Miss Mamie Ashworth, the daughter of William Ashworth, who was general manager of the British American Assurance Company. Thoroughly domestic in his tastes and devoted to his wife and children, his home life is particularly happy. He has a handsome residence at Oak Park, a suburb of Chicago. His stable, built upon a unique plan, contains a number of fine horses, and his herd of Jersey cattle is said to be one of the best of its size in the country.

The Chicago offices of the firm of Farson, Leach & Co. are in handsomely arranged quarters at 100 Dearborn street, and the New York office is at 2 Wall street, under the capable management of Mr. A. B. Leach, the resident partner.

At the recent convention of the American Bankers' Association at Detroit, a valuable paper was read by Mr. Farson on the subject of "Municipal Bonds as Permanent Investments." He has also delivered occasional addresses before the Illinois Bankers' Association and the Bankers' Club, of Chicago.

Though deeply absorbed in his business, Mr. Farson is not unmindful of the obligations of citizenship, and has been a liberal supporter of educational and other enterprises of a public character. As a promoter of the investment of capital in State, county and city securities, he is naturally in favor of a stable money standard. Politically his affiliations are with the Republican party.

The prominence attained by Mr. Farson's firm has not been due to any exceptional circumstances of fortune, but has resulted from long experience, concentration of purposes and energies and a careful adherence to strict business methods.

Mr. Farson is recognized as a sound judge of municipal securities, a reputation not got without deserving.

SECRETARY GAGE'S CURRENCY PLAN.—In the hearing before the Committee on Banking and Currency of the House of Representatives, on December 16, Secretary Gage gave the following explanation of his plan to hold $200,000,000 of the demand obligations of the Government in a proposed Issue and Redemption Division of the Treasury Department:

"Set down $930,000,000 as our total volume of outstanding currency, exchangeable for gold, and therefore liable to cause annoyance to the Treasury. Deduct $50,000,000 which we use as a working balance for the daily transactions in the Treasury, and it leaves $880,000,000. Next deduct the amount of lawful money which we require the banks to keep in the Treasury for the redemption of their notes. This is now a matter of $10,000,000; but, under my bill, it would be ten per cent. on $500,000,000, making $50,000,000. That leaves us $830,000,000 to take care of. Throw out another ten millions for losses and we get down to $820,000,000. Retire $200,000,000, as provided under my bill, and you have only $620,000,000 to care for. Now prohibit the issue of any notes of a larger denomination than $10, so as to cover all the ordinary domestic retail trade of the people, and what do we find? As it is now, we find that popular retail trade seems to absorb about $346,000,000 of notes of denominations under $10 besides $52,000,000 of silver dollars, in other words, about $400,000,000 are now performing the functions of hand-to-hand trade in this country.

Making the broadest allowances we might safely count upon buttoning up not less than $250,000,000 in this way in the pockets of the people. This would leave $370,000,000 theoretically free to plague the Treasury. Now how will this potentially vexatious remainder be held? It will be distributed among 10,000 banks, including trust companies, Savings institutions and the like, to say nothing of the stocking-toes, and the cracked teapots, and the holes in the ground which are the depositories of a great number of private hoards. Most of the institutions involved are required by law to carry a considerable reserve in lawful money of the United States. We can safely count upon the locking up of the $370,000,000 balance in this way; but should the Government be subjected to demands from these sources, we shall have still a gold reserve of $125,000,000 to meet it. That is, as all banking experience will prove, an ample protection.

Mr. Jordan, who has been Assistant Treasurer at New York for a number of years, and was formerly Treasurer of the United States, has expressed his assurance that in all the history of the raiding of the Treasury gold reserve it was only about $200,000,000 of our paper obligations that gave the Government all its trouble. However, to guard against all possible emergencies, it is proposed to supplement my bill with one based upon the recommendation of the President empowering the Secretary of the Treasury to borrow not to exceed $100,000,000 at his discretion, for emergencies of the Treasury, issuing for them obligations maturing after not longer than one year. That discretion would, in my judgment be most sparingly used. It might never have to be used at all. The very knowledge on the money market that the Secretary possessed such powers would be a protection in itself."

BANK NOTES BASED ON GOVERNMENT NOTES.

Editor Bankers' Magazine:

SIR:—In your November issue, on pages 676-681, in answering a list of questions propounded by the Monetary Commission, you outline a plan for the issue of bank notes, etc., and the substitution of United States notes in place of bonds as a basis for bank issues, the bank being authorized to issue $130 in circulation to every $100 in United States notes deposited. The notes to be held in the Treasury and gradually replaced with gold coin as the revenues of the Government would justify, and the notes of the United States cancelled. That bank notes shall be redeemable at the bank counter in *gold coin*, also at the commercial center of the country (say New York); that the bank should carry a *gold* reserve against note issues of twenty-five per cent in cities and fifteen per cent. in country banks.

It is true this latter provision you advocate immediately follows a line of questioning regarding bank issues based entirely on bank assets, and you probably did not intend it to apply to a bank currency based on United States notes as explained above, but it would appear to me that if you intend to maintain gold redemption at the bank counter it would certainly be as necessary for the bank to carry a gold reserve under one plan as the other, and assuming that you intended the reserve and the redemption requirements to apply to the note issues based on United States notes, we would have the following statement for the circulation account of a bank, say, with $100,000 capital, in St. Louis:

Authorized circulation, 90 per cent. of $100,000 capital........................		$90,000
Deposit in U. S. notes (to be afterwards replaced by gold)...........	$69,231	
Reserve held in bank (25 per cent. of circulation, in gold)............	22,500	
Redemption fund in commercial center (say New York) 25 per cent.	4,500	96,231
Excess of cash reserve in gold over circulation.........................		$6,231

In other words, for the privilege of issuing $90,000 in circulation, a bank would be expected to tie up in reserve, etc., gold to the amount of $96,231. This would not be a privilege that many would take advantage of.

I anticipate you will say you did not intend the twenty-five per cent. requirement in gold coin to apply to circulating notes based on United States notes at the rate of $130 to $100 in United States notes. I would then ask how could you expect to maintain gold redemptions at the bank's counter. T. E. FLOURNOY.

MONROE, La., Dec. 15, 1897.

As is surmised by our correspondent the provisions for reserve suggested on page 680 of the November MAGAZINE in the answer to question 5, under the head "banking," sent out by the Monetary Commission, refers exclusively to reserves to be kept on circulation based exclusively on bank assets. The preceding interrogatory and answer (question 4) make this very clear. According to the answer to this question the limit of circulation based on bank assets is to be seventy-five per cent. of capital. The reserves suggested are twenty-five per cent. for city banks and fifteen per cent. for country banks, with a five per cent. redemption fund in addition kept at the redemption center. The benefit to the bank should be calculated as follows:

Authorized circulation, seventy-five per cent. of $100,000 capital.............		$75,000
Reserve held in bank, in gold, twenty-five per cent. of circulation.	$18,750	
Redemption fund at center, five per cent............................	3,750	22,500
Amount of circulation in excess of reserve.............................		$52,500

In other words the city bank would have the entire use of its credit to the extent of over fifty per cent. of its capital. The balance of the $75,000 being used to obtain the gold necessary to keep its reserves up to the requirement, and also to maintain the general credit of the bank.

The other plan of issuing circulation on the basis of United States notes, instead of bonds, which our correspondent has confused with the plan of issuing circulation on bank assets, must be considered from a totally different standpoint. In order to understand the advantage of this plan it must be compared with the present plan of issuing circulation on bonds, which it is intended to supersede, and also intended to serve as a stepping stone to the gradual future adoption of a bank circulation based entirely on the general assets of a bank. A National bank under the present law may issue circulation to the limit of ninety per cent. of its capital, upon the deposit of United States interest-bearing bonds.

The largest part of National bank note circulation to-day is based on four per cent. bonds of 1907, and these bonds can only be purchased at a premium of 113-114. A National bank of $100,000 capital, taking out the full amount of circulation to which it is entitled, must therefore purchase $100,000 of these bonds, paying therefor $113,000. On depositing these bonds it receives $90,000 in notes for issue. The account of profits, assuming the going rate for loans to be six per cent., would be as follows, the bonds maturing in ten years.

$100,000 four per cent. bonds of 1907 (at 113)			$113,000
Interest on bonds at four per cent		$4,000	
$90,000 circulation at six per cent		5,400	
Total income		$9,400	
Expenses 1-10 of premium each year	$1,300		
Taxes, etc	99	1,399	
Total net income		$8,001	
Income on $113,000 at six per cent		6,780	
Net profit on circulation		$1,221	or 1.08 per ct.

Under the proposed plan of depositing legal-tender notes as a basis for circulation, the same bank's advantage may be calculated as follows:

Deposited with the U. S. Treasurer in notes or gold		$69,231
Circulation received $90,000, loaned at six per cent	$5,400	
Less tax, etc	99	
Total profit	$5,301	
If the $69,231 were loaned at six per cent., income would be	4,154	
Net profit on circulation	$1,147	or 1.66 per ct.

The redemption fund and the reserves required are the same exactly in the one case as in the other. The notes in the one case being secured as well as in the other, there is no necessity of changing the present law of reserve. But there is this further advantage, that as the rate of interest which a bank can realize on loans increases, the profits on circulation based on notes, according to the plan suggested, increase; whereas under such circumstances the profits on circulation based on bonds diminishes. Moreover the fact that the banks now seek for the bonds bearing the lowest premium indicates that they would readily exchange for the system proposed. Of the $25,364,500 two per cents. of the United States outstanding now quoted at ninety-eight, the National banks held on December 1, $22,066,400. The profit on circulation based on these bonds calculated in the same manner as on the four per cent. bonds of 1907 given above is 1.41 per cent. The safety fund spoken of to protect the bank notes issued in excess of the United States notes or gold deposited, is proposed to be obtained from the taxes on circulation now imposed. This tax is now one per cent. per annum. One-quarter of the proceeds of this tax set aside as a safety fund will afford ample security. The advantage of circulation under this plan to the banks is greater than upon circulation based on bonds. It also affords a further advantage in retiring the notes of the Government without the expense of funding them into bonds, thus saving the payment of interest. The notes in either case, if the deposited security should prove insufficient, are a first lien on all the other assets of the bank.

The whole basis of our correspondent's criticism rests on a misapprehension, and in failing to distinguish between a system of bank circulation secured by assets set apart from other assets and deposited with the Government, from circulation based on the security of assets remaining wholly under the control and management of the bank. In the latter case the public must look to the bank alone for protection, and, therefore, the bank must be required to make more preparation to meet the public demand. It is highly probable that if such a system of bank note circulation should be legalized, that experience would soon show that reserves as great as those suggested in the answer to the query of the Monetary Commission were more than sufficient. But in introducing such a system it is better to err on the side of too much protection, especially as even with the reserve suggested the bank would have a respectable margin of profit.

In fact, were the system of bank notes based on general assets introduced, and all special deposit of assets done away with, the actual reserves required to be kept for safety would in practice be found to be about the same as those now usually held by the banks. This, however, is a matter for experiment. In the introduction of such a system it is well to start with ample reserves, both for the satisfaction of objectors and the general public.

THE NEW COMPTROLLER OF THE CURRENCY.—On December 16, President McKinley sent to the Senate the nomination of Charles G. Dawes, of Illinois, to be Comptroller of the Currency, to succeed James H. Eckels, resigned. Mr. Dawes was sworn in on December 31 and assumed the duties of the office on January 3.

Mr. Dawes is a native of Ohio and is thirty-two years of age. He is a lawyer and has had considerable and successful experience in business affairs. He was formerly a director in a bank at Lincoln, Neb., and has published a book on "The Banking System of the United States." Since 1894 Mr. Dawes has been a resident of Evanston, Ill., a suburb of Chicago.

NEW AND DANGEROUS COUNTERFEIT $100 SILVER CERTIFICATE.—Series 1891; check letter D; face plate number 1; back plate number 2; J. Fount Tillman, Register; D. N. Morgan, Treasurer; portrait of James Monroe; small scalloped carmine seal. This is the most dangerous counterfeit note known to the Secret Service.

The most noticeable defects are to be found in the numbering and seal. The former, which in all the notes so far seen begin either with "E345" or "E346," are different in formation from the genuine, especially the figures 3 and 4. In the 3 the lower loop does not extend as far around towards the center of figure as in the genuine. In the 4 the diagonal line meets the cross line in a sharp point, whereas in the genuine it is blunt. Also the space between the base of the figure and the cross line in the counterfeit is much narrower than in the genuine. The seal is a shade lighter than the genuine.

The formation of the letters in the word "James," under the portrait, is poor. The cross line of the "t" in Washington, lower right center face of note, only shows on the right hand side of the upright, while in the genuine it is plainly to be seen on both sides. In the genuine portrait, between the buttons on the roll of the coat the shading is made up of crossed diagonal lines, forming small blocks; in the counterfeit the lines only run one way. The parallel ruled lines in the panels containing the number are in many places broken and disconnected. The lathe work is as near perfect as can be. The quality of ink used on back of note does not appear to be good, as several shades appear on the different notes seen. This counterfeit is apparently printed from "photo-mechanical" plates, on two pieces of paper pasted together, and between which silk fibre has been distributed.

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States Courts and State Courts of last resort will be found in the MAGAZINE'S Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

CHECK—PRESENTMENT—BANKERS' LIEN—SET-OFF.

Supreme Court of Illinois, Nov. 8, 1897.

NIBLACK *vs.* PARK NATIONAL BANK OF CHICAGO.

Where a check was presented at a bank during banking hours, and the doors of the bank were found closed, and presentment was made to the President at his residence; *held*, that due diligence had been exercised, and that the check was properly protested for non-payment.

In Illinois the drawing and delivery of a check upon a fund in bank is, in effect, an assignment to the holder of the check of so much of the fund as the check calls for.

The bank cannot set off against the deposit an overdue note of the depositor held by itself, after presentation of a check by a holder for value.

Nor is the right of the holder of the check affected in such case by the fact that before such presentment the bank has passed into the hands of the Comptroller of the Currency.

On June 17, 1890, Cook and Leake, doing business as the Bank of Hartford, and having sufficient funds on deposit to their credit with the appellee, the Park National Bank, of Chicago, drew a check for $1,056 upon the latter bank, payable to appellant William C. Niblack, and delivered it to him.

On the morning of the 20th following, the Comptroller of the Currency seized the property and assets of the Park National Bank, and caused it to suspend business. At this time there was on deposit in the latter bank to the credit of the Bank of Hartford the sum of $2,574.44, and it held a note of the Bank of Hartford, payable on demand, for the sum of $18,600.

At the time of the closing of its doors, it had taken no steps to transfer the deposit to part payment of the note which it held.

On this day, Niblack, by a notary public, presented his check to the appellee bank for payment, and, finding the doors closed, and being unable to make a demand, presented it to the President of the bank at another place, and protested it, in due form, upon payment being refused.

Afterwards, on July 14, Gilbert G. Shaw was appointed Receiver of appellee bank, and in August following a claim for the amount of the check was presented to him, but he refused to acknowledge it as an obligation of the bank, and this suit was brought to recover that sum.

Upon the hearing, judgment was rendered against the Receiver for the face of the check, with interest from June 20, 1890, amounting in all to $1,346.

Appeal was taken to the appellate court of the first district, where the judgment of the trial court was reversed, without being remanded. From that judgment William C. Niblack prosecuted this appeal.

WILKIN, *J.* (after stating the facts): It is contended by appellant that, inasmuch as at the time of the making and presentment of the check the Park National Bank held sufficient funds belonging to the maker of the check to pay it, and at that time had taken no steps to appropriate the deposit to the payment of the note in its favor, the bank could not afterwards appropriate this fund to the payment of its note, and refuse to pay the check.

On the other hand, it is contended by appellee, first, that the check was not properly presented for payment; and, next, if it was presented, even after presentment, the bank had the right to appropriate the maker's funds then on deposit to the payment of its own note, rather than to the payment of the check.

We think the check must be treated as properly presented to the bank for payment. It appears from the evidence that a notary public, with the check, went to the bank during banking hours, for the purpose of demanding payment for appellant, but found the doors closed. He then made a demand of payment of the bank President. Everything was done to present the check for payment which could be done by the holder. If a check is presented to the bank for payment during business hours, and the doors be closed, this is due diligence on the part of the holder of the check, and it may be protested for non-payment. (*Bickford* vs. *Bank*, 42 Ill. 238.)

It is a well-settled rule in this State that the drawing and delivery of a check upon a fund in the bank is, in effect, an assignment to the holder of the check of so much of the fund as the check calls for. But the contention of appellee seems to be that, although the making and delivery is an equitable assignment of so much of the deposit, the banker has the right to refuse payment of the check even when presented by a third person, and appropriate the money to the payment of a debt due from the maker to himself, on the theory that he has a lien upon the deposit in favor of himself to the extent of the maker's indebtedness; or, in other words, it is insisted that the bank has a right of set-off, to the extent of the note, against the maker of the check, and may exercise the right to set-off when the check, which is held even by the third person, is presented.

The question in the case of *Fourth Nat. Bank* vs. *City Nat. Bank* (68 Ill. 402), is very similar to this. The banker, holding a note which was not due against the maker of the check, refused to pay the check, which was presented by a third party, although, at the time of making and presentment, there were sufficient funds on deposit to the maker's credit to pay it. There, as here, the attempt was to maintain that the banker had a lien upon the funds in his possession to pay an indebtedness to himself. The Court said:

"In the very nature of such transactions, a banker's lien cannot extend to the money left on deposit with him, according to the customs and usages of banks. It has never been so extended, but is confined to securities and valuables which may be in the banker's custody as collaterals. The credit must be given on the credit of the securities or valuables, either in possession or expectancy. This is the extent of a banker's lien,"—citing *Russell* vs. *Hadduck*, 3 Gilman, 238.

In that case, as here, the right of set-off was urged in favor of the bank as against the maker of the check, and the Court said:

"The other proposition—that of a right to an equitable set-off—might be conceded if no third party was in the way. The third party here is the appellees, whose right to this money was fixed on October 17, the day the check was presented and payment demanded. This right of set-off, as claimed, is but another phase of the banker's lien, and has no foundation in law or justice as against a check holder for value."

Had the maker himself presented this check, the banker would have had the right to refuse payment, and could have appropriated his deposit to the payment of the indebtedness. It is also the law, where the bank holds a demand note, or a note past due, it has the right to charge such obligation up against the maker's deposit account; and, if it does so before a check drawn by the depositor is presented for payment, it will be entitled to hold the deposit against any check afterwards presented.

But here Niblack's check amounted to the transfer of so much of the fund to him as the check called for, and no right of set-off existed in favor of the bank. Thereafter a third party presented the check. He had received it for value. It had been drawn against a fund sufficient to pay it belonging to the drawer. Taken in the usual course of business, it was clothed with all the rights which the customs of business gave it for commercial convenience. When presented, the fund still stood to the credit of the maker, and, according to the decisions of this court, the bank had no legal right then to refuse payment.

Counsel for appellee contend that, the note being due, and the bank having passed into the hands of the Comptroller when the check was presented, that state of facts itself transferred the deposit to the payment of the note. The fact that the Comptroller took charge of the bank did not make any change in the relation of the parties. The Comptroller, and the Receiver afterwards appointed by him, acted for the bank. Having seen that the banker's lien does not extend to money on deposit when checks are presented by third persons who are holders in the regular course of business, neither the Comptroller nor the Receiver had any more right to make the transfer than the bank itself.

It is also urged that, even if the appellate court was in error, and its judgment must be reversed, the trial court erred in instructing the jury to allow interest upon the face of the check from June 20, the day of protest, and for this reason the judgment of the latter court should be reversed.

We are satisfied that the check was duly presented for payment on June 20, and hence interest was properly allowable from that time. We find no merit in this contention.

The judgment of the appellate court reversing the judgment of the circuit court is reversed, and the judgment of the circuit court is affirmed.

NATIONAL BANK CONTRACT OF SURETYSHIP.

United States Circuit Court of Appeals, Eighth Circuit, Sept. 13, 1897.

COMMERCIAL NATIONAL BANK *et al.* *vs.* PIRIE, *et. al.*

The officers and directors of a National bank cannot bind it by contracts of suretyship and guaranty which are made for the sole benefit and advantage of others.

THAYER, *Circuit Judge:* This is a suit to recover the value of certain goods which were bought by the defendant in error, composing the firm of Carson, Pirie, Scott & Co., against the Commercial National Bank of Independence, Kan., and George T. Guernsey, the plaintiffs in error.

The petition on which the case was tried in the circuit court simply alleged that the plaintiffs below, who are the defendants in error here, were the owners of the goods in controversy on June 10, 1892; that the defendants on said day wrongfully converted the same to their own use; and prayed judgment for their value in the sum of $6,920.26. The answer on the part of both of the defendants was a general denial of all the allegations of the petition.

The case, as developed by the evidence produced at the trial, was substantially as follows: In February, 1892, and for some time previous thereto, R. T. Webb was President of the Cherryvale National Bank, located and doing business at Cherryvale, Kan. He was also doing a mercantile business at the same place, having first become engaged in the latter business in September, 1891. On the 17th or

18th day of February, 1892, Webb applied to the firm of Carson, Pirie, Scott & Co., at their place of business in Chicago, Ill., to purchase a bill of goods, and on being asked by a member of the firm to make a property statement as a basis for obtaining credit, he produced and exhibited the following document, which had been executed by T. C. Molloy, Cashier of the Cherryvale National Bank, at the instance and request of Webb, prior to the latter's departure for Chicago for the purpose of buying goods.

"R. T. Webb, President. T. C. Molloy, Cashier. A. H. Harding, Vice Prest.
C. F. Godbey, Asst. Cashr.
Cherryvale National Bank. Capital, $50,000.00.
Cherryvale, Kansas, February 15th, 1892.

Carson, Pirie, Scott & Co., Chicago, Ill.—Gentlemen: We will guaranty the payment of any bill of goods which Mr. R. T. Webb may buy of you while in Chicago, during the present week. If this guaranty is not specific enough, we will make it satisfactory to you.

Yours, very truly, The Cherryvale National Bank.
By T. C. Molloy, Cashier."

On the production of the aforesaid guaranty, Webb was allowed to purchase a bill of merchandise amounting to $6,395.25. The goods so purchased were shipped in several lots during the latter days of February, 1892, and the bills therefor, according to the terms of sale, matured on May 15 and June 15 following.

Before the maturity of the bills, Webb made cash payments on account, amounting to $439.60, and returned goods of the value of $39.85. At the time of this transaction no representations were made by Webb touching his financial condition or solvency, or concerning the solvency or condition of the Cherryvale National Bank; the firm of Carson, Pirie, Scott & Co. being willing, apparently, to extend credit on the aforesaid guaranty of the Cherryvale National Bank, which the firm accepted and retained. In point of fact, Webb was at the time insolvent in the sense that he could not pay his debts as they matured, and the Cherryvale National Bank was also insolvent, and in a failing condition, though still transacting business in the usual manner.

On June 10, 1892, a National bank examiner took charge of all the property and effects of the Cherryvale National Bank, and closed its doors for the transaction of business, by direction of the Comptroller of the Currency. On the same day Webb executed two chattel mortgages covering his entire stock in trade—one in favor of the Commercial National National Bank of Independence, Kan., to secure a liability to that bank in the sum of $8,229.68; and the other in favor of George T. Guernsey to secure an indebtedness to said Guernsey in the sum of $5,000.

A part of the indebtedness to Guernsey which was thus secured consisted of money, some six or seven hundred dollars, on that day loaned to Webb by said Guernsey. The residue of said indebtedness was a pre-existing debt in the sum of forty-two or forty-three hundred dollars, which Webb then owed to said Guernsey, that was due and unpaid. Under the aforesaid mortgages, Guernsey, who was Cashier of the Commercial National Bank of Independence, Kan., immediately took possession of all the mortgaged property, and advertised it for sale on June 27, 1892. Prior to the sale, and on the 27th day of June, 1892, the defendants in error, acting in the firm name of Carson, Pirie, Scott & Co., served a notice on the Commercial National Bank, of Indendence, Kan., that said firm had been induced to sell the goods in controversy to Webb by reason of certain representations made by Webb and by the Cherryvale National Bank as to Webb's financial responsibility, which representations were false in fact, and were made with a fraudulent intent, and that they had elected to rescind the sale, and reclaim the goods, on account of such fraud.

The defendants below, when this notice was served on them, refused to restore the goods in controversy, which were then in their possession, and the same were thereafter sold under the mortgages, whereupon this suit was brought in the form heretofore stated.

At the conclusion of the testimony, which established substantially the aforesaid facts, the trial court gave a peremptory instruction, directing the jury to return a verdict in favor of the plaintiffs below. Such a verdict was accordingly returned, and a judgment was rendered thereon against the defendants below in the sum of $6,415.09. An exception, which was duly taken by the defendants to the giving of this instruction, presents all the questions which are to be considered.

We think that the trial court erred in withdrawing the case from the the consideration of the jury, and that its action in that respect cannot be upheld. It is not claimed that any oral representations were made to induce the firm of Carson, Pirie, Scott & Co. to sell the goods in question on credit, or to ship them to the purchaser. The representative of the firm who negotiated the sale confessedly acted on the assumption that the written guaranty executed by T. C. Molloy, as Cashier of the Cherryvale National Bank, bound the bank, and that the bank was able to meet all its engagements. For this reason he made no inquiries concerning the financial condition of the buyer or the bank, and no representations were made on that subject. The first of these assumptions—that the bank had power, under its charter, to guaranty the payment of the indebtedness contracted by Webb for merchandise—was due to a mistake of law, for which Webb is not legally responsible. The Act of Congress under which the bank was organized confers no authority upon National banks to guaranty the payment of debts contracted by third parties, and acts of that nature, whether performed by the Cashier of his own motion or by direction of the board of directors, are necessarily *ultra vires*.

A National bank may indorse or guaranty the payment of commercial paper which it holds, when it rediscounts or disposes of the same in the ordinary course of business. Such power, it seems, a National bank may exercise as incident to the express authority conferred on such banks by the National Banking Act to discount and negotiate promissory notes, drafts, bills of exchange, and other evidences of debt (*People's Bank vs. National Bank*, 101 U. S. 181, 183; *U. S. Nat. Bank vs. First Nat. Bank*, 49. U. S. App. 67, 24 C. C. A. 597, and 79 Fed. 296); but it has never been supposed that the board of directors of a National bank can bind it by contracts of suretyship or guaranty which are made for the sole benefit and advantage of others. The National Banking Act confers no such authority in express terms and by fair implication, and the exercise of such power by such corporations would be detrimental to the interests of depositors, stockholders and the public generally. (*Norton vs. Bank*, 61 N. H. 589; *State Nat. Bank of St. Joseph vs. Newton Nat. Bank*, 32 U. S. App. 52, 58, 14 C. C. A. 61, 64, and 66 Fed. 691, 694; *Bank vs. Smith*, 40 U. S. App. 690, 23 C. C. A. 80, and 77 Fed. 129.)

In contemplation of law, therefore, the vendors knew, when they sold the goods in controversy, that the guaranty in question was of no avail as a security, even though they supposed that it had been executed with the sanction of the board of directors.

It results from this view that, if we were able to admit that the presentation of the guaranty to Carson, Pirie, Scott & Co. carried with it an implied representation that it had been executed by direction of the board of directors, and that the bank was in a sound financial condition, yet we would not be able to concede that either of these representations was material, inasmuch as the plaintiffs below must be presumed to have known that the guaranty imposed no legal obligation upon the guarantor.

[The other questions considered are not of interest here.]

PAYMENT TO PRESIDENT—WHEN BINDING UPON BANK.

Appellate Court of Indiana, Oct. 6, 1897.

TULLEY *vs.* CITIZENS' STATE BANK OF PLAINFIELD.

Upon the plea of payment to a bank the burden is upon the person making such plea to show circumstances which made the payment to an officer of the bank, under the law, payment to the bank.

Payment made to the President of a bank outside the usual course of business, which the bank does not receive, and from which it derives no benefit, is not payment which binds the bank.

This was an action of replevin for certain chattels.

COMSTOCK, *J.:* The plaintiff sought to recover certain goods and chattels unlawfully detained by appellant. The complaint alleges that on March 31, 1894, defendant executed to one Harlan Hadley a chattel mortgage on certain goods and chattels, to indemnify said Hadley as surety for the appellant on two notes—one for $5,833.33, and one for $3,374.98; that said mortgage was on said date assigned in writing to the appellee; that the note for $3,374.98 was due and unpaid. Appellant an agent, purchased a tank for the sum of $90, complete on the ground at Parker City, and agreed to pay said sum therefor. That pursuant to such purchase appellee shipped one 250-barrel tank, complete, "except setting up and hooping, to wit, 500 feet Norway lumber, worth $8.50; 850 cypress, $29.70; 235 pine flooring, $4.40; 30 Norway, .42; 378 pounds hoop iron, $9.45; 1 tank bolt, .85; 5 pounds nails, .15.

* * * * * * * * * * *

The theory of appellant's defense was that the note in suit was fully paid before the commencement of the suit, and that the findings of the jury sustain this theory. The jury find, in answer to interrogatories, that the note was for $3,374.98, dated ——, and due ——, with —— interest; that the interest was paid to July 8, 1896; that, in addition to the interest, $300 was paid February 21, 1895, and $435 April 9, 1895, which amounts were credited on the note; that no other payments were made on the note, and that there was yet due and unpaid thereon the sum of $2,675.

The jury further find that the appellant, at various times, paid to Harlan Hadley, mortgagee, while he was President of the bank, appellee, various sums, in the aggregate amounting to more than the balance found due plaintiff on the note; that when he made the payments, he instructed Hadley to have them applied to the payment of the note in suit.

Appellant's able counsel contend that these payments, made to Hadley while President of the bank, were payments made to the bank, and cite authorities which they claim establish the correctness of this position.

The doctrine announced in these citations, we think, is expressed in the following quotation from 1 Beach, Priv. Corp. p. 358, § 206:

"A bank President has power to transact the usual business of the bank in the usual way. He is its general fiscal agent, and whatever he does within the apparent scope of his authority binds the bank."

They contend that his authority to collect money and bind the bank is inherent in his office, and, when he exercises such power, the bank is bound by his acts; citing *Hazelton* vs. *Bank* (32 Wis. 34); *Bank* vs. *Benton* (2 Metc. [Ky.] 240.)

With the general doctrine announced by these approved authorities we find no fault. They do not go to the extent that money paid to one who is President of a bank, without reference to the place or circumstances under which it is paid, which the bank does not receive, and from which it derives no benefit, is a payment which would bind the bank. The authority which Mr. Beach gives the President is to transact the usual business of the bank in the usual way. As to these conditions, the findings of the jury are silent. Facts may be undoubtedly shown which will make a bank liable for money paid one of its officers, when it derives no benefit from such payment, even where, by the general scope of his authority, he was not authorized to receive it.

The conditions creating this liability are the subject of proof. Thus, in *Thatcher* vs. *Bank*, 5 Sandf. 121, which was an action founded upon the neglect of the bank to pay a bill of exchange drawn by the plaintiff, it was held that the bank was not liable for the neglect of an officer, unless it appears that the officer acted as the agent of the bank in the particular transaction which is the subject of the complaint.

Manhattan Co. vs. *Lydig* (4 Johns. 377), was a case in which a party, instead of delivering his money to the receiving teller of the bank, handed it, from time to time, to the bank bookkeeper, to deposit for him. The bookkeeper kept part of the money, but, by false entries on the depositor's pass book and in the books of the bank, concealed the abstractions from both. Sometimes, in the pressure of business, the bookkeeper assisted the receiving teller, and sometimes supplied his place in his absence, but none of the money in controversy was delivered to him on those occasions. The court held that the bookkeeper, in receiving this money, was the agent of the party, and not of the bank, and that the bank was not liable for that which did not come to the hands of the receiving teller, or of the person temporarily supplying his place, or which did not come into the coffers of the bank.

In *Bank* vs. *Gove*, 57 N. Y. 597, it was held that where one pays a debt due by him to a bank upon the demand of an officer thereof, whom he finds employed in its business, to said officer, over its counter, without knowledge that the officer's authority is so limited that he is not authorized to receive money, it is payment to the bank, and the latter is bound thereby. In the case last named we think the law is correctly stated.

In *Thatcher* vs. *Bank*, *supra*, Duer, J., at the conclusion of the opinion, took occasion to say that he would not have it understood that the court held that the bookkeeper might not be held liable, by proper evidence of such general usage as was alleged in the complaint and reply in that case, but that no evidence of such usage was given.

In the case at bar, the jury did not find where the payments in controversy were made, except one of $——, which they found was paid to Hadley at Atlanta, Ga. No interrogatory was propounded to them to elicit this information; no finding that they were made at the bank, or in the usual course of business. The bank was located and doing business at Plainfield, Ind. Upon the plea of payment, the burden was upon the appellant to show circumstances which made the payment to an officer of the bank, under the law, payment to the bank. In the absence of such findings, it will be presumed that the evidence did not warrant them.

MONEY DEPOSITED IN BANK WITHOUT CONSENT OF DEPOSITOR.

Court of Chancery Appeals of Tennessee, Sept. 11, 1897.

WINSLOW, *et al.* *vs.* HARRIMAN IRON COMPANY. FIRST NATIONAL BANK OF CHATTANOOGA, INTERVENER.

Where the Cashier of a bank, having in his hands funds of another person, deposits the same in his bank without authority, the relation between the bank and the owner of the funds is not that of debtor and creditor, and the bank has no right to set off against such deposit the amount of a debt due to itself from such person.

Bill by H. M. Winslow and others against the Harriman Iron Company. The First National Bank of Chattanooga intervened. From a decree overruling all exceptions and confirming the report of the master on the debts and assets of defendant, complainants H. M. Winslow, the Manufacturers' National Bank, the intervener, and others appeal. Reversed as to one credit allowed to the Manufacturers' National Bank and as to one credit allowed to intervener.

NEIL, *J.:* This is a general creditors' bill filed against the Harriman Iron Company to wind it up as an insolvent corporation. It was duly adjudicated to be insolvent, and a reference was had to the master upon debts and assets, and he made his report, and that report was confirmed, the Chancellor overruling all exceptions.

The case is now here upon the appeal of the Manufacturers' National Bank of Harriman, a creditor, and the First National Bank of Chattanooga, also a creditor, and upon the appeal of the complainants, likewise creditors.

The appeal of the Manufacturers' National Bank is based upon the refusal of the master to allow that corporation to retain a credit of $1,445.96, which it had entered on its note April 24, 1896. On that date there appeared upon the books of the Manufacturers' National Bank $1,445.96 in favor of the Harriman Iron Company as a deposit. On the morning of the day just mentioned, the bank appropriated the $1,445.96 as a credit on its note, which was then overdue. In the afternoon of the same day the bill in this case was filed, the Manufacturers' National Bank being one of the complainants in the bill. The $1,445.96 was made up of two items, one for $27.60 and the other $1,418.36. The first-mentioned amount—$27.60—was a *bona fide* deposit, balance due to the Harriman Iron Company at the date above mentioned. That company being insolvent, and the debt being overdue, the bank had the right to appropriate that sum upon the indebtedness due to it from the iron company (Trust Co. *vs.* Bank, 91 Tenn. 336, 18 S. W. 822); and it seems that the same right would have existed if the debt had not been due (*Id.*).

The Chancellor was in error, therefore, in so far as he disallowed the $27.60. But the item of $1,418.36 stands upon a different basis. That money was deposited in the bank under the following circumstances: The Harriman Iron Company owned $3,000 of stock in the Manufacturers' National Bank of Harriman. This stock was in the custody of Mr. H. S. Chamberlain, the president of the Harriman Iron Company. He, desiring to raise money upon the stock, sent it to Mr. Durrell, with authority to negotiate. Mr. Durrell was Cashier of the Manufacturers' National Bank. He procured a loan upon the stock from his sister, in New Jersey, Mrs. Leming, in the name of the Harriman Iron Company, and as a result of that loan received from her $1,418.36. He was directed by Mr. Chamberlain to remit the proceeds of the loan to him at Chattanooga. He was given no authority to deposit the proceeds in the Manufacturers' National Bank. On the very day that the present bill was filed, Mr. Durrell deposited the $1,418.36, contrary to instructions, in the Manufacturers' National Bank.

There is no direct proof upon the subject, but we cannot resist the impression that Mr. Durrell made this deposit with the express purpose of having it subjected to the claim of the Manufacturers' National Bank in the manner that it was attempted to be appropriated.

The circumstances indicate that such was the fact, though we are hardly warranted in finding it as a fact; but certainly there is a very strong suspicion of the truth of it. At all events, it is certain Mr. Durrell made this deposit without authority. It is stated that he was a director of the Harriman Iron Company, and for this reason he had a right to make the deposit. It is true, he was such director, but the stock was not in his hands in that capacity. It had been placed by the Harriman Iron Company in the hands of Mr. Chamberlain, who had control of it. From him Mr. Durrell received such authority as he had, and in making that deposit he went beyond his authority, and violated his instructions.

The question is, can the bank take advantage of this fraud perpetrated by Mr. Durrell? We think not. Mr. Durrell was the Cashier of the bank at the time he made this deposit without authority, and the bank was chargeable with notice of the fraud. (*Tagg* vs. *Bank*, 9 Heisk. 479; *Franklin* vs. *Ezell*, 1 Sneed, 497; *Barnard* vs. *Iron Co.* 85 Tenn. 139, Syll. 3, 2 S. W. 21; *Duncan* vs. *Jaudon*, 15 Wall. 165, 177.)

The same result must follow from another standpoint. The making of a deposit creates the relation of debtor and creditor as between the bank and the depositor. It is a contract whereby the bank undertakes to receive the money, and pay it out on the depositor's check, and it also involves an implication that, if the depositor should become indebted to the bank, the bank would have the right to apply the deposit to the indebtedness. (Morse, Banks, [2d Ed.] pp. 28-32.)

No one can create this relation between the depositor and the bank without authority from the depositor. In such case the person who holds depositor's money, and so deposits it without authority, is guilty of a conversion of the fund, and the bank receiving it is likewise guilty of conversion, at all events, if it is so related to the payee making the deposit as to affect it with notice, as in the present case. The legal relation then existing between the bank and the person whose money is put into the bank without authority is not that of a technical depositor, but merely the relation that exists between persons when one gets possession of the property of the other without authority of law, or wrongfully asserts dominion over it, falling distinctly within the definition of a conversion. (*Roach* vs. *Turk*, 9 Heisk. 708.)

The bank, having knowledge in the manner stated, would be equally guilty of the conversion as the agent. (*Id.*)

A bank is liable for the just responsibility of its acts in the same degree as an individual. (*Insurance Co.* vs. *Cross*, 9 Heisk. 283. And see *Branner* vs. *Branner*, 1 Lea, 101. *Bank* vs. *Trenholm*, 12 Heisk. 520.)

The latter is a stronger case, even, than *Roach* vs. *Turk*. In this case Trenholm was allowed to recover against the bank. A factor without authority had pledged Trenholm's cotton to the bank, and the bank, without knowledge of the factor's want of authority, had sold the cotton. Certainly, a bank receiving property under the circumstances disclosed in the present case would stand in a poor position to insist upon an equitable set-off; nor is it entitled to a legal set-off, because the bank liability arises *ex delicto* and the liability of the Harriman Iron Company arises *ex contractu*. (*Brady* vs. *Wasson*. 6 Heisk. 131–134.)

Therefore we are of the opinion that there was no error in the Chancellor refusing to allow the bank to retain a credit of $1,418.36.

REFUSAL TO PAY CHECK—INDORSEMENT OF PAYEE.

Supreme Court of New York, Appellate Division, First Department, December, 1897.

NATHAN EICHNER *vs.* THE BOWERY BANK.

In an action against a bank by a depositor for its refusal to pay his check drawn to the order of a third person, it is necessary to allege and prove that the check was indorsed by the payee when presented for payment.

An action cannot be maintained against an incorporated bank for slanderous statements made by its officers or employees.

WILLIAMS, *J.:* The action was brought to recover damages alleged to have been suffered by the plaintiff by reason of the non-payment by the defendant of plaintiff's check drawn to the order of Fields, Chapman and Fenner, and by reason of the statement to the said payees by the defendant that there were no funds in the bank to meet the check.

The appellant claims that the action was merely one for damages caused by the non-payment of the check, while the respondent claims it was one to recover damages for slander of the plaintiff in his occupation of trader or merchant.

The complaint alleged in brief that the plaintiff was a merchant carrying on business in the city of New York, and that up to the time of the non-payment of the check he was in good standing and credit; that he was a depositor in the defendant bank and kept an account there; that at the time he drew the check he had a balance in the bank due and owing him, subject to the check exceeding the sum of $9, for which the check was drawn; that the check was drawn and delivered to the payee therein for an indebtedness due and owing from plaintiff to them; that the payees were a firm of auctioneers in New York city, and extended credit to the plaintiff and had a high esteem for him; that plaintiff had large and profitable dealings with them, and their esteem and credit were of great value to him; that the payees caused the check to be presented for payment at the defendant bank within business hours and in the usual course of business, but the defendant, although it had sufficient funds belonging to plaintiff on deposit, refused to pay the check, stating that the same was no good, and the check was thereupon returned to the payees dishonored; that upon the payees giving notice to plaintiff of such dishonor the plaintiff informed them that the bank must have made some mistake and instructed them to again present the same for payment; that the payees did again present the check to defendant for payment, informing the bank that it must have made a mistake, but the defendant persisted in its refusal to pay the check, insisted that the same was no good, that it was not indebted to the plaintiff for any such amount and refused to honor the check; that these acts of defendants caused plaintiff injury in his good name and credit, and the payees named in the check withdrew from the plaintiff their esteem and credit, refused to extend him further credit, and he thereby suffered great loss and was injured in his good name and reputation in his business as a merchant, and his standing in the community as a reputable merchant was greatly lowered, to his damage $500.

There was no allegation in the complaint that the check was ever indorsed by the payees either before or at the time or times it was presented to the bank for payment. So far as the action may be regarded as one for damages caused by the non-payment of the check, this latter allegation was a necessary one in the complaint, and in the absence of such allegation the complaint was defective and the demurrer was properly sustained at special term. This precise question was passed upon in the case of *Rowley* vs. *National Bank of Deposits* (18th N. Y. Supp. p. 545) by the general term, in his department.

Mr. Justice Ingraham, in the course of his opinion in that case, said "until it (the check) was indorsed, the defendant was not bound to pay it, and before there can be any cause of action against the defendant because of its refusal to pay the check, the plaintiff must allege that the defendant was under a legal obligation to pay the same."

This action cannot be sustained as one for damages, because of the non-payment of the check, unless it be alleged and proved that the check, at the time of its presentation and demand of payment, was or had been duly indorsed by the payees.

So far as the action may be regarded as one to recover damages for slander of the plaintiff in his occupation of merchant or trader, it cannot be maintained against the defendant as a corporation. The theory of the plaintiff is that the defendant not only refused to pay the check, but that it also stated in effect that the plaintiff had no funds in the bank subject to the payment of the check. If this may be regarded as a slander at all it was not one for which the corporation itself would be liable. The corporation itself could not talk. The statement must have been made by some officer or agent of the corporation, and if there was liability for slander at all it must have been the personal liability of such officer or agent, and not of the corporation.

In Townshend on Slander and Libel (Sec. 265) it was said: "A corporation can only act by or through its officers or agents, and as there can be no agency to slander, it follows that a corporation cannot be guilty of slandering. It has not the capacity for committing that wrong. If an officer or agent of a corporation is guilty of slander he is personally liable, and no liability results to the corporation." In Odgers on Libel and Slander (page 368) it is said: "A corporation will not, it is submitted, be liable for any slander uttered by an officer, even though he be acting honestly for the benefit of the company and within the scope of his duties, unless it can be proved that the corporation expressly ordered and directed that officer to say those very words, for a slander is a voluntary tortious act of the speaker."

The judgment appealed from was erroneous and should be reversed and the judgment of the city court affirmed, with costs of appeal in this court and the appellate term, and with leave to the plaintiff to amend complaint upon the payment of costs of appeals and in the courts below.

All concur.

OFFER OF REWARD—AUTHORITY OF PRESIDENT.

Supreme Court of Illinois, November 1, 1897.

BANK OF MINNEAPOLIS, MINN., *vs.* GRIFFIN.

The President of a bank has authority, *virtute officii*, to offer a reward for the apprehension of an absconding employee.

The action was attachment brought in the Circuit Court of Cook County by the appellee against the appellant bank. The declaration was in assumpsit, and contained one special and two common counts. The averments of the special count are, in substance, "that on May 1, 1894, at the city of Minneapolis, Minn., the defendant offered and agreed to pay $500 to any person who would furnish the defendant any information leading to the arrest and delivery to the police authorities of Minneapolis of one Philip M. Scheig, it being stated that the latter was the late paying teller of the defendant, and was wanted for grand larceny. Said offer further provided that said information should be wired to V. M. Smith, superintendent of police, Minneapolis, Minn.; plaintiff averring that with knowledge of said offer and agreement, and relying thereon, he did furnish the defendant and did wire the said superintendent of police information which was received by them, and was acted upon by them, which led to the arrest and delivery to the police authorities of Minneapolis of said Phillip Scheig. Wherefore plaintiff avers that defendant became and was liable to the plaintiff for the said sum of $500."

Attached to said declaration was the following as a copy of the instrument sued on: "$500 Reward! Wanted, for grand larceny, Phillip M. Scheig, late paying teller of the Bank of Minneapolis, Minneapolis, Minn., U. S. A. For information leading to his arrest and delivery to the police authorities of Minneapolis the above reward will be paid by the bank [Here followed the description of said Scheig and information as to his peculiarities, habits, etc.] Wire information to V. M. Smith, Superintendent of Police, Minneapolis, Minn."

To this declaration the general issue was filed and the issue submitted to a jury. Verdict and judgment for the plaintiff in the sum of $500 was entered, which was affirmed by the Appellate Court of the First District on appeal. This is an appeal from the judgment of the Appellate Court, certificate of importance having been granted.

BOGGS, *J.:* It is assigned as error that the circuit court erred in its rulings regarding the admissibility of evidence and in the giving and refusing instructions. No reference is made in the brief to any ruling of the court as to the admissibility of evidence, and that assignment of error is deemed abandoned. The only alleged error of the court in the matter of giving or refusing instructions mentioned in the brief is that the court refused to give an instruction directing the jury to return a verdict for the appellant bank.

In support of this complaint of the action of the court in refusing that instruction, it is urged: (1) It did not appear from the evidence the appellant bank offered any reward; (2) it appeared the appellee was a public officer charged by law with a duty to detect and assist in the arrest of criminals, and that therefore there was no consideration for any promise to pay him a reward to perform his official duty, and that a contract to pay him a reward was against public policy and void; and (3) it did not appear appellee furnished information which led to the arrest of the absconding teller of the bank.

We find in the record evidence tending to prove the President of the appellant bank went with two detectives to Oakdale, Tenn., the home of the appellee; that he carried with him a number of handbills on which was printed the offer of reward as set out in the statement of the case; that he represented to the appellee the bank had offered the reward, gave him one of the handbills and besought his assistance; that appellee furnished information as to movements of the teller which led to his arrest, and that the teller was convicted and incarcerated in the penitentiary.

But it is urged no evidence is to be found in the record tending to show the board of directors of the bank authorized a reward to be offered.

The general rule is a corporation acts through its president, and through him executes its contracts and agreements, and an act pertaining to the business of the corporation not clearly foreign to the general power of the president, done through him, will, in the absence of proof to the contrary, be presumed to have been authorized to be done by the corporate body. (*Moser* vs. *Kreigh*, 49 Ill. 84; *Mitchell* vs. *Deeds*, Id. 416; *Smith* vs. *Smith*, 62 Ill. 498; *Glover* vs. *Lee*, 140 Ill. 102, 29 N. E. 680.)

An exception to this general rule may be created by the provisions of the by-laws of a corporation. We find no proof in the record indicating the appellant corporation had adopted any such by-laws, and, therefore, the general rule applies to the act of its President.

FORGED INDORSEMENT—ACTION BY DRAWER.

Supreme Court of Illinois, Nov. 1, 1897.

FIRST NATIONAL BANK OF CHICAGO *vs.* PEASE, *et al.*

Where a check which has not been delivered to the payee is paid upon the forged indorsement of the payee, the drawer may maintain an action against the bank to recover the money so paid.

PHILLIPS, *C. J.:* The material question in this case is whether the drawer of a bill or check may recover from a bank on which such bill or check is drawn the amount named therein, where the bank has paid the same on a forged indorsement of the name of the payee.

If the check becomes the property of the payee by coming to his hands, the liability of the bank would be to such payee for a wrongful payment to another.

If the payee named in the check or bill had no interest therein, and it never passed into such payee's hands, and the payee's name was indorsed thereon as a forgery, then the drawer has never parted with the funds misapplied by the bank, and it is bound to replace the same.

Where a bank pays a bill or check on a forged indorsement, it is liable to some one for funds so wrongfully paid out. The liability must be to the drawer or to the payee. If the instrument belongs to the payee, the liability is to him; if it has never been received by the payee, and he has no interest therein, then it belongs to the drawer. (*Talbot* vs. *Bank*, 1 Hill, 295; *Morgan* vs. *Bank*, 1 Duer, 434; *Bank of British North America* vs. *Merchants' Nat. Bank*, 91 N. Y. 106; *U. S.* vs. *National*

Bank of the Republic, 2 Mackey, 289; Morse, Banks, § 474; Daniel, Neg. Inst. § 1618; *Robarts* vs. *Tucker*, 16 Q. B. 560; *Dodge* vs. *Bank*, 30 Ohio St. 1.)

The evidence shows that Willis P. Baker, representing himself to be the agent of Charlotte A. Baker, applied to appellees for a loan of $3,500 on real estate security. He took from their place of business a trust deed, notes and coupons, which he brought back, purporting to be signed by Charlotte A. Baker, and a certificate of acknowledgment to the trust deed. These he delivered to appellees, receiving two checks, payable to Charlotte A. Baker, for $3,424.55.

The facts as found by the trial and appellate courts are that the payee of the checks never received them, never authorized the transaction, never indorsed them, but her signature thereon was a forgery, and the bank paid them. The drawer in such case would have a right to recover from the bank the amount so wrongfully paid. The facts as to whether Charlotte A. Baker executed and delivered the notes and trust deed, and whether Willis P. Baker was an authorized agent to receive the checks, were settled adversely to appellant by the judgments of the trial and appellate courts.

ILLEGAL AGREEMENT AS TO COLLATERAL—EFFECT UPON BANK DISCOUNTING NOTE.

Court of Appeals of New York, Oct. 5, 1897.

BOWERY BANK OF NEW YORK *vs.* GERETY.

A loan by a bank upon an indorsed note is not affected by the fact that the lender may have been induced by the maker or indorsers to take further collateral security which is forbidden by some rule of public policy.

While the bank in such a case may not be able to collect the collateral, it does not lose its right to enforce the note; and the endorsers are not discharged merely because the assignment of the collateral was illegal.

This was an action against an indorser upon a note discounted by the bank. When the note was made, the maker, who was then the sheriff of the city and county of New York, agreed to assign to the bank certain fees as collateral security. This assignment was afterwards held to be void as against public policy.

O'Brien, *J.* (omitting part of the opinion): The courts have decided that the plaintiff got no title to the sheriff's bills, for the reason that such attempts to assign future fees or salaries by public officers are against public policy, and void. The plaintiff is not now claiming anything by virtue of this assignment. It has sued the indorsers upon their contract of indorsement, whereby they promised that, in case the maker failed to pay the note at maturity, they would, upon receiving the usual notice of dishonor. That was a perfectly lawful contract, which was not merged in or made a part of the other contract, whereby the maker undertook to assign, as further security for the payment of the debt, certain bills against the city as keeper of the jail.

On looking into the testimony, it is apparent that the plaintiff never suggested or required the assignment of those bills as a condition of the loan, or as an inducement for the indorsers to become parties to the paper. The maker, who then happened to be sheriff, applied to the plaintiff for a loan, and the plaintiff agreed to make it upon his note, indorsed by the defendants. It asked for no other security. The assignment of the sheriff's bills was made, not because the plaintiff exacted it or asked it, but for the sole reason that the indorsers wanted it for their own security, and the maker was entirely willing to give it.

Whatever inducement the maker may have held out to the indorsers, it is quite certain that the bank was not a party to it. The loan was made by the plaintiff upon the faith of the personal responsibility of the indorsers, and not upon the faith of the assignment. All the plaintiff did was to receive the collateral security which the maker offered and the indorsers desired. That was a mere incident of the transaction, and not the transaction itself, nor any material or inseparable part of it. The transaction consisted of the loan made upon the note and indorsement. The assignment was collateral and incidental. The plaintiff may discard the latter, and rely upon the former. It may sue upon the note without reference to the collateral or the assignment through which it came to the plaintiff's hands.

The note or the indorsement is not vitiated because of the invalidity of the assignment given as further security. The indorsers are voluntary parties to the note. They did not indorse it on the faith of any promise by the bank to relieve them by means of the collateral. They indorsed for the accommodation of the maker, and not the plaintiff. The plaintiff neither procured nor requested them to indorse, but the maker did. The assignment was not the condition upon which the loan was made, but the defendant's indorsement was.

The plaintiff is not now seeking any aid from the illegal assignment to recover the money which it advanced, not on the assignment, but upon the note; and that is generally the test whether a demand in some way connected with an illegal transaction can be enforced. (Chit. Cont. 657.)

The illegal assignment is an independent collateral thing. It is no part of the note, and no part of the contract which the law implies from the presence of the indorser's name. The lender may reject and return the collateral, and still have his action against the parties to the note, which represents the real obligation. Whatever of illegality may have originally infected this transaction is to be imputed to the maker and indorsers themselves, and not to the plaintiff. The illegal assignment was their work and for their benefit, though the plaintiff was the innocent instrument for carrying it into effect.

The right of the plaintiff to recover in this action rests upon the principle that a loan by a bank upon an endorsed note is not affected by the fact that the lender may have been induced by the maker or indorsers to take further collateral security which is forbidden by some rule of public policy. The bank, in such a case, may not be able to collect the collateral, but it does not lose its right to enforce the note, and the endorsers are not discharged, merely because the assignment of the collateral was illegal.

The principle is supported by numerous authorities, notably by the cases of *Oneida Bank* vs. *Ontario Bank*, 21 N. Y. 490, *Gaslight Co.* vs. *Claffy*, 151 N. Y. 24, and the cases there cited. The judgment is right, and should be affirmed. All concur, except Gray, *J.*, absent. Judgment affirmed.

BANK AS SURETY—ULTRA VIRES.

Court of Appeals of Kansas, S. D., Nov. 19, 1897.

LONG, *et al. vs.* HUBBARD.

It is no part of the business of a bank to become surety upon undertakings, and the act of the President in signing such undertakings in behalf of the bank does not bind the bank.

In this case an order of arrest had issued, under which the defendant was taken into custody. The undertaking upon which the order was made was signed by the Larned State Bank, Clark Gray, President, as surety.

Dennison, *P. J.* (omitting part of the opinion):

The bond required before an order of arrest can be issued by the clerk is set out in section 149, of the Code of Civil Procedure, and reads as follows:

"The order of arrest shall not be issued by the clerk until there has been executed by one or more sufficient sureties of the plaintiff, a written undertaking to the effect that the plaintiff shall pay to the defendant all damages which he may sustain by reason of the arrest, if the order be wrongfully obtained, not exceeding double the amount of the plaintiff's claim stated in the affidavit."

A bond complying with the terms and conditions of this section is a prerequisite to the authority of the clerk to issue the order of arrest. If an order of arrest is issued by the clerk without such a bond, it is the duty of the court to set it aside. The bond issued in this case does not comply with the statute. No sufficient surety has executed it.

Becoming surety upon undertakings is no part of the business of banks, and the unauthorized act of Clark Gray, its President, in signing an undertaking for the bank, did not bind the bank in case of liability. (See *Rahm* vs. *Manufactory*, 16 Kan. 277.)

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

A reasonable charge is made for Special Replies asked for by correspondents—to be sent promptly by mail. See advertisement in back part of this number.

Editor Bankers' Magazine: **—— OHIO, Dec. 4, 1897.**

SIR:—A check originally made payable to the order of a company for a small amount was changed so as to read "payable to cash," and the amount raised. The check was presented by a stranger at the bank on which it was drawn and paid. Who should legally stand the loss?

CASHIER.

Answer.—In this case the liability of the bank making the payment appears to be clear. The bank is not entitled to charge against the depositor's account any sums as payment unless they have been made to the person to whom the depositor directed them to be made. (*Shipman* vs. *Bank of the State of New York*, 126 N. Y. 318; *Citizens' National Bank* vs. *Importers and Traders' National Bank*, 119 N. Y. 195, 200.) Here the depositor had directed the bank to pay to the order of a certain corporation; and a payment made to some other person without the indorsement of the payee was without the authority of the depositor, and hence could not be charged against him. It could not affect the case that the check had been altered after delivery. (*Crawford* vs. *West Side Bank*, 100 N. Y. 50.)

In *Hall* vs. *Fuller* (5 B. and C. 750) it was said:

"If the banker unfortunately pays money belonging to the customer upon an order not genuine, he must suffer, and to justify the payment he must show that the order was genuine, not in the signatures only, but in every respect."

Where the bank has paid money upon a raised check or forged indorsement it may recover of the person to whom the payment was made; but it cannot charge the amount so paid to the account of the drawer.

Editor Bankers' Magazine: **PITTSBURG, Pa., Dec. 24, 1897.**

SIR:—Please answer the following question: Do trust and safe deposit companies acting under the general laws of this State violate the laws by taking deposits and paying them on demand?

CASHIER.

Answer.—The Constitution of Pennsylvania provides:

"No corporate body to possess banking and discounting privileges shall be created or organized in pursuance of any law, without three months previous public notice, at the place of the intended location, of the intention to apply for such privileges, in such manner as shall be prescribed by law; nor shall a charter for such privilege be granted for a longer period than twenty years."

Unless this provision is complied with, the corporation can have no banking privileges. (See *Schroeder* vs. *The Accommodation Savings Fund and Loan Association*, 35 Pa. St. 223; *Renewal of Bank Charters*, 14 Pa. County Court, 144.) Nor could the Legislature dispense with this requirement; and any grant of banking powers without a compliance with such constitutional mandate would be void. We apprehend that the trust companies have not given this notice, though as to this fact we are not advised, and our belief is based merely upon the probabilities of the case. We find no decision construing the term "banking" as used in the Constitution; but we are of opinion that it would be held to mean among other things the business of receiving deposits subject to check in the manner customary with banks. The Law of 1885 which confers additional powers upon trust companies does not include the power to receive deposits subject to check; and no such power would be implied when it is in violation of the constitution.

Editor Bankers' Magazine: **DULUTH, Minn., Dec. 10, 1897.**

SIR:—A left for collection with a bank in Minnesota a note for $100 made by B in favor of C and endorsed by the latter. It was taken by A from the endorser (C) as security for a loan of $100 made by A to C. The bank failed to protest the note at maturity and A sues the bank for $100 and costs as damages for negligence in failing to protest the note or to give notice of non-payment to the endorser, whereby A claims to have lost his claim against said endorser C. Can the bank be legally held liable for failing to protest a collateral note endorsed by C who is still liable on the original loan to A? Has A not got his claim against C without protesting the collateral note?

Suppose it can be proven by A that the maker B is insolvent, does that alter the case? On whom is it incumbent to prove the solvency or insolvency of C? **CASHIER.**

Answer.—In failing to take the steps necessary to charge the indorser the bank was technically at fault; and the customer can maintain an action therefor. In all such cases the question is one of the amount of the damages. *Prima facie* the amount of damages is the amount of the bill or note; but the bank may show that notwithstanding its fault, the customer has suffered no damages, and the recovery can then be for nominal damages only. (*First National Bank* vs. *Fourth National Bank*, 77 N. Y. 320; *Smith* vs. *Miller*, 43 N. Y. 172; S. C. 52 N. Y. 545; *Borup* vs. *Nininger*, 5 Minn. 523.) In the present case the bank would be at liberty to show that A had taken the note as collateral security for a loan of an equal amount made by him to C; and the bank having shown this, A can recover only nominal damages, unless he should prove circumstances from which it appears that he must have sustained injury, as, for example, that he can not recover upon the original cause of action, or cannot prove the same. If there is nothing of this kind in the case, then clearly A has sustained no injury for which he can have more than a nominal recovery.

Editor Bankers' Magazine: **NORTHWOOD, N. Dak., Dec. 28, 1897.**

SIR:—A note was sent us for collection which had been transferred and ordinarily subject to protest. The note was payable at office of endorser in a town twenty-three miles distant from our bank, but the maker lived out in the country about six miles from this bank. We did not protest the note, as no specific instructions were given us to protest, but "to get after the maker and collect." The point is, I think, were we obliged to send the note away to another town for the purpose of presenting and protesting it? No grace here. Kindly give us your opinion in this matter. **M. V. LINWELL, *Cashier*.**

Answer.—From the circumstance that the note was payable in another place, coupled with the instructions "to get after the maker and collect," the inference would be that it was intended that the bank should try to collect from the maker, and not that it should forward the note to the town where it was payable.

ANNUAL REPORT OF THE COMPTROLLER OF THE CURRENCY.

TO THE SECOND SESSION OF THE FIFTY-FIFTH CONGRESS.

TREASURY DEPARTMENT,
OFFICE OF THE COMPTROLLER OF THE CURRENCY,
WASHINGTON, December 6, 1897.

SIR:—I beg leave to herewith submit for the consideration of Congress the annual report of the Comptroller of the Currency for the year ended October 31, 1897:

BANK-NOTE CIRCULATION.

In all the changes which have been wrought in the National Currency Act from its inception to the present time the feature subject to criticism, but which was intended should constitute the principal benefit to be conferred, has remained comparatively unchanged—namely, the note-issuing function. Whatever justification there was in the first instance for restricting the issuing of notes against the bonds of the Government deposited with the Treasury of the United States to 90 per cent. of the par value thereof, long since ceased. In the report of every Comptroller of the Currency during the past twenty years the wisdom of changing the existing law so that the banks and through them the communities in which located might have the additional benefit of an added loanable capital, has been urged. Despite all this the law still remains without amendment. Not only should the bank Act be amended in this particular, but Congress should seriously consider such a change in the method of bank-note issues as will enable the banks of the country to more adequately meet the demands of trade and commerce in all sections of the country. The business of banking, like every other form of investment, must be made attractive to capital. If it is placed upon a footing different from other undertakings, embarrassed through unnecessary restrictions, and deprived of proper sources of profit, the result can not be otherwise than that investible capital will seek other means of employment, and to such extent deprive the people of the benefits of the agency most requisite to commercial activity.

It is considered by every great commercial government except the United States to be the sole province of the banks to issue the paper which circulates as currency. The belief in a bank-note currency as being better and safer than a Government paper currency prevailed almost unquestioned in this country until, under the apparent exigencies of the war, the Government undertook to issue bank-note paper. Even under such circumstances the promise was always given, however, that it should be retired at the earliest practicable moment and the admission freely made that it was neither a wise measure nor a safe form of currency.

Between the competition of the Government note issues on the one hand and the unnecessary restrictions imposed by law upon the other, together with the increasing price of bonds required to be deposited as security, the note-issuing function of the banks has been permitted to become merely an incident to the conduct of the National banking associations of the country. It has been seriously suggested more than once that the bank-note issues be done away with and all paper be issued by the Government instead. The danger of such a course is not to be overestimated. The experience of every government has been that governmental currency paper is a source of weakness and danger. In the United States, where there has been the nearest approach to success, but with the volume of the Federal paper comparatively limited in amount, the credit of the Government has more than once been put in jeopardy through it and the business interests of the country subjected to unnecessary loss and confusion.

The argument that the Government, better than the banks, can provide for the redemption of paper-note issues will not stand the test of a careful analysis. The Government has no means for caring for its demand liabilities except through borrowing and through the levying of taxes. Upon the other hand the banks have assets which can be promptly converted into cash to meet their outstanding notes when presented. Their ability to command gold has always been beyond that of the Government, for in each financial exigency which has confronted the Government the banks have furnished to it the amounts necessary to maintain its solvency. It is impossible to believe that with a system of bank-note issues, based in part upon securities and in part upon bank assets, the country can not be provided with a sound, safe and elastic bank-note issue, always commensurate with and responsive to the demands of trade. The Bank of England, the Bank of Scotland, and the Bank of Ireland have been found to be ample in their resources to provide the note issues for use in the trade of Great Britain. The same is true of the Bank of France. The Deutsche Reichsbank, or German Imperial Bank, has for more than twenty-two years issued bank-note paper against assets which has maintained its value and has been so controlled as to successfully meet the commercial needs of the Empire.

It may be of value in the light of a consideration which it is hoped will be given to this whole subject, to call the attention of Congress particularly to the Deutsche Reichsbank, which was created in 1875, as in its organization and conduct have entered elements of success that justify the position taken by many thoughtful students of the country's banking and currency needs, that the issuing of notes against assets, regulated by a tax, is the only way that at all times and under all circumstances the banks can be made to fulfil their proper function in the business world.

By the terms of the statute of its creation that bank is subject to Imperial supervision and direction. Its functions are to regulate the money circulation within the jurisdiction of the German Empire, to facilitate settlements, and utilize available capital. The notes are issued against its general assets, but are not legal tender, the Imperial decree stating that there shall be no obligation to accept bank notes in case of those payments which are to be legally discharged in coin. The fact, however, that the notes are not a legal tender has in no way hindered or prevented their general circulation, and they are freely accepted both at home and abroad. At all times, however, the bank is required to maintain a coin and bullion reserve amounting to at least one-third of the notes in circulation.

The authorized circulation of the bank, without tax, was fixed arbitrarily, and this circulation required a reserve of one-third in cash or its equivalent, and the other two-thirds may be covered by discounted bills not maturing later than three months from date, and protected usually by three (never less than two) solid and accredited vouchers. All notes issued beyond the limit so fixed were to be covered by a cash reserve, but this restriction on note circulation having always been a source of weakness to banks of issue because of inelasticity, the German Imperial Bank by its act of creation provided that when the Imperial Bank issued its uncovered notes in excess of the limit provided, a tax of 5 per cent. per annum on such uncovered notes must be paid. It was not until six years after the bank's creation that any notes subject to this 5 per cent. tax were issued, and only on a few occasions has the German Imperial Bank been obliged to issue its uncovered notes subject to this 5 per cent. annual tax.

The latest returns obtainable for the whole year of the outstanding note circulation of the German Imperial Bank show that during the year 1896 the lowest amount was 973,484,000 marks, on February 23, while the highest, 1,257,925,000 marks, was reached December 31, the average for the year being 1,083,497,000 marks, against an average for the year 1895 of 1,095,-596,000 marks. The amount of uncovered notes allotted to the bank in accordance with section 9 of the bank law was exceeded in the year 1896 on the following dates and in the following amounts: on January 7, by 35,811,520 marks; on March 31, by 44,008,225 marks; on June 30, by 34,328,672 marks; on September 30, by 119,558,561 marks; on October 7, by 78,352,771 marks; on December 31, by 134,149,422 marks. On these amounts a tax was paid of 464,801.22 marks, which is carried as an item in the liabilities of the bank.

The latest obtainable statements of the bank from August 7, 1897, to October 23, 1897, show that within this time the rate of discount advanced from 3 per cent. to 5 per cent. The rate continued from August 7 to August 31 at 3 per cent.; advanced on September 7 and continued until October 7 at 4 per cent., and reached 5 per cent. on October 15 and 23. At these various periods the outstanding circulation is shown to have been as follows: 1,052,132,000 marks, 1,093,446,000 marks, 1,080,931,000 marks, 1,070,683,000 marks, 1,066,774,000 marks, 1,056,156,000 marks, 1,080,322,000 marks, 1,286,923,000 marks, 1,242,109,000 marks, 1,168,414,000 marks, 1,125,550,000 marks.

A study of these statistics, together with an observation of the promptness with which the increase or reduction of note issues was made, shows how in each instance the operation of the bank conformed to the volume and necessities of trade. It is impossible for any bank of issue, no matter how well or skillfully managed, to attain the highest beneficial results where the note issues are based entirely upon a prerequired deposit of bonds. There is no strength in the argument of a greater safety to the note holder by such deposit as against the continual inconvenience and loss worked to trade through its operation.

The tendency of modern banking and legislation has been rather toward the increase of freedom of note issues instead of in the line of restriction. Not only does this appear in the German Imperial Bank, but the provision for bank note issue without metallic cover, but subject to the restraint of a heavy tax, has also been adopted by the reorganized Bank of Austro-Hungary.

It is respectfully suggested that a careful study of the needs of the sections of the United States now deprived of proper currency facilities could be improved by such amendment to the law as under proper control would incorporate into the National Bank Act provision for bank-note issue as against bankable assets and limited in volume by the restraining influence of a properly graduated tax.

Organizations, Extensions and Liquidations of National Banks.

The total number of National banks organized from the date of the granting of the first certificate of authority on June 20, 1863, to the close of the year embraced in this report, has been 5,095, making an average for each year of 150. On October 31 last there were in active operation 3,617 banks, having an authorized capital stock of $630,230,295. The total outstanding circulating notes of the banks in active operation was $229,199,880, of which $202,994,555 was secured by bonds of the United States and the balance by lawful money deposited with the Treasurer. The total of all National bank circulation outstanding on October 31 was $230,131,005, of which amount $1,558,800 was secured by bonds held for account of insolvent and liquidating banks and $26,205,325 by lawful money deposited for their account and by active banks reducing circulation. The net decrease in the amount of circulation secured by bonds during the year was $12,584,384, and the gross decrease in the total circulation $4,851,292.

In geographical divisions the 3,617 banks in operation are divided as follows: Five hundred and eighty-eight banks with authorized capital stock of $159,291,620 in the New England States; 956 banks with capital stock of $195,124,275 in the Eastern States; 546 banks with capital stock of $66,761,900 in the Southern States; 1,046 banks with capital stock of $160,163,967 in the Middle States; 357 banks with capital stock of $32,654,100 in the Western States, and 124 banks with capital of $17,465,000 in the Pacific States.

In point of number of active banks Pennsylvania, New York, Massachusetts, Ohio, Illinois and Texas lead with 427, 326, 267, 249, 220 and 202 banks, respectively. Arranged according to capital stock Massachusetts is first, with $94,327,500; New York second, with $83,169,940; Pennsylvania third, with $75,193,390; followed by Ohio, with $45,235,967; Illinois, $37,296,000 and Texas, $19,985,000.

The paid-in capital stock of National banks in each State on October 31, 1897, arranged in order of amount of capitalization, is shown in the following table:

State.	Capital.	State.	Capital.
Massachusetts	$94,327,500	Virginia	$4,646,300
New York	83,664,940	Georgia	4,016,000
Pennsylvania	75,345,240	Montana	3,855,000
Ohio	45,630,100	Alabama	3,455,000
Illinois	37,326,000	West Virginia	3,451,000
Connecticut	21,641,070	Louisiana	3,360,000
Texas	20,106,200	District of Columbia	3,127,000
Rhode Island	19,337,050	Oregon	3,070,000
Maryland	17,079,980	North Carolina	2,801,000
Missouri	15,065,000	Delaware	2,083,985
New Jersey	14,445,000	North Dakota	1,985,000
Indiana	14,237,000	South Carolina	1,890,100
Minnesota	13,865,000	Utah	1,750,000
Iowa	13,500,000	South Dakota	1,745,000
Michigan	12,295,000	Florida	1,485,000
Kentucky	11,664,900	Arkansas	1,220,000
Maine	11,171,000	Wyoming	880,000
Nebraska	10,775,000	Mississippi	755,000
Wisconsin	10,310,000	Idaho	675,000
Tennessee	8,760,000	Indian Territory	620,000
Kansas	8,717,100	New Mexico	600,000
California	7,360,000	Arizona	400,000
Vermont	6,985,000	Oklakoma	300,000
New Hampshire	5,805,000	Nevada	82,000
Colorado	5,232,000		
Washington	4,788,000	Total	$637,615,445

There were organized during the reported year 44 banks, located in 18 States and 2 Territories, with an aggregate capital stock of $4,420,000. Of this number 9 were in Pennsylvania, 5 in Illinois, 3 each in Indiana, Iowa, New York, Ohio, Texas and Indian Territory, and 1 each in California, Maryland, Massachusetts, Minnesota, Missouri, New Hampshire, New Jersey, North Carolina, North Dakota, South Carolina, Tennessee and Oklahoma Territory. The number located in the New England States is 2, the capital stock aggregating $100,000; in the Eastern States 14, with a combined capital stock of $760,000; in the Southern States 6, having a total capital stock of $1,445,000; in the Middle States 16, with an aggregate capital stock of $1,815,000; in the Western States 5, the capital stock aggregating $250,000, and in the Pacific

States 1, having a capital stock of $50,000. The State of Tennessee is first in amount of capital stock, having $1,000 000; Ohio has $750,000, and Pennsylvania $510,000.

The corporate existence of 17 National banks in 12 States, with capital stock of $2,130,000 and a total circulation of $722,700, has been extended during the year. New York has 3, Colorado, Michigan and Ohio, 2 each, and the following States 1 each: Georgia, Iowa, Maine, Massachusetts, Nebraska, New Hampshire, Pennsylvania and Texas. Of the total capital New York aggregates $605,000; Colorado, $155,000; Michigan, $100,000; Ohio, $279,000; Georgia, $150,000; Iowa, $50,000; Maine, $100,000; Massachusetts, $150,000; Nebraska, $100,000; New Hampshire, $100,000; Pennsylvania, $100,000, and Texas $250,000.

Under the Act of July 12, 1882, providing for the extension of National banks, the corporate existence of 1,650 banks, representing an aggregate capital stock of $405,386,115, has been extended. Of these New York has 236, with capital stock of $74,177,460; Massachusetts, 229, with capital stock of $92,742,200; Pennsylvania, 205, with capital stock of $53,876,000, followed by Ohio with 114, and an aggregate capital of $18,758,000.

The number of banks leaving the system by reason of the expiration of their corporate existence was 2, having capital stock of $150,000 and circulation of $61,200. These banks were located in New York and Indiana, and were succeeded by new associations with capital stock of $100,000 and circulation of $24,750.

During the year ending October 31, 1898, the corporate existence of 23 banks, with a capital stock aggregating $2,679,000 and circulation of $1,082,975, will expire. They are located as follows: 5 in New York, 4 in Pennsylvania, 3 in Illinois, 2 each in Kentucky and Massachusetts, and 1 each in Delaware, District of Columbia, Indiana, North Dakota, South Dakota, Vermont and Washington. In the succeeding ten years, from 1898 to 1907, inclusive, the corporate existence of 1,099 banks, having capital stock of $161,228,150 and circulation of $43,683,158, will expire.

The number of banks leaving the system during the year through voluntary liquidation was 71, having capital stock of $9,659,000 and circulation of $1,729,040.

A comparison of the data of this year with that set forth in the report of this Bureau for the year 1896 shows the number of active banks to have decreased 62 with a decrease in capital stock of $11,090,500. The number of banks organized increased 16, and the number going into voluntary liquidation 33. There has been an increase of 10 in the number of Receivers appointed, and a decrease of 9 in the number of extensions of corporate existence. The loss through expiration of charters increased 1, and the number of banks organized to succeed expiring associations increased 1.

Analysis of Reports of 1897.

An analysis of the abstracts of the reports made by the banks in response to the five calls required by law, to be found in the appendix, shows the following changes which have characterized the status of the banks at different periods covered by these reports:

The change in the item of individual deposits during the report year of 1897 is shown to be as follows: It increased from $1,597,891,058 on October 6, 1896, to $1,639,688,393 on December 17, 1896; to $1,669,219,961 on March 9, 1897; to $1,728,083,971 on May 14, 1897; to $1,770,480,563 on July 23, 1897, and to $1,853,349,128 on October 5, 1897, being $255,000,000 more than the amount shown on October 6, 1896.

The number of banks holding these deposits on October 6, 1896, was 3,676, with a capital stock of $648,540,325, as against 3,610 on October 5, 1897, with capital stock of $631,488,095.

The surplus fund of the banks on October 6, 1896, was $247,690,074, and their net undivided profits $88,652,759. On October 5, 1897, the former had decreased to $246,345,020, while the latter had decreased to $88,406,960.

On October 6, 1896, National bank-notes outstanding secured by bonds deposited amounted to $209,944,019. The returns under each call show variations in the amounts held during the year, the amount on December 17, 1896, being $210,689,965; on March 9, 1897, $202,655,408; on May 14, 1897, $198,278,310; on July 23, 1897, $196,590,790, and on October 5, 1897, $198,920,670.

The amount due to other National banks, which on October 6, 1896, stood at $269,043,386, increased to $317,860,025 on December 17, 1896; to $369,287,235 on March 9, 1897; decreased to $363,219,013 on May 14, 1897, and then again increased to $388,117,906 on July 23, 1897, and to $418,644,281 on October 5, 1897.

The amount due to State banks and bankers, which on October 6, 1896, was $146,058,794, increased steadily throughout the year, being $168,635,982 on December 17, 1896; $194,150,435 on March 9, 1897; $195,001,040 on May 14, 1897; $206,876,900 on July 23, 1897, and $227,063,685 on October 5, 1897.

The liabilities of the National banks for money borrowed in different forms aggregated on October 6, 1896, $38,967,450, had decreased on March 9, 1897, to $18,193,210, and varied very slightly until October 5, 1897, when the amount had increased to $22,980,282.

The total liabilities, which on October 6, 1896, were $3,263,685,313, increased steadily throughout the year, being $3,705,133,707 on October 5, 1897.

On the side of resources the loans and discounts, which on October 6, 1896, amounted to $1,893,268,839, increased to $1,901,160,110 on December 17, 1896, decreased slightly on March 9, 1897, after which it steadily increased, reaching $2,066,776,113 on October 5, 1897, a gain in this item of $173,507,274 since October 6, 1896.

The amount of United States bonds to secure circulation, which on October 6, 1896, was $237,291,650, decreased to $227,483,950 on October 5, 1897.

The banks held on October 6, 1896, $25,135,500 United States bonds other than those securing circulation. On December 17, 1896, the amount had decreased to $24,274,590, then increased on March 9, 1897, to $30,429,900, and to $32,490,750 on October 5, 1897.

The investment of assets in stocks, securities, etc., on October 6, 1896, was $188,995,352; it had increased on October 5, 1897, to $208,831,563.

The investment in banking-house, furniture, and fixtures, which on October 6, 1896, was $78,046,817, showed but slight variations during the year, being on October 5, 1897, $79,113,954.

Other real estate and mortgages owned on October 6, 1896, amounted to $27,403,155, and increased to $29,308,532 on October 5, 1897.

The amount due from other National banks (not reserve agents) on October 6, 1896, was $111,830,965; increased to $125,382,562 on December 17, 1896; again increased to $133,467,636 on March 9, 1897, and to $140,940,788 on May 14, 1897; then decreased to $135,537,688 on July 23, 1897, after which the increase is marked, the amount due on October 5, 1897, being $155,960,447.

The amount due from State banks and bankers on October 6, 1896, was $29,583,299; increased to $35,971,045 on May 14, 1897; decreased to $34,275,424 on July 23, 1897, and then increased to $41,410,311 on October 5, 1897.

The amount due from approved reserve agents increased from $190,077,533 on October 6, 1896, to $258,430,252 on March 9, 1897, then decreased to $251,948,640 on May 14, 1897, and again increased to $297,017,805 on October 5, 1897.

Exchanges for clearing-house, which on October 6, 1896, amounted to $76,760,416, increased to $84,976,088 on December 17, 1896; decreased to $74,830,987 on March 9, 1897; increased to $84,-850,553 on May 14, 1897, to $89,457,189 on July 23, 1897, and to $112,805,535 on October 5, 1897.

The specie held by the banks on October 6, 1896, was $200,806,682, while on October 5, 1897, it was $239,387,702.

The amount of legal-tender notes and United States certificates of deposit for such notes, which on October 6, 1896, aggregated $142,334,730, increased to $186,382,858 on March 9, 1897, decreased to $174,144,992 on May 14, 1897, and continued to decrease until October 5, 1897, when the amount held was $149,494,929.

Receiverships.

During the year covered by this report the affairs of 38 banks have been placed under the supervision of Receivers. Of this number 1 has been restored to solvency and resumed business. Of all the insolvent banks, 26 have been finally closed during this year, ending October 31, 1897, on which date 127 trusts still remained under the care of Receivers in the process of active liquidation.

There are 46 banks still in the hands of Receivers on the inactive list, the affairs of which are practically wound up, but the trusts cannot be finally closed because of pending litigation or the possession of valuable assets, the immediate disposition of which would entail an unwarranted sacrifice in value. The expenses of a trust in this condition are nominal and limited to just what is actually necessary for the payment of proper and careful attention to the matters not yet settled. If a considerable period of time elapses before the litigation is finally settled or the remaining assets sold without unnecessary sacrifice, a final dividend is paid from the office of the Comptroller of the Currency after the active supervision of the trust by the Receiver is terminated.

A strenuous effort has been made during the period embraced in this report to formally close several Receiverships, the available assets of which have been already realized on, but undetermined legal controversies have generally been the barrier preventing the realization of the desires and efforts of the Comptroller in this direction. During the year just closed the crisis through which the country has been passing for the last four years has continued, and when the enormous shrinkage of values is considered it is a matter of agreeable surprise that many Receivers of National banks have so managed their trusts that a total of dividends has been paid which, at the time of failure, seemed impossible.

The increase in rate per cent. paid to creditors of, apparently, many hopelessly insolvent institutions is due in part to the greater efficiency and economy in conducting the liquidations, and shows conclusively that governmental supervision is growing more and more effective as new and improved methods are evolved from experience in managing the affairs of insolvent associations. The criticism, which it is to be said is not frequent, against Receivers because they do not convert the assets into cash quicker than they do and thus pay dividends, is largely because of a failure to appreciate all the difficulties surrounding the situation.

Receivers are not to blame if the trusts to which they are appointed have very little of value in their assets. While banking is free in every part of the country, associations will often be formed by men without business tact, training, or judgment, or, worst of all, without even a rudimentary knowledge of the first principles of commercial banking. Associations formed and managed by such inexperienced men will be, at least, unskillfully managed, and inevitably result in disaster. And on the other hand, so long as dishonest men see in banking a fair chance to further their schemes, they will embark in it, and defalcations and embezzlements will be, accordingly, prevalent. Saddled with either one or the other, or possibly both, of these misfortunes, a bank struggles on through a precairous existence of a few years and ultimately fails. A Receiver is appointed, and at once begins an earnest effort to bring order out of confusion so far as possible, and to realize the utmost possible for the creditors from a rather hopeless mass of what generally proves to be slow or doubtful, or absolutely worthless, assets. The commercial paper which comes into hands is always slow, and most of it either doubtful, bad, or absolutely worthless. With this mass of paper, much of which requires litigation to collect either in whole or in part, the Receiver finds his position one of perplexity and frequently of disappointment. The creditors are importunate, the debtors proverbially and almost universally obdurate. With generally no cash on hand to start with, the best commercial paper either rediscounted or hypothecated as collateral security, and often burdened with unsalable real estate, the Receiver begins his work of making what collections he can from this mass of almost incovertible assets. As a rule he is successful, and the records show how much more has been realized from the assets of failed National banks than from those of any other class of banking institutions or other business undertakings.

Payment of Dividends During the Year Just Closed.

Notwithstanding these conditions, which have always existed to a greater or less extent in connection with insolvent banks, there was paid to creditors within the year covered by this report the sum of $13,169,781 in dividends. The magnitude of this unequaled record will be more forcibly illustrated if considered in the light of what has been accomplished heretofore in the way of dividend payments to creditors of insolvent institutions. In 1893 there was paid in dividends to creditors of failed National banks the sum of $3,433,646; in 1894, $5,124,577; in 1895, $3,380,552; in 1896, $2,451,959, and in 1897, $13,169,781, making a total of dividends paid within the five years from 1893 to 1897 of $27,560,515, or 36¼ per cent. of all the dividends that have ever been paid to creditors of insolvent National banks.

The unprecedented work of Receivers during the last year is more conspicuously shown when the fact is realized that since the origin of the National banking system in 1863 there had been paid to creditors of insolvent associations down to and including 1897, a period of thirty-four years, the sum of $75,935,925, and in the one year embraced in this report there has been paid, as above stated, the sum of $13,169,781, or 17⅜ per cent. of all the dividends that have ever been paid to the creditors of the 368 banks that have been placed in the charge of Receivers. Since October 31, the date of the closing of this report, seventeen additional dividends, aggregating about $625,000, have been ordered.

The table given on the following page sets forth in detail the names, location, capital stock and condition of the assets of failed banks of the year at the time of the appointment of Receivers therefor.

Distribution of National Bank Stock.

In 1876, in compliance with a resolution of Congress, a compilation was made of the number of shares of National bank stock issued, the number of shareholders, the location, etc., of the stock and the shareholders. A similar compilation was made ten years later and continued in 1887, 1888 and 1889. Prior to 1887 shares were taken at the par value, varying from $10 to $200 each, as converted State banks were permitted to reorganize as National banks, without change of original divisions of stock; subsebuently the shares of every bank were reduced in compiling the returns to a par of $100 each. The abstracts of the reports for 1876 and 1886 are shown separately, the stock being based, as hereinbefore stated, on the varying par values of shares, and differ materially in that respect from the later compilations.

Of the 6,337,114 shares issued on July 5, 1897, 5,464,037 are held by residents of the States in which the banks are located, 873,077 by non-residents, of which 21,729 are held by residents of foreign countries. The number owned by women is 1,418,542.

The investments by residents in the New England and Eastern States in the stock of the National banks located in the Southern States amount to $5,294,600; in the Middle States, *The National Banks in Each State and Geographical Division Which Were Placed in the Charge of Receivers during the Year Ended October 31, 1897, with Their Capital, Nominal Assets and Liabilities at Date of Suspension.*

Name and location of bank.	Capital.	Assets.				Liabilities. *b*
		Estimated good.	Estimated doubtful.	Estimated worthless.	Total. *a*	
First National Bank, Niagara Falls, N. Y.	$100,000	$95,791	$135,119	$40,713	$271,623	$161,283
National Bank of Potsdam, N. Y.	200,000	152,125	455,334	29,745	637,204	397,365
Keystone National Bank, Erie, Pa.	150.000	116,234	426,436	107,053	649,723	492,789
Eastern States	450,000	364,150	1,016,889	177,511	1,558,550	1,051,487
First National Bank, Asheville, N. C.	100,000	21,514	52,969	259,747	334,230	215,428
Merchants' National Bank, Ocala, Fla.	100,000	32,877	93,336	120,875	247,088	150,611
Merchants' National Bank, Jacksonville, Fla.	100,000	153,080	139.608	53,805	346,493	232,154
Mutual National Bank, New Orleans, La.	200,000	162,646	269,016	65,848	497,510	290,557
First National Bank, Tyler, Tex.	200,000	44,287	182,330	470,037	696,654	441,052
City National Bank, Gatesville, Tex.	50,000	11,103	47,988	30,198	89,289	37,405
First National Bank, Newport, Ky.	200,000	204,993	344,896	264,025	813,914	650,248
German National Bank, Louisville, Ky.	251,500	233,745	306,123	92,185	632,053	370,367
Southern States	1,201,500	864,245	1,436,266	1,356,720	3,657,231	2,387,817
Missouri National Bank, Kansas City, Mo.	250,000	541,307	765,013	208,361	1,514,681	1,248,998
First National Bank, Franklin, Ohio	50,000	23,792	98,255	4,985	127,032	80,706
Second National Bank, Rockford, Ill.	200,000	168,784	208,257	246,955	623,996	354,120
National Bank of Illinois, Chicago, Ill.	1,000,000	7.636,207	1,490,358	4,778,553	13,905,118	11,578,896
First National Bank, East Saginaw, Mich.	100,000	231,479	128,083	223,650	583,162	385,563
Big Rapids National Bank, Big Rapids, Mich. *c*	100,000	1,065	30,693	23,490	55,248	27,552
First National Bank, Benton Harbor, Mich.	50,000	46,597	81,685	10,649	138,931	92,040
First National Bank, Decorah, Iowa	75,000	63,259	134,526	131,758	329,543	245,388
First National Bank, Sioux City, Iowa *d*	100,000	....	....	....	....	....
First National Bank, Griswold, Iowa	50,000	7,576	64,514	39,474	111,564	56,075
Marine National Bank, Duluth, Minn.	200,000	50,552	267,451	103,573	421,576	224,791
Columbia National Bank, Minneapolis, Minn.	200,000	150,763	202,616	85,057	438,436	268,345
Union National Bank, Minneapolis, Minn.	500,000	16,217	507,068	253,916	777,201	282,145
Second National Bank, Grand Forks, N. Dak.	50,000	76,049	106.004	7,370	189,423	140,683
Citizens' National Bank, Fargo, N. Dak.	100,000	80,160	308,641	76,712	465,513	324,787
Merchants' National Bank, Devils Lake, N. Dak.	50,000	48,522	42,074	7,296	97,892	48,688
Dakota National Bank, Sioux Falls, S. Dak.	50,000	42,510	157,962	98,495	298,967	212,616
First National Bank, Garnett, Kans.	50,000	38,719	85,796	7,624	132,139	74,777
First National Bank, Alma, Nebr.	50,000	1,681	71,923	67,503	141,107	87,866
First National Bank, Orleans, Nebr.	50,000	7,219	32,549	49,631	89,399	36,682
Western States	3,275,000	9,232,458	4,783,418	6,425,052	20,440,928	15,755,651
The Dalles National Bank, The Dalles, Oreg.	50,000	54,801	144,445	21,644	220,890	154,873
Moscow National Bank, Moscow, Idaho	75,000	14,878	95,440	95,325	205,643	100,608
Northwestern National Bank, Great Falls, Mont.	250,000	422,388	329,075	217,675	969,138	679,050
Merchants' National Bank, Helena, Mont.	350,000	619,922	755,503	287,311	1,662,736	1,230,634
Merchants and Miners' National Bank, Philipsburg, Mont.	50,000	9,259	42,170	47,862	99,291	44,123
First National Bank, Olympia, Wash.	100,000	77,572	127,122	18,807	223,501	100,493
First National Bank, Eddy, N. Mex.	50,000	41,160	57,295	17,090	115,545	54,729
Pacific States and Territories	925,000	1,239,980	1,551,050	705,714	3,496,744	2,354,000
United States	5,851,500	11,700,833	8,787,623	8,664,997	29,158,453	21,548,905

a Exclusive of United States bonds on deposit to secure circulation.
b Exclusive of capital, circulation, surplus, and undivided profits.
c Formerly in voluntary liquidation.
d Restored to solvency and resumed business

$8,678,200; in the Western States, $4,507,300; in the Pacific States, $1,828,600, and in all these sections, $20,808,700.

The shareholders number 281,225, of which 270,149 are natural persons, including 101,944 women. The corporations which are shareholders number 11,076. the average investment by each shareholder is about $2,250. A further classification shows that 169,948 persons or corporations hold stock of the par value of $1,000 or less; 79,756, over $1,000 or less than $5,000; 29,541, $5,000 or less than $30,000, and 1.980, $30,000 or over.

The foreign holdings of National bank stock are 21,729 shares.

Women Employees of National Banks.

In 1896 the National banks submitted information relative to the number and compensation of women employees. At that time the number was only 388 and their average compensation $485.11. The reports made on July 5, 1897, indicate the employment of 499 women and that their average compensation is $477.62, or an aggregate of $238,381. The number of such employees in the New England States is 92; in the Eastern States, 125; in the Southern States, 83; in the Middle States, 190; in the Western States, 48, and in the Pacific States, 11.

Earnings and Dividends of National Banks and Taxes Paid by the Banks to the Government.

The net earnings and dividends paid during the last year were $48,612,927 and $43,215,818, respectively; the percentage of dividends to capital was 6.7, dividends to capital and surplus 4.8, net earnings to capital 7.5, and to capital and surplus 5.4. The average annual net earnings and dividends for the past twenty-eight years were $54,417,014 and $44,425,549, respectively. The average rate per cent. of dividends to capital was 8.3, dividends to capital and surplus 6.2, and net earnings to capital and surplus 7.8.

The National banks have paid to the General Government $81,411,384.54 in the form of semi-annual duty on their circulation. In addition to this amount they paid taxes on capital and deposits to the amount of $7,855,887.74 and $60,940,067.16, respectively. The aggregate taxes thus paid from 1863 to June 30, 1897, amount to $150,207,339.44. The Act of March 31, 1883, repealed the provision requiring the payment of a tax on capital and deposits.

Condition of State Banks and Banking Institutions.

From statements of State banks and banking institutions, obtained through the courtesy of officials having supervision of their general operations and from returns made directly to this Bureau by banks in States not requiring reports to be made to State officials, information has been received relative to 5,088 institutions incorporated under State authority, approximately 90 per cent. of the number in operation in the year 1897. In addition, statements have been obtained from 759 private banks and bankers, a total of 5,847 incorporated and private banks, and an increase over the prior year of 132. In the appendix to this report appear abstracts of the returns, by classes, States, and geographical divisions.

The principal items of resources and liabilities of these banks in 1893 to 1897 inclusive are shown herewith:

Items.	*1893.*	*1894.*	*1895.*	*1896.*	*1897.*
Loans	$2,348,193,077	$2,133,628,978	$2,417,468,494	$2,279,515,283	$2,231,013,262
Banks	1,009,604,350	1,010,248,230	1,375,026,025	1,210,827,389	1,248,150,146
Cash	205,645,208	229,373,004	227,743,808	169,198,601	193,094,029
Capital	406,007,240	398,735,390	422,052,618	400,831,399	380,090,778
Surplus & undivided profits	346,206,287	352,424,784	370,897,003	362,602,702	382,436,990
Deposits	3,070,462,680	2,973,414,101	3,185,245,810	3,276,710,916	3,324,254,807
Resources	3,979,006,533	3,868,474,997	4,138,990,529	4,200,124,955	4,258,677,065

The aggregate resources show an increase over 1896 of $58,552,110, and over 1894, the lowest point during the period mentioned, of $390,202,068. Loans and discounts and capital stock have decreased during the year $48,502,021 and $20,740,621, respectively, but bond and stock investments have increased $37,822,757; cash in bank, $23,895,428; surplus and other profits, $19,834,288, and deposits, $47,543,891.

The capital of the reporting State banks aggregates $228,677,088; surplus and other profits, $102,359,024; deposits, $723,640,795. Loans and discounts amount to $669,973,556; United States bonds, $1,135,609; other bonds, stocks, etc., $105,471,239; cash in bank, $116,849,749, and total resources, $1,188,185,402. Comparing these figures with the returns in 1896, an increase is shown of 149 in number of banks, and $30,997,894 in aggregate resources. The increase in deposits is $27,980,381. These banks held in cash 16.8 per cent. of their net deposits, and the credit balance with other banks was 11.5 per cent.

An attempt was made to ascertain the amount and rate per cent. of dividends paid by these financial institutions, but the result is only fairly satisfactory, as the returns are confined to 557 banks, with $37,841,887 capital stock, about one-sixth of the capital of banks reporting their resources and liabilities. The amount of dividends paid was $2,688,248, an average rate of 7 per cent.

Condition of Savings Banks.

Returns relative to the Savings banks in the United States are practically complete, but their value is somewhat impaired by the want of uniformity in dates, showing the condition of the institutions. The latest obtainable information from Savings banks in Maine, Massachusetts, Rhode Island, Connecticut, Pennsylvania, Ohio, and Minnesota, is from reports made at various dates from October to December, 1896, and in the other States from January to July, 1897. The number of institutions covered by this report is 980, eight less than reported in 1896. It is satisfactory to note, however, that there has been an increase in resources of $55,517,311; in deposits, $47,947,096, and in surplus and other undivided profits, $9,224,585. The increase in number of depositors, 135,638, is about one-fifth of one per cent. greater than the percentage of increase of deposits, and, in consequence, the average deposit shows a reduction from $376.50 to $372.88. Depositors number 5,201,'82, and the amount to their credit is $1,939,376,035. This does not include $44,037,529 of deposits subject to check in stock Savings banks, which are operated under charters permitting both a commercial and Savings bank business. These two classes show total deposits of $1,983,413,564. The surplus and undivided profit account amounts to $183,930,578, about 9.3 per cent. of liabilities to depositors. Nearly 50 per cent. ($1,066,507,686) of the resources of the Savings banks is represented by loans, of which $822,012,228 are on real estate security and $244,495,458 on other collateral.

Investments in United States bonds amount to $163,886,928, and in other bonds, stock, etc., $772,374,748. Balances due from other banking institutions and cash on hand aggregate $90,-403,074 and $42,507,816 respectively, about 6.7 per cent. of the net deposits. The Savings bank returns are exhibited in detail, by States and classes, in the table on a following page. The mutual institutions, that is, those conducted solely for the benefit of depositors, numbered 668, and, with the exception of 11 (4 in Ohio, 5 in Indiana, and 1 each in West Virginia and Wisconsin), are located in the New England and Eastern States. The deposits and total resources of the mutual Savings banks are about 88 per cent, and 87 per cent., respectively, of the deposits and resources of all Savings institutions. The depositors number 4,691,444, and they have to their credit $1,737,099,370 (of which but $694,545 is subject to check), an average savings deposit of $370.12, an increase of $1.92 over the average for the prior year. The largest average deposit, $504.48, is held by the depositors in the Rhode Island banks; Connecticut follows with $419.41; New York, $418.46; the minimum average being $206.53 in Delaware. The average deposit in the banks in the New England States is $363.81, and in the Eastern States, $376.71. With the exception of Rhode Island, in which there has been a reduction of only about $50,000 in deposits, and New Hampshire (banks in charge of assignees and in liquidation, with resources of about $13,000,000, heretofore included with active banks, but now omitted), substantial gains are shown, the increase in resources and deposits being $56,903,528 and $49,061,708, respectively. The surplus and undivided profit account has increased from $158,595,655 in 1896 to $166,650,990; that is, $8,055,335. Of the resources, $877,476,103 represents loans, $714,600,413 being on real estate security; $162,804,101, United States bonds; $728,671,010, other bonds and stocks; $66,069,649 with other banks and bankers; $24,480,907, cash on hand, and $34,084,105, bank premises and other real estate.

Nearly 47 per cent. of the deposits are held by banks in the New England States, and over 51 per cent. by those in the Eastern States. The deposits in the banks of Massachusetts, which are 26 per cent. of the total, paid interest at a rate slightly exceeding 4 per cent.; the interest rates in the other New England States are, Maine, 3.72; New Hampshire, 3.5; Vermont, 4; Rhode Island, 4.5, and Connecticut, 4. The New York Savings banks hold nearly 42 per cent. of the total, and pay an average rate of 3.54 per cent. The rate in New Jersey is 3, Maryland 3.5, and in Delaware, West Virginia, Ohio and Wisconsin 4, and in Indiana 4 and 5 per cent. Summarized, it appears that 92 per cent. of all the deposits in Savings banks earn from 3.5 to 4.5 per cent. that is, $876,957,718 (50 per cent.) earning 3.5 to 3.72 and $738,746,712 (42 per cent.) 4 per cent. or over. Information relative to the cost and management has been obtained from but two States, Maine and Massachusetts. In the former the rate is one-fifth of 1 per cent., and in the latter one-fourth of 1 per cent. of deposits.

The assets of the 312 stock Savings banks from which reports have been received amount to $292,014,025, about 13 per cent. of the assets of all reporting Savings institutions. The capital of these banks aggregates $26,199,430; surplus and other profits, $17,288,588; Savings deposits, $202,971,210, and deposits subject to check, $43,342,984. The number of depositors is 509,688, and the average Savings deposit, $398.22. This high average is mainly due to the fact that the deposits and number of depositors in the California banks represent about 63 per cent.

and 80 per cent., respectively, of the total deposits and number of depositors in all stock Savings banks. The average deposit in the California banks is $687.69. The total amount of loans of this class of institutions is $189,031,583, nearly 60 per cent, of which is secured by real estate. Investments in United States and other bonds, stocks, etc., amount to $48,708,738; credits with other banks, $24,333,425; cash on hand, $18,026,909; bank premises and other real estate, $13,877,961. These banks hold in cash about 7 per cent. of their net deposits, and including credits with other banks, nearly 17 per cent.

Loan and Trust Companies.

Reports have been received relative to the condition of 251 loan and trust companies, all located in the New England and Eastern States, except four in Indiana, 11 in Illinois, and 8 in Minnesota. The capital of these companies is $106,968,253; surplus and undivided profits, $89,025,267; deposits, $566,922,205. The loans aggregate $445,629,725; United States bonds owned, $39,097,761; other bonds, stocks, etc., $162,030,259; cash on hand and with other institutions, $28,587,626 and $88,606,800, respectively; real estate, etc., $32,572,077; total resources, $843,713,745. About 18 per cent. of the net deposits is held in cash and in credits with other financial institutions. The highest rate of dividends paid on stock during the year was 13.9 per cent. paid by the New York State corporations, and the average rate was 7.8 per cent.

Private Banks and Bankers.

Owing to the fact that in but few of the States and Territories are statistics collected by State officials relating to the condition of private banks and bankers and also to the disinclination of many proprietors to intrust any public official with statements of their banking business, notwithstanding the assurance given that such information will be treated as confidential and used only to obtain for the public a knowledge of the aggregate amount of resources and liabilities of the banks of this character, returns have been received from but 759 concerns, only about 20 per cent. of the number doing business. The aggregate resources of the reporting banks are $77,953,444. The loans aggregate $48,902,295; United States bonds, $879,898; other bonds and stocks, $3,273,709, and cash on hand, $5,148,838. The capital is $18,246,007; surplus and undivided profits, $7,113,121, and deposits, $50,278,243.

In the following table are exhibited the principal items of resources and liabilities of these banks and banking institutions:

Items.	State banks.	Loan and trust companies.	Savings banks.	Private banks.	Total.
Loans	$669,973,556	$445,629,725	$1,066,507,686	$48,902,295	$2,231,013,262
United States bonds	1,135,609	39,097,761	163,886,928	879,898	205,000,196
Other bonds	105,471,239	162,030,259	772,374,743	3,273,709	1,043,149,950
Cash	116,849,749	28,587,626	42,507,816	5,148,838	193,094,029
Capital	228,677,088	106,968,253	26,199,430	18,246,007	380,090,778
Surplus and profits	102,359,024	89,025,267	183,949,578	7,113,121	382,436,990
Deposits	723,640,795	566,922,205	1,983,413,564	50,278,243	3,324,254,807
Total resources	1,138,185,402	843,713,745	2,198,824,474	77,953,444	4,258,677,065

For the purpose of comparison, and in order to present in the most concise form the principal items of resources and liabilities of banks from which returns have been received, the following table is given. Information with respect to National banks is from the reports of July 23:

Items.	3,610 National banks.	5,847 other banks.	9,457 total banks.
Loans	$1,966,891,501	$2,231,013,262	$4,197,904,763
United States bonds	261,901,200	205,000,196	466,901,396
Other bonds	204,932,235	1,043,149,950	1,248,082,185
Cash	435,106,500	193,094,029	628,200,529
Capital	632,153,042	380,090,778	1,012,243,820
Surplus and profits	330,267,222	382,436,990	712,704,212
Deposits	1,786,871,422	3,324,254,807	5,111,126,229
Total resources	3,563,408,054	4,258,677,065	7,822,085,119

The capital stock of National banks on July 23, and of all other banks, as exhibited by the latest returns to this Bureau, is shown to have been $1,012,243,820, a decrease during the year of $39,732,434. The averages per capita of population from 1893 to 1897, inclusive, were $16.29, $15.61, $15.44, $14.71 and $13.86, respectively. In contrast with the decrease in capital stock is the enormous increase in aggregate banking funds—that is, capital, surplus and undivided profits, and deposits—which amount to $6,822,326,870, as against $6,695,486,521 in 1896, an increase of $126,840,349. The per capita average in all banks is $93.43; in National banks, $37.45; State banks, $14.45; loan and trust companies, $10.45; Savings banks, $30.04, and in private banks, $1.04.

The amount of coin and other currency held by the banks on similar dates was $628,200,-529, classified as follows: Gold, $242,353,002; silver, $53,691,730; legal tenders, etc., $246, 948,495; specie not classified and fractional currency, $2,678,853, and cash not classified, $82,528,449. The last-named amount unquestionably includes an appreciable quantity of gold and silver, but what proportion it is impossible to state, owing to the failure of many bank officers and public officials to report the amount of each kind of currency held. The holdings of gold have been increased during the year, $41,872,171; silver, $4,859,063; legal tenders, etc., $40,425,-543; cash not classified, $10,421,299; the aggregate increase being $96,344,016.

Existing Banks and Bank Failures.

The records show that 12,817 incorporated and private banks were in existence in the country on or about July 1, 1897, and that during the year 160 have failed, of which 38 were National, 56 State banks and trust companies, 19 Savings banks, and 47 private banks and bankers. The assets and liabilities of the banks other than National, as shown by reports to the Bradstreet Company, were $17,929,163 and $24,090,879, respectively.

The following table shows the number of each class of banks in existence in 1897 and the number and percentage of failures during the year:

Class.	Number of banks in existence July 1897.	Failures.	
		Number.	Per cent.
National banks	3,619	38	1.05
State banks and trust companies	4,099	56	1.36
Savings banks	1,273	19	1.49
Private banks and bankers	3,826	47	1.23
Total	12,817	160	1.25

Canadian Banks.

A statement of the resources and liabilities of the 38 chartered banks of the Dominion of Canada on September 30, 1897, shows that the capital of these banks is $63, 279,925; circulation, $38,616,211; deposits, $211,819,044; total resources, $352,950,583. The percentage of specie, bank notes and checks to deposits was 16.2. The average rate of dividends paid on stock for the past year was 7.4 per cent. During the month of September the average amount of specie and Dominion notes held was $8,743,943 and $17,462,464, respectively, and the greatest amount of circulation outstanding was $39,077,427.

Monetary Systems and World's Stock of Money.

The Director of the Mint has courteously enabled a presentation to be made in this report of the latest compiled statistics relative to the world's monetary systems and the stock of gold, silver and paper currency. To the returns from 34 countries reported in 1896, are now added to those from the Cape Colony and South African Republic. There has been no change during the past year in the monetary systems, nor has the ratios of gold to silver been disturbed. The stock of gold has increased from $4,143,700,000 in 1896 to $4,359,600,000 in 1897; the stock of silver from $4,236,900,000 to $4,268,300,000, and the uncovered paper from $2,558,000,000 $2,565,800,000. The greater portion of the gold, $3,293,700,000 (about 75 per cent.), is held in the United States, United Kingdom, France, Germany and Russia. About 78 per cent. of the silver is held in the following-named countries: India, $950,000,000; China, $750,000,000; United States, $634,000,000; France, $441,000,000; Straits Settlements, $242,000,000; Germany, $212,000,-000; United Kingdom, $121,000,000. The South American States have in circulation $550,000,000 of uncovered paper currency; Russia, $467,200,000; United States, $397,000,000; Austria-Hungary, $177,600,000; Italy, $161,000,000; Germany, $123,800,000; France, $119,200,000, and the United Kingdom, $112,100,000.

During the year Russia increased her supply of gold $98,300,000; the United States, $24,-100,000, and Austria-Hungary, $11,300,000. The gold stock of the United Kingdom and France is practically unchanged, but Germany and Italy have lost $20,500,000 and $3,500,000, respectively. There has been but a slight increase in the stock of silver, Germany having added only about $5,800,000 and the United States $3,100,000. The supply of silver in France has decreased about $48,800,000. No other material changes are noted in the specie held.

The amount of uncovered paper circulation outstanding in the United States has been reduced $27,400,000. In Austria-Hungary the currency of this character has decreased $26,900,000; in Italy, $7,500,000, and in Germany, $2,800,000. The only material increase is in France—namely, $21,200,000. The uncovered paper currency in Russia, Spain, and the South American States stands at about the same figure as in 1896.

A very interesting feature of this statement is the per capita amount of each kind of money in the countries named. The per capita averages in the principal countries of the world are as follows: United States, 23.70. United Kingdom, 20.65; France, 34.68; Germany, 18.95; Austria-Hungary, 9.33, and Russia, 8.95.

Depositors, Amount of Deposits and Average Deposit in all Savings Banks, Population of the Countries, Percentage of Population Who are Depositors, and Average Deposit per Inhabitant, 1895.

Country.	Depositors.	Deposits.	Average deposit.	Population.	Number of depositors to population.	Deposit per inhabitant.
					Per cent.	
Austria	3,924,902	$658,921,560	$167.88	25,000,000	15.7	$26.35
Hungary	995,397	226,151,760	227.19	18,000,000	5.5	12.56
Bavaria	665,943	57,638,605	86.55	6,000,000	11.1	9.60
Belgium	1,145,408	113,500,080	99.09	6,850,000	16.7	16.59
Denmark	999,854	165,920,525	165.95	2,200,000	45.4	75.42
France	8,986,631	829,783,735	92.33	38,000,000	23.6	21.84
Italy	4,137,908	331,330,100	80.07	31,000,000	13.3	11.01
Netherlands	740,024	43,073,460	58.20	4,250,000	17.4	10.13
Norway	540,053	60,533,905	112.08	2,000,000	27	30.26
Prussia	6,255,507	939,757,555	150.23	32,000,000	19.5	29.37
Sweden	1,460,858	98,170,720	67.20	5,000,000	29.2	19.63
Switzerland	1,196,590	178,792,290	149.42	3,000,000	39.8	59.60
United Kingdom	7,969,826	815,686,750	102.35	38,000,000	20.9	21.47
Australasia	894,879	130,485,880	145.81	4,200,000	21.3	31.07
Canada	175,560	57,578,975	327.97	5,250,000	3.3	10.97
Cape Colony	50,161	8,490,920	169.21	1,600,000	3.1	5.31
India	653,892	28,413,460	43.60	290,000,000	.2	.01
Natal	6,963	861,520	123.01	550,000	1.3	1.57
Newfoundland	6,401	2,821,420	440.71	198,000	3.2	14.25
Crown colonies, other	114,491	12,275,455	107.22	a 2,000,000	5.7	6.14
United States	4,875,519	1,844,357,798	378.31	69,000,000	7.1	26.73
Total	45,796,767	6,604,546,473	144.21	584,098,000	7.8	11.31

a Partially estimated.

THE WORLD'S BANKING POWER.

Mr. M. G. Mulhall, the most distinguished of English statisticians, in his History of Prices, issued in 1885, gives statistics relative to the banking power, viz., capital, circulation and deposits of the world. For that year the figures for Europe, Australia and Canada are £2,043,000.000, or $10,215,000,000. In his Industries and Wealth of Nations, issued in 1896, it is stated that in 1894 the banking power of Europe, Australia, Cape Colony, Canada, and Argentina amounted to £2,307,000.000, say $11,535,000,000, the deposits of Savings banks being excluded from the calculation. In order to make the returns upon the subject as complete as possible, an investigation has been made by the Comptroller by means of a letter of inquiry sent in March last, through the courtesy of the Department of State, to each diplomatic and consular officer of the United States, in which a request was made for a statement of the resources and liabilities of each class of banks in operation in the country to which the officer addressed was accredited.

The number of banks and branches (1,660 and 6,142 respectively) relative to which information has been received appears comparatively small, but it is to be remembered that, especially in Europe, there is a great concentration of banking capital, the six hundred banks in that division having resources aggregating over ten and a quarter billion dollars, nearly 83 per cent. of the total resources of foreign banks. The capital, including surplus and undivided profits, circulation and deposits, and non-classified liabilities, aggregate $12,358,411,246, or about $823,000,000 in excess of the estimate of Mr. Mulhall in 1894.

Referring again to Mulhall's statement for 1894, it is noted that the banking power of the United States in that year was 30.9 per cent. of that of the world. The combined banking power of foreign banks in 1896, as shown by the foregoing table, was $10,757,771,320, and of the

United States (excluding Savings institutions) $5,298,366,020, a total of $16,051,187,349, the proportion of the United States being 32.9 per cent.

Inquiry as to the minimum and maximum rates of interest charged on loans and discounts shows the following: In Europe 1 to 7 per cent., Asia 3.5 to 12.41, Australasia 4.5 to 7, Mexico 7 to 7.5, Central America 12 to 18, South America 6 to 17, Pacific and West India Islands 3.5 to 18. Interest paid on deposits varies from 0 to 6 in Europe, 0 to 5.5 in Asia, 3.5 in Australasia, 3.25 to 3.5 in Mexico, 5 to 6 in Central America, 3 to 5 in the Pacific and West India Islands. The average rate of dividends paid by the joint stock banks of the United Kingdom, was approximately 11 per cent. during the year ended on June 30, 1896. In the other European States the rate varied, as reported, from 4 to 10 per cent., in Asia and Africa 3 to 12.28 per cent., Canada 7.5, Mexico 3 to 12.5, Central America 8 to 27, South America 8 to 25, and the islands 4 to 40.

Foreign Banks of Issue.

The specie, circulation, ratio of spec'e to circulation, deposits and accounts current, loans and discounts, and rates of discount of the principal European banks of issue on March 31, 1897, are shown in the April number of the *Bulletin de Statistique*, the amounts being expressed in millions of francs. The statement is reproduced herewith:

Specie, Circulation, Ratio of Specie to Circulation, Deposits and Accounts Current, Loans and Discounts and Rates of Discount of the Principal European Banks of Issue, March 31, 1897.

Banks.	Specie.	Gold.	Silver.	Circulation.	Specie to circulation.	Current accounts and deposits.	Loans and discounts.	Discount rate.
	Francs.	*Francs.*	*Francs.*	*Francs.*	*Per ct.*	*Francs.*	*Francs.*	*Per ct.*
Imperial Bank of Germany	1,076.2	....	....	1,501.6	71	518.8	1,032.7	3.5
Bank of Austria-Hungary	....	654.8	265	1,272.2	72	24.7	701.2	4
National Bank of Belgium	108.7	....	....	467.9	23	46.1	422.9	3
National Bank of Bulgaria	9.6	....	....	2	480	50.1	72.2	8
National Bank of Denmark	....	78.8	....	114	70	12.5	51.9	4
Bank of Spain	....	218.2	269.4	1,055.8	46	462.7	444.6	5
Bank of Finland	....	20.1	3.6	67.7	35	13.4	36.4	5
Bank of France	....	1,918.4	1,226.8	3,702	85	487.3	1,138.8	2
National Bank of Greece	2.7	....	....	112.9	2	41.7	57.8	6.5
Bank of Italy, of Naples, and Sicily	....	444.1	74.8	1,026.2	56	331.9	380.1	5
Bank of Norway	....	36.4	....	69.8	52	18.7	52	4.5
Bank of The Netherlands	....	66.4	176.8	413.4	58	10.7	217.1	3.5
Bank of Portugal	....	26.7	48	322.0	23	11.2	94.3	5.5
National Bank of Roumania	....	59.8	2	129.3	47	13.9	54.6	5
Bank of England, of Scotland, and of Ireland	....	1.166	30	1,011.4	118	965	747.5	3
Imperial Bank of Russia	....	2 421.4	96.4	2,533.8	99	447.2	602.7	4.5
Bank of Servia	....	7	4.9	24.7	48	1.1	14.9	6
Royal Bank of Sweden and private banks	....	43.8	19	168	37	569.1	533.6	4.5
Banks of Switzerland	....	87.1	8	190.6	50	325.3	097.9	3.5
Imperial Ottoman Bank	33.7	....	....	14.2	240	130.3	98.5	3.5
Total	1,230.9	7,244	2,224.7	14,190.4	75	4,471.7	7,541.7	....

Banks of United Kingdom.

The number of banks and branches in the United Kingdom on June 30, 1896, was, it will be seen, 147 and 4,382, respectively; on December 31, 1896, 145 and 4,601, respectively, and on June 30, 1897, 139 and 4,725. The assets of these banks on the earliest date mentioned were £967,311,000, capital £84,835,000; deposits and accounts current, £754,049,000, and circulation, £41,536,000. On December 31 of that year the assets were £950,589,000; capital, £84,993,000; deposits, etc., £744,189,000, and circulation, £41,421,000. On the date of the last report the resources amounted to £957,675,000; capital, £84,408,000; deposits, £757,311,000, and circulation, £42,878,000. It will be noted that the notes in circulation of the Bank of England amount to about 65 per cent. of the total circulation outstanding. The resources of the colonial and foreign banks on June 30, 1896, were £397,452,000; on December 31, 1896, £394,648,000, and on June 30, 1897, £382,264,000.

CONCLUSION.

In closing this, my final report to Congress, I can not forbear paying a special tribute of respect to those who have been associated with me during my incumbency of the office of Comptroller of the Currency. The Deputy Comptrollers, the chief clerk, the chiefs of divisions, the clerks, and all others in the office at Washington have been faithful in their attention to duty and earnest in their efforts to promote the efficiency of the service. The labor involved by the increased number of bank examinations and the unprecedented number of bank failures has more than doubled the work necessary to be done, but no increase in the force of employees has been made.

No less intelligent and careful have been the bank examiners in the field and the Receivers in charge of failed banks. The effort of the Receivers is shown by the amount of money paid to creditors within the past year, equaling one-sixth of the total amount of dividends paid out to creditors of all failed banks in the history of the system. The difficulties confronting the examiners during the period of prolonged uncertainty affecting the banks of the country have been at times many and intricate. In the first report which I submitted to Congress I recommended that a change be made in the method of compensating examiners from the fee system at present controlling to that of a fixed salary, with an allowance for necessary traveling and other expenses.

This salary should be paid from a fund to be collected from the banks by an assessment in lieu of the fee now charged against them for examinations when made. The expense to the banks would not be increased, but a more even distribution of salaries would be obtained. With a fixed salary, instead of an already determined fee, examiners would be in position to apportion their time, in making examinations, in accordance with the needs of the banks examined. Only in this way can be had that complete scrutiny of a bank's affairs which is due to the officers and shareholders and to its patrons and the general public.

JAMES H. ECKELS, *Comptroller of the Currency.*

To the Speaker of the House of Representatives.

The World's Gold Product in 1897.—The Director of the Mint, from information now at hand, says that there is substantial evidence that the world's product of gold for the calendar year 1897 will approximate, if not exceed, $240,000,000, an increase of nearly twenty per cent. over 1896. Of this total the United States produced approximately $61,500,000, an increase of $8,400,000 over last year; Africa, $58,000,000, an increase of $13,600,000; Australasia, $51,000,000, an increase of $6,800,000; Mexico, $10,000,000, an increase of $1,700,000; Canada, $7,500,000, an increase of $4,700,000; India, $7,500,000, an increase of $1,400,000; Russia, $25,000,000, an increase of $3,500,000.

The indications for the United States, says Director Preston, are that Colorado will lead in the production of gold for 1897, as it is estimated by former Governor Grant that it will not be less than $20,000,000. California will follow with a product of probably $19,000,000. With the exception of the States of the South Appalachian range, he believes that there will be an increase in every producing State and Territory of the gold products over that of 1896.

New Counterfeit $5 Silver Certificate.—Series of 1896; check letter C; face plate number 22; back plate number 13; J. Fount Tillman, Register; D. N. Morgan, Treasurer; number 2852687.

This counterfeit is printed from "photo-mechanical" plates, on two pieces of very thin paper, pasted together, between which silk threads have been distributed, but the silk is too heavy. The most noticeable defect is the numbering, which, although of good color, is much too small. Most of the shading on face of note, which in the genuine is made up of parallel ruled lines, in the counterfeit is solid black. The seal is darker red than the genuine.

The back of note is much better than the face, yet the shade of green ink used is lighter than the genuine, and much of the lathe work is poor.

The Outlook for 1898.—One reason why 1898 is going to be a better business year than 1897 was, is that everybody thinks it will be. The immediate outlook is much brighter now than it was twelve months ago, and the general opinion is that it will be still brighter six months hence. There is no room for pessimists in this country these days.—*St. Louis Globe-Democrat.*

STATE BANKS—REPORTS OF SUPERVISING OFFICERS.

STATE OF NEW YORK.

BANKING DEPARTMENT,
ALBANY, N. Y., January 1, 1898.

To the Legislature:

The number of active State banks of deposit and discount in New York at the close of the fiscal year ended September 30, 1897, was 212, which was a net decrease of one as compared with the corresponding date the year before. The Bank of Commerce in Buffalo closed its doors October 14, 1896, and went into the hands of a Receiver thereafter; the South End Bank in Albany is in process of voluntary liquidation; and Leonard Story, Individual Banker, at Waterloo, being desirous of extending discount accommodations which with a small capital would transgress the restrictions of the Banking Law, has converted his business into a purely personal and private one. The new organizations effected are the Citizens' Bank of Le Roy, and the First State Bank of Canisteo, capitalized respectively at $50,000 and $25,000.

IMPROVEMENTS IN CONDITION OF BANKS.

The condition of the banks as a whole has improved markedly during the year, their aggregate resources having increased about fifty-five and a half millions, or more than 20 per cent. Their discounts have increased nearly seven and a quarter millions, and the amount due from banks and trust companies more than fourteen millions. The gain in general deposits, the item chiefly affecting earning power, has been nearly forty-three millions, two-thirds of it having been realized during the period from June 9, 1897, to September 15, 1897. With it all, the published reports of the banks have been brought to reflect their actual condition much more accurately than formerly. The business embarrassments and wrecks which mark the period from 1893 to 1897 as the most disastrous the country ever experienced, threw upon the banks a vast amount of property held by them as collateral security, which was not only not available for banking operations, but which required time and judicious management in order to enable even a decent realization to be made from it. Often such property was the sole salvage from unfortunate loans, and with its value contingent upon many elements, and usually conjectural, I could not with propriety arbitrarily direct that it be charged off until a reasonable opportunity should have been given for its conversion. In many instances any other course might have excited public apprehension and distrust, even to the point of endangering the ability of a bank to meet the demands which in consequence might have crowded upon it, whereas forbearance in this respect has sufficed, in some cases at least, to avert loss, if not insolvency. Still, it has been my unvarying practice to apply steady, though reasonable, pressure upon the banks to eliminate from their reports all worthless items as fast as their worthlessness has been demonstrated, and to require that fictitious valuations of paper, stocks or real estate be reduced. By this policy over a million and a half of dollars of apparent surplus or undivided profits has been made to disappear from the banks' reports, and the public by so much better understands the real strength of these institutions. This policy will be maintained, and, with the improvement in values which must attend the advance in prosperity that the country seems to be making, progress henceforth ought to be at an accelerating rate. Conversion of holdings that are not legitimate banking assets may reasonably be expected to be more easily made and with less of loss in these circumstances, thus disposing bank directorates to make the changes, which, when accomplished, will assure to the public a more accurate knowledge of the condition of the banks, and also a large earning power to these institutions. Those whose depositories the banks are have the right to demand opportunity to enjoy the one, and the stockholders will appreciate and applaud the other.

A STRONG SURPLUS SHOULD BE ACCUMULATED.

But I must not be understood by this reference to approve the practice, too prevalent with many banks, of distributing earnings in dividends as fast as made. It is difficult at best for an institution with a small capital to meet expenses of management, make itself remunerative to the shareholders, and preserve a condition which compels the confidence of a community. The law wisely requires that before dividends may be declared a percentage of net earnings must be carried to surplus, until the fund so accumulated amounts to 20 per centum of the capital, and not only should this provision be scrupulously observed, but the policy of every bank should be to go beyond it, increasing its surplus until it shall stand a guaranty of safety in periods of disturbance, and serve to make dividends surer and larger. To this practice the management of the most successful banks in New York city attribute a large measure of their prosperity, and all of the most thriving banks in the country pursue a like course. After integrity, economy and the exercise of safe judgment in daily transactions, it is the one rule surer than any other to bring advantage and success, for it insures confidence, whereby business is increased and deposits attracted, making prosperity merely a question of finding a profitable use for money. How true this is has had frequent illustration within the past year in the results following bank consolidations in many commercial centers, the deposits in such cases having increased almost immediately out of all proportion to the new business acquired simply by the consolidation. The moral is not to be mistaken. The public chooses, first, to bank with institutions whose strength is assurance of safety, and, second, where accommodation can be had most easily. Other things being equal, the bank whose surplus is largest in proportion to its capital will enjoy the fullest trust, and consequently command the largest business, a condition which ought to induce even the greediest of stockholders to the exercise of patience if dividends are restricted for a time in order that they may be made more certain and satisfying later on.

Banking Law Amendments.

But two amendments were made to the Banking Law by the Legislature of 1897. One merely added the city of Holyoke, in Massachusetts, and the city of Camden, in New Jersey, to the list of cities whose stocks or bonds are an authorized investment for the deposits in Savings banks. The other amends section fifty-two of the Banking Law, by providing that "In case any such corporation [bank of deposit and discount] shall have been or shall be dissolved by final order or judgment of a court having jurisdiction, and a permanent Receiver or Receivers of the said corporation shall have been or shall be appointed, all actions or proceedings to enforce the liability of stockholders under this section shall be taken and prosecuted only in the name and in behalf of such Receiver or Receivers, unless such Receiver or Receivers shall refuse to take such action or proceeding upon proper request in that behalf made by any creditor, and in that event such action or proceeding may be taken by any creditor of the corporation."

Quite as important and far reaching as any recent change in the law is the construction of one of its provisions by the Court of Appeals in the Murray Hill Bank case. After the Superintendent of Banks had taken possession of that institution, because of his conclusion, as the result of an examination, that it was in an unsafe and unsound condition, and had reported it to the Attorney-General for institution of proceedings for the dissolution of the corporation, attorneys representing a part of the stockholders filed with the Supreme Court a petition and schedules for the voluntary dissolution of the bank, upon which, notwithstanding the strenuous opposition of the Attorney-General and the Superintendent of Banks, an order was issued requiring all persons interested to show cause why the prayer of the petition should not be granted, and also appointing temporary Receivers of the bank. Clear and strong in the conviction that to permit this action to stand would be to establish a vicious precedent, I urged the Attorney-General to press the insolvency proceedings and to contest to the court of last resort the order decreeing a voluntary dissolution, which he did with ability and zeal. The interests of creditors and shareholders were undoubtedly injuriously affected by this conflict of procedure, and I lost no opportunity to impress upon the attorneys in the action for voluntary dissolution, and upon their principals as well, that their course was prejudicial to the interests of the bank, wasteful of its assets, and sure to be unsuccessful in the end.

It is not important to recall in detail the several steps in the litigation, but it is enough to state that after nearly nine months of delay and costly procedure, the Court of Appeals, all concurring, completely sustained the contention of the Attorney-General and the Superintendent of Banks. The court held not merely that the institution of proceedings for a voluntary dissolution of a bank when its property is in the actual custody of the State is in contravention of the general plan and purposes of the Banking Act, but that to permit a bank in these circumstances to be so wound up would be contrary to public policy. The first proposition seems as clear a conclusion of law as the latter must appear upon reflection to any one who thoughtfully considers it a dictum of good sense and wise business conduct. Nothing could be more absurd and repugnant than that those who are presumptively, even though innocently, responsible for an institution's downfall, and who have failed even to discover the ruin they have caused, should be permitted to still control the business. Much less would it be tolerable if such wrecking comprehended criminality. That the Court of

Appeals has declared it illegal strengthens the hands of the Superintendent of Banks for protecting public and private interests, and establishes a salutary rule of law and of procedure under the Banking Act which it would have been altogether unfortunate to have had decided otherwise, though even an adverse decision would have been preferable to leaving the question open as a possibility of further dispute or contest.

Total Resources of Moneyed Institutions.

The total resources of all the moneyed institutions under the supervision of this Department, as shown by their last reports, are as follows:

Banks of deposit and discount, September 15, 1897	$329,272,539
Savings banks, July 1, 1897	839,671,900
Trust companies, July 1, 1897	443,465,620
Safe deposit companies, July 1, 1897	4,927,124
Foreign mortgage companies, January 1, 1897	23,427,559
Building and loan associations, January 1, 1897	54,490,218
Total	$1,695,254,960

The increase, as compared with the resources of the same classes of institutions at corresponding dates in 1896, is $137,291,278.

Closed Banks.

The appended table contains a list of the banks which closed during the last fiscal year:

Closed Banks.	Location.	Date of Closing.	Capital.
Leonard Story, banker *	Waterloo	May 5, 1897	$25,000
South End Bank *	Albany	June 12, 1897	100,000
Bank of Commerce†	Buffalo	October 14, 1896	200,000
Long Island Bank ‡	Brooklyn	....	400,000
			$725,000

* Closed voluntarily. † Failed. ‡ Closing.

New Banks.

The new banks organized during the fiscal year are as follows:

New Banks.	Location.	Date of authorization.	Capital.
Citizens' Bank of Le Roy	Le Roy	December 23, 1896	$50,000 00
First State Bank of Canisteo	Canisteo	April 28, 1897	25,000 00
			$75,000 000

Capital.

The amount of capital employed by the State banks of deposit and discount and by individual bankers on Sept. 30, 1897, together with the decrease during the year, is as follows:

Amount of capital, September 30, 1896	$31,220,700
Capital of banks organized during the year	75,000
	$31,295,700
Capital of banks closed or closing	725,000
Capital stock, September 30, 1897	$30,570,700
Capital stock, September 30, 1896	31,220,700
Decrease for the year (net)	$650,000

Bank Resources and Liabilities.

The resources and liabilities of all the State banks of deposit and discount in New York on September 15, 1897, are shown in the appended table in comparison with the resources and liabilities of the same classes of institutions engaged in business September 3, 1896:

RESOURCES.	*1896.*	*1897.*
Loans and discounts, less due from directors	$167,845,445	$174,202,642
Liability of directors as makers	5,572,019	6,412,205
Overdrafts	201,549	198,826
Due from trust companies, banks, bankers and brokers	19,977,257	34,356,894
Real estate	8,765,285	9,596,978
Mortgages owned	2,929,983	3,132,322
Stocks and bonds	15,909,374	17,925,326
Specie	13,312,193	17,507,651
United States legal-tenders and circulating notes of National banks	18,500,557	19,011,543
Cash items	18,343,277	45,470,008
Loss and expense account	673,907	....
Assets not included under any of the above heads	1,763,445	1,458,469
Add for cents	764	665
Total	$273,795,005	$329,272,539
LIABILITIES.		
Capital	$31,220,700	$30,570,700
Surplus fund	19,942,816	19,291,544
Undivided profits	8,808,318	7,963,495
Due depositors on demand	181,828,696	224,349,746
Due to trust companies, banks, bankers and brokers	17,969,111	32,121,522
Due to individuals and corporations, other than banks and depositors	424,697	....
Due Savings banks	11,968,674	11,585,692
Due the Treasurer of the State of New York	1,220,873	2,689,088
Amount not included under any of the above heads	910,778	680,410
Add for cents	342	342
Total	$273,795,005	$329,272,539

The appended table shows the securities and cash deposited with the Superintendent of Banks in trust by the several banks, individual bankers and trust companies, and held by him at the close of the fiscal year.

United States 2 per cent. bonds	$121,000 00
United States 4 per cent. bonds	1,058,000 00
United States 5 per cent. bonds	1,000 00
United States 6 per cent. bonds	4,000 00
New York city 2½ per cent. bonds	535,000 00
New York city 3 per cent. bonds	1,475,000 000
Brooklyn city 3 per cent. bonds	370,000 00
Brooklyn city 3½ per cent. bonds	250,000 00
Brooklyn city 4 per cent. bonds	100,000 00
Buffalo city 3½ per cent. bonds	20,000 00
Niagara Falls city 4 per cent. bonds	20,000 00
Rochester city 3½ per cent. bonds	50,000 00
Bonds and mortgages	50,000 00
Cash	378 98
Total	$4,044,378 98

RECOMMENDATIONS.

The Banking Law is in many respects crude, if not confused, and it ought to be carefully and thoroughly revised in the near future, such revision extending to some modification of existing provisions. The title covering Cooperative Savings and Loan Associations in particular is uncertain as to meaning in some of its parts, and I have occasion frequently to request interpretation of it by the Attorney-General. I assume that this work of revision when undertaken will be performed by the Statutory Revision Commission, and yet, in order to assure that it will be properly accomplished, there requires to be so much of practical knowledge, which only actual experience can afford, that there should be associated with it a banker who is a lawyer as well, and also a conservative manager of a Savings and Loan Association. I believe it would be a profitable employment of public funds to appropriate a moderate sum for the service of two such men to prepare suggestions on the subject, with the requirement that after approval by the Superintendent of Banks they be transmitted to the Statutory Revision Commission for consideration and incorporation in the revised law.

LAW RELATING TO INDIVIDUAL BANKERS.

The sections of the Banking Act referring to individual bankers are at least incomplete, in that they contain no specific requirements as to the capital to be paid in. If this character of semi-corporate organization is to be permitted to continue as to new institutions, the defect in question surely ought to be remedied, and the condition imposed with reference to capital which obtains as to fully incorporated banks. But in some quarters at least the view is held that the provisions referred to were intended by the Legislature to relate only to individual bankers who were actually established in business at the date of the passage of the Banking Law, and that it was not contemplated that any new individual bankers should be authorized. I concur fully in the conclusion that it is not desirable to permit banks of this kind to be established. The power and prerogatives which attach to banking ought not to be vested in any single citizen, but should be lodged only with bodies of men in legal association and with interests "separate like the fingers, yet one like the hand"—each interested against wrongs or abuses and all joining in the designation of a management accountable to themselves and subject to State control under clear provisions of law. I therefore recommend that the law be so amended as to forbid in distinct terms the authorization of any new individual banker to transact business.

The Savings Banks.

Intrigue and agitation to injure the interests of Savings bank depositors continue almost incessantly by men having dishonest ends in view, with support unfortunately by others whose motives are unquestionably the best, though their understanding of the case is a grievously mistaken one. I refer particularly to the demand that the lists of Savings bank accounts which may lie untouched for a number of years be published, or at least made accessible to inquirers. Any one having the right to such information need not have the slightest difficulty in obtaining it under the present practice, while from those who have no concern with it except for purposes of speculation or swindling it ought to be withheld absolutely. Quite commonly deposits are made with Savings banks where the purpose of the depositor is to continue them without addition or reduction until emergency compels their use or until the completion of some fixed period. Not infrequently, as I am advised, such depositors are the wives of drunken or worthless husbands, and their deposits the savings from arduous labor attended by bitter self-denial. Permit the possibility of publicity in regard to the existence of such accounts, and the wives, whose only resource they are if sickness comes to themselves or to their children, would be terrorized into handing them over to their husbands, to be dissipated in drink or worse. In other instances the information would be seized upon by predatory attorneys for the fleecing of people untrained in business or credulous by nature. The Savings banks of New York are among the most useful of all the State's great institutions, and their one need and that of their depositors to-day is that mischievous legislation shall not touch them.

Taxation of Savings Banks Deposits.

An opinion was issued from the Attorney-General's office some time since, holding that depositors in Savings banks are taxable on their deposits, and it has since been the practice of the Board of State Tax Commissioners, when applied to by local assessors for instruction upon this point, to refer the applicants to the opinion above cited. In some localities, certainly, the assessors were controlled by this opinion, and undertook to assess such deposits. Out of this action litigation has followed in one instance, and the matter is now pending in the courts. Against the Attorney-General's view the Savings banks oppose an opinion supplied to them by eminent counsel in New York, holding that the tax law is not fairly susceptible of the Attorney-General's construction. To me the latter contention seems best supported by argument and more in accordance with the statute as I read it. Regardless of which is right, however, and also independent of the question whether such deposits should or should not be taxable, there will be no controversy as to the proposition that the law should be so plain that dispute as to its meaning shall be impossible.

The case now pending in the courts will, of course, result in time in establishing a conclusive construction of the statute, but would it not be preferable that a quicker determination be made by the Legislature itself? My own judgment is very strong that these deposits should be specifically exempted from assessment for purposes of taxation. While there undoubtedly are accounts in the Savings banks which these institutions were never intended to accommodate, their proportion to the whole amount of deposits is not large, and if driven out by any scheme of taxation, or by any method of exclusion, they would in all probability follow the rule which obtains generally as to personalty, and escape the vigilance of the assessors. Consequently any exemption granted to Savings bank deposits would practically operate to benefit only poor people and to relieve only small sums from tax burdens. I maintain not only that the State can afford to make this concession, but that it can not afford not to do it. The average rate of interest in this State is rapidly decreasing, especially as to the classes of securities in which Savings banks are allowed by law to invest, the larger cities floating their bonds at three per cent., even obscure school districts rarely paying over four per cent., and real estate mortgages being in some cases negotiated upon the same basis.

It is not exceptional where the rate of three and one-half per cent. is all that a Savings bank is now able to pay in dividends to its depositors, and it is probable that in the comparatively near future three per cent. will be the outside rate that even the strongest of them can give. If the moneys of poor people yielding but this paltry income are to be taxed also, there can be no result other than that the holdings of the Savings banks will be depleted by many millions of dollars, the owners being tempted by the hope of realizing larger profits to invest in speculative ventures, often at the cost of an entire loss and with entailment of destitution and misery to the loser. Designing men or self-deceived visionaries are always lying in wait in multitudes to allure the weak and unsophisticated to investments which become their prey or are sacrificed through their incapacity. It would be a misfortune which I shudder to contemplate if the thousands whom Savings bank investments now render independent were to be pauperized through the adverse operation of any law even indirectly influencing them away from investments assuring safety to hazards with their promise of larger gains. The slight tax revenues which the State might thus realize would be dearly bought if poor rates were to be increased in consequence and the self-reliance and self-respect of men and women destroyed in the same hour.

These depositors are mainly a class of people who are without business experience, many of them widows or orphans, and nearly all wage-earners, some of them worn out by years and toil. Visit any Savings bank during its dividend period, and study their faces and persons, and no inquiry regarding their history or environment will be necessary to the conviction that life is to them a stern struggle, and privation a daily experience.

A second very practical consideration in this connection is as to what would be the effect upon the bonds of cities, towns and school districts in this State if the resources of the Savings banks should be largely depleted. It is the demand for such securities by Savings banks which is, in great part, the occasion for the low rates of interest at which these subdivisions of State are able to market their evidences of indebtedness, and if this market were to be diminished loans could not be placed upon any such favorable terms as now obtain.

With any reasonable scheme for excluding those who are in a fair sense capitalists from the use of Savings banks, I would be in cordial sympathy, but the subject is a perplexing one, and I am not prepared to suggest a plan which I feel would assure an altogether satisfactory solution of it. Better by all means let there be an occasional abuse in this direction than that hardship or injustice be wrought to the needy whom it is the legitimate function of the Savings banks to serve. In the matter of encouraging and developing frugality, thrift and non-dependence on charity, these institutions have done, and are continually doing, a grand work. They have always received special consideration by the Legislature, and it would be a public misfortune of incalculable proportions if this policy were to be in any adverse manner modified. So long as great fortunes escape payment of taxes in fact, even if not in virtue of lawful exemption, it cannot be regarded as an undue concession if the depositors in our Savings banks be given the right to accumulate the paltry sums which const tute the mass of accounts without being made to feel that they are taxed because they have been provident.

Examinations by Directors.

The further recommendation, renewed from a year ago, is respectfully submitted, that the obligation be imposed by statute upon the directors of every State bank to create an examining committee to count its cash and examine all paper held by it at least as often as once in six months. The oath of office taken by a director upon qualifying gives the pledge that he will "diligently and honestly administer the affairs of such corporation," and I take it that this should mean that he will discharge the duty with thoroughness, and not merely in a general and perfunctory manner, as is apt to be the practice where no definite obligations are established. Defalcations and reckless or ruinous investments usually occur where responsibility is permitted to be exercised by a single individual, and would generally be escaped if directors were to conduct periodically such examinations of a bank's assets and management as this department undertakes annually.

Notwithstanding its failure to command executive approval, I am still persuaded of the wisdom of the measure which your honorable body passed a year ago providing that upon the insolvency of any State bank of deposit, Savings bank, trust company or safe deposit company, the Superintendent of Banks should have authority in respect thereto corresponding to that conferred upon the Comptroller of the Currency by the National Bank Act as to like cases. Undoubt dly some of the details of that particular bill might be wisely modified, but I am certain that its general scheme would comprehend great benefits. Most of the criticisms directed against the measure which failed to become a law last year could be met and satisfied without in any way impairing its effectiveness, and while I can, of course, have no personal interest or concern in the matter, yet, officially, I should feel that a public duty which devolves upon me had not been performed if I were to fail to urge upon the Legislature the views herewith submitted. FREDERICK D. KILBURN, *Superintendent of Banks.*

BALTIMORE BANK CLERKS' ASSOCIATION.

About four hundred clerks of the banks composing the Baltimore Clearing-House were given a reception at the Mount Washington Casino Saturday, October 30, by Mr. Lawrence B. Kemp, President of the Commercial and Farmers' National Bank, of Baltimore.

The reception was designed by Mr. Kemp to bring the bank clerks together with the view of forming an association among them modeled after similar organizations in leading cities. This idea was taken up after the reception and luncheon which followed. It was decided to secure a committee of one from each of the twenty-six banks in the clearing-house to report on the question of organization. Mr. Gustavus Brown, of the Citizens' National Bank, was chosen as chairman and Mr. Frederick C. Dreyer, of the Merchants' National Bank, as secretary.

Previous to the reception Mr. Kemp entertained at luncheon at his home Secretary Gage, Postmaster-General Gary, Comptroller Eckels and a number of the leading bank Presidents of the city.

The reception to the bank clerks was opened by Mr. Kemp in the following address:

Address of Lawrence B. Kemp.

It becomes my pleasant duty, as your host to-day, to welcome you to the nearest thing possible to my home, the Casino. With a party such as this our little home was too small to bring you there.

It was my great privilege and pleasure as a boy to be brought up in the home of my grandfather in Barbara Freitchie's old town, Frederick, in Western Maryland. Amongst the pleasant things that this old-style bank President had in that sweet old home was a trusted and valued old colored coachman by the name of Julius Cæsar, the care-taker of my grandfather, the abject slave and the best friend of myself and brother. As I think of this old servant, who is still alive, I recall a speech that he was once to make at the gathering of his people to celebrate the anniversary of the Emancipation Proclamation. Jule had the manner of a Chesterfield, and I distinctly recollect his appearing one afternoon at my grandfather's door at the bank to ask "Mars Lawrence" whether he wouldn't give him a few "idees regarding this 'ere meeting that the colored folks are going to hold," at which he was to preside. Grandfather outlined for Jule a simple little speech, in which he wanted him to say to his people that they were about to enjoy as freedmen what had been his gift from his old master since he had been twenty-one; he told him to tell them, in addition, that he hoped they would use their freedom right, and then said he, "Jule, welcome them with all your heart." After the celebration had passed Jule returned home to tell us of the gathering. My grandfather asked him whether he delivered his speech, and he said in reply, "Mars Lawrence, I done clean forgot everything that you told me to say. "For," said he, "when I looked out on that sea of faces before me, where every face represented an old friend, and when I put my foot down on that platform that had been built for this special occasion, I just forgot every word, and for a minute I didn't know what was going to happen. But then I remembered that these people were my friends, and they certainly would understand me, if I couldn't say much. So I says, 'My fellow-citizens, you are my best friends, and I am positively glad to see you, and you are welcome,' and then I took my seat."

I feel very much like Jule did. The speech that I have studied ever since I resigned my Bank Examinership for you boys, I have forgotten, but in the words of Julius Cæsar, you are my best friends, and you know that I am glad to see you. You must know that you are all doubly welcome. For when I look through this audience and see old Mr. Robert Logan from the Exchange, and Tom Morris from the Merchants' and Ned Hayden from the Drovers and Mechanics', with "Billy Leech" from the First National, with those glasses on, and the two Charleys from the Mechanics', the one who pays out and the other who takes in the shekels, the crowd of boys who have always been so kind and courteous to me ever since I came as a country lad to the city, I say that you all must know what a sincere pleasure it is for me to have you out home to-day.

When Mrs. Kemp and I planned to have you here, it was a pleasure we had had in mind ever since I went among you first as a deputy bookkeeper at the Merchants', afterwards as your National Bank Examiner. During all this time the kindness of you boys, the encouragement of your officers, has been my inspiration. You helped me all the way along, and I've brought you out home this afternoon to tell you so. It was this thought, too, that brought our honored guests, the Secretary of the Treasury and the Comptroller of the Currency, over here; it was this thoughtfulness for the boys that prompted them to lay aside their work to come over to my simple home to shake you by the hand, and to bid you aim, as you have in the past, high, and not to flinch.

One more word, and I am through, and that's about our village and our village people. My coming to Mt. Washington was for a summer, and instead of going back at the close of it I have staid five years, and I can't tell how much longer, if they will allow me to remain. Oftentimes as my city people ask me about Mt. Washington, they say, "You like it, Kemp; why, I understand that out there you have petticoat rule; that the Lend-a-Hand Club, composed entirely of ladies, manages everything, and that you can't lift your hand to your head without first asking permission."

I always tell them that may be so, but that it suits me, and that I came to spend six months and have been there nearly six years. It's true that I had to lay this reception before them, and ask their permission for this Casino, for they run it; it's true that I had to ask them whether they thought it was wise to bring four hundred handsome young men to our village at one time, but I received a dispensation, and they said that they would aid me in every way possible to entertain our distinguished guests properly, and they have, for they decorated this Casino in a way that speaks for itself, for as they pinned these posies about this room, every one has been put in place with a thought of you all.

One thing, however, I had to agree to—that the Board of Aldermen of the village government should be present, and I beg to introduce them to you in the gallery. (Here were seated all the pretty young ladies of the village.) I don't believe there is a man in this house that wouldn't be gladly willing, just as happy as I am, to bend to that sort of a city government, and you can tell by a glance at them that they are just as glad to see you as I am.

It becomes my great pleasure now to introduce you to our new President of the Clearing-House, the honored successor of Enoch Pratt and Henry James, Mr. Charles C. Homer. An acquaintance with him was one of the good things that came to me when I took up my home at Mt. Washington, for I never knew him until I commenced to travel on the Northern Central Railroad. If he will prove to you as President of the Clearing-House Association one-fiftieth as good a guide and friend as he has to your humble host, you will agree with me that although the Baltimore Clearing-House has had many conspicuous financiers as its presiding officer, they have never had one that was more ready, more willing to help the bank officer and the bank clerk to do his full duty in that station in life to which it has pleased God to call him, than my dear friend, Mr. Charles C. Homer, your President.

Address of C. C. Homer.

Distinguished Guests, respected Board of Aldermen and Fellow Members of the Banking Fraternity: It is a great honor, but decidedly a greater pleasure, to meet face to face the entire working force of our Baltimore banks at a gathering which the Secretary of the Treasury and the Comptroller of the Currency have graced with their presence. Justly we must esteem it a great privilege to sit at the feet of men who are playing such important roles in the history of our times, and whose utterances are the crystallization of those convictions and experiences, which have elevated them to their present exalted positions. When we reflect that each advancement in life brings with it increased responsibility and labor, and that the higher the position the greater its duties and cares, we cannot but realize how deep and earnest should be our feelings of thanks to them for the interest they display in us and our work through their presence here to-day.

And why this interest? It is because our city has wrought for herself a reputation for conservatism and integrity in banking known wherever her name is mentioned, and it is the tribute due to such a record which awakens the liveliest friendship in every heart that beats in unison with commercial and financial rectitude. Therefore it should, it must be, the highest aim and purpose of each and every member of our banking fraternity to keep unsullied this priceless escutcheon which two generations have preserved and delivered to us untarnished.

As the power-giving revolution of the engine is dependent for its effectiveness upon the perfection, the harmony and the adjustment of all its parts, from the largest to the smallest, so the success of our institutions, and the preservation of their fame and good name, rest upon the integrity and ability of each and all their employees. Each one of you is an important, necessary piece in the grand mechanism whereby the commerce of our great city, with its ramifications extending throughout the land, and its bold arms reaching beyond the seas, is easily, promptly and correctly adjusted.

Upon our good character and ability, and the careful and faithful performance of our duty depends, as I have said, the success of our institutions. No single individual can claim sole credit therefor. It is the edifice built by the earnest co-operation of each and every one of us, and modesty should be its fitting capstone.

Fifteen years ago it was my pleasure to listen to the testimony and arguments in a celebrated will case, in which the late Archibald Stirling, then President of the Savings Bank of Baltimore, was called as a witness. The oath was administered, and to the interrogatories, "your name and occupation," this grand old man, unconscious of the important figure he had been for half a century in the history of our city, unmindful of the fact that he stood at the head of the largest, staunchest financial institution in our midst, the creation largely of his sixty years of untiring attention to its development, answered, in his quiet modest way: "Archibald Stirling; by occupation, a bank clerk."

Mr. Homer was followed by Hon. Lyman J. Gage, Secretary of the Treasury.

Address of Secretary Gage.

Mr. Kemp, Fellow Bank Clerks—Things never turn out in this world quite as we expect them to do, or quite as we would like to have them. Mr. Kemp invited me to come over here for what he called a reception of the bank employees of Baltimore. I told him that I would be very glad to come over and meet the boys. I expect to enjoy the privilege and have the pleasure of taking each of you by the hand, that we may look each other in the eye and measure each other up as we in our calling are likely to measure up all those with whom we come in contact. I must object, however, to being elevated upon a platform above the boys. If I should speak to the boys just as I would like to, perhaps I would offend the old men. As I look in the gallery and see the Board of Aldermen (referring to the ladies), it is a compensation for the other disappointment I have just alluded to. It suggests the thought to me what I would do if I lived in this burg of Mount Washington. I could not be an alderman, of course, but I would join the lobby.

In looking over this company of bank clerks assembled here, I notice some contrast with the general average of bank clerks I have been in the habit of meeting from time to time in the West. I do not want to say anything to the disparagement of my Western friends. They will average younger than this young group, but there is more evidence of strength in the faces I see here than in the faces I have been seeing in similar assemblages in the West. I suppose it is due to the difference of the situation. It calls to my mind one of my early experiences in Baltimore. The first visit I ever made to Baltimore was something more than thirty years ago. The then Cashier of the Merchants' Bank was a correspondent of the bank in the city of Chicago, of which I then had the honor to be Cashier. I formed admiration for that gentleman from the style of his correspondence, the excellence of his penmanship and the character of his signature, yet I had not looked him in the face. Coming to Baltimore on an Eastern trip, which I had determined upon for the purpose of seeing what the rest of the world was made up of, and for the general education that inures from looking around, I went to the Merchants' Bank and sent my card in to the then Cashier, Mr. Gill. The usher came back in a moment and asked me to enter Mr. Gill's office room. We do not have much room out in Chicago. It is all open. There are no retiring rooms connected with the banking offices. I went in and saw a man, a typical Southern gentleman, tall, hair snow white and beard the same color. He looked at me inquiringly and said, "Are you Mr. Gage?" I said, "I am. I sent in my card." He said, "Excuse my apparent hesitation, but I expected to see a much older man. You are the Cashier of the bank?" "Yes, sir, I am the Cashier of the bank." "Well," he said, "it strikes me as unusual that you should be the Cashier of a bank at your age. I have been in this bank fifty-two years, and I got my promotion to the Cashiership about a year ago." He said, "How do you account for this difference in age at which bank officers are created as between Baltimore and the West?" Of course I wanted to make myself agreeable and I told him we hadn't any old men out West to make them of, and since we had no old men we had to take what we could pick up, and I was one of the pick-ups. That seemed to satisfy him completely.

Looking over this assembly and seeing some of the hair that has been whitened with service, I would suggest to the officers on the platform here that they try to see to it that some of you fellows get promotion before you reach the age of seventy years.

I like this idea of clinging together in this way. I have always been a kind of chap that believed in fellowship. I have been the subject of discussion as to what I was anyway, because I have had fellowship with so many. I have been charged with being a Democrat, with being a Henry George man, and everything else that had a political name, because I have always liked to meet men of opposite views to see what kind of windows they were looking out. I have found that even if there is difference of opinion, we are, after all, pretty much alike; all right-minded men are.

Living in our little group under the bank sign, living our narrow lives of daily routine separate and distinct from each other, and not coming very much in contact with those who occupy the offices, it is a good thing to meet together on terms of mutuality and fellowship.

I think it strengthens every man and gives him a broader and wider outlook, and while there are differences and rivalries, there are many things in common.

Let me refer to one thing while I am standing here to-day which ought to be uppermost in our thoughts, and that is a common devotion and a common zeal for the honor and glory of the United States of America, of which each one of you forms a part. I do not believe that we comprehend or scarcely apprehend the g orious heritage that has come to us. We do not realize what influence this generation is going to exert for weal or woe on the generation to come. For one hundred years or more there have come across the ocean the impoverished and struggling populations of the world. They have come here and found homes, and to a large extent assimilated themselves with our political and social ideas, and form now an integral part of us. Lately I went to the Immigration Bureau on Ellis Island, in New York harbor. It is under my jurisdiction, and I wanted to see how that institution was running before the fire occurred. A ship load of immigrants had been disembarked, some fourteen or fifteen hundred of them. These immigrants happened to come from the Slav districts largely, as well as northern Italy, Austria and Herzegovina. Little avenues were railed off through which they were obliged to pass and submit to examination and inspection. The inspector had the necessary data on paper before him, and in the language the immigrants spoke he was asked questions by the inspectors which he had to answer so as to agree with the formula which the inspectors had. Each one was detained a moment or two and then passed. There were those who were going to Chicago and the West, others were going to remain in New York and the East. I stood there and looked in the faces of those newcomers. They were all ages and all classes. Most of them were rugged bodies, and most of them had honest faces. The English language was unknown to them. They were coming because they had heard of the golden land, the Land of Liberty. As I saw these people go by, sixteen, seventeen, eighteen and twenty years old, young boys with all their worldly goods on their backs and with forlorn looking carpet-bags in their hands, which looked as if they had been around the world, and the buxom young lassie of sixteen or seventeen seeking service, perhaps, I thought of the long line that had gone before them, and I thought of what a haven this country had been to all these people; how they are going to enter into our life and make up the future of the country. These people have got to be fashioned and transformed and unified into and with us.

We have passed many dangerous trials and tribulations in this country. We passed through one a year ago, one threatening the very fabric of all our industrial and commercial enterprises. It now remains to be seen whether the fruits of the victory will be applied to the cause of good government and honest money and permanent institutions, whether the same are to be secure and passed on to the future. Upon each one of you, and upon each one of the men sitting behind me, rests the responsibility for the achievement of that end. Upon the strength with which you shall rightly influence this question, upon the solidity of your stand for that kind of legislation which will form strength and secure to us sound money, sound currency and correct system of banking, depends largely the destiny of these United States.

If I were with the boys, and the old men were not behind me, and we could have a talk, there are lots of reminiscences covered by an experience of forty years in the banking business that I could tell you of that would be of interest. I will speak of only one.

There is a kind of glamour over the banking business, but after years it wears off, and we feel the gall of the harness and find there is not quite as much in it as we thought when we were youngsters. In my youth I found myself removed from the village where I was born to a larger village. They called it a city, and I suppose it was a city. There was one bank there. It was situated in a building which had been once a handsome residence. It was a two-story and basement building of stone. The basement window was carefully barred. Over the door, and across the building, in large letters of gold gilt were the words: "Bank of Rome." I used to see people going up the steps with little bags in their hands and checks and money sticking out of the ends of their deposit books, and I used to see people coming down the steps with money—little sacks of gold or coin. I thought in my young imagination of the treasures of gold and silver and notes hidden away in the recesses of that building, and I said to myself, "I should like to be a bank clerk, and go in there and see how it looks inside." Frequently I used to stand across the street, and see the people going up and down. The President of the bank was a very dignified individual. I was anxious always to see him and sometimes I laid for him. He always walked with a cane and always walked slowly, looking straight ahead, and never saw a small boy. I hardly ever expected my dreams and desires to come true, until one fateful day somebody was bold enough in that community to start another bank. The influence of this institution was so great that it prompted the establishment of a second bank. By some strange fate, one day a man came to me, and said, "How would you like to go into the new bank?" "Me?" "Yes." "Why, I would like that." He said, "I think you can get a position." I said, "What position?" He said, "The position would be that of messenger and general assistant." I said, "That sounds firstrate Any pay in it?" "Oh, yes, there is pay in it." Well, I didn't think I ought to haggle over it very much because I wanted to go into the bank, but I wished to know what the pay was. He said, "A hundred dollars a year," and I said, "All right, I would like to have the place." In a few days I was duly installed as messenger and general assistant in the office of the Oneida Central Bank of Rome, New York.

I was curious to get down stairs where the gold and silver and paper were hoarded up. I did get down there and found a coal stove. I had to keep two large coal stoves well filled with coal, but, nevertheless, in my leisure moments, I found myself behind the counter and began to learn of some banks that had failed in Rhode Island, and began to learn to detect counterfeit notes, how the teller entered up his cash, and so on. In that small bank there were only four or five clerks. A year and a half passed, and to my astonishment at the end of the year neither the Board of Directors nor the President or Cashier said anything about raising my salary. I bore with that six months, and then it took a lot of courage—you know what courage it takes—to go to the Cashier of the bank, but I went to the Cashier and asked him if he realized how long I had been in the bank. He said, "You came here in the beginning." I said, "Yes, and that is a year and a half ago." I said, "Do you realize that nothing was said at the board of directors' meeting in the beginning of the year about any increase in my compensation?" He said, "I think nothing was said about that," and with a good deal of timidity, I suggested as energetically as I could, that I thought that thing ought to be raised to about one hundred and fifty. I was a year and a half older, and I had learned something of the business and my muscles had developed considerably by reason of carrying the coal. He sympathized with me, and he thought I was entitled to more compensation—they most always do—and he said he would lay it before the board. So I worked another month, when he told me very sympathetically that the board had considered the matter, but the board, he said, does not see how at this particular time they could increase the expenses of running the business. I said, "Well, I will have to try an experiment." He said, "What are you going to do?" I said, "I am going West, provided I can raise twenty-five dollars to get there with, and I think I can." He said, "I will advise you not to do that. That teller," he said, "won't be here always and I can tell you now confidentially, that when he is not here, and you go on all right, and nothing happens, you will get his place, and there you are with $500 a year—how could you be better fixed than that?" The teller was a young man, and I was afraid he might be seventy-two years old before he got to be Cashier, and so I traveled to the West. Twenty-seven years afterward I passed the window of the bank, and saw a man whom I admired and respected as much as any man I ever knew, who was the bookkeeper there, at the same desk, making the same figures in the same kind of book, at the same stipend after working twenty-seven years.

Let me wind up by expressing the wish before the gentlemen here who represent the officials of the banks, that they will allow no man in their banks to reach the age of seventy-two without, a long time before that, having given him a deserved promotion.

Addresses were also made by Postmaster-General Gary, Comptroller Eckels and Governor Lowndes. Another meeting is to be held in the near future to perfect a permanent organization of the bank clerks of Baltimore.

New Counterfeit $2 Treasury Note.—Series 1891; check letter D; plate number 27; J. Fount Tillman, Register; D. N. Morgan, Treasurer, portrait of McPherson; small scalloped carmine seal; No. B12756528. This counterfeit is printed from "photo-mechanical" process plates, of fair workmanship, on good quality of paper. In the portrait of McPherson the nostrils and lower end of nose are covered by an ink blur, the epaulettes are poorly formed, and the whole portrait is covered with white spots and does not bear the life-like appearance of the genuine. The lines of the lathe work are much blurred and disconnected. The seal is a shade lighter than the genuine: this is also true of the green ink used on back of note. The numbering is excellent, both in color and formation, but the plaid design which contains the number, in upper right panel, is not imitated. The silk threads of the genuine paper are imitated by a few widely distributed red and blue ink marks.

New Counterfeit $10 Silver Certificate.—Series 1891, check letter "C," plate number 47, J. Fount Tillman, Register; D. N. Morgan, Treasurer; small scalloped carmine seal; portrait of Hendricks. This counterfeit is printed from "photo-mechanical process" plates of excellent workmanship, on two pieces of paper pasted together, between which silk threads have been distributed. The face of the particular note under examination is a bad print, too much ink having been used, the right side of face of Hendricks' portrait being badly blurred, as is true also of several places in the border of note. Some of the parallel ruling is poorly executed, notably in the panel containing the word "silver," center face of note. The last two figures of the Treasury number (18411259) are out of alignment. The seal and entire back of note are excellent both in color and workmanship.

BANKING AND FINANCIAL NEWS.

This Department includes a complete list of NEW NATIONAL BANKS (furnished by the Comptroller of the Currency), STATE AND PRIVATE BANKS, CHANGES IN OFFICERS, DISSOLUTIONS AND FAILURES, etc., under their proper State heads for easy reference.

NEW YORK CITY.

—The Savings banks are reported to be contemplating a reduction of dividends in the near future. Only nine of the banks in the Borough of Manhattan pay four per cent., the rate of the others being 3½. An increase in deposits and a falling off in the income from investments will, it is believed, necessitate a general reduction to the lower rate.

—Six shares of the Central Trust Co., par value $100 each, were recently sold at public auction at from $1,352 to $1,366 a share.

—The National Shoe and Leather Bank, which has paid no dividends to stockholders since July, 1894, will resume dividend payments, beginning on April 1, at the rate of 4 per cent. a year.

—On the evening of December 3 a dinner was given at the Metropolitan Club to the members of the Indianapolis Monetary Commission by George Foster Peabody.

—It is said that George F. Baker, President of the First National Bank, will be President of the new Astor National Bank, continuing also as President of the First National.

—Through the efforts of the American Bankers' Association Richard O. Davis, said to be one of the most noted forgers in the country, who is alleged to be at the head of a gang that has been robbing mail boxes and altering and raising checks throughout the West, was arrested here December 30, on an indictment found against him in Toledo. Ohio, for robbing the mails.

—On account of its steadily growing business the Chase National Bank has increased its capital from $500,000 to $1,000,000, the surplus remaining at $1,000,000. This bank recently renewed its charter for a further period of twenty years. In the last four years the deposits of the Chase National have increased from $13,000,000 to $28,000,000.

—By a unanimous vote of the Stock Exchange Committee, S. V. White has been reinstated as a member of the Exchange. He failed on May 5, 1896, for more than $500,000, after the collapse in Cordage stock and a decline in the stock of the American Sugar Refining Company. Prior to that Mr. White had failed on September 22, 1891, after a disastrous venture in corn. He paid all his creditors from that failure in full with interest, after they had given releases to him.

—William Sherer, Manager of the New York Clearing-House, recently received portraits painted by T. W. Wood of George D. Lyman, first Manager of the clearing-house, who was in charge from 1855 to 1864, and of William A. Camp, second Manager, who held office from 1864 to 1892. The paintings are the joint gift to the clearing-house of several bank Presidents.

—On a recent date the Manhattan Company Bank settled its clearing-house exchanges, amounting to $16,663,959.04, by the payment of $80.26 in cash.

—James G. Cannon, Vice-President of the Fourth National Bank, is at work on an exhaustive and accurate historical description of the clearing-house systems of the world.

—The New York Society of Certified Accountants gave a dinner at the Waldorf-Astoria on the evening of December 28.

—J. C. Joy, who has been connected with the Hamilton Bank since its organization, was recently appointed Cashier of that institution.

—Ex-Governor Levi P. Morton, head of the banking firm of Morton, Bliss & Co., will be President of the new Fifth Avenue Trust Company.

—Samuel Sloan, Jr., who has been Assistant Secretary of the Farmers' Loan and Trust Company for several years, was recently elected Secretary.

—Messrs. Estabrook & Co., of Boston, have opened a New York office at 31 Nassau street.

—At the monthly meeting of the Manufacturers' Association of Kings and Queens counties, held in Brooklyn, December 20, an interesting address on the methods of the New York Clearing-House was delivered by Manager William Sherer.

—John H. Clews has been admitted as a member of the Banking House of Henry Clews & Co.

—Thomas A. Gardiner has been admitted as a member of the firm of Redmond, Kerr & Co.

NEW ENGLAND STATES.

Boston.—Directors of the Freeman's National have voted to reduce the capital from $800,000 to $500,000 and their action will be submitted to the stockholders for approval January 11.

It is said the Revere National contemplates a reduction from $1,500,000 to $1,000,000. The consolidation of some of the National banks is reported to be in prospect.

—Assets of the failed Maverick National Bank, of the face value of $1,095,000, were recently sold at auction for $429. This sale is one of the steps in winding up what little remains of the affairs of the bank, which suspended in November, 1891. Since the failure the depositors have been paid about ninety-five per cent.

—At a recent meeting of the corporation of the Provident Institution for Savings, Charles U. Cotting was elected Vice-President to succeed James J. Storrow, deceased.

—Bonds of the city to the amount of $2,851,000 bearing three and one-half per cent., were recently awarded to Vermilye & Co., New York, at 1.05889 and accrued interest.

—It is reported that the National City Bank, which has not been paying dividends for over a year, may go into liquidation.

New Hampshire Savings Banks.—The annual report of the Bank Commissioners, made public December 29, shows that the total amount due depositors by the Savings banks is $19,493,055, a decrease of $1,506,565 for the year. The guarantee fund of $2,892,059 has decreased $17,158, while the premium value of stocks and bonds above the amount carried on the books has increased $230,819.

A Prosperous Savings Bank.—The twenty-ninth annual meeting of the Greenfield (Mass.) Savings bank was held December 13.

As compared with the annual report last year there has been an increase in the following items: Amount due depositors, $156,000; guarantee fund, $8,000; railroad bonds, $198,000; loans on real estate, $9,000; amount of dividends credited to depositors, $2,040.

The bank opened 1,006 new accounts with depositors during the past year, which is the largest number in the history of the institution. The usual semi-annual dividend of 2 per cent. was declared payable January 1, 1898. The institution now carries no premium account, there having been nearly $110,000 charged out of the profits to balance the various premium accounts during the past sixteen years. The present market value of stocks and bonds owned is $80,000 in excess of their par value, as all are entered at par upon the books of the bank.

Days of Grace, N. H.—Under a law which recently went into effect in New Hampshire sight drafts are entitled to three days of grace, but no grace is allowed on time drafts.

MIDDLE STATES.

Philadelphia.—On December 28 the assets of the Solicitors' Loan and Trust Co., which assigned in 1895, were sold at auction. Securities of the face value of nearly $1,000,000 brought $103,000.

New York State Finances.—State Treasurer Colvin recently transmitted his annual report to the New York Legislature. It gives statistics showing the condition of the State Treasury on January 1 and at the end of the fiscal year, September 30 last. During the fiscal year the total receipts were $32,678,112, as compared with $30,029,386 during the previous fiscal year. The expenditures for the last fiscal year were $30,364,254, as compared with $26,310,425 during the preceding year. The balance in the State Treasury at the end of the last fiscal year was $7,243,904, as compared with a balance of $4,930,046 at the end of the preceding fiscal year.

On January 1, 1898, there was a balance of $2,283,341 in the State Treasury, as compared with $2,377,565 on January 1, 1897. The payments during the last three months of the calendar year were heavy, aggregating $6,906,764.

Washington, D. C.—The American Savings Bank, incorporated under the laws of West Virginia, has commenced business with $50,000 paid-up capital, with the privilege of increasing to $500,000.

Rochester, N. Y.—At the annual dinner of the Rochester Clearing-House Association at the Genesee Valley Club House, December 15, J. Edward Simmons, President of the Fourth

National Bank, New York, made an address in which he spoke of the need of currency reform. Mr. Simmons expressed confidence in the wisdom and earnestness of the President and Secretary Gage in seeking to accomplish the reforms needed.

Pittsburg.—A new building will be put up for its use by the City Deposit Bank, which will also increase its capital stock to $200,000.

First National, Oxford, N. Y.—From a pamphlet containing a historical address delivered by the President, Mr. John R. Van Wagenen, some interesting facts are learned with regard to the progress made by this bank. Since its organization in 1864 the bank has added $15,000 to its profit account, paid $180,000 in dividends, $16,000 tax on circulation and $88,000 in local taxes, besides charging off everything which it was not deemed conservative to carry. The bank has a fine building of its own, erected at a cost of $29,000.

Private Bankers Assign.—Rodger & Co., bankers, of Jordan, Onondaga county, New York, assigned January 8. The press dispatch announcing the failure says: "The bank is said to be solvent, but the assignment was made necessary by the sudden death of William C. Rodger last Sunday."

Referring to the above item, the MAGAZINE has long contended that private banks receiving deposits from the public should be required to make and publish itemized reports of condition at stated times the same as State and National banks. The supposed financial strength and general reputation of a man or firm in a community is not sufficient to warrant the acceptance of money on deposit. Even without any legal requirement private banks would command more business and secure larger profits by making complete statements at regular periods, publishing same in local newspapers and otherwise for the information of their customers. Already many private bankers in New York and other States are observing this rule, and they find it works advantageously to all concerned.

SOUTHERN STATES.

Atlanta, Ga.—At the meeting of Southern bankers held here on December 15, for the purpose of stimulating interest in currency reform, a number of representative financiers were present from different parts of the country, and several interesting addresses were delivered. Resolutions prepared by George R. De Saussure, of Atlanta, were adopted in favor of currency reform on substantially the same lines contained in the resolutions of the Atlanta Clearing-House published on page 907 of the BANKERS' MAGAZINE for December.

At the conclusion of the convention's labors the visiting bankers were given a banquet at the Kimball House by Capt. Robert J. Lowry, President of the Lowry Banking Company.

—On December 27 Governor Atkinson appointed the five members of the Bank Commission provided for by an Act of the recent Legislature. The commission is empowered to examine into the condition of the banks throughout the State, with a view to an improvement of the banking system of Georgia. The commissioners are instructed to report back to the next Legislature, and the result doubtless means a beneficial change in the banking system of the State. The existing laws will be remedied as to possible defects, and any changes which the commissioners deem advisable will come within the scope of their recommendations to the Legislature.

National Bank Absorbed.—The Fort Smith (Ark.) National Bank has sold its business to the Merchants' Bank.

New National Bank.—The Blue Ridge National Bank is being organized at Asheville, N. C.

Bank Changes Location.—The First National Bank, of Childress, Tex., has removed to Quanah, in the same State, and has changed its title to the Quanah National Bank.

Change in Organization.—The First National Bank at Montague, Tex., has changed its organization to a private bank.

New Orleans.—F. L. Richards, Receiver for the American National Bank, has filed suit in the United States court against Henry Gardes, former President of the bank, for $104,000, which the Receiver alleges in his petition was drawn from the bank by Gardes on drafts and notes for sums ranging from $5,000 to $20,000, signed by bankrupt and irresponsible persons.

WESTERN STATES.

St. Louis, Mo.—The Boatmen's Bank has issued a very handsome illustrated souvenir of the institution, which was founded October 18, 1847. During its fifty years existence the bank has paid total dividends (cash and stock) amounting to $6,130,000, which, with $2,700,000 capital and surplus, makes a total accumulation of $7,230,000.

Its present efficient officers are: President, Rufus J. Lackland; Vice-President, Edwards Whitaker; Cashier, Wm. H. Thomson; Assistant Cashier, Jules Desloge; Second Assistant Cashier, Ernest M. Hubbard. The deposits exceed $8,500,000, and the total resources are $11,231,010.

—Litigation is pending in this city against some of the trust companies, on the ground that they are doing a regular banking business, contrary to law. The action is brought by the State, and will be contested to the court of last resort.

—At a meeting of the Council of Administration of the Missouri Bankers' Association, December 9, great dissatisfaction was expressed at the treatment accorded the country bankers by express companies. The meeting resulted in the adoption of a resolution, the tenor of which was that the association discouraged the cashing of express company money orders and favored the shipping of money through the United States mail in registered packages with an insurance attachment.

—William E. Burr, Jr., ex-Cashier of a local National bank, who was serving a sentence of five years at the Jefferson City State penitentiary for the embezzlement of $20,000, has been pardoned by President McKinley.

Kansas City, Mo.—R. W. Jones, Jr., formerly of Macon, Miss., has been elected an additional Vice-President of the American National Bank.

Omaha, Neb.—As a sequel to the litigation growing out of the $500,000 shortage of ex-State Treasurer Bartley, the Attorney-General has brought suit to recover $200,000 from the Omaha National Bank. The suit grows out of the fact that the Omaha bank acted as agent in disposing of a State warrant for that amount to the Chemical National Bank, of New York city, and when the warrant was paid by Bartley he drew a check on the funds deposited in the local bank.

Oklahoma Bankers' Association.—At an adjourned meeting of this organization, held at El Reno on December 9, the following was adopted:

"*Resolved*, That it is the sense of the association that its members are heartily in favor of a prompt compliance with the provisions of the banking laws of the Territory and the rules promulgated by the banking board."

The following officers were elected: President, W. S. Search, of Shawnee; First Vice-President, J. W. McNeal, of Guthrie; Second Vice-President, J. C. Smith, of Kingfisher: Treasurer, J. J. Gerbach, of Guthrie, and O. E. Shuttee, of El Reno, was re-elected Secretary. The next annual meeting will be held at Guthrie.

Chicago.—James W. Ellsworth has resigned the office of President of the Union National Baak and has been succeeded by D. R. Forgan, formerly Vice-President. The Union National lately absorbed the Hide and Leather National Bank.

—The Home National Bank is reported as going into voluntary liquidation. It was organized in 1872, and had $259,000 capital.

—Arrangements are said to be practically concluded for the consolidation of the American Exchange National Bank and the National Bank of America.

—The Home Savings Bank has moved to 190 Dearborn street, and has largely increased its capital. Mr. John R. Walsh, President of the Chicago National, will hereafter be prominently identified with its management.

—The Corn Exchange Bank has become a National bank. It has $1,000,000 capital and the same amount of surplus, and has done business for twenty-five years.

—The retirement of S. M. Nickerson from the Presidency of the First National Bank is expected to take place at the annual meeting of the stockholders in January. He will probably be succeeded by Vice-President James B. Forgan.

—Refunding bonds of this city to the amount of $100,000 were recently sold to the Merchants' National Bank at 103.66. The bonds funded bore seven per cent. against three and one-half for the new issue, indicating a marked advance in the city's credit.

—On December 23 W. Berry Ervin, Assistant Cashier of the failed Globe Savings Bank, was acquitted of the charge of receiving deposits when he knew the institution to be insolvent.

—John McNulta has been appointed Receiver of the National Bank of Illinois in place of John C. McKeon, resigned.

Colorado's Gold Production.—The books of the United States branch mint for the year 1897 are now closed. The deposits of gold are the largest ever received. The total will slightly exceed $12,200,000, and a conservative estimate made by the mint officials places the entire output of Colorado at $22,000,000, in round figures.

Bank Reorganized.—The First National Bank, Iron Mountain, Mich., has effected a reorganization. Its directors now are: I. K. Hamilton, of the Hamilton & Merryman Co., Chicago; Wm. Bigelow, Vice-President of the First National Bank, Milwaukee, Wis.; E. F. Brown, W. S. Laing, J. D. Cameron and A. D. Eldridge.

The officers are: President, W. S. Laing; Vice-President, E. F. Brown; Second Vice-President, A. D. Eldridge; Cashier, Chas. Ewing. Mr. Eldridge, who was promoted from the position of Cashier to that of Second Vice-President, is succeeded in the former office by Mr. Ewing, who has been for the past two years connected with the Bankers Nat. Bank, Chicago.

PACIFIC SLOPE.

San Francisco.—On December 20 Judge Seawell held that the Crocker-Woolworth Bank was entitled to recover $22,000 from the Nevada Bank which it paid two years ago upon a draft forged by a gang of notorious Eastern crooks. Carl Becker and James Cregan, who committed the forgery, have been sent to State prison for life. The original draft was for $12 from the bank of Woodland on the Crocker-Woolworth Bank, but the forgers raised it to $22,000, and one of them deposited it in the Nevada Bank. When the draft was sent through the clearing-house the Crocker Bank paid it, and the forgers drew $20,000 on account from the Nevada Bank. It was holiday time and ten days elapsed before the forgery was discovered.

The Nevada Bank refused to pay more than the $2,000 balance which they had on hand, so suit was brought. The Judge holds that the Nevada Bank was guilty of negligence in not investigating the status of the forger who deposited the draft, and that the Crocker-Woolworth Bank paid in good faith a check that had been sent from a fellow member of the clearing-house.

—The Nevada National Bank has been authorized to do business with $3,000,000 capital.

—The San Francisco National Bank, capital $500,000, succeeds the Sather Banking Co.

Helena, Montana.—A new banking institution, which will probably be called the Union Trust Co., is being organized here with $100,000 capital. It will occupy the old quarters of the Merchants' National Bank.

Failures, Suspensions and Liquidations.

Georgia.—The Bank of Davidsboro recently decided to go into liquidation.

—The Merchants and Traders' Bank, Brunswick, suspended December 29. It had been losing deposits heavily for some time prior to the suspension.

Iowa.—The Citizens' Bank, Oelwein, suspended December 20. Liabilities will exceed $35,000 and assets are reported as practically nothing.

—On December 30 the Farmers and Traders' State Bank, Oskaloosa, announced that it would receive no more deposits, but would pay its depositors in full upon presentation of their claims.

Kansas.—It is reported that the First State Bank, McPherson, which failed some time ago, will not pay depositors more than ten cents on the dollar.

—The Netawaka State Bank has paid its depositors and gone out of business.

—D. D. Bramwell & Co., private bankers at Randall, have gone into voluntary liquidation, paying depositors.

North Carolina.—The shareholders of the National Bank of Asheville, which failed in October, having borrowed money on their individual guarantee sufficient to pay all demand obligations, the Comptroller of the Currency has permitted the bank to close up its affairs by voluntary liquidation instead of through a Receiver. The disbursement of about $60,000 to depositors will tend to relieve the hardships resulting from three bank failures in that city.

North Dakota.—The First National Bank of Pembina was recently closed by a bank examiner. It is reported to hold $20,000 in worthless securities.

Oklahoma.—The Stock Exchange Bank, El Reno, failed December 14. It is reported that deposit liabilities are about $69,000; loans, $59,000.

Pennsylvania—PHILADELPHIA.—On December 23 the Chestnut Street National Bank and the Chestnut Street Trust and Saving Fund Co., of which Col. Wm. Singerly was President, suspended, owing to heavy depreciation of stock in a pulp and paper company owned by the President and held by the banks as collateral for loans to him.

The amount on deposit in the bank when the doors closed is reported to have been, in round figures, $1,700,000, of which about $1,200,000 was to the credit of individuals, firms and corporations in this city, while the remaining $500,000 represented the accounts of banks in other cities. The deposits in the trust company amounted to about $1,300,000. An assignment was made by the latter concern.

Efforts are being made to liquidate the affairs of the bank without the intervention of a Receiver.

Texas.—Munzesheimer & Co., proprietors of the Bank of Mineola and merchants and cotton buyers, failed December 29. It is estimated that the liabilities may reach $100,000.

—The Blackland Bank, at Rosebud, made a deed of assignment December 8.

West Virginia.—The Commercial Savings Bank, of Charleston, organized in 1894, and which did a considerable business, went into voluntary liquidation December 2. While it is said to be possible that the stockholders may lose something on their investment, depositors will all be paid the full amount of their claims.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of New National banks organized since our last report. Names of officers and other particulars regarding these New National banks will be found under the different State headings.

5099—First National Bank, Crestline, Ohio. Capital, $50,000.
5100—Franklin National Bank, Franklin, Ohio. Capital, $50,000.
5101—National Bank of Seneca, Seneca, Kansas. Capital, $50,000.
5102—Kutztown National Bank, Kutztown, Pennsylvania. Capital, $50,000.
5103—Coshocton National Bank, Coshocton, Ohio. Capital, $50,000.
5104—Alma National Bank, Alma, Kansas. Capital, $50,000.
5105—Nevada National Bank, San Francisco, California. Capital, $3,000,000.
5106—Corn Exchange National Bank, Chicago, Illinois. Capital, $1,000,000.
5107—National Bank of Kirksville, Kirksville, Missouri. Capital, $50,000.
5108—National Exchange Bank, Clayton, New York. Capital, $50,000.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

First National Bank, Elizabeth, Pa.; by W. J. Cassidy, *et al.*
Citizens' National Bank, Coshocton, Ohio; by John M. Compton, *et al.*
New Bloomfield National Bank, New Bloomfield, Pa.; by James G. Thompson, *et al.*
First National Bank, Leonard, Texas; by J. O. Kuyrkendall, *et al.*

NEW BANKS, BANKERS, ETC.

ALASAKA.

SKAGUAY—First Bank of Skaguay; Pres., Thomas H. Wood; Cas., G. F. Penotiere.

ARKANSAS.

DE QUEEN—Citizens' Savings Bank; capital, $15,000; Pres., A. V. Smith; Cas., F. M. Smith.

POCAHONTAS—Randolph County Bank; capital, $10,000; Pres., A. J. Witt; Vice-Pres., J. E. Franklin; Cas., W. T. Bisphain.

RUSSELLVILLE—Bank of Russellville; capital, $20,000; Pres., L. M. Smith; Vice-Pres., R. C. Brown; Cas., T. M. Neal.

CALIFORNIA.

PORTERSVILLE—Portersville Bank: capital, $50,000.

RIVERSIDE—People's Abstract and Trust Co.

SAN FRANCISCO—The Credit Foncier.

CONNECTICUT.

HAZARDVILLE—Hazardville Banking Co.; Pres., Robert E. Spencer; Cas., Wm. E. French.

DISTRICT OF COLUMBIA.

WASHINGTON—American Savings Bank; capital, $50,000; Pres., Wm. Oscar Roome; Vice-Pres., Edgar B. Stocking; Cas., Wm. M. Harris, Jr.——Washington Savings Bank; capital, $50,000; Pres., J. D. Taylor; Cas., Joseph Goldney; Treas., Chas. H. Daridge.

FLORIDA.

JACKSONVILLE—British and American Banking Co.

GEORGIA.

HAZELHURST—J. G. Pace & Bros. (Exchange and Collections.)

IDAHO.

JULIAETTA—Kester & Kittenbach.

ILLINOIS.

BONEGAP—U. C. Bower & Co.

CHICAGO—Corn Exchange National Bank; capital, $1,000,000; Pres., Chas. L. Hutchinson; Cas., Frank W. Smith.——Bankers National Bank; David B. Dewey, Vice-Pres., deceased.——National Bank of Illinois; John McNulta, Receiver in place of John C. McKeon.

INDIANA.

CORUNNA—Thomas' Exchange Bank.

HUNTINBURG—People's State Bank; capital, $25,000; Pres., E. A. Brundick; Cas., Frank Behrens; Ass't Cas., Chas. Behrens.

IOWA.

OTTUMWA—Union Trust and Savings Bank capital, $50,000; Pres., W. B. Bonnifield Vice-Pres., Geo. Haw; Cas.. M. B. Hutchison; Asst. Cas., W. B. Bonnifield, Jr.

SHARPSBURG—Farmers & Merchants' Bank Pres., S. Wainwright; Cas., S. E. Wainwright.

SHELDON—Security Savings Bank; capital, $10,000; Cas., P. W. Hall.

KANSAS.

LEBO—Lebo State Bank (successor to Lebo Bank); capital, $10,000.

SENECA—National Bank of Seneca; capital, $50,000; Pres., Jacob E. Taylor; Vice-Pres., James H. Hatch; Cas., John A. Gilchrist; Asst. Cas., James H. Gleason.

KENTUCKY.

HARDIN—Bank of Hardin.

MICHIGAN.

BIG RAPIDS—Citizens' Bank; Pres., E. C. Morris; Vice-Pres., W. T. Dodge; Cas., D. C. Morrill.

HARRISVILLE—John Macgregor, Exchange and Collections.

MOUNT PLEASANT—Webber & Ruel; capital, $10,000; Cas., E. J. Van Leuven.

ITHACA—Ithaca Banking Co.; capital, $10,000; Pres., Wm. G. Hinman; Cas., J. J. Pellett; Vice-Pres., D. H. Power.

MINNESOTA.

ADAMS—Bank of Adams; Pres., J. G. Schmidt; Cas., Wm. W. Dean.

APPLETON—Bank of Appleton (successor to First Nat. Bank); capital, $15,000; Pres., William Austin, Vice-Pres., C. F. Ireland; Cas., L. B. Tadsen.

BERMIDJI—Bank of Bermidji (branch of Shell Prairie Bank, Park Rapids); Pres., R. E. Davis; Vice-Pres., W. M. Tabor; Cas., F. W. Rhoda.

CLIMAX—Bank of Climax; Cas., P. J. Eie.

PIPESTONE—Farmers and Merchants' Bank; capital, $25,000; Pres., O. F. Dorrance; Vice-Pres., H. H. Reed; Cas., W. J. Smith.

MISSOURI.

DAWN—Farmers' Bank; Pres., James A. Lewis; Vice-Pres., Daniel Braymer; Cas., T. L. Williams.

ETHEL—Rubey Exchange Bank; capital $5,000; Pres., H. M. Rubey; Cas., Carl C. Matthews.

KANSAS CITY—Kansas City Safe Deposit Co.; capital, $50,000; Pres., Phil E. Chappell; Vice-Pres., C. J. Hubbard.

KIRKWOOD—Bank of Kirkwood; Pres., G. L. Edwards; Cas., F. McMullen.

KIRKSVILLE—National Bank of Kirksville (successor to Union Bank); capital, $50,000; Pres., Perry C. Mills; Cas., B. F. Heiny.

PINEVILLE—Bank of Pineville; capital, $5,000; Pres., F. M. Lauderdale; Vice-Pres., G. R. Shields, Jr.; Cas., J. W. Shields.

MONTANA.

HELENA—Union Bank and Trust Co.; Pres., Henry Elling; Vice-Pres., Henry Klein; Cas., Geo. L. Ramsey.

NEBRASKA.

TOBIAS—Citizens' State Bank (successor to First National Bank); capital, $20,000; Pres., W. O. Southwick; Cas., S. F. Nunemaker.

NORTH CAROLINA.

ASHEVILLE—Blue Ridge National Bank; organizing.

MORGANTON—Burke County Bank; Pres., Clement Geitner; Vice-Pres., H. W. Connelly; Cas., A. M. Ingold.

TARBORO—Citizens' Bank.

OHIO.

AKRON—A. M. Cole & Co.

BUTLER—Richland Co. Bank (A. J. Solomon, Banker).

CLEVELAND—American Trust Co.

COLUMBIANA—F. E. Sitler.

COSHOCTON—Coshocton National Bank; capital, $50,000; Pres., M. Q. Baker; Cas., Thaddeus L. Montgomery.

CRESTLINE—First National Bank; capital, $50,000; Pres., D. L. Cockley; Vice-Pres., W. D. Cover; Cas., William Monteith.

FRANKLIN—Franklin National Bank; capital, $50,000; Pres., N. J. Catrow; Cas., Ralph B. Parks.

OKLAHOMA.

SHAWNEE—Oklahoma State Bank.

PENNSYLVANIA.

KUTZTOWN—Kutztown National Bank; capital, $50,000; Pres., John R. Gonser; Vice-Pres., J. S. Trexler; Cas., O. P. Grimley.

FOX CHASE—Fox Chase Bank.

PHILADELPHIA—Continental Title and Trust Co.; capital, $500,000; Pres., T. M. Daly.

——Business Men's Trust Co.

PITTSBURG—Equitable Trust Co.; capital, $300,000.

SOUTH DAKOTA.

HOT SPRINGS—Merchants' Bank; capital, $12,500; Pres., E. S. Kelly; Cas., W. W. Stewart.

TENNESSEE.

LIVINGSTON—People's Bank; capital, $10,000; Pres., Moses Miller; Vice-Pres., J. M. Copeland, Sr.; Cas., H. R. Vaughan.

TEXAS.

DALLAS—Texas Savings and Trust Co.; capital, $50,000.

EL PASO—Juarez Branch of the Banco Commercial of Chihuahua; capital, $600,000.

MESQUITE—Mesquite Bank (R. S. Kimbrough).

PORT ARTHUR—Port Arthur Banking Co.; Cas., Chas. F. Ashley.

TIMPSON—Cotton Belt Bank (removed from Madisonville); T. D. Smith, banker; Cas., Frank Smith.

WHITT—Cranfill Bank.

UTAH.

MERCUR—McCornick & Co.

VIRGINIA.

WASHINGTON—John Millrer.

WASHINGTON.

GARFIELD—Clark & Hays.

WISCONSIN.

LODI—State Bank of Lodi (successor to Bank of Lodi); capital, $25,000; Pres., D. H. Robertson; Cas., E. F. Vanderpoel.

SUPERIOR—State Trust Co.; capital, $10,000.

WYOMING.

WOOLTON—C. H. King & Co.

CANADA.

QUEBEC.

DANVILLE—People's Bank of Halifax; E. J. Cochran, Mgr.

MANITOBA.

SAINT PIERRE—Charles Ledez; capital, $25,-000.

NOVA SCOTIA.

BRIDGETOWN — Union Bank of Halifax; N. R. Burrows, Agent.

NEW BRUNSWICK.

HARTFORD—People's Bank of Halifax; J. S. Creighton, Actg. Mgr.

ONTARIO.

WYOMING—A. Westland & Co.; capital, $20,-000.

CHANGES IN OFFICERS, CAPITAL, ETC.

CALIFORNIA.

SAN FRANCISCO—San Francisco National Bank; E. A. Bruguiere, Vice-Pres.——Nevada National Bank: Isaias W. Hellman, Pres.; D. B. Davidson, Cas.

CONNECTICUT.

SUFFIELD—First National Bank; Isreal Luther Spencer, Pres., deceased.

DELAWARE.

DELMAR—Bank of Delmar: Frazier G. Elliott, Pres.: Levin Hastings and Clarence Hodson, Vice-Pres'ts; Samuel G. Ellis, Asst. Cas.

NEWPORT—Newport National Bank; C. M. Groome, Vice-Pres.

GEORGIA.

HAWKINSVILLE—Hawkinsville Bank & Trust Co.: John Henry, Vice-Pres., deceased.

TALAPOOSA—F. W. Benson; sold out to Citizens' Bank.

ILLINOIS.

BENTON — Exchange Bank; succeeded by Benton State Bank.

BLOOMINGTON—People's Bank; Lyman Ferre, Vice-Pres., deceased.

CHICAGO—Hide and Leather National Bank; absorbed by Union National Bank.——American Exchange National Bank and National Bank of America; reported consolidated.——Union National Bank; D. R. Forgan, Pres. in place of James W. Ellsworth, resigned.——Corn Exchange Bank; succeded by Corn Exchange National Bank.

DOWNER'S GROVE—Farmers and Merchants' Bank; Charles Curtiss, Pres., deceased.

GREENVILLE—State Bank of Hoiles & Sons; C. D. Hoiles sole proprietor.

JACKSONVILLE—Jacksonville National Bank; J. R. Robertson, Cas. in place of C. W. Fitzsimmons; no Ass't Cas. in place of J. R. Robertson.

INDIANA.

HAGERSTOWN — Wyatt, Allen & Co.; succeeded by Commercial Bank.

SHELBYVILLE—Farmers' National Bank; S, P. McCrea. Pres. in place of James S. Jeffers; F. C. Sheldon, Cas., in place of S. P. McCrea; C. V. Crockett, Ass't Cas.

IOWA.

CASTANA—Castana Savings Bank; C. T. Hansen, Cas., resigned.

DES MOINES—Des Moines National Bank; A. J. Zwart, Asst Cas. in place of C, M. Spencer.

EMMETSBURG—First National Bank; E. B. Soper, Pres., in place of E. S. Ormsby; J. J. Watson, Vice-Pres., in place of Geo. J. Cosigny; no Asst. Cas. in place of O. W. Hodgkinson.

FONDA—Farmers' Loan and Trust Co's Bank; L. A. Rothe, Cas., in place of P. C. Toy; W. D. Day, Asst. Cas. in place of L. A. Rothe.

WAPELLO—Commercial Bank; Mark Davidson, Pres., deceased.

VAN HORN—Benton Co. Savings Bank; John M. Lehr, Cas.

WAUKON—Citizens' State Bank; W. L. Duffin, Pres, in place of A. Deremore, deceased.

KANSAS.

ATCHISON—Exchange National Bank; C. W. Ferguson, Asst. Cas.

NORTON—First National Bank; C. J. Shimeall, Cas., in place of F. S. Hazelton; no Asst. Cas. in place of C. J. Shimeall.

WICHITA—Kansas National Bank; Elsberry Martin, Cas., in place of C. H. Davidson,

KENTUCKY.

HENDERSON — Henderson National Bank; R. H. Soaper, Pres., in place of Thos. Soaper, deceased.

LOUISIANA.

PATTERSON—Bank of Patterson; B. J. Morey, Pres.; Wilbur H. Kramer, Cas.; Henry Hausmann, Vice-Pres.

THIBODEAUX—Bank of Lafourche; Joseph Claudet, Asst. Cas.

MAINE.

PORTLAND — Cumberland National Bank, W. H. Soule, Cas., deceased.

MARYLAND.

BALTIMORE—National Union Bank of Maryland; Central Savings Bank; U. S. Fidelity and Guaranty Co.; James E. Tate, director, deceased.

MASSACHUSETTS.

BOSTON—Freeman's National Bank; voted to reduce capital stock to $500,000.——Provident Institution for Savings; Chas. U. Cotting, Vice-Pres., in place of James J. Storrow, deceased.

EAST CAMBRIDGE—Lechmere National Bank; Lewis Hall, Pres., deceased.

WORCESTER—Winslow & Allen; James W. Allen, Manager, deceased.

MICHIGAN.

DETROIT—Michigan Savings Bank; Chas. Emerson elected director in place of Geo. W. Balch.——Citizens' Savings Bank; Herman Bohns, director, retired.——Peninsular Savings Bank; Cornelius Corbett and Joseph J. Noeker elected directors.——City Savings Bank; Henry R. Andrews, Cas.; Joseph Schrage elected director.——State Savings Bank; Peter White elected director.——Union Trust Co.; C. A. Ducharme elected director in place of A. L. Stephens.——Detroit Savings Bank; D. C. Delamater elected director.——People's Savings Bank; Clarence Carpenter elected director.

DURAND—Shiawassee County Bank: Robert C. Fair, Pres., in place of W. H. Clark, deceased.

IRON MOUNTAIN—First National Bank; E. F. Brown, Vice-Pres., in place of John Perkins; A. D. Eldridge, Second Vice-Pres.; Charles Ewing, Cas., in place of A. D. Eldridge.

MT. CLEMENS—Ullrich Savings Bank; Paul Ullrich, Pres., deceased,

MINNESOTA.

CALEDONIA—Bank of Caledonia; R. D. Sprague, Cas., in place of E. Marshall.

ST. CLOUD—Merchants' National Bank; R. B. Brower, Second Vice-Pres., in place of O. H. Havill; O. H. Havill, Cas., in place of John M. Schwartz.

MISSOURI.

BIRCH TREE—Shannon County Bank; removed to Eminence.

KAHOKA—Clark County Savings Bank; J. W. M. McDermott, Cas. in place of William McDermott, deceased.

KANSAS CITY—American National Bank; R. W. Jones, Jr., Vice-Pres.

KIDDER—Kidder Bank (successor to Kidder Savings Bank); E. W. Galpin, Pres.; J. Freemont Bow, Cas.; Wm. O. Galpin, Asst. Cashier.

ST. LOUIS—American Exchange Bank; Alvah Mansur, Vice-Pres. deceased.

NEW HAMPSHIRE.

LITTLETON—Littleton National Bank; H. E. Richardson, Cas., in place of H. K. Hallett.

MANCHESTER—Second National Bank; Josiah Carpenter, Pres., in place of Aretas Blood, deceased; Chas. E. Bisco, Cas., in place of Josiah Carpenter.

NEW JERSEY.

PASSAIC—Passaic National Bank; Moses E. Wothen, Vice-Pres., deceased.

WOODSTOWN—I. K. Lippincott, Pres., in place of Jas. Benezet, deceased.

NEW YORK.

BUFFALO—Bank of Buffalo; John L. Daniels, Cas.

FULTON—First National Bank; no Pres. in place of D. W. Gardiner, deceased.

HAMBURG—People's Bank; Amos H. Baker, Actg. Cas. in place of Perry M. Thorn; Millard F. Clark, Asst. Cas.

NEW YORK CITY—Simon Borg & Co.; Sidney C. Borg, admitted to firm.——Thompson & Mairs; J. B. Blake, Mgr.——Henry Clews & Co.; C. M. Foster, deceased.——Miller & Doubleday; Charles A. Miller, deceased.——Farmers' Loan and Trust Co.; Samuel Sloan, Jr., Sec.——National Bank of the Republic; James S. Warren, trustee, deceased.——Ulman Bros.; Elisha Dyer, Jr., admitted to firm.——Mercantile Trust Co.; Russell Sage no longer director.——Fifth Avenue Trust Co.; Levi P. Morton, Pres.——Thomas L. Manson, Jr., & Co.: Theodore W. Luling admitted to firm.——Frederick J. Lisman & Co.; D. M. Minzesheimer admitted to firm.——G. Amsinck & Co.; Johann Mestern admitted to firm.——Redmond, Kerr & Co.; Thomas A. Gardiner admitted to firm.——Richard Irvin & Co.; Thomas S. Irvin and Gustav Heineken, Jr., admitted to firm.——Clarence S. Day & Co.; Clarence S. Day, Jr., admitted to firm.——Curtis & Lemieux; dissolved.——C. J. Turner & Son; Coll J. Turner, deceased.——Continental National Bank and Continental Trust Co.; Henry M. M. Tabor, director, deceased; also trustee Manhattan Savings Institution.——Henry Clews & Co.; John H. Clews admitted to firm.——Chase National Bank; capital increased to $1,000,000.——R. J. Kimball & Co.; W. Eugene Kimball admitted to firm.

OLEAN—Exchange National Bank; corporate existence extended until December 6, 1917.

ONEIDA—Oneida Valley National Bank: no Pres. in place of Theodore F. Hand, deceased.

ROCHESTER—Powers Bank; Daniel W. Powers, Pres., deceased.——Rochester Savings Bank; Charles C. Morse, Vice-Pres., deceased.

NORTH CAROLINA.

CHARLOTTE—Robert M. Oates, Pres., deceased.

OHIO.

CINCINNATI—Market National Bank; Charles Fleischmann, Pres., deceased.

VAN WERT—Van Wert National Bank; John S. Brumback, Pres., deceased.

PENNSYLVANIA.

CHARLEROI—Bank of Charleroi; T. L. Daly, Pres.; John S. Eberman, Cas.

COLUMBIA—First National Bank; no Cas. in place of S. S. Detwiler.

CURWENSVILLE—Curwensville Bank; D. A. Fetzer, Pres. in place of John Patton, deceased.

EVANS CITY—Citizens' Bank; S. J. Irvine, Cas. in place of John Rohner, deceased.

NEW BETHLEHEM—First National Bank; no

Pres. in place of Charles E. Andrews, deceased.

PHILADELPHIA—Philadelphia Trust and Safe Deposit Co.; Wm. H. Trotter, director, deceased.

PITTSBURG—Dollar Savings Bank; A. Wentzell Pollock, Pres. in place of Wm. Speer; J. W. Flenniken, Treas.; Stephen C. McCandless, Sec.

VANDEGRIFT — First National Bank; Geo. Mercer, Jr., Pres. in place of J. S. Whitworth; Frank J. Beale, Vice-Pres. in place of Geo. Mercer, Jr.; J. S. Whitworth, Cas. in place of W. A. Kennedy.

VERONA—First National Bank; W. E. Bargar, Cas. in place of A. B. Ledwith.

TENNESSEE.

PARIS—Commercial Bank; W. H. Hudson, Pres., deceased.

TEXAS.

CHILDRESS—First National Bank; location changed to Quanah, Tex., and title changed to Quanah National Bank.

SEGUIN—First National Bank; R. L. Wupperman, Vice-Pres.

WEATHERFORD — Citizens' National Bank; capital reduced from $250,000 to $150,000; $100,000 returned to shareholders in cash.

UTAH.

LOGAN — First National Bank; Allan M. Fleming, Act. Cas.

VIRGINIA.

NORFOLK—Bank of Commerce; capital increased to $200,000; K. B. Elliott Vice-Pres.; H. M. Kerr, Cas.; M. C. Ferebee, Asst. Cas.

WEST VIRGINIA.

GLENVILLE.—Gilmer County Bank: capital, $25,000; N. M. Bennett, Pres.; John Claypool, Cas.; R. L. Ruddell, Asst. Cas.

WISCONSIN.

EDGERTON—Tobacco Exchange Bank; Andrew Jenson, Pres.; Wallace S. Brown, Cas.

CANADA.

ONTARIO.

WELLAND—Imperial Bank of Canada; G. C. Brown, Mg'r in place of S. D. Raymond.

WOODSTOCK—Imperial Bank of Canada; S. D. Raymond, Mg'r in place of S. B. Fuller.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

ARKANSAS.

FORT SMITH—Fort Smith National Bank; in voluntary liquidation by resolution dated December 3, 1897; business sold to Merchants' Bank.

LONOKE—Bank of Central Arkansas; in voluntary liquidation.

RUSSELLVILLE—First National Bank; in voluntary liquidation by resolution dated December 16.

DISTRICT OF COLUMBIA.

WASHINGTON—Ohio National Bank; in voluntary liquidation to take effect Dec. 31, '97.

GEORGIA.

BRUNSWICK—Merchants and Traders' Bank.

DAVIDSBORO—Bank of Davidsboro; out of business.

ROME—Merchants' National Bank; in voluntary liquidation December 15.

TIFTON—Love & Buck; sold out to Bank of Tifton.

ILLINOIS.

BENTON—Exchange Bank.

CHICAGO—Home National Bank; in voluntary liquidation December 7.——Hide and Leather National Bank; reported absorbed by Union National.

IOWA.

OELWEIN—Citizens' Bank; assigned.

OSKALOOSA—Farmers & Traders' State Bank.

KANSAS.

MCPHERSON—First State Bank: in hands of D. A. Bradley, Receiver.

RANDALL—D. D. Bramwell & Co.: in voluntary liquidation.

MAINE.

WINTHROP—National Bank of Winthrop; in voluntary liquidation December 31.

MICHIGAN.

OVID—First National Bank; in voluntary liquidation December 1.

PINCONNING—Pinconning Bank; out of business.

SAULT STE. MARIE—Sault Ste. Marie National Bank; in hands of John J. Enright, Receiver, December 9.

MINNESOTA.

APPLETON—First National Bank; in voluntary liquidation December 1.

NEW YORK.

JORDAN—Rodger & Co.; assigned.

NEW YORK CITY—United States National Bank; in voluntary liquidation December 23.

NORTH CAROLINA.

ASHEVILLE—National Bank of Asheville; in voluntary liquidation December 11.

NORTH DAKOTA.

PEMBINA—First National Bank.

OKLAHOMA.

EL RENO—Stock Exchange Bank.

PENNSYLVANIA.

ATHENS—First National Bank; in voluntary liquidation November 30.

PHILADELPHIA — Chestnut Street National Bank.——Chestnut Street Trust and Saving Fund Co.

RHODE ISLAND.

PROVIDENCE—Mercantile Trust Co.; in voluntary liquidation.

TEXAS.

MINEOLA—Bank of Mineola.

ROSEBUD—Blackland Bank.

WEST VIRGINIA.

CHARLESTON—Commercial Savings Bank; in voluntary liquidation.

NATIONAL BANK RETURNS—RESERVE CITIES AND THE UNITED STATES.

By the courtesy of the Comptroller of the Currency at Washington, the BANKERS' MAGAZINE has been favored with the complete returns of the National banks in all the reserve cities, at the date of the last call on December 15, 1897. These are published below in conjunction with the two preceding statements of October 5, 1897, and July 23, 1897. In this form the figures become much more valuable by reason of the comparison. In this complete shape the returns of National banks in the reserve cities are published in the BANKERS' MAGAZINE exclusively.

A table showing the condition of all the National Banks of the United States at the date of the last three reports will be found immediately following the reserve cities.

NEW YORK CITY.

RESOURCES.	*July 23, 1897.*	*Oct. 5, 1897.*	*Dec. 15, 1897.*
Loans and discounts	$381,543,610	$408,335,475	$429,709,003
Overdrafts	171,856	128,242	92,751
U. S. bonds to secure circulation	18,939,000	18,939,000	18,789,000
U. S. bonds to secure U. S. deposits	1,360,000	1,360,000	29,660,000
U. S. bonds on hand	4,423,850	4,593,900	2,531,250
Premiums on U. S. bonds	2,076,383	2,049,417	3,825,762
Stocks, securities, etc	40,673,921	40,701,485	43,650,474
Banking house, furniture and fixtures	13,911,729	13,962,704	14,000,017
Other real estate and mortgages owned	1,778,459	1,942,488	2,050,880
Due from National banks (not reserve agents)	27,687,346	28,944,448	36,178,890
Due from State banks and bankers	4,924,591	4,955,489	5,786,830
Due from approved reserve agents	......	......	......
Checks and other cash items	1,874,483	2,662,685	2,478,918
Exchanges for clearing-house	54,708,847	66,438,644	71,689,760
Bills of other National banks	1,036,427	783,569	878,302
Fractional paper currency, nickels and cents	51,995	65,786	62,082
*Lawful money reserve in bank, viz.:			
Gold coin	16,582,169	18,237,220	17,324,955
Gold Treasury certificates	6,618,260	6,771,340	8,699,720
Gold clearing-house certificates	51,040	52,985,000	61,205,000
Silver dollars	62,242	92,968	68,337
Silver Treasury certificates	5,742,852	3,821,405	4,689,103
Silver fractional coin	505,559	480,924	547,510
Legal-tender notes	49,315,965	27,672,648	35,003,459
U. S. certificates of deposit for legal-tender notes	28,915,000	26,445,000	28,585,000
Five per cent. redemption fund with Treasurer	843,022	843,023	836,505
Due from U. S. Treasurer	836,292	898,847	487,907
Total	$715,623,815	$738,611,682	$818,771,421

LIABILITIES.	*July 23, 1897.*	*Oct. 5, 1897.*	*Dec. 15, 1897.*
Capital stock paid in	$48,600,000	$48,600,000	$48,600,000
Surplus fund	42,892,000	42,892,000	42,917,000
Undivided profits, less expenses and taxes paid	17,401,566	17,541,998	18,346,852
National bank notes issued, less amount on hand	13,874,255	16,183,457	16,003,335
State bank notes outstanding	16,556	16,556	16,556
Due to other National banks	179,190,351	188,962,831	208,738,598
Due to State banks and bankers	74,272,082	80,878,290	83,957,312
Dividends unpaid	156,569	172,596	88,653
Individual deposits	337,515,801	341,886,866	365,899,774
U. S. deposits	875,526	768,273	28,239,849
Deposits of U. S. disbursing officers	281,956	330,838	329,648
Notes and bills rediscounted	......	......	......
Bills payable	200,000	300,000	75,000
Liabilities other than those above stated	347,150	57,978	10,558,840
Total	$715,623,815	$738,611,682	$818,771,421
Average reserve held	31.68 p. c.	27.10 p. c.	27.64 p. c.
* Total lawful money reserve	$158,782,047	$136,506,525	$156,068,084

	ALBANY, N. Y.			BALTIMORE, MD.			BOSTON, MASS.		
RESOURCES.	*July 23, 1897.*	*Oct. 5, 1897.*	*Dec. 15, 1897.*	*July 23, 1897.*	*Oct. 5, 1897.*	*Dec. 15, 1897.*	*July 23, 1897.*	*Oct. 5, 1897.*	*Dec. 15, 1897.*
Loans and discounts	$7,406,373	$8,308,219	$8,000,322	$31,642,033	$33,076,943	$33,667,928	$163,423,055	$164,807,923	$165,605,857
Overdrafts	2,681	8,372	4,407	27,789	39,280	36,745	103,747	50,694	94,073
U. S. bonds to secure circulation	400,000	400,000	400,000	2,969,000	2,739,000	2,089,000	9,397,000	8,777,000	6,880,000
U. S. bonds to secure U. S. deposits	50,000	50,000	50,000	202,000	202,000	202,000	265,000	265,000	265,000
U. S. bonds on hand	......	......	......	80,500	75,500	500	105,000	155,000	411,150
Premiums on U. S. bonds	27,500	$27,500	$27,500	355,587	351,829	229,445	818,576	719,431	373,973
Stocks, securities, etc	748,133	759,666	708,985	2,820,534	2,551,047	2,645,607	7,172,713	7,111,737	7,683,102
Banking house, furniture and fixtures	295,000	295,000	295,000	2,175,080	2,190,080	2,207,780	2,392,786	2,393,798	2,391,047
Other real estate and mortgages owned	38,062	57,162	57,162	206,231	206,101	206,198	373,900	370,814	371,279
Due from National banks (not reserve agents)	1,396,967	1,246,564	1,727,590	1,928,370	2,383,491	2,378,652	12,895,043	16,576,819	14,982,443
Due from State banks and bankers	1,001,518	441,561	536,476	287,843	408,270	403,679	766,456	794,178	1,394,229
Due from approved reserve agents	3,561,555	2,578,725	2,074,047	3,408,833	4,010,292	4,552,472	32,174,627	27,676,135	33,533,910
Checks and other cash items	56,151	106,833	78,834	90,153	146,164	185,553	254,983	468,246	364,820
Exchanges for clearing-house	75,394	136,474	135,943	1,686,905	2,145,457	1,946,956	10,319,105	11,674,061	9,644,849
Bills of other National banks	70,783	52,182	48,560	222,398	185,919	191,088	1,238,688	984,086	1,120,178
Fractional paper currency, nickels and cents	2,483	1,732	1,168	14,188	12,399	16,941	27,039	24,494	21,484
*Lawful money reserve in bank, viz.:									
Gold coin	490,800	499,423	495,021	1,897,512	1,720,158	1,695,392	7,177,542	7,192,645	7,558,752
Gold Treasury certificates	334,250	336,250	334,250	357,120	352,790	345,970	1,291,290	1,386,430	1,417,650
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	25,483	22,701	27,297	60,373	54,860	60,167	75,843	74,451	83,845
Silver Treasury certificates	49,200	38,000	36,403	1,606,424	1,886,330	1,584,517	2,872,807	2,334,669	3,121,215
Silver fractional coin	24,712	21,912	20,593	74,563	77,729	85,466	162,719	182,021	163,856
Legal-tender notes	399,230	420,108	345,480	618,949	646,775	802,205	7,211,387	7,185,894	6,994,795
U. S. certificates of deposit for legal-tenders	......	......	......	1,540,000	830,000	710,000	1,870,000	1,830,000	3,050,000
Five per cent. redemption fund with Treas.	18,000	18,000	18,000	133,605	121,605	94,005	422,095	394,965	309,600
Due from U. S. Treasurer	......	1	1,000	8,005	1,005	5	319,261	109,142	220,504
Total	$16,474,273	$15,816,386	$15,424,043	$54,408,508	$55,915,024	$56,288,276	$263,125,168	$263,439,640	$268,057,118
LIABILITIES.									
Capital stock paid in	$1,550,000	$1,550,000	$1,550,000	$13,243,260	$13,243,260	$13,243,260	$50,350,000	$50,350,000	$50,350,000
Surplus fund	1,398,000	1,388,000	1,390,000	4,941,625	4,941,625	5,041,625	14,946,578	15,054,578	15,059,578
Undiv. profits, less expenses and taxes paid	176,715	198,950	203,857	1,023,863	1,198,300	1,357,494	5,605,975	4,820,020	4,826,247
National bank notes issued, less am't on hand	345,580	349,590	348,540	2,615,687	2,433,060	1,840,040	8,032,630	7,576,892	5,788,900
State bank notes outstanding	......	......	......	4,606	4,605	4,605	......	......	......
Due to other National banks	2,996,741	3,806,137	3,620,369	6,215,708	6,644,660	6,455,725	38,784,438	42,791,808	40,873,539
Due to State banks and bankers	1,527,701	1,613,387	2,126,984	1,456,617	2,086,758	2,043,647	23,918,649	19,810,545	20,480,682
Dividends unpaid	1,016	615	458	116,160	84,996	68,468	37,808	221,474	45,280
Individual deposits	8,398,529	6,808,166	6,057,848	24,206,673	24,734,818	25,885,580	120,065,759	120,934,842	129,441,925
U. S. deposits	42,463	42,482	45,056	242,300	210,439	210,330	116,590	118,022	126,582
Deposits of U. S. disbursing officers	7,536	7,517	4,943	......	......	......	54,175	75,460	59,216
Notes and bills rediscounted	21,738	21,738	21,738	......	......	180,000	......	......	......
Bills payable	......	......	25,000	340,000	825,000	7,500	1,098,757	1,797,334	1,000,285
Liabilities other than those above stated	8,300	29,800	29,800	......	7,500	......	113,809	394,165	4,878
Total	$16,474,273	$15,816,386	$15,424,043	$54,408,508	$55,915,024	$56,288,276	$263,125,168	$263,439,640	$268,057,118
Average reserve held	47.01 p. c.	37.78 p. c.	35.62 p. c.	34.47 p. c.	32.13 p. c.	33.39 p. c.	33.76 p. c.	31.31 p. c.	34.31 p. c.
***Total lawful money reserve**	$1,323,675	$1,338,389	$1,259,044	$6,154,942	$5,068,637	$5,288,717	$20,661,088	$20,136,110	$22,390,118

	BROOKLYN, N. Y.			CHICAGO, ILL.			CINCINNATI, OHIO.		
RESOURCES.	July 23, 1897.	Oct. 5, 1897.	Dec. 15, 1897.	July 23, 1897.	Oct. 5, 1897.	Dec. 15, 1897.	July 23, 1897.	Oct. 5, 1897.	Dec. 15, 1897.
Loans and discounts	$11,299,945	$12,857,865	$13,054,892	$82,177,879	$86,882,905	$90,118,962	$22,007,997	$23,778,025	$23,859,557
Overdrafts	950	1,520	2,797	468,242	348,259	444,068	14,909	13,460	12,654
U. S. bonds to secure circulation	642,000	642,000	642,000	1,100,000	1,850,000	1,300,000	5,102,000	5,436,000	5,649,000
U. S. bonds to secure U. S. deposits	200,000	200,000	200,000	550,000	550,000	550,000	1,200,000	1,200,000	1,201 600
U. S. bonds on hand	105,000	5,000	5,000	895,350	624,000	721,500	981,950	1,150,970	1,403,150
Premiums on U. S. bonds	50,875	37,000	37,000	95,822	85,656	85,656	827,617	886,946	968,858
Stocks, securities, etc	2,103,515	2,549,251	2,512,762	7,062,778	6,585,174	7,182,444	3,919,643	3,910,520	4,184,558
Banking house, furniture and fixtures	600,454	600,958	600,958	825,989	825,989	825,989	476,040	476,040	476,194
Other real estate and mortgages owned	92,500	92,500	92,500	638,884	749,356	774,926	191,927	191,883	181,090
Due from National banks (not reserve agents)	170,714	268,388	187,633	21,195,817	25,810,469	21,701,217	2,983,892	3,002,554	3,065,775
Due from State banks and bankers	179,474	188,785	171,740	4,857,304	5,822,053	3,580,963	523,021	688,582	748,595
Due from approved reserve agents	3,228,455	2,644,785	2,942,287	......	......	......	5,143,961	4,865,022	6,657,921
Checks and other cash items	112,267	117,640	56,393	154,764	104,815	99,473	127,605	135,898	149,242
Exchanges for clearing-house	723,158	1,155,554	1,033,304	4,713,249	5,970,871	6,266,336	375,301	197,052	258,510
Bills of other National Banks	178,672	159,271	181,575	2,268,266	2,267,600	1,540,672	399,040	315,221	327,802
Fractional paper currency, nickels and cents	6,749	3,998	9,239	19,874	15,564	18,944	2,808	3,425	4,174
*Lawful money reserve in bank, viz.:									
Gold coin	725,549	541,325	599,154	14,872,808	14,854,240	14,587,237	1,013,317	1,086,570	1,069,010
Gold Treasury certificates	185,000	180,000	165,000	2,302,000	2,824,480	2,891,150	300,550	310,880	328,160
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	21,439	18,000	21,500	167,237	182,103	164,029	69,602	54,784	65,596
Silver Treasury certificates	743,183	327,810	480,075	3,935,903	4,192,306	2,403,482	631,736	453,661	382,486
Silver fractional coin	72,691	44,283	71,534	193,123	177,308	201,529	81,484	25,458	23,970
Legal-tender notes	1,253,824	880,854	1,097,276	14,835,502	13,518,145	13,769,940	2,675,043	1,968,053	1,872,847
U. S. certificates of deposit for legal-tenders	......	......	......	3,320,000	2,810,000	3,810,000	750,000	720,000	690,000
Five per cent. redemption fund with Treas	28,890	28,890	28,890	47,\250	85,5 0	56,250	224,562	241,990	253,890
Due from U. S. Treasurer	......	......	5,000	64,370	127,259	91,965	......	6,950	1,814
Total	$22,664,311	$22,989,632	$23,197,964	$165,766,566	$176,186,456	$178,180,689	$49,973,511	$51,089,910	$53,281,461
LIABILITIES.									
Capital stock paid in	$1,352,000	$1,352,000	$1,352,000	$19,700,000	$19,700,000	$19,500,000	$7,800,000	$7,800,000	$7,800,000
Surplus fund	2,270,000	2,270,000	2,270,000	8,264,900	8,264,900	8,264,900	2,740,000	2,740,000	2,740,000
Undiv. profits, less expenses and taxes paid	353,688	395,701	462,541	1,816,290	2,006,271	2,346,075	998,882	1,143,351	1,055,685
National bank notes issued, less am't on hand	577,800	578,080	577,800	635,085	616,365	604,235	4,518,300	4,820,450	4,943,550
State bank notes outstanding	1,846	1,846	1,846	......	......	......	......	......	......
Due to other National banks	279,870	412,228	389,744	43,189,944	47,535,222	48,440,278	8,241,780	9,002,898	9,443,504
Due to State banks and bankers	362,910	346,544	356,264	24,430,653	26,802,410	24,784,744	3,830,464	4,420,622	4,364,644
Dividends unpaid	10,769	7,833	716	12,816	23,578	2,790	4,110	6,726	4,859
Individual deposits	17,227,225	17,398,868	17,586,016	67,158,561	70,692,162	73,640,922	19,779,311	19,244,420	20,967,233
U. S. deposits	163,329	163,158	164,799	480,402	510,847	468,605	1,326,211	1,171,941	1,176,404
Deposits of U. S. disbursing officers	35,956	34,457	35,166	60,084	21,298	61,736	......	......	......
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	......	......	......	......
Liabilities other than those above stated	28,984	38,984	21,070	8,900	13,400	16,400	739,500	739,500	765,578
Total	$22,664,311	$22,989,632	$23,197,964	$165,766,566	$176,186,456	$178,180,689	$49,973,511	$51,089,910	$53,281,461
Average reserve held	37.19 p. c.	28.04 p. c.	31.91 p. c.	38.11 p. c.	36.06 p. c.	34.61 p. c.	37.51 p. c.	32.71 p. c.	35.92 p. c.
* Total lawful money reserve	$3,001,187	$1,991,772	$2,434,589	$39,181,578	$38,058,583	$37,776,367	$5,471,782	$4,580,356	$4,432,069

	CLEVELAND, OHIO.			DES MOINES, IOWA.			DETROIT, MICH.		
RESOURCES.	*July 23, 1897.*	*Oct. 5, 1897.*	*Dec. 15, 1897.*	*July 23, 1897.*	*Oct. 5, 1897.*	*Dec. 15, 1897.*	*July 23, 1897.*	*Oct. 5, 1897.*	*Dec. 15, 1397.*
Loans and discounts	$27,345,399	$28,471,475		$2,855,288	$2,651,871	$2,756,896	$13,996,282	$14,398,492	$14,621,696
Overdrafts	46,363	84,244		19,081	16,348	27,931	5,964	16,661	8,458
U. S. bonds to secure circulation	1,550,000	1,550,000		292,200	292,200	298,000	1,150,000	1,150,000	1,150,000
U. S. bonds to secure U. S. deposits	60,000	60,000		......	......	......	300,000	300,000	300,000
U. S. bonds on hand	......	......		......	......	100,000	300,000	400,000	......
Premiums on U. S. bonds	51,300	51,300		13,000	13,000	13,000	184,250	208,250	153,500
Stocks, securities, etc	896,491	787,901		240,259	255,547	249,210	51,643	113,902	123,902
Banking house, furniture and fixtures	507,500	507,500		143,541	143,541	143,541	81,288	80,788	80,788
Other real estate and mortgages owned	219,254	215,487		98,791	99,461	99,779	225,755	260,504	266,020
Due from National banks (not reserve agents)	2,281,521	2,824,342		232,358	223,485	233,517	1,079,569	1,798,869	1,741,403
Due from State banks and bankers	679,631	798,417		47,873	54,323	40,976	364,797	459,330	415,660
Due from approved reserve agents	5,815,687	4,926,644		653,547	719,405	541,810	3,479,998	3,969,412	4,646,384
Checks and other cash items	80,928	109,924		27,628	18,582	26,779	15,804	28,023	25,946
Exchanges for clearing-house	157,571	289,494		49,784	70,860	59,605	277,218	260,101	276,938
Bills of other National banks	152,470	147,132		27,414	50,522	39,804	198,487	166,929	139,543
Fractional paper currency, nickels and cents	4,332	4,344		1,025	1,419	1,192	10,796	10,866	11,752
*Lawful money reserve in bank, viz.:									
Gold coin	1,517,557	1,468,110		189,882	138,115	154,210	1,287,570	1,346,667	1,343,995
Gold Treasury certificates	241,000	248,000		3,220	3,480	3,880	13,720	14,160	13,810
Gold clearing-house certificates	......	......		......	......	......	......	......	......
Silver dollars	63,896	75,892		14,065	17,947	24,930	51,218	69,266	73,726
Silver Treasury certificates	120,535	116,025		17,713	23,179	18,851	194,120	135,802	166,569
Silver fractional coin	34,140	27,259		6,210	6,566	9,709	41,199	51,706	64,481
Legal-tender notes	1,041,793	1,076,290		239,291	225,028	207,627	850,328	632,479	628,489
U. S. certificates of deposit for legal-tenders	......	......		......	......	......	......	......	......
Five per cent. redemption fund with Treas.	69,750	68,880		13,094	13,094	13,149	51,660	50,641	51,750
Due from U. S. Treasurer	12,000	14,700		23	......	......	8,986	5,824	24,642
Total	$42,949,123	$43,872,865		$4,685,293	$5,087,479	$5,059,399	$24,165,650	$25,898,678	$26,279,409
LIABILITIES.									
Capital stock paid in	$9,550,000	$9,550,000		$800,000	$800,000	$800,000	$3,300,000	$3,300,000	$3,300,000
Surplus fund	2,085,000	2,085,000		221,000	221,000	221,000	605,000	605,000	605,000
Undiv. profits, less expenses and taxes paid	619,922	740,876		47,863	47,700	60,822	264,288	256,889	320,503
National bank notes issued, less am't on hand	1,328,810	1,332,810		243,287	259,137	259,847	899,960	989,790	988,100
Due to other National banks	3,562,944	4,248,531		638,499	658,370	596,131	3,331,337	3,791,338	3,973,015
Due to State banks and bankers	2,615,411	2,898,053		1,288,730	1,465,214	1,432,904	5,563,118	5,733,986	6,162,916
Dividends unpaid	1,427	1,217		3,980	3,585	3,526	3,764	6,972	10
Individual deposits	21,842,949	21,683,266		1,441,932	1,532,470	1,685,167	9,899,581	10,916,819	10,626,691
U. S. deposits	50,295	43,322		......	......	......	234,418	242,881	232,172
Deposits of U. S. disbursing officers	11,205	14,787		......	......	......	64,189	55,050	70,999
Notes and bills rediscounted	......	......		......	......	......	......	......	......
Bills payable	425,000	425,000		......	......	......	......	......	......
Liabilities other than those above stated	856,157	855,000		......	......	......	......	......	......
Total	$42,949,123	$43,872,865		$4,685,293	$5,087,479	$5,059,399	$24,165,659	$25,898,678	$26,279,409
Average reserve held	35.89 p. c.	32.25 p. c.		37.70 p. c.	34.64 p. c.	29.13 p. c.	34.75 p. c.	34.83 p. c.	37.80 p. c.
* Total lawful money reserve	$3,018,923	$3,011,576		$470,381	$414,815	$419,207	$2,438,155	$2,250,080	$2,291,069

(The returns from this reserve city were delayed in compilation.)

RESOURCES.	HOUSTON, TEXAS. July 23, 1897.	Oct. 5, 1897.	Dec. 15, 1897.	KANSAS CITY, MO. July 23, 1897.	Oct. 5, 1897.	Dec. 15, 1897.	LINCOLN, NEB. July 23, 1897.	Oct. 5, 1897.	Dec. 15, 1897.
Loans and discounts	$1,960,595	$2,029,754	$1,960,652	$12,854,869	$15,006,761	$17,419,068	$1,620,421	$1,798,169	$1,917,805
Overdrafts	38,145	179,804	206,048	181,386	187,143	119,041	9,801	6,962	5,436
U. S. bonds to secure circulation	200,000	200,000	200,000	250,000	250,000	250,000	150,000	150,000	150,000
U. S. bonds to secure U. S. deposits	50,000	50,000	50,000	100,000	100,000	100,000	......	......	......
U. S. bonds on hand	......	......	......	290,000	291,000	391,000	......	......	......
Premiums on U. S. bonds	21,068	20,788	20,700	71,900	72,280	95,105	5,500	5,500	5,500
Stocks, securities, etc	48,724	89,220	45,854	680,477	700,455	830,829	68,811	50,064	62,886
Banking house, furniture and fixtures	132,851	188,868	182,758	81,875	77,375	72,825	9,087	9,087	9,037
Other real estate and mortgages owned	115,285	115,250	115,250	267,628	268,442	362,442	80,909	89,750	98,513
Due from National banks (not reserve agents)	167,183	250,967	683,759	1,619,458	1,608,312	911,481	149,536	82,925	87,915
Due from State banks and bankers	49,462	11,149	106,016	790,568	1,900,846	1,789,068	41,240	89,345	27,968
Due from approved reserve agents	252,156	679,848	715,954	4,476,409	6,218,583	5,196,187	175,174	264,060	208,961
Checks and other cash items	1,514	6,857	2,827	49,874	83,082	42,142	35,529	12,580	22,389
Exchanges for clearing-house	4,426	22,220	6,958	854,670	620,900	877,449	7,400	25,589	14,901
Bills of other National banks	106,595	92,683	51,305	196,040	391,184	174,860	2,500	10,800	4,702
Fractional paper currency, nickels and cents	4,016	1,557	2,292	8,856	4,761	4,472	1,837	682	1,287
*Lawful money reserve in bank, viz.:									
Gold coin	828,901	840,291	360,508	1,101,012	495,147	400,675	97,067	159,270	153,262
Gold Treasury certificates	184,220	185,960	188,790	22,120	21,120	21,020	500	......	......
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	56,817	24,354	94,629	85,979	71,720	102,198	16,262	18,928	18,685
Silver Treasury certificates	149,155	238,240	171,229	527,445	872,162	662,338	2,521	4,577	8,961
Silver fractional coin	18,763	12,977	15,040	24,919	27,668	22,991	10,278	9,027	11,859
Legal-tender notes	784,225	1,215,564	859,577	880,200	1,300,000	895,000	45,954	52,671	69,762
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	9,000	9,000	9,000	11,250	11,250	11,250	6,750	6,750	6,750
Due from U. S. Treasurer	......	......	......	......	......	4,000	......	......	......
Total	$4,648,022	$5,804,296	$5,865,647	$24,872,880	$30,515,127	$30,754,407	$2,536,527	$2,789,175	$2,875,495
LIABILITIES.									
Capital stock paid in	$1,150,000	$1,150,000	$1,150,000	$2,300,000	$2,300,000	$2,300,000	$850,000	$800,000	$800,000
Surplus fund	558,800	557,800	557,800	477,000	480,000	480,000	85,000	85,000	85,000
Undiv. profits, less expenses and taxes paid	76,502	89,886	112,175	169,714	215,508	302,640	22,396	17,018	15,025
National bank notes issued, less am't on hand	141,800	139,680	187,880	225,000	225,000	225,000	135,000	135,000	135,000
Due to other National banks	289,602	683,895	718,699	5,317,248	7,052,788	7,622,996	125,581	175,186	131,551
Due to State banks and bankers	97,487	821,556	261,460	5,864,069	8,756,219	8,446,304	151,612	266,123	278,559
Dividends unpaid	4,786	4,168	4,024	23,837	2,258	2,150	......	......	......
Individual deposits	2,269,887	2,772,062	2,874,128	10,387,751	11,368,177	11,268,984	1,216,936	1,360,852	1,480,359
U. S. deposits	50,000	50,000	50,000	65,782	62,222	94,227	......	......	......
Deposits of U. S. disbursing officers	......	......	......	42,457	58,007	12,104	......	......	......
Notes and bills rediscounted	......	95,100	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	......	......	......	......
Liabilities other than those above stated	4,206	727	......	......	......	......	......	......	......
Total	$4,648,022	$5,804,296	$5,865,647	$24,872,880	$30,515,127	$30,754,407	$2,536,527	$2,789,175	$2,875,495
Average reserve held	72.49 p. c.	78.10 p. c.	75.96 p. c.	38.05 p. c.	39.57 p. c.	30.86 p. c.	27.41 p. c.	31.04 p. c.	26.94 p. c.
* Total lawful money reserve	$1,467,061	$1,962,886	$1,689,774	$2,641,675	$2,787,818	$2,104,217	$172,578	$239,468	$257,049

	LOUISVILLE, KY.			MILWAUKEE, WIS.			MINNEAPOLIS, MINN.		
RESOURCES.	*July 23, 1897.*	*Oct. 5, 1897.*	*Dec. 15, 1897.*	*July 23, 1897.*	*Oct. 5, 1897.*	*Dec. 15, 1897.*	*July 23, 1897.*	*Oct. 5, 1897.*	*Dec. 15, 1897.*
Loans and discounts	$7,059,853	$7,444,660	$7,328,711	$15,306,573	$15,522,444	$14,510,257	$9,270,769	$9,320,950	$12,348,300
Overdrafts	7,469	7,737	16,330	139,807	145,918	158,015	10,118	9,453	5,960
U. S. bonds to secure circulation	1,575,000	1,575,000	850,000	720,000	720,000	720,000	300,000	300,000	300,000
U. S. bonds to secure U. S. deposits	500,000	500,000	500,000	390,000	390,000	390,000	50,000	50,000	50,000
U. S. bonds on hand	100,000	200,000	200,000	7,750	7,250	8,250	......	......	......
Premiums on U. S. bonds	224,812	227,125	119,312	134,484	134,484	132,184	24,125	23,812	23,500
Stocks, securities, etc	523,498	476,289	578,575	938,413	992,375	1,241,960	602,900	526,388	437,828
Banking house, furniture and fixtures	188,400	188,400	188,400	126,263	126,263	126,263	105,950	105,950	105,950
Other real estate and mortgages owned	4,468	1,268	20,118	64,900	67,489	67,010	33,761	71,657	71,657
Due from National banks (not reserve agents)	639,463	742,410	1,038,258	1,996,645	2,386,427	2,485,052	825,458	1,360,422	788,119
Due from State banks and bankers	157,915	187,579	300,337	767,026	994,825	800,051	641,426	1,111,907	1,187,998
Due from approved reserve agents	1,965,733	2,167,848	2,975,608	4,257,291	7,006,590	5,168,911	2,277,718	2,531,664	2,417,653
Checks and other cash items	9,687	44,168	14,227	4,137	3,695	3,754	15,413	25,799	23,138
Exchanges for clearing-house	33,724	31,514	123,438	268,249	647,307	539,585	511,291	800,208	738,251
Bills of other National banks	78,501	62,475	80,593	79,692	88,062	78,331	171,179	219,482	188,729
Fractional paper currency, nickels and cents	3,835	7,185	3,492	5,088	4,172	3,600	3,888	4,240	5,960
*Lawful money reserve in bank, viz.:									
Gold coin	720,044	588,367	601,805	1,754,664	1,838,175	1,872,855	1,016,955	842,312	811,687
Gold Treasury certificates	5,000	5,000	5,000	......	......	......	4,500	8,500	8,990
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	21,516	22,055	25,750	32,022	20,463	35,231	40,129	29,066	43,720
Silver Treasury certificates	......	......	......	294,872	140,670	300,766	55,000	50,000	47,500
Silver fractional coin	11,676	10,281	14,063	28,687	16,382	20,590	34,459	28,649	24,847
Legal-tender notes	604,594	558,721	430,150	1,168,139	1,313,917	1,088,925	581,952	1,093,740	808,578
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	70,695	70,695	38,250	32,400	32,400	32,400	12,750	13,500	13,500
Due from U. S. Treasurer	......	3,000	1,000	4,900	4,000	14,850	4,000	100,000	4,500
Total	$14,505,883	$15,123,782	$15,453,892	$28,524,007	$32,598,314	$29,693,815	$16,623,746	$18,627,673	$20,406,337
LIABILITIES.									
Capital stock paid in	$3,000,000	$3,000,000	$3,000,000	$3,250,000	$3,250,000	$3,250,000	$4,500,000	$4,500,000	$4,500,000
Surplus fund	651,000	651,000	651,000	575,000	575,000	575,000	491,000	491,000	491,000
Undiv. profits, less expenses and taxes paid	158,975	216,024	243,941	194,447	275,584	302,677	308,765	375,769	461,553
National bank notes issued, less am't on hand	1,413,150	1,413,320	762,880	631,990	623,380	639,900	210,830	206,347	210,240
Due to other National banks	2,580,202	2,640,509	3,140,699	3,053,840	3,185,823	3,404,005	2,163,241	2,840,256	4,085,419
Due to State banks and bankers	2,017,323	2,335,764	2,365,256	1,650,499	1,768,828	1,996,851	1,423,984	1,835,942	2,269,525
Dividends unpaid	7,558	3,702	3,846	1,297	250	125	1,432	13,784	464
Individual deposits	4,173,343	4,366,158	4,773,048	18,773,378	22,534,159	19,125,019	7,453,606	8,305,070	8,838,604
U. S. deposits	194,893	119,551	254,816	273,912	266,987	260,066	42,665	38,040	39,850
Deposits of U. S. disbursing officers	302,312	366,562	244,213	119,641	118,299	140,150	6,281	14,463	7,679
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	......	......	......	......
Liabilities other than those above stated	7,124	11,189	14,189	......	......	......	22,000	7,000	7,000
Total	$14,505,883	$15,123,782	$15,453,892	$28,524,007	$32,598,314	$29,693,815	$16,623,746	$18,627,673	$20,406,337
Average reserve held	40.63 p. c.	38.86 p. c.	44.28 p. c.	36.46 p. c.	43.63 p. c.	40.08 p. c.	45.00 p. c.	48.11 p. c.	35.15 p. c.
*** Total lawful money reserve**	$1,362,830	$1,184,425	$1,076,788	$3,278,384	$3,329,607	$3,218,367	$1,732,995	$2,052,237	$1,745,323

Resources.	NEW ORLEANS, LA. July 23, 1897.	Oct. 5, 1897.	Dec. 15, 1897.	OMAHA, NEB. July 23, 1897.	Oct. 5, 1897.	Dec. 15, 1897.
Loans and discounts	$10,428,575	$11,680,881	$11,164,680	$8,216,809	$9,147,514	$9,902,759
Overdrafts	380,783	468,275	794,678	118,139	130,542	120,875
U. S. bonds to secure circulation	872,000	872,000	872,000	600,000	600,000	600,000
U. S. bonds to secure U. S. deposits	......	......	......	400,000	450,000	450,000
U. S. bonds on hand	25,000	300	42,950	118,000	13,000	88,000
Premiums on U. S. bonds	39,154	39,000	44,133	96,396	92,826	99,826
Stocks, securities, etc	2,188,558	2,214,133	1,885,691	558,657	612,723	684,832
Banking house, furniture and fixture	620,747	623,943	628,948	832,384	832,384	832,384
Other real estate and mortgages owned	99,820	99,820	99,282	556,218	509,806	578,438
Due from National banks (not reserve agents)	471,996	348,672	538,907	606,518	960,041	638,055
Due from State banks and bankers	382,301	408,588	872,483	428,554	628,834	562,181
Due from approved reserve agents	1,444,309	985,842	2,511,942	2,427,347	3,364,710	2,248,574
Checks and other cash items	13,871	18,614	25,895	126,810	96,076	85,956
Exchanges for clearing-house	642,289	724,475	2,026,944	460,991	617,906	639,517
Bills of other National banks	64,739	51,196	6,924	136,899	200,858	160,369
Fractional paper currency, nickels and cents	15,743	11,800	......	2,692	4,501	3,647
*Lawful money reserve in bank, viz.:						
Gold coin	723,017	745,283	759,525	1,529,387	856,057	859,719
Gold Treasury certificates	177,970	141,180	122,920	29,960	30,520	31,480
Gold clearing-house certificates	......	......	......	......	......	......
Silver dollars	74,583	48,759	74,026	119,728	98,153	101,084
Silver Treasury certificates	1,042,214	395,671	850,666	135,090	155,996	177,652
Silver fractional coin	75,566	74,088	53,619	49,745	48,068	48,509
Legal-tender notes	1,442,400	1,580,588	1,728,647	386,669	972,944	842,195
U. S. certificate of deposit for legal-tenders	295,000	280,000	275,000	......	......	......
Five per cent. redemption fund with Treas.	39,240	39,240	39,240	27,000	27,000	27,000
Due from U. S. Treasurer	......	......	3,710	......	600	5,200
Total	$21,511,282	$21,606,855	$24,982,996	$17,946,924	$20,450,565	$19,682,659
Liabilities.						
Capital stock paid in	$2,800,000	$2,800,000	$2,800,000	$3,750,000	$3,750,000	$3,750,000
Surplus fund	2,810,000	2,810,000	2,810,000	325,500	325,500	325,500
Undiv. profits less expenses and taxes paid	296,310	339,109	404,841	49,655	120,767	134,697
National bank notes issued, less am't on hand	770,595	758,045	747,947	539,995	531,605	538,195
Due to other National banks	864,926	899,138	1,638,569	2,878,662	3,722,009	3,577,128
Due to State banks and bankers	1,042,876	1,102,108	1,498,572	2,604,577	3,628,956	2,880,829
Dividends unpaid	27,177	13,379	8,816	378	378	378
Individual deposits	13,815,674	13,380,801	15,991,251	7,281,756	7,864,990	7,954,777
U. S. deposits	......	......	......	272,318	201,951	286,925
Deposits of U. S. disbursing officers	......	......	......	159,086	229,412	209,234
Notes and bills rediscounted	87,222	194,777	33,000	......	......	......
Bills payable	......	400,000	50,000	85,000	80,000	75,000
Liabilities other than those above stated	......	......	......	......	......	......
Total	$21,511,282	$21,696,855	$24,982,996	$17,946,924	$20,450,565	$19,682,659
Average reserve held	37.45 p. c.	30.23 p. c.	39.77 p. c.	40.69 p. c.	41.96 p. c.	33.72 p. c.
* Total lawful money reserve	$3,830,750	$3,165,569	$3,864,404	$2,250,580	$2,161,739	$2,060,590

Resources.	PHILADELPHIA, PA. July 23, 1897.	Oct. 5, 1897.	Dec. 15, 1897.
Loans and discounts	$96,045,461	$102,577,519	$100,648,110
Overdrafts	21,458	14,024	21,443
U. S. bonds to secure circulation	8,212,500	8,212,500	7,592,500
U. S. bonds to secure U. S. deposits	300,000	300,000	300,000
U. S. bonds on hand	1,300,000	50,000	1,050,000
Premiums on U. S. bonds	819,756	747,180	899,967
Stocks, securities, etc	9,654,842	9,982,710	10,958,818
Banking house, furniture and fixture	4,353,656	4,358,656	4,851,948
Other real estate and mortgages owned	561,285	576,294	588,049
Due from National banks (not reserve agents)	7,026,822	7,227,789	9,740,985
Due from State banks and bankers	1,382,215	1,373,803	1,629,814
Due from approved reserve agents	15,239,483	15,627,787	17,944,852
Checks and other cash items	945,082	1,176,457	1,491,432
Exchanges for clearing-house	6,854,082	10,762,893	11,985,372
Bills of other National banks	440,153	441,186	390,964
Fractional paper currency, nickels and cents	59,289	66,660	62,064
*Lawful money reserve in bank, viz.:			
Gold coin	1,739,630	1,658,448	1,843,061
Gold Treasury certificates	160,890	214,140	203,760
Gold clearing-house certificates	6,215,000	6,445,000	6,550,000
Silver dollars	245,607	210,420	265,200
Silver Treasury certificates	4,076,105	3,549,150	3,780,063
Silver fractional coin	319,998	350,880	318,882
Legal-tender notes	2,500,224	2,828,719	2,288,175
U. S. certificate of deposit for legal-tenders	6,620,000	7,460,000	6,905,000
Five per cent. redemption fund with Treas.	367,875	368,923	339,958
Due from U. S. Treasurer	59,878	62,718	80,858
Total	$175,470,144	$188,188,718	$192,070,798
Liabilities.			
Capital stock paid in	$21,915,000	$21,915,000	$21,915,000
Surplus fund	14,688,000	14,688,000	14,743,000
Undiv. profits less expenses and taxes paid	2,619,699	3,087,775	2,743,194
National bank notes issued, less am't on hand	7,142,852	7,184,875	6,601,112
Due to other National banks	23,222,607	26,997,896	25,050,832
Due to State banks and bankers	7,465,814	7,969,782	8,506,584
Dividends unpaid	68,882	46,434	56,073
Individual deposits	97,765,654	106,701,935	111,454,151
U. S. deposits	311,671	302,015	299,492
Deposits of U. S. disbursing officers	......	......	......
Notes and bills rediscounted	......	......	......
Bills payable	275,000	250,000	360,000
Liabilities other than those above stated	11	......	339,851
Total	$175,470,144	$186,138,718	$192,070,798
Average reserve held	33.12 p. c.	32.05 p. c.	33.15 p. c.
* Total lawful money reserve	$21,877,450	$22,216,757	$22,054,182

	PITTSBURG, PA.			ST. JOSEPH, MO.			ST. LOUIS, MO.		
Resources.	*July 23, 1897.*	*Oct. 5, 1897.*	*Dec. 15, 1897.*	*July 23, 1897.*	*Oct. 5, 1897.*	*Dec. 15, 1897.*	*July 23, 1897.*	*Oct. 5, 1897.*	*Dec. 15, 1897.*
Loans and discounts	$44,625,805	$45,599,629	$46,510,195	$1,795,406	$1,906,847	$2,141,262	$29,495,248	$32,060,316	$31,330,130
Overdrafts	37,048	51,898	39,694	10,692	8,584	4,726	33,166	42,915	28,356
U. S. bonds to secure circulation	5,339,250	5,339,250	5,339,250	150,000	150 000	150,000	1,977,000	2,077,000	2,075,000
U. S. bonds to secure U. S. deposits	200,000	200,000	200,000	50,000	50.000	50,000	500,000	540,000	540,000
U. S. bonds on hand	220,900	421,600	162,700	700	700	......	100,000	75,000	75,000
Premiums on U. S. bonds	541,398	568,312	537,221	20	......	......	210,531	193,218	199,481
Stocks, securities, etc	3,419,898	3,373,784	3,557,054	12,390	12,390	12,390	1,352,196	1,308,357	1,350,372
Banking house, furniture and fixtures	3,446,446	3,456,608	3,498,621	72,000	72,000	72,000	938,874	983,874	932,000
Other real estate and mortgages owned	508,500	545,131	544,823	......	......	......	165,254	165,208	217,361
Due from National banks (not reserve agents)	2,409,442	2,383,621	2,728,580	262,981	238,750	335,077	5,622,249	8,223,574	10,780,629
Due from State banks and bankers	291,466	304,717	375,806	89,742	113,0 1	89,158	1,324,023	1,324,910	1,989,515
Due from approved reserve agents	7,389,722	6,826,725	6,515,997	589,147	818,342	504,946	......	......	......
Checks and other cash items	314,599	362,297	287,122	25,080	62,535	26,210	54,119	91,421	91,574
Exchanges for clearing-house	2,365,771	2,501,802	2,508,751	56,121	83,232	65,812	1,039,399	1,430,556	1,350,721
Bills of other National banks	395,618	388,842	345,811	9,735	6,935	8,870	312,127	310,547	302,494
Fractional paper currency, nickels and cents	19,176	23,700	15,879	309	455	549	1,486	1,643	1,672
*Lawful money reserve in bank, viz.:									
Gold coin	3,294,807	3,379,140	3,351,852	92,371	87,837	83,562	1,728,877	1,354,872	1,215,562
Gold Treasury certificates	398,450	404,750	416,930	9,460	7,480	6,980	241,590	236,770	239,440
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	183,507	201,489	154,158	11,344	9,869	10,736	22,783	23,916	32,572
Silver Treasury certificates	1,072,083	954,801	801,065	82,071	100,032	104,269	1,001,896	706,290	966,485
Silver fractional coin	145,814	148,800	122,028	3,879	5,745	4,461	14,559	20,642	23,005
Legal-tender notes	2,707,484	2,164,795	2,023,311	168,572	146,827	195,668	2,640,229	4,136,688	3,816,336
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	2,470,000	1,600,000	1,550,000
Five per cent. redemption fund with Treas.	239,501	237,721	234,871	6,705	6,705	6,750	88,917	93,417	93,375
Due from U. S. Treasurer	16,244	11,002	15,412	2,100	900	2,100	10,500	4,000	6,000
Total	$79,572,924	$79,838,921	$80,287,107	$3,500,832	$3,884,692	$3,875,531	$51,840,025	$57,454,641	$59,207,085
Liabilities.									
Capital stock paid in	$12,300,000	$12,300,000	$12,300,000	$350,000	$350,000	$350,000	$8,400,000	$8,400,000	$8,400,000
Surplus fund	9,670,200	9,670,200	9,700,200	108,484	108,484	104,000	1,706,000	1,706,000	1,710,000
Undiv. profits, less expenses and taxes paid	1,683,016	1,912,278	2,031,709	25,187	43,748	37,101	682,500	685,455	644,928
National bank notes issued, less am't on hand	4,718,602	4,727,372	4,769,912	134,100	134,100	135,000	1,658,940	1,852,200	1,853,080
Due to other National banks	6,906,112	8,120,828	7,283,788	855,191	429,773	891,098	11,862,059	14,039,806	15,515,818
Due to State banks and bankers	2,269,087	2,440,857	2,485,799	677,984	836,986	767,855	7,749,332	8,546,770	9,119,843
Dividends unpaid	90,794	66,172	59,485	125	94	4	1,966	1,588	4,897
Individual deposits	41,715,423	40,398,688	41,502,740	1,805,272	1,984,953	2,041,209	19,252,624	21,676,839	21,434,019
U. S. deposits	122,575	98,956	185,204	48,762	49,457	48,912	554,901	546,480	525,000
Deposits of U. S. disbursing officers	79,169	......	68,267	775	93	849	......	......	......
Notes and bills rediscounted	15,398	108,566	......	......	......	......	......	......	......
Bills payable	......	......	....	......	......	......	......	......	......
Liabilities other than those above stated	2,600	......	......	......	......	......	21,700	......	......
Total	$79,572,924	$79,838,921	$80,287,107	$3,500,832	$3,884,692	$3,875,531	$51,340,025	$57,454,641	$59,207,085
Average reserve held	33.75 p. c.	31.44 p. c.	29.92 p. c.	39.02 p. c.	42.12 p. c.	33.35 p. c.	26.81 p. c.	24.75 p. c.	24.67 p. c.
***Total lawful money reserve**	$7,802,145	$7,253,776	$6,869,314	$367,699	$358,291	$405,677	$8,119,935	$8,078,679	$7,843,401

RESOURCES.	ST. PAUL, MINN. July 23, 1897.	ST. PAUL, MINN. Oct. 5, 1897.	ST. PAUL, MINN. Dec. 15, 1897.	SAN FRANCISCO, CAL. July 23, 1897.	SAN FRANCISCO, CAL. Oct. 5, 1897.	SAN FRANCISCO, CAL. Dec. 15, 1897.	SAVANNAH, GA. July 23, 1897.	SAVANNAH, GA. Oct. 5, 1897.	SAVANNAH, GA. Dec. 15, 1897.
Loans and discounts	$8,539,510	$8,808,064	$10,899,191	$7,408,660	$8,188,555	$8,408,912	$1,143,765	$1,174,800	$1,174,517
Overdrafts	2,053	3,028	7,525	248,288	207,719	127,877	814	237	1,215
U. S. bonds to secure circulation	262,000	262,000	252,000	150,000	150,000	200,000	102,000	102,000	102,000
U. S. bonds to secure U. S. deposits	475,000	475,000	475,000	150,000	150,000	150,000	90,000	90,000	90,000
U. S. bonds on hand	......	......	......	......	......	......	......	......	......
Premiums on U. S. bonds	......	......	......	23,597	23,597	30,301	10,900	10,650	10,650
Stocks, securities, etc	1,444,719	1,481,185	1,701,283	763,721	664,279	668,235	44,458	41,974	44,600
Banking house, furniture and fixtures	702,718	702,718	702,718	345,221	345,586	345,586	67,289	67,289	67,312
Other real estate and mortgages owned	75,826	74,138	74,138	90,135	87,230	104,740	15,884	15,860	15,964
Due from National banks (not reserve agents)	815,284	842,136	1,015,198	201,183	270,428	231,256	61,634	66,824	94,678
Due from State banks and bankers	195,430	409,131	307,885	193,202	290,807	571,581	42,779	47,908	32,416
Due from approved reserve agents	3,855,179	4,128,972	3,020,461	885,063	240,291	839,531	93,704	181,817	26,749
Checks and other cash items	77,417	109,371	81,548	8,290	8,290	9,606	609	364	722
Exchanges for clearing-house	256,017	361,971	259,801	96,415	138,465	231,853	17,585	8,628	20,220
Bills of other National banks	155,369	164,069	118,500	4,625	2,000	11,400	27,000	59,423	33,000
Fractional paper currency, nickels and cents	2,882	2,810	3,680	806	72	284	1,337	1,585	661
*Lawful money reserve in bank, viz.:									
Gold coin	2,013,936	1,996,843	1,987,216	1,606,550	2,601,667	3,178,812	30,000	29,000	3,000
Gold Treasury certificates	10,800	......	......	......	......	......	2,000	2,000	3,000
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	94,270	112,500	156,000	13,040	9,120	49,024	16,000	8,000	25,000
Silver Treasury certificates	183,484	395,588	159,905	9,431	3,200	24,360	43,046	75,000	69,451
Silver fractional coin	38,778	40,326	41,743	25,361	37,100	41,988	10,200	4,500	5,800
Legal-tender notes	346,854	634,897	248,908	2,080	2,000	9,564	40,000	71,000	70,000
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	11,293	11,293	11,340	6,750	6,750	6,750	4,543	4,543	4,590
Due from U. S. Treasurer	23,309	18,089	36,269	......	......	2,400	2	2	2
Total	$19,562,033	$21,014,157	$21,009,816	$11,727,421	$18,416,668	$15,243,967	$1,864,455	$2,018,357	$1,895,545
LIABILITIES.									
Capital stock paid in	$3,800,000	$3,800,000	$3,800,000	$2,500,000	$2,500,000	$3,000,000	$750,000	$750,000	$750,000
Surplus fund	855,000	855,000	855,000	1,500,000	1,500,000	1,500,000	225,000	225,000	225,000
Undiv. profits, less expenses and taxes paid	846,887	850,568	888,719	106,660	211,206	294,662	43,743	54,271	57,912
National bank notes issued, less amt on hand	218,470	212,550	210,840	90,000	90,000	90,000	72,455	90,855	85,755
Due to other National banks	2,156,124	3,046,046	3,288,423	662,482	835,007	1,090,684	42,784	49,887	82,728
Due to State banks and bankers	2,206,615	2,282,554	2,475,524	841,067	1,811,005	1,658,171	77,680	87,883	104,067
Dividends unpaid	4,527	7,871	2,395	4,685	1,800	875	2,897	1,489	1,318
Individual deposits	9,002,584	9,506,325	9,099,067	5,847,326	6,811,962	7,442,483	560,429	543,444	449,556
U. S. deposits	331,840	147,063	151,999	175,198	155,681	167,589	9,998	38,838	18,867
Deposits of U. S. disbursing officers	145,483	306,676	287,845	......	......	......	79,466	47,242	68,871
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	......	......	125,000	100,000
Liabilities other than those above stated	......	......	......	......	......	......	......	......	1,477
Total	$19,562,033	$21,014,157	$21,009,816	$11,727,421	$18,416,668	$15,243,967	$1,864,455	$2,018,357	$1,895,545
Average reserve held	52.75 p. c.	54.11 p. c.	41.13 p. c.	29.08 p. c.	34.45 p. c.	45.56 p. c.	38.36 p. c.	55.61 p. c.	41.98 p. c.
* Total lawful money reserve	$2,688,072	$3,180,155	$2,548,772	$1,655,462	$2,658,088	$3,308,699	$141,246	$189,500	$176,251

Resources.	Washington, D. C. July 23, 1897.	Washington, D. C. Oct. 5, 1897.	Washington, D. C. Dec. 15, 1897.	The United States. July 23, 1897.	The United States. Oct. 5, 1897.	The United States. Dec. 15, 1897.
Loans and discounts	$9,084,052	$8,842,737	$9,297,811	$1,966,891,500	$2,048,589,976	
Overdrafts	13,620	10,813	10,279	10,662,210	15,707,442	
U. S. bonds to secure circulation	979,150	879,150	929,150	228,439,400	227,119,700	
U. S. bonds to secure U. S. deposits	100,000	100,000	100,000	16,723,500	17,003,000	
U. S. bonds on hand	522,350	393,700	365,400	16,738,300	15,487,650	
Premiums on U. S. bonds	131,208	117,116	114,452	17,436,215	17,242,020	
Stocks, securities, etc	1,061,497	1,104,072	1,092,202	204,932,235	206,790,839	
Banking house, furniture and fixtures	1,069,994	987,166	1,068,046	78,973,817	78,968,665	
Other real estate and mortgages owned	53,126	53,445	54,565	28,587,539	29,258,286	
Due from National banks (not reserve agents)	1,090,115	1,131,170	762,309	135,587,688	155,809,095	
Due from State banks and bankers	342,617	436,962	383,224	34,275,424	41,374,840	
Due from approved reserve agents	2,053,303	2,120,706	2,082,836	275,755,165	296,710,294	
Checks and other cash items	152,131	210,689	242,504	12,017,815	15,517,457	
Exchanges for clearing-house	133,285	227,823	170,151	89,457,189	112,305,535	
Bills of other National banks	8,342	9,373	8,442	20,606,097	20,558,689	
Fractional paper currency, nickels and cents	6,929	6,422	7,854	981,780	961,071	
*Lawful money reserve in bank, viz.:						
Gold coin	783,945	673,639	439,601	119,467,606	118,750,797	
Gold Treasury certificates	682,750	630,750	583,800	16,792,990	17,512,900	
Gold clearing-house certificates	......	......	......	57,426,000	59,525,000	
Silver dollars	6,794	9,557	8,529	6,853,275	6,464,345	
Silver Treasury certificates	1,046,160	1,136,951	944,092	34,626,625	31,576,343	
Silver fractional coin	29,423	31,518	46,342	5,756,105	5,414,442	
Legal-tender notes	461,061	407,061	357,543	126,511,020	107,136,624	
U. S. certificates of deposit for legal-tender notes	50,000	90,000	30,000	46,085,000	42,275,000	
Five per cent. redemption fund with Treasurer	39,409	34,954	34,511	10,003,629	10,006,909	
Due from U. S. Treasurer	2,063	......	......	1,819,922	1,180,139	
Total	$19,903,331	$19,645,251	$19,083,650	$3,563,408,053	$3,701,247,064	
Liabilities.						
Capital stock paid in	$3,075,000	$2,875,000	$2,875,000	$632,153,042	$630,338,095	
Surplus fund	1,439,000	1,239,500	1,239,500	246,403,782	246,183,590	
Undivided profits, less expenses and taxes paid	291,793	279,682	339,837	88,863,440	88,842,691	
National bank notes issued, less amount on hand	721,835	672,745	733,105	196,590,790	198,603,222	
State bank notes outstanding	......	......	......	60,381	60,380	
Due to other National banks	350,160	401,049	252,813	388,117,906	418,643,030	
Due to State banks and bankers	226,910	210,123	257,990	208,876,900	227,086,629	
Dividends unpaid	5,208	5,589	3,211	1,800,659	1,779,942	
Individual deposits	13,701,278	13,837,279	13,181,339	1,770,480,563	1,851,192,929	
U. S. deposits	77,146	69,653	46,515	12,922,506	12,081,247	
Deposits of U. S. disbursing officers	......	35,468	56,988	3,468,352	4,060,963	
Notes and bills rediscounted	......	19,211	......	5,450,428	7,203,188	
Bills payable	15,000	......	97,900	9,625,115	12,546,510	
Liabilities other than those above stated	......	......	......	3,594,185	3,174,676	
Total	$19,903,331	$19,645,251	$19,083,650	$3,563,408,053	$3,701,247,064	
Average reserve held	37.77 p. c.	37.45 p. c.	34.15 p. c.	....	....	
* Total lawful money reserve	$3,060,133	$2,979,446	$2,409,908	$413,518,621	388,655,451	

(The returns of all the banks of the United States were delayed in compilation.)

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, January 3, 1898.

THE LAST MONTH OF THE CALENDAR YEAR is invariably attended by two important events, the assembling of Congress in regular session and the settling up of accounts for the year. The month is usually devoid of incident so far as new ventures in business or finance are concerned, and the December just closed is no exception to the rule.

Congress met on the first Monday of the month and the message of the President and annual report of the Secretary of the Treasury pressed upon the attention of that body the necessity of an early reform of our currency system. The Secretary later presented a bill embodying his ideas, and it will probably be made the basis of some attempt at legislation.

The declaration of the Secretary in favor of maintaining a gold standard was received with open revolt by some of the Republican members of Congress, and the Secretary informally mentioned to the President that if he were the cause of any antagonism to the Administration he was ready to retire. The President replied that he did not want Mr. Gage to resign, so the incident was closed, but not until many sensational rumors concerning the probable resignation of the Secretary were published all over the country.

That it will be difficult to obtain any legislation that will reform the currency is obvious to every well-informed person. The friends of silver and of Government paper money and the enemies of the National banks are opposed to every plan which aims at preserving the gold standard or at increasing the note issues of the National banks, and the Secretary's plan provides for both.

The revenues of the Government, which began to increase in September, are rapidly improving and more confidence is felt that the deficit will gradually disappear after the first of the year. In December the Government receipts, exclusive of $31,715,204 paid on account of the purchase of the Union Pacific Railroad, were $27,931,494, while the expenditures were $26,195,000, leaving a surplus of $1,736,494. This is the first time a surplus has been reported in any month of the year excepting last spring, when the heavy imports in anticipation of tariff legislation swelled the customs receipts to abnormal proportions. The receipts from customs in December were $11,660,788, which compares with $9,630,025 in November, $9,718,495 in October, $7,943,100 in September and $6,987,702 in August. This is a very satisfactory improvement, and makes the Treasury situation more encouraging than it has been for some time past. The customs revenues for the calendar year exceed $171.700,000, an increase over 1896 of $27,000,000 and over 1895 of $6,000,000.

The interest payments will be $6,000,000 larger in January than they were in December, so a deficit this month may be expected, but in February these payments will be reduced about $4,000,000 and in March they will be only about the same as in December. With a further increase in imports of merchandise the Government finances ought to be in better shape early in the coming spring.

In December a year ago a number of bank failures in the Northwest caused a feeling of unsettled confidence, the collapse of the National Bank of Illinois, of Chicago, being the most important. Last month there was no such series of disasters, but the suspension of the Chestnut Street National Bank of Philadelphia on December 24 came as one of the unpleasant happenings that attend every period of improvement.

In taking account of the year just ended attention naturally is turned to the banking interests of this city, which have reached a magnitude hitherto unknown. Whether considered individually or collectively the banks in New York show a wonderful growth. While the number of banks in the New York Clearing-House was reduced by one during the year, the Third National having been absorbed by the National City Bank and the United States National Bank by the Western National, while the Bank of New Amsterdam was admitted to membership, the deposits have increased from $530,785,000 to $675,064,200 and the loans from $491,375,900 to $607,781,600. Both deposits and loans in 1896 reached the highest figures ever recorded; deposits on December 11 when they were $675,169,900, and loans on December 24, when they were $610,606,300. The principal items of the bank statement at the close of each of the past five years were as follows:

	1893.	*1894.*	*1895.*	*1896.*	*1897.*
Loans	$417,606,900	$492,647,000	$478,466,500	$491,375,900	$607,781,600
Deposits	506,437,800	549,291,400	501,089,300	530,875,000	675,064,200
Specie	106,316,400	73,760,600	67,114,200	76,842,300	104,730,700
Legal tenders	101,108,200	98,831,100	74,097,800	89,640,900	79,824,100
Total reserve	207,424,600	172,591,700	141,212,000	165,983,200	184,554,800
Surplus reserve	80,815,150	35,268,850	15,939,675	33,286,950	15,788,750
Circulation	13,111,900	11,294,700	13,926,700	19,600,100	15,507,200

The increase in deposits of individual banks in many cases has been phenomenal. There are now eleven banks having more than $20,000,000 of deposits each, the National City Bank heading the list with a total of nearly $86,600,000. The National Park Bank has about $41,000,000, the Hanover National $31,600,000 and the Chase National $30,400,000.

The deposits of the National City Bank increased $58,000,000 during the year, of the Chemical $3,500,000, Bank of Commerce $3,500,000, Republic $4,500,000, North America $5,000,000, Hanover $9,000,000, Park $9,000,000, Fourth National $5,000,000, First National $3,000,000, Chase $11,000,000, Seaboard $3,500,000, Western National $15,000,000 and National Union $3,000,000. These increases denote the comprehensive character of the growth of banking deposits.

Stock Exchange Transactions.—The past year has been a memorable one at the New York Stock Exchange. The long looked-for improvement, after four years of waiting, began to materialize last June and since then has been making steady progress both as regards activity and increase in prices. The lowest quotations were generally recorded in April, the highest since September 1. The least active market was in February, the most active in September, and the largest daily aggregate of business for the year was recorded on September 21 when nearly 900,000 shares of stock were traded in.

The total sales of stock in the past year were about 77,500,000 shares, the largest for any year since 1893 and within 500,000 shares of the total for that year. The sales in 1896 were about 57,000,000 shares, making an increase for 1897 of about 35 per cent. The improvements in the last half of the year was very much greater than this, for in the first six months of 1897 the stock transactions aggregated only about 24,500,000 shares as against 25,500,000 shares in the first six months of 1896, a decrease of 1,000,000 shares; while in the last half of the year the sales aggregated about 53,000,000 shares against 31,500,000 shares in 1896, an increase of nearly 70 per cent.

The stock market has not yet reached the proportions that it had some years ago, for between 1880 and 1886 inclusive the annual transactions never fell below 90,000,000 shares and were as high as 116,000,000 shares in 1882.

The sales of railway, State and Government bonds last year aggregated nearly $545,000,000, an increase of $160,000,000 or 40 per cent. as compared with those of 1896. The transactions in bonds exceed those of any previous year in the past eight years. There has been an exceptional advance in the prices of all classes of securities during the year. The gains are by no means uniform and in some cases prices were lower at the close of 1897 than in 1896 but very many securities have made extraordinary advances. The gains in some of the leading stocks, comparing the closing prices of 1897 with those of 1896, are shown as follows:

	Per cent.
American Cotton Oil, preferred	23
American Sugar	29¾
Canadian Pacific	27¼
Chicago, Burlington and Quincy	30
Chicago and East. Illinois	12
Chicago Gas	20¼
Chicago, Milwaukee and St. Paul	21½
Chicago and Northwestern	19¾
Chicago and Rock Island	24
Chicago, St. Paul, Minnesota & Omaha	31
Cleveland, Cincin., Chicago and St. Paul	8⅝
Consolidated Gas	38¼
Detroit Gas	34½
Edison Electric	24⅛
Harlem	35
Illinois Central	11
Laclede Gas	18¾
Lake Shore	17
Louisville and Nashville	8⅝
Manhattan	22⅝
Michigan Central	12⅝
Missouri Pacific	14
New York Central	13⅝
Northern Pacific, preferred	26⅝
Oregon Navigation, preferred	34½
Pittsburg, Cincin., Chicago & St. L.	27
Pullman Palace Car	21¼
St. Louis and San Francisco, 1st pref.	22½
Union Pacific	16¾
Western Union	8

The advances in bonds were not as extensive as in stocks, still the gains in that branch of the Stock Exchange business were general and in many instances substantial. The net advances of exceptional importance are included in the following list:

	Per cent.
Atchison adjustment 4's	15⅛
Chicago, Burlington & Quincy con. 5's	10¼
St. Paul 2d 7's 3-10s	13
St. Paul, Chicago and Missouri RR. 7's	15
St. Paul, Indiana and Duluth 7's	14¾
Northwestern deb. 5's, 1921	10
Rock Island deb. 5's	12¾
Omaha con. 6's	7⅞
Fort Worth and Dallas City 1st 6's	20
Houston and Texas Central gen. 4's	12
Internat. and Great Northern 3ds	21
Kansas Pacific con. 7's ctfs	19
Missouri Pacific col. tr. 5's	21⅛
Missouri, Kansas and Eastern 1st 5's	24
New York, Susque. and West. gen. 5's	19⅝
Northern Pacific prior 4's	10⅛
Ohio and Minnesota con. 2d 7's	10
Oregon Navigation con. 4's	10⅝
St. Louis and San Francisco 4's	12½
Texas and Pacific 1st 5's	11⅞
Tol., St. Louis and Kan. City 1st 6's ctfs.	20½
Union Pacific s. f. 8's ctfs	26½
Union Pacific, Den. and Gulf c. 5's ctfs.	14
Wabash 2d 5's	10¾

The year has witnessed an improvement in prices of most of our products, cotton and iron being the notable exceptions. Wheat advanced late in 1896, but is now about 2 cents a bushel higher than it was a year ago; corn is about 5 cents a bushel higher, oats 6 cents higher, lard $1 higher, pork 50 cents higher, beef hams $4.50 higher and lead 65 cents higher. On the other hand cotton is 1¼ cents lower than it was a year ago, iron No. 1 foundry, $1 lower, copper 50 cents lower.

The price of cash wheat in New York advanced from 77¾ cents on July 10 to $1.07¾ on August 23, and was quoted at $1.02½ on December 31. Corn advanced from 27 cents on March 4 to 38 cents on August 23 and sold at 34 cents on December 31.

Exports of both corn and wheat increased largely in 1897. The Government has not yet published the figures for December, but the total exports for eleven months

YEAR.	*Flour.*	*Wheat.*	*Corn.*	*Oats.*	*Barley.*
	Barrels.	Bushels.	Bushels.	Bushels.	Bushels.
1892	4,526,770	1,161,406,000	295,388,000	105,814,000	790,300
1893	5,600,335	1,059,299,000	176,216,000	80,284,500	1,252,000
1894	5,116,650	1,251,941,000	131,600,000	67,877,000	1,360,000
1895	5,670 400	1,665,232,000	147,785,000	57,666,000	3,150,000
1896	4,513,000	1,129,600,000	90,501,000	37,458,000	6,120,000
1897	4,846,000	1,283,290,000	107,385,000	50,578,000	6,358,000

of the year were flour 11,708,180 barrels against 14,253,823 barrels in 1896; wheat 96,236,047 bushels against 74,506,798 bushels in 1896; corn 170,258,041 bushels against 116,613,971 bushels in 1896.

The volume of business transacted at the New York Produce Exchange fails to show the increase in activity that was experienced at the Stock Exchange, but the aggregates for 1897 were somewhat larger than for 1896, as the summary in the preceding table indicates.

Compared with the year prior to 1896 the transactions of last year show a considerable falling off.

At the Cotton Exchange there was a heavy decrease in business as well as a decline in prices. The sales of futures were less than 29,500,000 bales against 48,500,000 bales in 1896, and of spot cotton about 450,000 bales as against 405,000 bales in 1896. The highest price recorded for spot cotton in 1897 was 8¼ cents on August 30 and the lowest 5 3-16 on November 15, which prices compare with 8⅞ to 7 1-16 in 1896. The cotton crop of 1897 is now estimated at about 10,400,000 bales, the actual crop in 1896 being 8,714,000 bales.

The situation as regards cotton is not as favorable as in other industries. A heavy reduction has been ordered in wages of the Fall River and other Eastern mills and low prices for print cloths are disheartening to manufacturers. The competition of Southern mills is a potent influence in the situation.

Bank Clearings.—There has been a radical change in the business situation in the last six months, if the record of the transactions of the clearing-houses of the country has any significance. For the year the exchanges of the New York Clearing-House banks aggregated nearly $33,500,000,000, as against about $28,900,000,000 in 1896, an increase of $4,600,000,000 or nearly 16 per cent. The increase, however, has all been since July 1, the clearings for the last half year being about $19,300,000,000 as compared with $14,100,000,000 in 1896, an increase of about 30 per cent. The clearings of the banks outside of New York for the year were about $24,000,000,000 comparing with $22,300,000,000 in 1896, an increase of more than 7 per cent. Here, too, the improvement has all been in the last half of the year, for in the first six months there was a decrease of nearly 3 per cent. In the last six months the clearings were about $13,000,000,000, as against $11,000,000,000 in 1896, an increase of 18 per cent. The clearing-house exchanges annually since 1890 have been:

Year.	*New York.*	*Other cities.*	*Total.*
1890	$37,458,600,000	$23,165,300,000	$60,623,900,000
1891	33,749,300,000	22,987,000,000	56,736,300,000
1892	36,662,500,000	25,348,600,000	62,011,100,000
1893	31,261,000,000	22,962,300,000	54,223,300,000
1894	24,387,800,000	21,188,900,000	45,576,700,000
1895	29,841,800,000	23,440,700,000	53,282,500,000
1896	28,870,800,000	22,304,500,000	51,175,300,000
1897	33,427,000,000	*24,000,000,000	57,427,000,000

* December partly estimated.

The clearings both at New York and outside of that city were larger in 1897 than in any previous year since 1892, and so far as the figures are indicative of an increased activity in business the showing is very satisfactory.

Since the United States adopted its policy of relying solely upon gold as the source of its money supply there has been a steady enlargement of that source of supply. Our exports and imports of gold in the past year about offset each other so there has been neither gain nor loss in that direction. Our domestic supply of gold, however, has substantially increased, the Director of the Mint estimating the production in 1897 at $61,500,000, an increase over 1896 of $8,400,000. We imported about $46,500,000 gold in 1896, so that in the past two years our stock of gold has been increased about $160,000,000, less amount used in the arts and sciences.

There is no prospect of a dearth of gold for some time to come, the Director of the Mint estimating the world's product at about $240,000,000 in 1897, an increase of about $30,000,000 over the product of 1896. The yield of gold is increasing in nearly every gold producing section of the world.

In other sources of wealth the United States has made considerable progress. The coal production in 1807 is estimated by the "Engineering and Mining Journal" at 194,500,000 tons, an increase of 8,000,000 tons over the output of 1896. The production of pig iron aggregated 9,491,000 long tons, the largest amount ever recorded. The output of copper was 475,338,840 pounds, an increase of nearly 8,000,000 pounds. The production of silver declined, being but little more than 56,000,000 ounces, a decrease of 2,250,000 ounces compared with 1896.

The production of pig iron in the United States reached its highest record on December 1, the furnaces in operation having a weekly capacity of 226,024 tons, an increase of 61,960 tons since July 1, and of 66,804 tons since January 1, 1897. The present output is at the rate of about 12,000,000 tons a year, and is close to the full capacity of the furnaces. The output is not likely to be increased to any extent unless the future as to prices become considerably brighter.

Railroad traffic has been increasing steadily and the effect is seen in increased earnings, both gross and net, in the addition of railroads to the dividend paying list and increases in rate of dividends. The placing of new issues of railroad securities has been easier and upon terms more advantageous to the railroads than were possible a few months ago.

Railroad construction, however, continues near the minimum point, the total mileage built in 1897 probably approximating 1,900 miles. The mileage laid in 1896 was 1,997 miles, and in 1895, when the lowest record was made since our railroad system assumed any importance, 1,922 miles. It is possible that when fuller reports have been received the mileage built in 1897 may exceed slightly that of 1895. In 1890 there were 5,637 miles constructed.

There have been fewer financial disasters among the railroads during the year just closed than for a number of years past. Receivers were appointed for eighteen roads during the year; their mileage was 1,537 and capitalization about $93,000,000. This compares with thirty-four roads with a mileage of 5,441 and capitalization of $275,597,000 in 1896. The worst year in recent times was 1893, when seventy-four roads were turned over to receivers, their mileage being 29,340 and capital, including bonds, $1,781,000,000.

Although the strain upon many business concerns was severe during 1897 the record of commercial failures has been exceptionally favorable. According to R. G. Dun & Co. the failures were smaller in 1897 than in any other year since 1892, and smaller in number than in any year except 1895. The aggregate of failures for the year was $180,600,000, of which $25,800,000 were in banking. The average of liabilities per failure was only $11,589. The only years in the past twenty-three years in which as favorable a showing was made were 1885, with an average of $11,078, 1886 $11,651, 1888 $11,595 and 1892 $11,025.

The Money Market.—The past month witnessed a flurry in the local money market, caused by the payments made to the Government on account of the Union Pacific purchase. As only about $13,000,000 was actually withdrawn from the banks and deposited in the Treasury the sharp rise in rates for money which carried them to the highest point touched during the year, indicates a condition which seems to assure a stronger money market in the future than has prevailed for a long time past. Call money was quoted at 5½ per cent. on December 20 and has ruled at from 2 to 4½ per cent. since. Late in the month the Government began making payments on account of the currency 6 per cent. bonds issued in aid of the Pacific Railroads and now redeemable. This with a large flow of money from interior points attracted by the increased rates for money, prevented a further advance. At the close of the month call money ruled at 2 to 4½ per cent. the average rate being about 3¾ per cent. Bank and trust companies quote 3½ @ 4 per cent. as the minimum on Stock Exchange collateral. Time money on Stock Exchange collateral was quoted at 3½ per cent. for 30 days, and 3½ @ 4 per cent. for 60 days to 6 months. For commercial paper the rates are 3½ @ 4 per cent., for 60 to 90 days endorsed bills receivable, 4 @ 5 per cent. for first-class four to six months single names, and 5 @ 6 per cent. for good paper having the same length of time to run. The rates for money in this city on or about the first of the month for the past six months are shown in the following table:

MONEY RATES IN NEW YORK CITY.

	Aug. 1.	*Sept. 1.*	*Oct. 1.*	*Nov. 1.*	*Dec. 1.*	*Jan. 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances	1 –2	1 –1½	3 –3½	1½– 2½	1¾ -2	2½–4
Call loans, banks and trust companies	1 –2	1½–	3½–	2½–	2 –	3½–4
Brokers' loans on collateral, 30 to 60 days	1½–	2½–	3 –	2½	2½–	3½ -
Brokers' loans on collateral, 90 days to 4 months	2 –2½	3 –	3½–4	3½–	2½–3	3½–4
Brokers' loans on collateral, 5 to 7 months	3 –	3½–	4½–5	3½–4	3 –3½	3½–4
Commercial paper, endorsed bills receivable, 60 to 90 days	3½–	3¾–4	4¼–4½	3¾–4	3 –	3½–4
Commercial paper prime single names, 4 to 6 months	3¾–4	4 –4½	4½–5	4 –4½	3½–4	4 –5
Commercial paper, good single names, 4 to 6 months	4½–5	4¾–5	5 –6	4½–5	4 –5	5 –6

EUROPEAN BANKS.—The Bank of England lost nearly $10,000,000 gold during the past month and now holds $18,500,000 less than it did a year ago. The Bank of France lost about $1,000,000 and has $7,500,000 more than on January 1, 1897. The Bank of Germany gained $3,000,000 in the month and $13,500,000 in the year. The Bank of Austria-Hungary lost $8,500,000 in the month but has $30,000,000 more gold than at this time last year.

GOLD AND SILVER IN THE EUROPEAN BANKS.

	November 1, 1897.		*December 1, 1897.*		*January 1, 1898.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
England	£31,928,171	....	£32,377,370	....	£30,458,498	....
France	78,382,764	£48,261,644	78,387,504	£48,888,907	78,114,972	£48,230,367
Germany	26,512,000	13,658,000	28,711,000	14,791,000	29,316,000	15,102,000
Austro-Hungary	37,970,000	12,414,000	38,196,000	12,891,000	36,475,000	12,334,000
Spain	9,228,000	10,520,000	9,238,000	11,050,000	9,431,000	10,800,000
Netherlands	2,630,000	6,702,000	2,629,000	6,736,000	2,629,000	6,820,000
Nat. Belgium	2,753,333	1,376,667	2,741,333	1,370,667	2,824,000	1,412,000
Totals	£189,404,268	£92,932,811	£192,275,207	£94,727,574	£189,243,465	£94,198,367

FOREIGN EXCHANGE.—The sterling exchange market was controlled by the local money market and the advance in loaning rates caused foreign exchange to drop until the lowest figures for the year were recorded on the day before Christmas. In the last week of the month there was an advance in anticipation of an easier money market after the usual disbursement of interest and dividend monies on or about January 1. Some of the long sterling bought in October for investment matured in December and had a weakening tendency upon rates.

RATES FOR STERLING AT CLOSE OF EACH WEEK.

Week ended	Bankers' Sterling. 60 days.	Bankers' Sterling. Sight.	*Cable transfers.*	*Prime commercial. Long.*	*Documentary Sterling. 60 days.*
Dec. 4...........	4.83 @ 4.83¼	4.85¾ @ 4.86	4.86 @ 4.86¼	4.82½ @ 4.82¾	4.82 @ 4.82¼
" 11...........	4.82½ @ 4.82¾	4.85¼ @ 4.85½	4.85¾ @ 4.86	4.82 @ 4.82¼	4.81½ @ 4.81¾
" 18...........	4.82 @ 4.82¼	4.85 @ 4.85¼	4.85¼ @ 4.85½	4.81½ @ 4.81¾	4.81 @ 4.81¼
" 24...........	4.81¼ @ 4.81½	4.84¼ @ 4.84½	4.84½ @ 4.84¾	4.80¾ @ 4.81	4.80¼ @ 4.80½
" 31...........	4.82¼ @ 4.82½	4.84¾ @ 4.85	4.85¼ @ 4.85½	4.81¾ @ 4.82	4.81¼ @ 4.81½

FOREIGN EXCHANGE—ACTUAL RATES ON OR ABOUT THE FIRST OF EACH MONTH.

	Sept. 1.	*Oct. 1.*	*Nov. 1.*	*Dec. 1.*	*Jan. 1.*
Sterling Bankers—60 days	4.83½— ¾	4.82½— ¾	4.82¼— 2½	4.83¼— ½	4.82¼— ½
" " Sight........	4.85½— ¾	4.84¾— 5	4.85¼— 5½	4.86 — ¼	4.84¾— 5
" " Cables........	4.85¾— 6	4.85 — ¼	4.85¾— 6	4.86¼— ½	4.85¼— ½
" Commercial long	4.83 — ¼	4.82 — ¼	4.81¾— 2	4.82¾— 3	4.81¾— 2
" Docu'tary for paym't.	4.82½— ¾	4.81½— ¾	4.81¼— 1½	4.82¼— ½	4.81¼— ½
Paris—Cable transfers	5.18⅛— 7½	5.18¾—	5.18⅛—	5.18⅛—	5.19⅜—
" Bankers' 60 days..........	5.20 1/16—20	5.21¼—	5.20⅝—	5.20⅝—	5.21⅞—
" Bankers' sight...........	5.18⅛—	5.19⅜— 8¾	5.18¾—	5.18¾— ⅛	5.20⅝— 1/16
Antwerp—Commercial 60 days.	5.22½— 1⅞	5.23⅛—	5.22½— 1⅞	5.22½— 1⅞	5.24⅜— 3¾
Swiss—Bankers' sight...........	5.18¾— ⅛	5.20 —19⅜	5.19⅜—	5.20⅝—	5.22½— 1⅞
Berlin—Bankers' 60 days........	94 13/16— ⅞	94½— 9/16	94⅝— 11/16	94¾— 13/16	94 7/16— ½
" Bankers' sight..........	95¼— 5/16	95⅛— 3/16	95 5/16— ⅜	95 7/16— ½	95⅛— 3/16
Brussels—Bankers' sight.........	5.18¾— ½	5.20 —19⅜	5.19⅜—	5.18¾—	5.21¼—20⅝
Amsterdam—Bankers' sight....	40⅛— 3/16	40⅛— 3/16	40 3/16— ¼	40¼— 5/16	40⅛— 3/16
Kronors—Bankers' sight	26⅞— 15/16	26⅞— 15/16	26⅞— 15/16	26⅞— 15/16	26 13/16— ⅞
Italian lire—sight...............	5.44⅜— 2⅜	5.46¼ - 3¼	5.46½— 3½	5.45 — 2	5.45¼— 2¼

BANK OF ENGLAND STATEMENT AND LONDON MARKETS.

	Sept. 15, 1897.	*Oct. 13, 1897.*	*Nov. 17, 1897.*	*Dec. 8, 1897.*
Circulation (exc. b'k post bills)..........	£27,357,105	£27,872,765	£27,205,140	£27,122,695
Public deposits............................	7,620,581	7,178,852	7,201,055	7,623,919
Other deposits.............................	40,119,267	40,532,667	37,149,557	35,917,994
Government securities.....................	13,429,726	15,258,726	12,876,416	12,726,815
Other securities...........................	27,987,609	29,381,214	27,883,742	26,798,215
Reserve of notes and coin................	24,754,644	20,924,263	21,511,893	21,854,419
Coin and bullion...........................	35,311,749	31,997,028	31,917,038	32,177,114
Reserve to liabilities.....................	51¾%	43 11/16%	48¾%	50%
Bank rate of discount..................	2%	3%	3%	3%
Market rate, 3 months' bills.............	2%	2½%	2⅞%	2 11/16%
Price of Consols (2¾ per cents.)..........	111⅜	111 11/16	113 1/16	112 13/16
Price of silver per ounce.................	25⅞	26⅝d.	27 d.	27⅜d.
Average price of wheat...................	33s. 1d.	32s. 1d.	34s. 0d.	33s. 9d.

MONEY RATES ABROAD.—There has been little change in the money markets of Europe during the past month. The Bank of England rate of discount continues unchanged at 3 per cent. Discounts of 60 to 90 day bills in London at the close of

MONEY RATES IN FOREIGN MARKETS.

	July 16.	*Aug. 13.*	*Sept. 17.*	*Oct. 16.*	*Nov. 12.*	*Dec. 10.*
London—Bank rate of discount.....	2	2	2	3	3	3
Market rates of discount:						
60 days bankers' drafts......	⅞	1½	2	2⅜—2½	2⅞	2⅞
6 months bankers' drafts....	1¼	2¼	2½	2⅝— ¾	2¾—	2¾—
Loans—Day to day...........	½	½	1	1¼	1½	2
Paris, open market rates............	1¾	1¾	1⅞	2	2	2
Berlin, "	2⅝	2¾	3½	4	4½	4½
Hamburg, "	2⅝	2⅞	3½	4⅛	4⅛	4⅝
Frankfort, "	2½	2⅝	3½	4¼	4¼	4¾
Amsterdam, "	2⅝	2¼	2½	3	3	2½
Vienna, "	3¼	3 1/16	4	3⅞	3¾	3⅞
St. Petersburg, "	5¾	4½	5	5	5	5
Madrid, "	4	4	4	4	4	4
Copenhagen, "	5	4	4½	5	5	5

the month were 3 per cent. against 2 15-16 per cent. a month ago. The open market rate at Paris was 2 per cent., the same as a month ago; at Berlin and Frankfort 3¾ per cent., a decline of ⅝ per cent.

Silver.—The price of silver in London was weak during the greater part of the month. After advancing to 27¾d on December 6, the market declined until on December 17 the price touched 25 15-16d from which it recovered to 26⅝ at the close of the month, a decline of ⅞d for the month.

Monthly Range of Silver in London—1895, 1896, 1897.

Month.	1895.		1896.		1897.		Month.	1895.		1896.		1897.	
	High	Low.	High	Low.	High	Low.		High	Low.	High	Low.	High	Low.
January..	27 7/16	27 5/16	30⅛	30⅞	29 13/16	29 11/16	July......	30⅝	30¼	31⅝	31⅜	27 11/16	26⅜
February	27 13/16	27¼	31 3/16	30¾	29¾	29 11/16	August ..	30 9/16	30¼	31⅝	30⅝	26⅛	23¾
March....	30¼	27⅝	31 13/16	31⅛	29⅜	28 5/16	Septemb'r	30 9/16	30 7/16	30 11/16	30	27¼	23¾
April.....	30⅞	29⅞	31 5/16	30 13/16	28⅛	28 5/16	October..	31⅜	30⅝	30 5/16	29¾	27⅛	26
May......	30⅞	30 5/16	31 5/16	30 11/16	28 5/16	27⅝	Novemb'r	31	30⅝	30 5/16	29¾	27½	26⅜
June.....	30 11/16	30⅛	31 7/16	31 7/16	27¾	27⅛	Decemb'r	30 11/16	30	30	29 13/16	27¾	25 5/16

Coin and Bullion Quotations.—Following are the ruling quotations in New York for foreign and domestic coin and bullion:

Foreign and Domestic Coin and Bullion—Quotations in New York.

	Bid.	Asked.		Bid.	Asked.
Trade dollars....................	$ .60	......	Twenty marks..................	$4.74	$4.78
Mexican dollars................	.46¼	$ .47¼	Spanish doubloons.............	15.50	15.70
Peruvian soles, Chilian pesos..	.41	.43½	Spanish 25 pesos................	4.78	4.82
English silver.....................	4.83	4.86	Mexican doubloons............	15.50	15.70
Victoria sovereigns............	4.84	4.87	Mexican 20 pesos...............	19.50	19.60
Five francs.......................	.93	.95	Ten guilders......................	3.95	3.99
Twenty francs..................	3.83	3.87			

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 26⅝d. per ounce. New York market for large commercial silver bars, 57⅜ @ 58¼c. Fine silver (Government assay), 57¼ @ 58⅝c.

Gold and Silver Coinage.—There was coined at the United States mints in December $3,626,642 gold, $1,977,167 silver, of which $1,604,380 was in silver dollars and $137,671 minor coin, a total of $5,741,481.

Coinage of the United States.

	1896.		1897.	
	Gold.	Silver.	Gold.	Silver.
January..	$12,914,600	$65,000	$7,803,420	$1,964,800
February...	1,240,000	1,500,000	10,152,000	1,519,794
March	1,540,555	1,683,581	18,770,900	1,617,654
April..	1,500,000	1,831,000	8,800,400	1,535,000
May...	2,857,200	1,826,490	4,489,950	1,600,000
June..	2,471,217	1,950,693	2,100,547	1,856,754
July...	2,918,200	1,092,000	377,000	260,000
August..	3,315,000	2,686,000	8,756,250	701,436
September..	3,140,923	2,754,185	8,762,875	1,050,092
October...	5,727,500	2,844,010	3,845,000	2,301,000
November...	5,064,700	2,305,022	3,544,000	2,108,000
December..	4,363,165	2,551,968	3,626,642	1,977,167
Year..	$47,052,561	$23,089,899	$76,028,484	$18,486,697

National Bank Circulation.—While the decrease in National bank notes outstanding last month was only $619,426 there was an increase of $4,970,054 in lawful money deposited to retire circulation, showing that this class of currency is being contracted rapidly. During the year there was a decrease of $6,646,100 in notes outstanding and an increase in deposits to retire circulation of $13,058,114, making the total reduction in bank currency $19,704,214, the amount of which is now only about $196,000,000.

NATIONAL BANK CIRCULATION.

	Sept. 30, 1897.	*Oct. 31, 1897.*	*Nov. 30, 1897.*	*Dec. 31, 1897.*
Total amount outstanding	$230,725,491	$230,047,635	$229,549,707	$228,930,281
Circulation based on U. S. bonds	205,604,781	203,926,950	201,735,572	196,146,093
Circulation secured by lawful money	25,120,710	26,120,685	27,814,135	32,784,188
U. S. bonds to secure circulation:				
Four per cents. of 1895	31,568,150	30,474,150	28,996,650	27,256,150
Pacific RR. bonds, 6 per cent	9,556,000	9,030,000	8,778,000	3,730,000
Funded loan of 1891, 2 per cent	22,159,150	22,039,650	22,066,400	22,096,250
" " 1907, 4 per cent	150,194,600	150,288,100	149,419,600	149,581,400
Five per cents. of 1894	15,870,650	15,910,650	16,096,650	16,329,150
Total	$229,348,550	$227,742,550	$225,359,300	$218,992,950

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1895, $6,310,000; Pacific Railroad 6 per cents., $6,715,000; 2 per cents of 1891, $1,405,500; 4 per cents of 1907, $19,960,000; 5 per cents. of 1894, $5,880,000; District of Columbia 3.65s.-1924, $300,000, a total of $39,590,500.

The circulation of National gold banks, not included in the above statement, is $84,360.

GOVERNMENT REVENUES AND DISBURSEMENTS.—The Treasury statement for December shows an excess of revenues over expenditures aggregating $32,551,698,

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.			EXPENDITURES.		
Source.	*December, 1897.*	*Since July 1, 1897.*	*Source.*	*December, 1897.*	*Since July 1, 1897.*
Customs	$11,660,789	$62,825,021	Civil and mis	$7,180,000	$55,497,146
Internal revenue	14,342,929	85,498,204	War	3,728,000	35,011,817
Miscellaneous	33,642,980	59,437,349	Navy	2,983,000	17,164,107
			Indians	638,000	4,945,571
			Pensions	12,206,000	76,483,991
Total	$59,646,698	$207,760,574	Interest	360,000	18,562,967
Excess of receipts	$32,551,698	$95,454	Total	$27,095,000	$207,665,119

UNITED STATES TREASURY CASH RESOURCES.

	Sept. 30.	*Oct. 31.*	*Nov. 30.*	*Dec. 31.*
Net gold	$147,621,963	$153,551,811	$157,113,988	$160,726,563
Net silver	14,156,727	15,578,985	15,753,187	13,229,565
U. S. notes	41,403,141	39,875,497	35,884,800	41,786,210
Miscellaneous assets (less current liabilities)	*4,985,131	*15,097,480	*23,743,591	*16,677,113
Deposits in National banks	17,392,278	17,638,555	31,759,834	50,262,596
Available cash balance	$215,587,978	$211,547,369	$216,768,220	$251,327,822

* Excess of liabilities.

UNITED STATES GOVERNMENT RECEIPTS AND EXPENDITURES AND NET GOLD IN THE TREASURY.

MONTH.	*1896.*			*1897.*		
	Receipts.	*Expenditures.*	*Net Gold in Treasury.*	*Receipts.*	*Expenditures.*	*Net Gold in Treasury.*
January	$29,237,670	$32,529,340	$49,845,507	$24,316,994	$30,269,389	$144,800,493
February	26,059,228	26,749,956	123,962,979	24,400,997	28,796,056	148,661,209
March	26,041,149	27,274,994	128,646,461	36,217,662	27,212,998	152,786,464
April	24,282,893	28,967,381	125,393,900	37,812,135	32,072,097	153,340,889
May	24,643,718	28,426,592	108,345,234	29,797,390	29,109,259	144,319,562
June	27,794,219	25,444,789	101,699,605	36,584,708	22,934,694	140,790,738
July	29,029,209	42,088,468	110,718,746	39,027,364	50,100,909	140,817,699
August	25,562,097	35,701,676	100,957,561	19,023,615	33,588,047	144,216,377
September	24,584,244	26,579,535	124,034,672	21,933,098	25,868,815	147,663,105
October	26,282,829	33,978,277	117,126,523	24,391,415	33,701,512	153,573,147
November	25,210,696	33,260,720	131,510,352	43,363,605	37,810,839	*155,815,111
December	25,857,114	23,812,664	137,316,543	59,646,698	27,095,000	160,726,563

* This balance as reported in the Treasury sheet on the last day of the month.

sufficient to wipe out the deficit of the previous five months and leave a surplus of $95,454. This would be a very favorable exhibit were it an exact portrayal of the situation, but the statement includes receipts from the sale of the Pacific Railroad which must be at once used in redeeming bonds issued by the Government. There was in fact a small surplus for the month, but December being a month in which interest payments are very small, only $360,000 last month, while in January they will be $7,000,000, a deficit this month seems unavoidable. The increase in receipts from customs last month to $11,660,000 is one of the most encouraging features of the statement although internal revenue receipts are also very large.

New York City Banks.—During the entire month the loans and deposits of the New York Clearing-House banks have been larger than at any previous time in their history. For the first time the aggregate loans exceeded $600,000,000 on December 11 and on the same date deposits for the first time exceeded $675,000,000. Loans reached the highest figure on December 24, $610,606,300, but fell about $3,000,000 the following week. Deposits reached their maximum figure, $675,169,900, on December 11 and at the close of the year were only about $100,000 below that amount. Reserves have not changed very much but the surplus reserve was reduced to nearly $11,500,000 on December 24 but increased to about $15,800,000 on December 31. The adjust-

New York City Banks—Condition at Close of each Week.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
Dec. 4...	$597,744,000	$104,489,800	$84,202,800	$666,278,600	$22,122,950	$15,916,000	$798,830,900
" 11...	607,725,300	103,879,900	83,800,000	675,169,900	18,887,425	15,854,200	783,921,600
" 18...	606,679,300	104,267,000	78,931,900	669,891,400	15,726,050	15,751,100	865,245,500
" 24...	610,606,300	104,403,700	74,402,900	669,182,600	11,523,450	15,728,500	629,611,100
" 31...	607,781,600	104,730,700	79,824,100	675,064,200	15,788,750	15,507,200	739,857,300

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

Month.	1896.		1897.		1898.	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$501,089,300	$15,939,675	$530,785,000	$33,286,950	$675,064,200	$15,788,750
February......	490,447,200	39,623,400	563,331,800	59,148,250		
March.........	489,612,200	24,442,150	573,769,300	57,520,975		
April..........	481,795,700	17,005,975	569,226,500	47,666,575		
May...........	495,004,100	22,944,275	576,863,900	48,917,625		
June	498,874,100	22,230,675	575,600,000	46,616,100		
July	499,046,900	20,328,275	604,983,700	41,384,875		
August........	485,014,000	17,728,600	623,045,000	45,720,150		
September....	451,934,800	8,836,200	636,996,000	39,517,700		
October.......	454,733,100	16,526,025	619,353,200	15,550,400		
November	446,445,900	17,463,225	625,339,000	24,271,800		
December.....	490,634,300	31,411,625	666,278,600	22,122,950		

Deposits reached the highest amount, $675,169,900 on December 11, 1897, and the surplus reserve $111,623,000 on February 3, 1894.

Non-Member Banks—New York Clearing-House.

	Loans and Investments.	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Surplus.*
Dec. 4.....	$60,234,000	$64,276,100	$3,190,900	$4,015,400	$7,945,100	$2,546,100	$1,628,475
" 11.....	60,239,900	64,780,200	3,278,700	4,115,700	8,439,200	2,442,400	2,069,950
" 18.....	60,474,900	66,205,900	3,306,400	4,011,100	9,476,000	2,432,100	2,674,125
" 24.....	60,694,800	65,899,300	3,345,000	4,063,900	8,435,200	2,606,600	1,975,875
" 31.....	61,199,400	66,800,900	3,342,100	4,317,400	8,706,000	2,494,900	2,160,175

ment of the Pacific Railroad indebtedness due the Government has caused important changes in the bank statements and influenced the money market. The Government has begun to make payments on account of the Pacific Railway aid bonds, and shortly the effect of these large transactions will cease to be felt.

Boston and Philadelphia Banks.—The changes in the condition of the clearing-house banks of Boston and Philadelphia are shown in the following tables:

BOSTON BANKS.

Dates.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
Dec. 4........	$180,208,000	$184,168,000	$11,829,000	$9,591,000	$6,418,000	$109,022,600
" 11........	181,458,000	186,981,000	11,829,000	9,845,000	6,238,000	105,025,900
" 18........	181,292,000	189,342,000	11,649,000	10,496,000	5,705,000	112,598,500
" 24........	181,360,000	185,178,000	11,644,000	9,985,000	5,698,000	86,866,500
" 31........	181,764,000	188,767,000	11,754,000	8,698,000	5,597,000	106,449,980

PHILADELPHIA BANKS.

Dates.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
Dec. 4....................	$117,746,000	$129,259,000	$38,527,000	$6,503,000	$82,026,500
" 11....................	117,308,000	127,760,000	38,186,000	6,520,000	67,662,300
" 18....................	116,858,000	128,994,000	38,741,000	6,360,000	76,783,000
" 24....................	114,413,000	125,453,000	38,189,000	6,285,000	62,008,000
" 31....................	113,558,000	125,418,000	38,311,000	6,021,000	60,852,400

Money in the United States Treasury.—About all the increase in the stock of money in the country was absorbed by the Treasury last month, the increase in the Treasury net cash balance being $6,500,000. The balance is now $234,000,000 of which about $161,000,000 is in gold. A year ago the balance was $21,000,000 larger but the Treasury held $24,000,000 less gold than it does now.

MONEY IN THE UNITED STATES TREASURY.

	Oct. 1, 1897.	*Nov. 1, 1897.*	*Dec. 1, 1897.*	*Jan. 1, 1898.*
Gold coin..................................	$154,338,370	$153,417,782	$151,965,892	$151,910,176
Gold bullion..................................	30,223,294	36,969,525	42,123,368	45,559,060
Silver Dollars..................................	394,948,022	392,517,014	392,963,031	394,327,049
Silver bullion..................................	105,078,550	104,853,852	103,531,722	102,284,736
Subsidiary silver..................................	13,455,175	11,961,078	11,191,680	10,679,899
United States notes..................................	94,885,472	87,684,018	84,496,016	84,200,089
National bank notes..................................	3,814,835	4,998,012	4,678,007	5,186,886
Total..................................	$796,743,718	$792,421,231	$790,921,666	$794,147,895
Certificates and Treasury notes, 1890, outstanding..................................	554,159,921	559,697,983	563,340,774	560,012,217
Net cash in Treasury..................................	$242,583,797	$232,723,248	$227,580,892	$234,135,678

Foreign Trade.—The returns of the foreign trade movement for November show that for three successive months the exports of merchandise have exceeded $100,000,000 per month, the total for November being $116,680,290, the largest since December, 1896, when the aggregate was nearly $117,186,000. They exceed those of November last year by more than $7,500,000. The imports increased $2,400,000 over those of October and nearly $2,300,000 over those of November last year, and were the largest for any corresponding month in the past five years excepting in 1895. There was a net balance of exports for the month of more than $64,000,000, but we imported gold including ore $2,300,000, and exported about $1,900,000 of silver including ore. The aggregate net exports therefore were about $63,850,000. For the eleven months of the year the net exports of merchandise were more than $283,500,000, while the gold and silver exports increase the balance to about $308,500,000 as against about $252,000,000 in 1895. With the returns for December completed the aggregate merchandise exports and total net exports of merchandise and specie will exceed those of any previous calendar year.

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF NOVEMBER.	MERCHANDISE. Exports.	Imports.	Balance.	Gold Balance.	Silver Balance.
1892	$97,703,824	$67,699,040	Exp., $30,044,784	Imp., $1,438,565	Exp., $1,179,003
1893	91,659,698	49,263,363	" 42,396,335	" 4,139,832	" 3,247,190
1894	79,954,005	50,567,482	" 29,386,523	" 1,507,388	" 2,881,728
1895	87,312,581	63,344,817	" 23,967,764	Exp., 18,468,188	" 4,384,536
1896	109,072,839	50,043,288	" 59,029,551	Imp., 6,920,829	" 3,197,712
1897	116,630,290	52,352,331	" 64,277,959	" 1,805,968	" 3,434,972
ELEVEN MONTHS.					
1892	850,874,842	775,804,599	Exp., 75,070,243	Exp., 47,741,921	Exp., 11,363,914
1893	782,557,052	726,324,057	" 56,232,995	" 5,105,131	" 23,700,254
1894	740,225,402	614,177,510	" 126,047,892	" 71,787,924	" 34,316,519
1895	732,331,019	739,468,300	Imp., 7,137,381	" 57,895,388	" 38,271,098
1896	888,651,315	622,598,896	Exp., 266,052,419	Imp., 42,552,754	" 45,019,015
1897	974,612,895	691,091,090	" 283,521,805	Exp., 6,680,752	" 41,534,951

UNITED STATES PUBLIC DEBT.—As long as the money received by the Government on account of the Union Pacific Railroad remains undisbursed for the bonds redeemable by the Government, the public debt statement will not show the actual condition of the debt. The money thus received is almost solely responsible for the apparent decrease in the net debt of $10,000,000 last month as well as for the $11,-000,000 decrease reported in November. While there has been a deficit of about $5,000,000 in the past two months the cash in the Treasury shows an increase of nearly $28,000,000, and the net debt a decrease of $21,000,000. When the Pacific Railroad bonds have been redeemed these inconsistencies will be removed and the net debt will stand nearer $1,020,000,000 than $999,000,000.

UNITED STATES PUBLIC DEBT.

	Oct. 1, 1897.	Nov. 1, 1897.	Dec. 1, 1897.	Jan. 1, 1898.
Interest bearing debt:				
Funded loan of 1891, 2 per cent	$25,364,500	$25,364,500	$25,364,500	$25,364,500
" " 1907, 4 "	559,641,200	559,641,300	559,641,500	559,641,500
Refunding certificates, 4 per cent	44,440	44,360	44,220	44,220
Loan of 1904, 5 per cent	100,000,000	100,000,000	100,000,000	100,000,000
" 1925, 4 "	162,315,400	162,315,400	162,315,400	162,315,400
Total interest-bearing debt	$847,365,540	$847,365,560	$847,365,620	$847,365,620
Debt on which interest has ceased	1,334,570	1,331,540	1,331,280	1,330,270
Debt bearing no interest:				
Legal tender and old demand notes	346,735,363	346,735,363	346,735,363	346,735,363
National bank note redemption acct.	24,992,324	26,000,524	27,570,824	32,268,146
Fractional currency	6,887,702	6,887,702	6,886,937	6,886,937
Total non-interest bearing debt	$378,615,390	$379,623,590	$381,193,125	$385,890,446
Total interest and non-interest debt	1,227,315,500	1,228,320,690	1,229,890,025	1,234,586,337
Certificates and notes offset by cash in the treasury:				
Gold certificates	38,434,169	38,348,169	38,274,149	38,128,149
Silver "	385,152,504	384,170,504	384,963,504	387,925,504
Certificates of deposit	54,150,000	48,625,000	48,890,000	44,555,000
Treasury notes of 1890	111,334,280	109,318,280	107,793,280	106,348,280
Total certificates and notes	$589,070,953	$580,456,953	$579,920,933	$576,956,933
Aggregate debt	1,816,386,453	1,808,777,643	1,809,810,958	1,811,543,270
Cash in the Treasury:				
Total cash assets	850,368,631	831,669,957	846,409,076	861,391,370
Demand liabilities	635,175,844	623,913,858	625,745,517	625,916,601
Balance	$215,192,787	$207,756,099	$220,663,559	$235,474,769
Gold reserve	100,000,000	100,000,000	100,000,000	100,000,000
Net cash balance	115,192,787	107,756,099	120,663,559	135,474,769
Total	$215,192,787	$207,756,099	$220,663,559	$235,474,769
Total debt, less cash in the Treasury	1,012,122,713	1,020,564,591	1,009,226,466	999,111,568

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of December, and the highest and lowest during the year 1897, by dates, and also, for comparison, the range of prices in 1896:

	Year 1896.		Highest and Lowest in 1897.		December, 1897.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	18	8¼	17 —Sept. 18	9⅛—Apr. 19	14	12⅝	12⅞
" preferred	28⅛	14⅛	35½—Sept. 8	17 —Apr. 19	31⅝	27⅝	30⅝
Atlantic & Pacific	1	⅝	1½—Aug. 12	⅛—Apr. 7	....	....	....
Baltimore & Ohio	44	10⅛	21⅛—Sept. 20	9 —July 10	15	12⅝	14
Bay State Gas	33	7	16¾—Aug. 31	3⅞—Oct. 27	6⅛	3⅞	4
Brooklyn Rapid Transit	25⅛	18	37⅝—Dec. 31	18⅝—Jan. 7	37⅝	31½	37¼
Canadian Pacific	62¾	52	82 —Dec. 16	46½—Mar. 29	82	80½	81¼
Canada Southern	51¾	40¾	62⅛—Sept. 16	44½—Jan. 13	56⅞	51⅝	51⅝
Central of New Jersey	110	87½	103¼—Jan. 19	68¼—May 24	98½	82¾	96
Central Pacific	16⅛	13⅛	18 —Sept. 28	7½—Apr. 20	12½	10½	11⅞
Ches. & Ohio vtg. ctfs	18½	11	27⅛—Aug. 30	15⅝—Mar. 29	23	21	22¼
Chicago & Alton	164	146	170 —Mar. 1	140 —Nov. 3	163½	160	162
Chicago, Burl. & Quincy	83¾	53	102¼—Sept. 20	69⅝—Jan. 5	100⅞	94⅝	99⅛
Chicago & E. Illinois	43	37⅛	61 —Sept. 8	37¼—June 7	....	....	....
" preferred	100½	90	103 —Sept. 14	95 —Feb. 8	100	100	100
Chicago Gas	78¾	44⅝	108¾—Sept. 18	73¼—Jan. 5	....	....	....
Chic., Milwaukee & St. Paul	80	59⅞	102 —Sept. 15	69¼—Apr. 19	96¼	92¾	94⅝
" preferred	131	117½	146 —Sept. 4	130½—May 6	142¾	140¾	142¾
Chicago & Northwestern	103¾	85½	132½—Sept. 15	101¾—Apr. 19	124¼	119¾	121¾
" preferred	152	140¾	165½—Sept. 22	153 —Jan. 12	165½	163¼	163½
Chicago, Rock I. & Pacific	74⅞	49¼	97¼—Sept. 20	60¼—Apr. 19	92½	88⅝	89¾
Chic., St. Paul, Minn. & Om.	49¾	30⅛	89½—Sept. 16	47 —Jan. 2	79¾	77	77¾
" preferred	133	117	150⅝—Dec. 16	133 —Jan. 7	150⅝	150	150⅝
Clev., Cin., Chic. & St. Louis	39½	19⅛	41½—Sept. 15	21⅛—June 1	37	33¾	34¾
" preferred	90½	73	86½—Sept. 8	63 —June 16	83½	80	83½
Col. Coal & Iron Devel. Co	4⅛	¼	2 —Aug. 13	⅜—July 2	....	....	....
Col. Fuel & Iron Co	34¼	14⅝	27⅞—Sept. 14	15¾—May 11	26	21½	25¾
Col. Hocking Val. & Tol	20½	12½	18 —Jan. 8	1½—Apr. 30	5⅞	4¾	5⅜
" preferred	60	48	46 —Jan. 21	14 —Aug. 3	17¼	15	15
Consolidated Gas Co	168	133	241½—Sept. 16	136½—Jan. 2	189½	175	177
Delaware & Hud. Canal Co	129⅝	114⅛	123 —Sept. 18	99⅝—Apr. 1	114	108	111¾
Delaware, Lack. & Western	166	138	164 —Aug. 12	146½—May 20	157½	151½	155
Denver & Rio Grande	14	10	14¾—Aug. 14	9¼—Apr. 20	12¼	12¼	12¼
" preferred	51	37	50½—Aug. 16	36 —Apr. 20	46⅜	44½	46
Edison Elec. Illum. Co., N. Y.	101½	89	132½—Sept. 17	101¾—Jan. 2	125	125	125
Erie	17¾	10¼	19 —Sept. 16	11½—Apr. 19	15¼	14⅝	14⅝
" 1st pref	41¾	27	40⅝—Sept. 16	27 —Apr. 19	39¼	35⅝	38¼
" 2d pref	25	13	25⅝—Aug. 12	15½—May 24	20½	19	20⅝
Evansville & Terre Haute	34½	24	34 —Sept. 20	20 —June 8	....	....	....
Express Adams	154	135	165 —Oct. 29	147¼—Feb. 11	160	155	160
" American	116	105	119½—Nov. 30	109½—Jan. 28	119½	115½	117½
" United States	48	35	48 —July 23	37 - Feb. 3	42	40	40
" Wells, Fargo	101	80	120 —Dec. 13	97 —Jan. 2	120	111½	116
Great Northern, preferred	122	106¼	141 —Sept. 4	120 —Jan. 16	133	133	133
Illinois Central	98	84½	110¾—Aug. 7	91½—Apr. 19	104⅝	101⅝	103¾
Iowa Central	10¼	5⅛	13¾—Sept. 4	6 —Apr. 15	9¾	9	9
" preferred	38	19	41¾—Sept. 4	23 —June 8	34	32	32
Laclede Gas	30	17	49¾—Aug. 31	22 —May 4	45¾	43	43¼
" preferred	86¼	68¼	96 —Aug. 31	70¼—Mar. 23	93	90	91
Lake Erie & Western	22½	12½	22½—Sept. 18	13 —July 15	17⅝	15½	16½
" preferred	75	55½	79⅞—Sept. 20	58¼—Apr. 1	73	69	72¼
Lake Shore	156	134¾	181 —Sept. 16	152 —Jan. 2	175	171	171
Long Island	84	40½	55 —Jan. 8	38 —Dec. 15	39½	38	39½
Louisville & Nashville	55⅝	37½	63⅞—Sept. 3	40⅛—Apr. 19	58⅜	54⅝	56⅞
Louis., N. A. & Chic., Tr. ctfs.	10½	¼	⅛—June 23	¼—Jan. 11	....	....	....
" preferred	24¾	1	.....	.....	....	....	....
Manhattan consol	113½	73¼	113 —Sept. 10	81¾—May 7	112½	100¾	111⅞
Metropolitan Traction	114	79¼	125 —Sept. 3	99⅝—May 3	....	....	....
Michigan Central	97⅞	89	111⅞—Sept. 16	90 —Jan. 28	104⅞	101¾	103½
Minneapolis & St. Louis	21¾	12	31½—Sept. 16	16 —May 14	27⅝	25	25⅞
" 1st pref	83	54	90 —Sept. 16	77¾—Mar. 18	88⅞	88⅞	88⅞
" 2d pref	53½	30	62¾—Sept. 16	46 —Feb. 25	59¼	56	58
Missouri, Kan. & Tex	14¾	9⅛	16⅞—Sept. 16	10 —Apr. 19	13¾	13	13
" preferred	31⅛	16	42 —Sept. 15	24¾—Apr. 19	37	34	35¾

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	YEAR 1896.		HIGHEST AND LOWEST IN 1897.		DECEMBER, 1897.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Missouri Pacific	29¾	15	40¼—Sept. 7	10 —May 6	35⅞	29½	34
Mobile & Ohio	25	14	32 —Aug. 19	18 —June 3	30¼	27	29⅞
N. Y. Cent. & Hudson River	99¾	88	115⅛—Sept. 16	92⅛—Feb. 18	108⅝	106⅜	106⅝
N. Y. Chicago & St. Louis	15	9	17⅝—Sept. 3	11 —Feb. 11	14	13	13
" 1st preferred	80	67½	81⅛—Sept. 4	67⅝—Apr. 15	....	....	....
" 2d preferred	35⅝	20	43½—Sept. 20	24 —Feb. 10	36	34	35
N. Y., New Haven & Hartf'd	186	160	186 —Sept. 20	160 —Feb. 2	183⅛	180	183⅛
N. Y., Ontario & Western	16⅝	11⅛	20½—Sept. 16	12¾—Apr. 19	16⅝	15⅛	15½
N. Y., Sus. & Western	12	6	20 —Sept. 16	6⅛—May 28	19⅝	18⅛	19⅞
" preferred	31¼	12	45 —Sept. 17	18¼—May 20	36¼	32¼	33¼
Norfolk & Western	12¾	⅛	17¼—Sept. 10	9 —Apr. 19	15¾	14⅞	15⅛
" preferred	19¾	4⅛	48½—Dec. 15	17 —Feb. 16	48½	42½	47½
North American Co	6⅛	3⅛	6⅛—Aug. 13	3⅝—Apr. 20	4¾	4⅛	4⅞
Northern Pacific tr. receipts	16⅞	¼	22⅝—Dec. 15	11 —Apr. 19	22⅝	19⅛	21⅛
" pref tr. receipts	36	10	61⅝—Dec. 15	32⅛—Jan. 5	61⅝	55⅝	59
Oregon Railway & Nav	24	10	41 —Sept. 10	10 —Apr. 20	37¾	35¼	35¼
" preferred	40¼	35	73½—Sept. 11	37⅞—Jan. 8	71½	68½	69½
Oregon Short Line	18⅛	3⅛	23¾—Aug. 16	10⅞—Mar. 30	19½	18	19
Pacific Mail	31	15¼	39¼—Sept. 2	24 —Jan. 9	32	29	29¾
Peoria, Dec. & Evansville	3⅞	1¼	3⅞—Aug. 17	¼—June 2	1⅛	⅝	⅝
Pitts., Cin. Chic. & St. Louis	18¼	11	39½—Dec. 20	11½—Mar. 29	39½	33¾	39
" preferred	59	40⅛	70½—Oct. 20	44⅛—June 25	69½	65¾	66
Pullman Palace Car Co	164	138	185 —Sept. 16	152 —Jan. 2	173½	172	173
Reading Voting Tr. ctfs	....	....	29¼—Sept. 18	16¼—Apr. 19	24	20¾	22
" 1st prefered	....	....	57¾—Sept. 20	38½—Apr. 19	53⅝	47	51⅛
" 2d preferred	....	....	35⅞—Sept. 20	22½—Apr. 19	29⅝	26	27¾
Rome, Wat. Ogdens' g	118	108	122½—Dec. 22	117 —Jan. 26	122½	121⅛	122½
St. Louis & San Francisco	5⅝	4	9 —Aug. 12	4 —Apr. 19	8⅛	7⅛	7⅛
" 1st preferred	37	34¼	59⅝—Dec. 13	37 —Jan. 29	59⅝	56⅝	56¾
" 2d preferred	14⅛	12	27½—Dec. 15	12 —Apr. 15	27⅛	22¾	26½
St. Louis & Southwestern	5¾	2⅞	7 —Aug. 16	1 —Apr. 1	5	4	4¼
" preferred	13	6½	14⅜—Sept. 3	3½—Apr. 1	11	9⅞	9⅞
St. Paul & Duluth	27½	15	30 —Sept. 10	20 —Jan. 4	21	21	21
" preferred	91	75	87½—Oct. 4	75 —Apr. 20	81¾	81¾	81¾
St. Paul, Minn. & Manitoba	115	105	125 —Aug. 6	114 —Jan. 28	124	121	122
Southern Pacific Co	22¼	14	23⅛—Sept. 8	13½—Jan. 13	21¾	20¼	20½
Southern Railway	11¾	6½	12¼—Sept. 10	7 —Apr. 19	9¾	8⅝	9½
" preferred	33¼	15½	38⅜—Sept. 10	22⅞—Mar. 19	33⅞	29½	31⅝
Tennessee Coal & Iron Co	34¾	13	35⅛—Sept. 9	17 —May 20	26¾	24½	26
Texas & Pacific	12	5	15 —Aug. 30	8 —Apr. 1	12⅛	10¾	11¼
Union Pacific trust receipts	12½	3⅞	27¾—Oct. 20	4½—Apr. 19	26½	23⅞	25¾
Union Pac., Denver & Gulf	5½	1⅛	11⅝—Sept. 23	1 —Apr. 24	8½	6⅝	6¾
Wabash R. R	8	4½	9¾—Sept. 23	4⅝—Mar. 29	8⅛	7⅛	7¼
" preferred	19¾	11	24⅜—Sept. 20	11½—Apr. 19	19½	17⅝	17⅞
Western Union	90¼	72¾	96¼—Sept. 11	77¼—Apr. 30	91⅞	87½	91¼
Wheeling & Lake Erie	13¼	5¼	6½—Jan. 2	½—June 1	2¾	2	2
" preferred	40¾	20⅝	29 —Jan. 5	2⅝—Apr. 15	11¾	10	10
Wisconsin Central	4⅜	1⅝	4⅝—Aug. 12	1 —June 3	2	1¼	1¼
"INDUSTRIAL"	STOCKS:						
American Co. Oil Co	19	8	26⅞—Sept. 2	9½—May 28	24¼	21¾	22½
" preferred	68⅞	37	80½—Sept. 1	52¼—Feb. 16	77	73½	76
American Spirits Mfg Co	14⅞	4½	15⅞—Aug. 6	6½—Dec. 24	8¾	6½	8
" preferred	33¼	14¾	36 —Aug. 5	15 —Dec. 24	21½	15	20
American Sugar Ref. Co	126⅝	95	159½—Sept. 3	109½—Mar. 29	145½	135⅝	140½
" preferred	104	92¼	121½—Sept. 14	100¼—Jan. 7	115½	112	114½
American Tobacco Co	95	51	96⅝—Aug. 9	67½—Feb. 15	90½	81½	88¼
" preferred	106	95	115 —Aug. 6	100 —Feb. 11	113	113	113
General Electric Co	39½	20	41⅜—Sept. 15	28⅝—May 19	34¾	32½	34¼
National Lead Co	29⅝	16	44 —Sept. 10	21⅞—Feb. 16	38¼	33½	37⅝
" preferred	92¾	75	109¾—Sept. 10	88⅝—Feb. 13	105½	103⅞	105½
National Linseed Oil Co	21¼	11½	23½—Aug. 13	10 —May 17	17	17	17
National Starch Manfg. Co	7¾	4¾	13 —Aug. 31	3 —May 5	6	5½	6
Standard Rope & Twine Co	12½	8⅛	11¾—Jan. 19	2¾—Dec. 28	4½	2¾	3½
U. S. Leather Co	11⅞	5⅛	10¼—Aug. 23	6¼—May 22	7⅝	6⅞	7
" preferred	69⅛	41½	72 —Sept. 1	50½—Apr. 29	65¾	62	63⅛
U. S. Rubber Co	29	14½	25¼—Jan. 19	10 —June 3	17¼	15⅝	16¼
" preferred	89	65	76⅞—Jan. 5	50 —July 20	69¼	64½	65¼

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

Last Sale, Price and Date and Highest and Lowest Prices and Total Sales for the Month.

Note.—The railroads enclosed in a brace are leased to Company first named.

Name. *Principal Due.*	*Amount.*	*Int'st Paid.*	Last Sale. *Price.*	Last Sale. *Date.*	December Sales. *High.*	December Sales. *Low.*	December Sales. *Total.*
Ala. Midland 1st gold 6s..........1928	2,800,000	M & N	90	Dec. 11,'97	90	90	6,000
Ann Arbor 1st g 4's...............1995	7,000,000	Q J	83½	Dec. 31,'97	83¾	82	354,000
Atch., Top. & S. F.							
Atch Top & Santa Fe gen g 4's.1995	109,995,000	A & O	89¾	Dec. 31,'97	90¼	86⅝	4,300,500
" registered..................	....	A & O	....	....	....	....	....
" adjustment, g. 4's.....1995	51,728,000	NOV	58⅝	Dec. 31,'97	58¾	54⅞	5,188,000
" registered..................	....	NOV	....	....	....	....	....
" Equip. tr. ser. A. g. 5's1902	1,000,000	J & J	....	....	....	....	....
" Chic. & St. L. 1st 6's...1915	1,500,000	M & S	....	....	....	....	....
Atlan. av. of Brook'n imp. g. 5's, 1934	1,500,000	J & J	82½	Feb. 8,'96	....	....	....
Atlanta & Danville 1st g. 5's.....1950	1,238,000	J & J	97¼	Dec. 7,'97	97¼	97¼	5,000
B. & O. 1st 6's (Parkersburg br.), 1919	3,000,000	A & O	109⅝	Dec. 15,'97	109⅝	108¼	56,000
" 5's, gold...........1885-1925	3,021,000	F & A	78	Dec. 1,'97	78	78	5,000
" coupons off.................			....	....	....	....	....
" registered..................		F & A	78	Dec. 16,'97	78	78	6,000
" eng. ctfs of deposit.......	6,979,000	......	73	Nov. 22,'97	....	....	....
B. & O. con. mtge. gold 5's......1988	11,988,000	F & A	90	May 27,'97	....	....	....
" registered..................		F & A	107½	Mar. 7,'94	....	....	....
Balti. Belt, 1st g. 5's int. gtd., 1990	6,000,000	M & N	80	Nov. 27,'97	....	....	....
W. Virginia & Pitts. 1st g. 5's...1990	4,000,000	A & O	111	Dec. 12,'95	....	....	....
B & O. Southwest'n 1st g. 4½'s, 1990	10,667,000	J & J	99	Nov. 19,'97	....	....	....
" 1st c. g. 4½'s,..........1993	10,511,000	J & J	60	June 9,'97	....	....	....
" 1st inc. g. 5's "A" 2043	8,651,000	NOV	25	Aug. 18,'94	....	....	....
" "B"...................2043	9,655,000	DEC	11	Feb. 8,'96	....	....	....
B. & O. Sw. Term Co. gtd g 5's...1942	1,200,000	M & N	....	....	....	....	....
Monongahela River 1st g. g., 5's 1919	700,000	F & A	104½	July 1,'92	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s, 1930	2,500,000	M & S	97½	Nov. 12,'97	....	....	....
Ak. & Chic. Junc. 1st g. s. g. 5's..1930	1,500,000	M & N	102½	Nov. 21,'95	....	....	....
" coupons off.................	....	......	80	Nov. 1,'97	....	....	....
Pittsb. & Connellsville 1st g. 4's..1946	2,536,000	J & J	103½	Oct. 8,'97	....	....	....
Brooklyn City 1st con. 5's........1941	4,373,000	J & J	115	Sept. 13,'97	....	....	....
Brooklyn E. Tr. Co. cfs 1st g. 6s's, 1924	3,464,000	......	83	Dec. 31,'97	83	79½	170,000
" Tr. Co. ctfs. 2d g. 5's..1915	1,246,000	......	....	....	....	....	....
Seas. & B. B. Tr. Co. cfs. 1st g. g. 5's. 1942	1,357,000	......	70½	Dec. 14,'97	73	70	15,000
Union Ele. Tr. Co. ctfs. 1st g. g. 6's, 1937	6,124,000	......	82¼	Dec. 29,'97	82½	78½	131,000
Brooklyn Rapid Transit g. 5's...1945	5,181,000	A & O	94	Dec. 31,'97	94	90	735,000
Brunswick & Western 1s g. 4's....1938	3,000,000	J & J	74	Sept. 1,'96	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's...1937	4,407,000	M & S	105	Dec. 31,'97	105	101¼	28,000
Rochester & Pittsburg. 1st 6's..1921	1,300,000	F & A	126½	Nov. 17,'97	....	....	....
" cons. 1st 6's, ...1922	3,920,000	J & D	122	Dec. 13,'97	122	122	1,000
Clearfield & Mah. 1st g. g. 5's....1943	650,000	J & J	121¼	May 26,'96	....	....	....
Buffalo & Susquehanna 1st g. 5's, 1913	1,289,000	A & O	100	Feb. 27,'96	....	....	....
" registered..................		A & O	....	....	....	....	....
Burlington, Cedar R. & N. 1st 5's, 1906	6,500,000	J & D	106⅝	Dec. 21,'97	107	106½	19,500
" con. 1st & col. tst 5's...1934	6,425,000	A & O	106⅝	Dec. 16,'97	106¾	106	30,000
" registered..................		A & O	97	Feb. 9,'93	....	....	....
Minneap's & St. Louis 1st 7's, g, 1927	150,000	J & D	140	Aug. 24,'95	....	....	....
Ced. Rap Ia. Falls & Nor. 1st 6's, 1920	825,000	A & O	108	Dec. 10,'97	108	108	5,000
" 1st 5's..................1921	1,905,000	A & O	105	Nov. 16,'97	....	....	....
Canada Southern 1st int. gtd 5's, 1908	13,920,000	J & J	112¼	Dec. 30,'97	114	111⅝	115,000
" 2d mortg. 5's,............1913	5,100,000	M & S	108¼	Dec. 31,'97	108¾	107	41,000
" registered..................		M & S	106½	May 22,'97	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest price and total sales for the month.

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NAME.	*Principal Due*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	DECEMBER SALES. *High.*	DECEMBER SALES. *Low.*	DECEMBER SALES. *Total.*
Col. & Cin. Midla'd, 1st. Ext. 4½'s,	1939	2,000,000	J & J	92½	Aug. 30,'92	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's,	1937	4,880,000	M & N	91½	Dec. 13,'97	91½	90	2,000
Central R'y of Georgia, 1st g. 5's.	1945	7,000,000	F & A	118¼	Dec. 27,'97	118⅝	118	9,000
• registered $1,000 & $5,000....			F & A	....	....	....	....	....
• con. g. 5's...............	1945	16,500,600	M & N	91½	Dec. 31,'97	92	90¾	178,000
• con. g. 5's, reg. $1,000 & $5,000			M & N	....	....	....	....	....
• 1st. pref. inc. g. 5's......	1945	4,000,000	OCT 1	44	Dec. 31,'97	44	38¼	142,000
• 2d pref. inc. g. 5's.......	1945	7,000,000	OCT 1	15¼	Dec. 31,'97	15½	13¾	94,000
• 3d pref. inc. g. 5's.......	1945	4,000,000	OCT 1	8⅜	Dec. 23,'97	9	7¾	12,000
• Macon & Nor. Div. 1st g. 5's....................	1946	840,000	J & J	93	July 19,'07	....	....	....
• Mobile div. 1st g. 5's....	1946	1,000,000	J & J	95½	July 15,'97	....	....	....
• Mid. Ga. & Atl. div. g 5s.	1947	413,000	J & J	....	....	....	....	....
Central Railroad of New Jersey,								
• 1st consolidated 7's...	1899	3,836,000	Q J	105⅞	Dec. 29,'97	105⅞	105¾	20,000
• convertible 7's.........	1902	1,167,000	M & N	112½	Dec. 3,'97	113⅞	112½	5,000
• deb. 6's.................	1908	466,000	M & N	110	Mar. 23,'97	....	....	....
• gen. mtg. 5's........	1987	41,604,000	J & J	112¾	Dec. 31,'97	113¼	112¼	265,000
• registered..............			Q J	110	Dec. 28,'97	111½	110	36,500
Lehigh & W.-B. con. assd. 7's...	1900	5,500,000	Q M	100¼	Dec. 31,'97	100¼	99¼	71,000
• mortgage 5's..........	1912	2,887,000	M & N	90	Dec. 28,'97	90	90	5,000
Am. Dock & Improvm't Co. 5's,	1921	4,987,000	J & J	116	Dec. 29,'97	116¼	116	3,000
N. J. Southern int. gtd 6's......	1899	411,000	J & J	104	Nov. 13,'96	....	....	....
Central Pacific g 6's...............	1898	14,185,000	J & J	102⅝	Dec. 18,'97	102⅝	102⅝	7,000
• ext g 5s series A B C D.	1898	....	J & J	102	Dec. 10,'97	102	102	2,000
• Speyer & Co. cfs. dep. A.	1898	5,596,000	......	100½	Dec. 29,'97	100⅝	100½	7,000
• • • B C D.	1899	....	......	....	....	....	....	....
• ext g 5's series E......	1898	....	J & J	....	....	....	....	....
• Speyer & Co. cfs. dep. E.	1900	3,210,000	......	....	....	....	....	....
• • • F G H I.	1901	....	......	....	....	....	....	....
• San Joaquin br. g 6's..	1900	6,080,000	A & O	101¼	Dec. 14,'97	101¼	101¼	1,000
• gtd. g 5's...............	1939	4,279,000	A & O	84½	Sept. 16,'96	....	....	....
• Speyer & Co. eng. ctfs....		8,004,000	......	....	....	....	....	....
• land grant g 5's.......	1900	2,479,000	A & O	100½	Dec. 27,'97	100½	100½	5,000
• Cal. & O. div. ex. g. 7's,	1918	4,358,000	J & J	101½	Dec. 6,'97	101½	101½	5,000
Western Pacific bonds 6's......	1899	2,735,000	J & J	104	Dec. 11,'97	104	104	50,000
North. Ry. (Cal.) 1st g. 6's, gtd..	1907	3,964,000	J & J	94	Nov. 30,'97	....	....	....
• gtd. g. 5's.............	1938	4,800,000	A & O	100	Dec. 29,'97	100	96	141,000
Cent. Wash. Tr. Co. cts. 1st g. 6's.	1938	1,497,000	......	30	Nov. 30,'97	....	....	....
Charleston & Sav. 1st g. 7's.......	1936	1,500,000	J & J	108¾	Dec. 13,'96	....	....	....
Ches. & Ohio pur. money fd......	1898	2,287,000	J & J	103¾	Dec. 20,'97	103¾	103¾	3,000
• 6's, g., Series A..........	1908	2,000,000	A & O	119½	Dec. 29,'97	120	119½	9,000
• Mortgage gold 6's......	1911	2,000,000	A & O	119	Dec. 21,'97	119	119	3,000
• 1st con. g. 5's............	1939	23,571,000	M & N	114½	Dec. 31,'97	114½	111¾	122,000
• registered..................			M & N	112¾	Dec. 31,'97	112¾	109½	50,000
• Gen. m. g. 4½'s.........	1992	21,804,000	M & S	82¼	Dec. 31,'97	82½	79	1,751,000
• registered..................			M & S	85	Dec. 30,'93	....	....	....
• (R. & A. d.) 1st c. g. 4's,	1989	6,000,000	J & J	105	Dec. 31,'97	106¼	104½	60,000
• 2d con. g. 4's............	1989	1,000,000	J & J	95¾	Dec. 29,'97	95	91⅞	25,000
• Craig Val. 1st g. 5's.....	1940	650,000	J & J	98	Nov. 21,'97	....	....	....
• Warm S. Val. 1st g. 5's,	1941	400,000	M & S	98	Dec. 21,'93	....	....	....
• Elz. Lex. & B. S. g. g. 5's,	1902	3,007,000	M & S	101½	Dec. 18,'97	102	101	34,000
Chicago & Alton s'king fund 6's.	1903	1,832,000	J & J	112	Dec. 9,'97	112	112	1,000
Louisiana & Mo. Riv. 1st 7's....	1900	1,785,000	F & A	110½	Dec. 29,'97	110¼	110½	16,000
• 2d 7's.................	1900	300,000	M & N	112	June 17,'96	....	....	....
St. Louis, J. & C. 2d gtd 7's.....	1898	188,000	J & J	104¾	Apr. 25,'97	....	....	....
Miss. Riv. Bdge 1st s. f'd g. 6's..	1912	547,000	A & O	105½	Oct. 30,'95	....	....	....
Chicago Burl. & North. 1st 5's...	1926	8,241,000	A & O	110	Dec. 30,'97	110	107½	35,000
Chicago, Burl. & Quincy con. 7's.	1903	28,924,000	J & J	119½	Dec. 30,'97	119½	118⅝	60,000
• 5's, sinking fund........	1901	2,315,000	A & O	103¾	Dec. 21,'97	103¾	103¼	6,000
• 5's, debentures..........	1913	9,000,000	M & N	106	Dec. 28,'97	107	104½	126,000
• convertible 5's..........	1903	15,263,900	M & S	110¾	Dec. 28,'97	111	110	91,000
• (Iowa div.) sink. f'd 5's,	1919	2,818,000	A & O	109	June 9,'97	....	....	....
• 4's......................	1919	9,050,000	A & O	102½	Dec. 29,'97	102½	102½	9,000
• Denver div. 4's..........	1922	6,141,000	F & A	101¼	Dec. 24,'97	101¼	99½	41,000
• 4's......................	1921	3,300,000	M & S	93¾	Dec. 3,'93	93¾	93¾	1,000
• Chic. & Iowa div. 5's....	1905	2,320,000	F & A	107½	Jan. 18,'96	....	....	....

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NAME.	*Principal Due.*	*Amount.*	*Int's paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	DECEMBER SALES. *High.*	DECEMBER SALES. *Low.*	DECEMBER SALES. *Total.*
" Nebraska extensi'n 4's	1927	26,411,000	M & N	98⅝	Dec. 31,'97	98⅝	95½	582,000
" registered			M & N	91	July 10,'97	....	....	....
" Han. & St. Jos. con. 6's	1911	8,000,000	M & S	122	Dec. 30,'97	122	121¾	17,000
Chicago & E. Ill. 1st s. f'd c'y. 6's	1907	2,989,000	J & D	115	Apr. 15,'97	....	....	....
" small bonds			J & D	112	Apr. 2,'96	....	....	....
" 1st con. 6's, gold	1934	2,653,000	A & O	133	Dec. 20,'97	133	133	1,000
" gen. con. 1st 5's	1937	9,767,000	M & N	101	Dec. 31,'97	102	101	78,000
" registered			M & N	99½	May 14,'96	....	....	....
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	100¼	Dec. 15,'97	100¼	100	4,000
Chicago, Indianapolis & Louisville.								
Louisv. N. Alb. & Chic. 1st 6's	1910	3,000,000	J & J	115	Dec. 18,'97	115	114	9,000
Chic. Ind. & Louisv. ref. g. 5's	1947	2,909,000	J & J	85	Dec. 15,'97	85	85	1,000
" refunding g. 6's	1947	4,700,000	J & J	97½	Dec. 24,'97	97½	97	19,000
Chicago, Milwaukee & St. Paul.								
Mil. & St. Paul 1st m. 8's P. D.	1898	1,671,000	F & A	108½	Dec. 23,'97	108½	108¼	26,000
" 1st 7's $ gold, R. div.	1902	3,175,000	J&J	141	Dec. 9,'97	141	141	6,000
" 1st 7's £	1902		J&J	120	Feb. 8,'94	....	....	....
" 1st m. Iowa & D. 7's	1899	340,000	J & J	139⅝	Oct. 16,'97	....	....	....
" 1st m. C. & M. 7's	1903	2,188,000	J & J	140	Dec. 1,'97	140	140	11,000
Chicago Mil. & St. Paul con. 7's,	1905	10,768,000	J & J	142	Dec. 24,'97	142	140¾	24,000
" 1st 7's, Iowa & D, ex,	1908	3,417,000	J & J	143	Dec. 31,'97	143	142	10,000
" 1st 6's, Southw'n div.,	1909	4,000,000	J & J	121¼	Dec. 18,'97	121¼	120	29,000
" 1st 5's, La. C. & Dav.	1919	2,500,000	J & J	114¼	Sept. 15,'97	....	....	....
" 1st So. Min. div. 6's	1910	7,432,000	J & J	121½	Dec. 21,'97	121½	119¾	15,000
" 1st H'st & Dk. div. 7's,	1910	5,680,000	J & J	135	Dec. 29,'97	135	135	10,000
" 5's	1910	990,000	J & J	109	Oct. 5,'97	....	....	....
" Chic. & Pac. div. 6's,	1910	3,000,000	J & J	122½	Dec. 11,'97	122½	122½	2,000
" 1st Chic. & P. W. 5's,	1921	25,340,000	J & J	118	Dec. 27,'97	118⅛	117½	112,000
" Chic. & M. R. div. 5's,	1926	3,083,000	J & J	115	Dec. 13,'97	115	114⅞	10,000
" Mineral Point div. 5's,	1910	2,840,000	J & J	111	Dec. 1,'97	111	111	1,000
" Chic. & Lake Sup. 5's,	1921	1,360,000	J & J	117	Dec. 28,'97	117	115¾	7,000
" Wis. & Min. div. 5's	1921	4,755,000	J & J	116	Dec. 30,'97	116⅛	115¼	11,000
" terminal 5's	1914	4,748,000	J & J	115	Dec. 10,'97	115⅛	115	84,000
" Far. & So. 6's assu	1924	1,250,000	J & J	130⅛	Dec. 30,'97	130⅛	130⅛	21,000
" cont. si'k. f'd 5's	1916	1,368,000	J & J	106½	July 9,'97	....	....	....
" Dakota & Gt. S. 5's	1916	2,856,000	J & J	113¼	Dec. 30,'97	113⅛	113¼	6,000
" g. m. g. 4's, series A	1989	21,117,000	J & J	106	Dec. 21,'97	106	105½	49,000
" registered		....	Q J	94½	Dec. 11,'95	...	....	....
" Mil. & N. 1st M. L. 6's,	1910	2,155,000	J & D	122	Dec. 21,'97	122	121	5,000
" 1st convt. 6's	1913	5,092,000	J & D	122	Dec. 27,'97	122	121⅛	7,000
Chic. & Northwestern cons. 7's	1915	12,771,000	Q F	145	Dec. 30,'97	145	143	26,000
" coupon gold 7's	1902	12,336,000	J & D	116	Dec. 27,'97	116¼	115⅛	162,500
" registered d. gold 7's	1902		J & D	116	Dec. 29,'97	116	115½	113,000
" sinking fund 6's	1879-1929	5,591,000	A & O	116	Nov. 8,'97	...	....	....
" registered			A & O	115	Nov. 17,'97	....	....	....
" 5's	1879-1929	7,237,000	A & O	111¼	Dec. 31,'97	111¼	110¾	22,000
" registered			A & O	109½	Dec. 30,'97	109⅛	109⅛	1,000
" debenture 5's	1933	9,800,000	M & N	117	Dec. 20,'97	117⅛	117	12,000
" registered			M & N	116⅝	Dec. 20,'97	116⅝	116¼	10,000
" 25 year deben. 5's	1909	6,000,000	M & N	109⅝	Dec. 30,'97	110	109½	35,000
" registered			M & N	108¾	July 13,'97	....	....	....
" 30 year deben. 5's	1921	9,800,000	A & O	115	Dec. 13,'97	115	115	5,000
" registered			A & O	107	Nov. 20,'95	....	....	....
" extension 4's	1886-1926	18,632,000	F A 15	105⅞	Dec. 6,'97	105⅞	105⅞	1,000
" registered			F A 15	100	Nov. 10,'96	....	....	....
Escanaba & L. Superior 1st 6's	1901	720,000	J & J	107½	Nov. 28,'96	....	....	....
Des Moines & Minn. 1st 7's	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Iowa Midland 1st mortg. 8's	1900	1,350,000	A & O	116	July 9,'96	....	....	....
Chic. & Milwaukee 1st mtg. 7's	1898	1,700,000	J & J	103½	Sept. 27,'97	....	....	....
Winona & St. Peters 2d 7's	1907	1,592,000	M & N	127	Apr. 17,'96	....	....	....
Milwaukee & Madison 1st 6's	1905	1,600,000	M & S	108	Jan. 7,'96	....	....	....
Ottumwa C. F. & St. P. 1st 5's	1909	1,600,000	M & S	109	Oct. 4,'97	....	....	....
Northern Illinois 1st 5's	1910	1,500,000	M & S	108	Sept. 30,'97	....	....	....
Mil., Lake Shore & We'n 1st 6's,	1921	5,000,000	M & N	136½	Dec. 27,'97	136½	135¼	9,000
" con. deb. 5's	1907	436,000	F & A	105½	Feb. 24,'97	....	....	....
" ext. & impt. s. f'd g. 5's	1929	4,148,000	F & A	118	Dec. 10,'97	118	118	3,000
" Michigan div. 1st 6's	1924	1,281,000	J & J	131½	Aug. 30,'97	....	....	....
" Ashland div. 1st 6's	1925	1,000,000	M & S	134	July 22,'97	....	....	....
" income		500,000	M & N	110¼	July 2,'96	....	....	....
Chic., Rock Is. & Pac. 6's coup.	1917	12,100,000	J & J	134⅛	Dec. 18,'97	134⅛	134⅛	14,000
" 6's registered	1917		J & J	132¾	Nov. 22,'97	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	December Sales. High.	December Sales. Low.	December Sales. Total.
" exten. and collat. 5's	1934	40,381,000	J & J	107⅝	Dec. 31,'97	107¾	107¼	558,000
" registered			J & J	104⅞	Dec. 28,'97	107⅝	104⅞	205,000
" debenture 5's	1921	4,500,000	M & S	106¾	Dec. 28,'97	106¾	106¼	720,000
" registered		....	M & S	....		....	....	....
Des Moines & Ft. Dodge 1st 4's	1905	1,200,000	J & J	85	Oct. 29,'97	....	....	....
" 1st 2½'s	1905	1,200,000	J & J	68⅛	Dec. 9,'97	68⅛	68⅛	5,000
" extension 4 s		672,000	J & J	83	Mar. 15,'97	....	....	....
Keokuk & Des M. 1st mor. 5's	1923	2,750,000	A & O	107	Dec. 18,'97	107⅛	104⅛	25,500
" small bond	1923	....	A & O	100	Apr. 15,'97	....	....	....
Chic., St.P., Minn.& Oma.con. 6's	1930	13,413,000	J & D	135⅞	Dec. 28,'97	136	133½	73,000
Chic., St. Paul & Minn. 1st 6's	1918	3,000,000	M & N	130	Dec. 2,'97	130	130	1,000
North Wisconsin 1st mort. 6's	1930	800,000	J & J	125	May 4,'88	....	....	....
St. Paul & Sioux City 1st 6's	1919	6,070,000	A & O	132	Dec. 27,'97	132	131½	26,000
Chic., Term.Tr U.S.TrCo.cfs. of prop		27,500,000	......	46¼	Dec. 31,'97	46½	44	2,067,000
Chic. & Wn. Ind. 1st s'k. f'd g. 6's	1919	1,062,000	M & N	106	June 22,'97	....	....	....
" gen'l mortg. g. 6's	1932	9,652,666	Q M	120	Dec. 17,'97	120	119⅝	6,000
Chic. & West Michigan R'y 5's	1921	5,753,000	J & D	98½	Mar. 13,'93	....	....	....
" coupons off		....	......	....		....	....	....
Cin., Ham. & Day. con. s'k. f'd 7's	1905	996,000	A & O	119	Oct. 26,'96	....	....	....
" 2d g. 4½'s	1937	2,000,000	J & J	103½	Mar. 13,'97	....	....	....
Cin., Day. & Ir'n 1st gtd. g. 5's	1941	3,500,000	M & N	111¼	Dec. 14,'97	111¼	111¼	1,000
City Sub. R'y, Balto. 1st g. 5's	1922	2,430,000	J & D	105⅝	Apr. 17,'95	....	....	....
Clev., Ak'n & Col. eq. and 2d g. 6's	1930	730,000	F & A	....		....	....	....
Clev. & Can.Tr.Co.ctfs. 1st 5's for	1917	2,000,000	......	71	Dec. 29,'97	71	68	21,000
Clev., Cin., Chic.& St.L. gen.m. 4's	1993	7,574,000	J & D	84	Oct. 14,'95	....	....	....
" do Cairo div. 1st g. 4's	1939	5,000,000	J & J	90½	Dec. 29,'97	90½	89⅝	76,000
St. Louis div. 1st col. trust g. 4's	1990	9,750,000	M & N	96	Dec. 28,'97	96	94½	46,000
" registered				93¾	Dec. 16,'97	93¾	93¾	3,000
Sp'gfield & Col. div. 1st g. 4's	1940	1,035,000	M & S	87	Oct. 22,'95	....	....	....
White W. Val. div. 1st g. 4's	1940	650,000	J & J	87½	Dec. 28,'97	87½	86½	9,000
Cin., Wab. & Mich. div. 1st g. 4's	1991	4,000,000	J & J	88½	Nov. 23,'97	....	....	....
Cin., Ind., St. L. & Chic. 1st g. 4's	1936	7,685,000	Q F	100½	Nov. 23,'97	....	....	....
" registered				95	Nov. 15,'94	....	....	....
" con. 6's	1920	731,000	M & N	104	Mar. 29,'93	....	....	....
Cin., S'dusky & Clev. con. 1st g. 5's	1928	2,571,000	J & J	114	Oct. 7,'97	....	....	....
Ind. Bloom. & W., 1st pfd. 7's	1900	1,000,000	J & J	107¼	Feb. 19,'97	....	....	....
Ohio, Ind. & W., 1st pfd. 5's	1938	500,000	Q J	....		....	....	....
Peoria & Eastern 1st con. 4's	1940	8,103,000	A & O	75	Dec. 20,'97	76	75	9,000
" income 4's	1990	4,000,000	A	21	Aug. 26,'97	....	....	....
Clev., C., C. & Ind. 1st 7's s'k. f'd	1899	3,000,000	M & N	105	Dec. 24,'97	105	104	5,000
" consol mortg. 7's	1914	3,991,000	J & D	135	Oct. 26,'97	....	....	....
" sink. fund 7's	1914		J & D	119⅝	Nov. 19,'89	....	....	....
" gen. consol 6's	1934	3,205,000	J & J	128	Nov. 26,'97	....	....	....
" registered			J & J	....		....	....	....
Cin., Sp. 1st m. C.,C.,C.&Ind. 7's	1901	1,000,000	A & O	107½	Oct. 16,'97	....	....	....
Clev., Lorain & Wheel'g con. 1st 5's	1933	4,300,000	A & O	103	Aug. 27,'97	....	....	....
Clev., & Mahoning Val. gold 5's	1938	2,936,000	J & J	103	Apr. 14,'97	....	....	....
" registered			Q J	....		....	....	....
Col. Midld Tr.Co.ctfs. 1st g. 6's asst.	1936	5,615,000	J & D	65	Dec. 30,'97	65	62⅝	277,000
" Tr.Co.cfs.cn.g.4'sstm gtd.	1940	988,000	F & A	10½	Oct. 14,'97	....	....	....
" " assented all inst. pd		3,900,000	......	19¼	Dec. 27,'97	20½	19¼	85,000
Col., Hock. Val. & Tol. con. g. 5's	1931	406,000	M & S	74	Aug. 10,'97	....	....	....
" J. P. M. & Co. eng ctf. $45 pd.		7,694,000	......	75¼	Dec. 30,'97	75½	73¾	66,000
" gen. mort. g. 6's	1904	2,000,000	J & D	52	Nov. 6,'97	....	....	....
" gen. lien g. 4's	1996	852,000	J & J	....		....	....	....
" registered, $5,000			J & J	....		....	....	....
Conn., Passumpsic Riv's 1st g. 4's	1943	1,900,000	A & O	102	Dec. 27,'93	....	....	....
Delaware, Lack. & W. mtge 7's	1907	3,067,000	M & S	128	Apr. 14,'97	....	....	....
Syracuse, Bing. & N. Y. 1st 7's	1906	1,966,000	A & O	125	Apr. 28,'97	....	....	....
Morris & Essex 1st m 7's	1914	5,000,000	M & N	143	Dec. 31,'97	143	142	14,000
" bonds, 7's	1900	281,000	J & J	109	Nov. 23,'97	....	....	....
" 7's	1871-1901	4,991,000	A & O	112	Dec. 10,'97	112	112	1,000
" 1st c. gtd 7's	1915	12,151,000	J & D	142	Dec. 30,'97	143	142	4,000
" registered			J & D	136	June 4,'93	....	....	....
N. Y., Lack. & West'n. 1st 6's	1921	12,000,000	J & J	138½	Oct. 12,'97	....	....	....
" const. 5's	1923	5,000,000	F & A	118½	Nov. 17,'97	....	....	....
Warren 2d 7's	1900	750,000	A & O	113¾	Nov. 6,'95	....	....	....

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Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale.		December Sales.		
				Price.	Date.	High.	Low.	Total.
Delaware & Hudson Canal.								
” 1st Penn. Div. c. 7's	1917	5,000,000	M & S	147⅛	Aug. 31,'97	....	....	....
” reg	1917		M & S	143	May 4,'96	....	....	....
Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	125	Dec. 20,'97	125	124¾	15,000
” registered			A & O	128⅛	Feb. 12,'94	....	....	....
” 6's	1906	7,000,000	A & O	116¾	Nov. 19,'97	....	....	....
” registered			A & O	116½	Mar. 22,'97	....	....	....
Rens. & Saratoga 1st c. 7's	1921	2,000,000	M & N	148¾	Aug. 18,'97	....	....	....
” 1st r 7's	1921		M & N	143	Nov. 18,'96	....	....	....
Denver Con. T'way Co. 1st g. 5's	1933	730,000	A & O	....	....	....	....	....
Denver T'way Co. con. g. 6's	1910	1,219,000	J & J	....	....	....	....	....
Metropol'n Ry Co. 1st g. g. 6's	1911	918,000	J & J	....	....	....	....	....
Denver & Rio G. 1st con. g. 4's	1936	28,465,000	J & J	91¼	Dec. 31,'97	91¾	89⅛	110,000
” 1st mortg. g. 7's	1900	6,382,500	M & N	108½	Dec. 16,'97	108½	108½	9,000
” impt. m. g. 5's	1928	8,103,500	J & D	85½	Dec. 17,'97	85½	85	6,000
Des Moines Union Ry 1st g. 5's	1917	628,000	M & N	96⅛	Dec. 21,'97	96⅛	96⅛	15,000
Detroit, Mac. & Ma. ld gt. 3½ S A.	1911	3,024,000	A & O	17⅞	Dec. 18,'97	18	16	85,000
Detroit & Mack. 1st lien g. 4s	1995	900,000	J & D	67	Mar. 24,'95	....	....	....
” g. 4s	1995	1,250,000	J & D	....	....	....	....	....
Duluth & Iron Range 1st 5's	1937	6,332,000	A & O	105	Dec. 31,'97	105	103⅛	44,000
” registered			A & O	101⅛	July 23,'89	....	....	....
” 2d l m 6s	1916	1,000,000	J & J	....	....	....	....	....
Duluth, Red Wing & S'n 1st g. 5's	1928	500,000	J & J	....	....	....	....	....
Duluth So. Shore & At. gold 5's	1937	4,000,000	J & J	106¼	Dec. 27,'97	106⅛	106	35,000
Erie, 1st mortgage ex. 7's	1897	2,482,000	M & S	112⅛	Dec. 22,'97	112⅛	112	26,000
” 2d extended 5's	1919	2,149,000	M & N	116½	Dec. 3,'97	116½	116½	5,000
” 3d extended 4½'s	1923	4,618,000	M & S	114⅝	Dec. 22,'97	114⅝	114⅝	1,000
” 4th extended 5's	1920	2,926,000	A & O	120⅛	Oct. 29,'97	....	....	....
” 5th extended 4's	1928	709,500	J & D	105¾	Oct. 29,'96	....	....	....
” 1st cons gold 7's	1920	16,890,000	M & S	145⅛	Dec. 30,'97	145⅛	144⅝	35,000
” 1st cons. fund c. 7's	1920	3,705,977	M & S	145	Dec. 18,'94	145	140	36,000
Long Dock consol. 6's	1953	7,500,000	A & O	137½	Dec. 20,'97	137½	137½	2,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	141	Sept. 10,'97	....	....	....
Buffalo & Southwestern m 6's	1908	1,500,000	J&J	....	....	....	....	....
” small			J&J	....	....	....	....	....
Jefferson R. R. 1st gtd g 5's	1909	2,800,000	A & O	106	Dec. 27,'97	106	106	4,000
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	112	Dec. 31,'97	112	110⅛	63,000
N. Y. L. E. & W. Coal & R. R. Co. 1st g currency 6's	1922	1,100,000	M&N	....	....	....	....	....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	102	Aug. 31,'96	....	....	....
N. Y. & Greenw'd Lake gt g 5's	1946	1,452,000	M&N	105⅛	Oct. 2,'97	....	....	....
” small						....	....	....
Erie R.R. 1st con. g-4s prior bds	1996	30,000,000	J&J	93	Dec. 31,'97	93	90⅛	1,151,000
” ” registered			J&J	....	....	....	....	....
” ” gen. lien 3-4s	1996	30,927,000	J&J	71⅛	Dec. 29,'97	72⅛	70¼	360,000
” ” registered			J&J	....	....	....	....	....
Eureka Springs R'y 1st 6's, g	1933	500,000	F & A	65	Nov. 10,'97	....	....	....
Evans. & Terre Haute 1st con. 6's	1921	3,000,000	J & J	114⅛	Dec. 14,'97	114⅛	114⅛	4,000
” 1st General g 5's	1942	2,223,000	A & O	76	Dec. 10,'97	76	76	10,000
” Mount Vernon 1st 6's	1923	375,000	A & O	110	May 10,'93	....	....	....
” Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	95	Sep. 15,'91	....	....	....
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	114	Dec. 24,'97	114	114	5,000
Flint & Pere Marquette m 6's	1920	3,999,000	A & O	113¾	Dec. 28,'97	114⅛	111	183,000
” 1st con. gold 5's	1939	2,100,000	M & N	88⅞	Dec. 24,'97	89¼	86	36,000
” Port Huron d 1st g 5's	1939	3,083,000	A & O	82½	Dec. 31,'97	82½	78	53,500
Florida Cen. & Penins. 1st g 5's	1918	3,000,000	J & J	103	Aug. 14,'96	....	....	....
” 1st land grant ex. g 5's	1930	423,000	J & J	....	....	....	....	....
” 1st con. g 5's	1943	4,370,000	J & J	80⅛	May 14,'96	....	....	....
Ft. Smith U'n Dep. Co. 1st g 4½'s	1941	1,000,000	J & J	105¾	July 31,'97	....	....	....
Ft. Worth & D. C. ctfs. dep. 1st 6's	1921	8,176,000	......	72	Dec. 29,'97	72¾	68	167,000
Ft. Worth & Rio Grande 1st g 5's	1928	2,863,000	J & J	56	Dec. 31,'97	58½	55	198,000
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	89¼	Dec. 30,'97	91	88⅛	202,000
Geo. & Ala. Ry. 1st pref. g. 5's	1945	2,250,000	A & O	103	Aug. 11,'97	....	....	....
Ga. Car. & N. Ry. 1st gtd. g. 5's	1927	5,360,000	J & J	83	June 23,'97	....	....	....

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Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	December Sales. High.	December Sales. Low.	December Sales. Total.
Illinois Central 1st g. 4's	1951	1,500,000	J&J	113	Nov. 23,'97	....	....	....
" registered			J&J	112½	July 13,'97	....	....	....
" gold 3½'s	1951	2,499,000	J&J	101	Nov. 4,'97	....	....	....
" registered			J&J	97	Dec. 17,'95	....	....	....
" gold 4's	1952	15,000,000	A & O	103⅛	Dec. 15,'97	103⅛	103⅛	40,000
" gold 4's regist'd			A & O	102¼	Aug.25,'96	....	....	....
" gold 4's	1953	24,679,000	M & N	101⅛	Dec. 28,'97	101⅛	101⅛	29,000
" gold 4's registered			M & N	....		....	....	....
" 2-10 g. 4's	1904	4,806,000	J & J	99	Sept.29,'97	....	....	....
" 2-10 g. 4's registered			J & J	....		....	....	....
" 1st g 3s sterl. £500,000	1951	2,500,000	M & S	92½	July 13,'96	....	....	....
" registered			M & S	....		....	....	....
" West'n Line 1st g. 4's,	1951	3,550,000	F & A	104	Dec. 14,'97	104	104	6,000
" registered			F & A	....		....	....	....
" Cairo Bridge 4's g	1950	3,000,000	J & D	101⅛	Sept. 10,'95	....	....	....
" registered			......	....		....	....	....
Springfield div. coupon 6's	1898	1,600,000	J & J	101¼	July 9, '97	....	....	....
Middle div. registered 5's	1921	600,000	F & A	116½	Aug.16,'95	....	....	....
Chic., St. L. & N. O. gold 5's	1951	16,526,000	J D 15	122⅜	Oct. 14,'97	....	....	....
" gold 5's, registered			J D 15	118¼	Apr. 1,'97	....	....	....
" Memph. div. 1st g. 4's,	1951	3,500,000	J & D	103⅝	Dec. 18,'97	103⅝	103⅝	10,000
" registered			J & D	....		....	....	....
Ind., Dec. & West. 1st g. 5's	1935	1,824,000	J & J	105½	Dec. 22,'97	105½	105	13,000
Indiana, Ill. & Iowa 1st g. 4's	1939	800,000	J & D	88	Dec. 30,'97	88	88	2,000
" 1st ext. g. 5's	1943	500,000	M & S	94¼	Nov.21,'95	....	....	....
Internat. & Gt. N'n 1st. 6's, gold	1919	7,954,000	M & N	121	Dec. 23,'97	121	118⅝	21,000
" 2d g. 5's	1909	6,593,000	M & S	84¾	Dec. 29,'97	85	83	60,500
" 3d g. 4's	1921	2,712,500	M & S	44	Dec. 28,'97	44	44	11,000
Iowa Central 1st gold 5's	1938	6,322,000	J & D	99	Dec. 31,'97	99⅝	97¼	61,000
Kansas C. & M. R. & B. Co. 1st gtd g. 5's	1929	3,000,000	A & O	....		....	....	....
Kan.C.Pitt.&Gulf 1st & col. g. 5's	1923	19,706,000	A & O	78⅛	Dec. 31,'97	82½	78⅝	765,500
Kings Co. El. series A. 1st g. 5's	1925	3,177,000	J & J	57½	Nov. 3,'97	....	....	....
Fulton El. 1st m. g. 5's series A	1929	1,979,000	M & S	38	Dec. 20,'97	40	38	20,000
Lake Erie & Western 1st g. 5's	1937	7,250,000	J & J	118	Dec. 29,'97	118	117½	19,000
" 2d mtge. g. 5's	1941	2,600,000	J & J	104	Dec. 20,'97	104	102	15,000
Northern Ohio 1st gtd g 5's	1945	2,500,000	A & O	99	Dec. 9,'97	99	99	10,000
Lake Shore & Mich. Southern.								
Buffalo & Erie new b. 7's	1898	2,276,000	A & O	102¼	Nov. 12,'97	....	....	....
Detroit, Mon. & Toledo 1st 7's	1906	924,000	F & A	120½	Oct. 22,'97	....	....	....
Lake Shore division b. 7's	1899	1,134,500	A & O	105¾	Dec. 30,'97	105¾	105¼	1,000
" con. co. 1st 7's	1900	10,778,000	J&J	111⅝	Dec. 17,'97	111⅝	111⅛	3,000
" con. 1st registered	1900		Q J	109¾	Dec. 13,'97	109¾	109¾	7,000
" con. co. 2d 7's	1903	9,998,000	J&D	119	Dec. 13,'97	119	119	7,000
" con. 2d registered	1903		J&D	119	Dec. 20,'97	119	118¾	122,000
" g 3½s	1997	22,433,000	J & D	104¼	Dec. 31,'97	104¼	103½	145,000
" " registered			J & D	105⅛	Nov. 24,'97	....	....	....
Cin. Sp. 1st gtd L. S. & M. S. 7's	1901	1,000,000	A & O	108¼	Dec. 1,'97	108¼	108¼	1,000
Kal., A. & G. R. 1st gtd g. 5's	1938	840,000	J & J	....		....	....	....
Mahoning Coal R. R. 1st 5's	1934	1,500,000	J & J	125	Dec. 9,'97	125	125	4,000
Lehigh Val. N. Y. 1st m. g. 4½'s	1940	15,000,000	J&J	103½	Dec. 30,'97	103¾	103½	6,000
" registered		....	J&J	....		....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's	1941	10,000,000	A & O	111½	Dec. 28,'97	111½	111½	11,000
" registered			A & O	109½	July 1,'97	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's	1933	10,280,000	J & J	96¼	Oct. 28,'97	....	....	....
" registered	1933		J & J	....		....	....	....
Lehigh & N. Y., 1st gtd g. 4's	1945	2,000,000	M&S	91	Dec. 17,'97	91	91	10,000
" registered			M&S	....		....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	....		....	....	....
" " g. gtd 5's	1914	1,250,000	A & O	101	Sept.16,'97	....	....	....
Litchfield Car'n & W. 1st g. 5's	1916	400,000	J & J	95	Feb. 25,'93	....	....	....
Lit. Rock & M., tr. co. ctfs. for 1st g. 5's	1937	3,145,000	......	25	Apr. 29,'96	....	....	....
Long Island R. 1st mtg. 7's	1898	1,121,000	M & N	101⅝	Nov. 26,'97	....	....	....
Long Island 1st cons. 5's	1931	3,610,000	Q J	117	Dec. 23,'97	117	116	6,000
Long Island gen. m. 4's	1938	3,000,000	J & D	84	Dec. 24,'97	84	84	12,000
" Ferry 1st g. 4½'s	1922	1,500,000	M & S	91	Dec. 17,'97	91	90	15,000
" g. 4's	1932	325,000	J & D	91	Sept.27,'97	....	....	....
" deb. g. 5's	1934	1,500,000	J & D	100	May 25,'97	....	....	....

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NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	DECEMBER SALES. *High.*	DECEMBER SALES. *Low.*	DECEMBER SALES. *Total.*
—N. Y. & Rock'y Beach 1st g. 5's, 1927	984,000	M & S	40	Mar. 23,'96	....	....	....
″ 2d m. inc. 1927	1,000,000	S	106⅛	July 9,'97	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's, ..1935	1,728,000	A & O	107⅛	Dec. 15,'97	107⅛	107⅛	5,000
Brooklyn & Montauk 1st 6's....1911	250,000	M & S	....	....	....	....	....
″ 1st 5's....1911	750,000	M & S	107⅛	July 16,'96	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's, 1932	1,075,000	Q J A N	103⅛	June 17,'95	....	....	....
N. Y. B. Ex. R. 1st g. g'd 5's....1943	200,000	J & J	....	....	....	....	....
Montauk Extens. gtd. g. 5's...1945	300,000	J & J	....	....	....	....	....
Louisv'e Ev. & St. Louis	3,406,000	J & J	36	Nov. 3,'97	....	....	....
″ 1st con. TrCo. ct. gold 5's. 1939	2,432,000	M & S	9⅛	Aug. 21,'97	....	....	....
″ Gen. mtg. g. 4's....1943							
Louisville & Nashville cons. 7's...1898	7,070,000	A & O	102¼	Dec. 30,'97	102⅜	102⅛	64,000
″ Cecilian branch 7's....1907	545,000	M & S	106	Nov. 11,'97	....	....	....
″ N. O. & Mobile 1st 6's, 1930	5,000,000	J & J	121⅛	Nov. 30,'97	....	....	....
″ 2d 6's....1930	1,000,000	J & J	107	Oct. 8,'97	....	....	....
″ E., Hend. & N. 1st 6's..1919	2,080,000	J & D	113	Dec. 6,'97	113	113	1,000
″ general mort. 6's....1930	10,248,000	J & D	117	Dec. 30,'97	117	116⅝	106,000
″ Pensacola div. 6's....1920	580,000	M & S	103⅛	Sept. 24,'97	....	....	....
″ St. Louis div. 1st 6's...1921	3,500,000	M & S	121	July 12,'97	....	....	....
″ 2d 3's....1980	3,000,000	M & S	67	May 25,'95	....	....	....
″ Nash. & Dec. 1st 7's...1900	1,900,000	J & J	110	Dec. 23,'97	110	110	3,000
″ So. N. Ala. si'g fd. 6s, 1910	1,942,000	A & O	92¼	Sept. 30,'96	....	....	....
″ gold 5's....1937	1,764,000	M & N	99	Dec. 16,'97	99⅛	99	18,000
″ Unified gold 4's....1940	14,994,000	J & J	87⅝	Dec. 31,'97	87⅛	84⅞	618,000
″ registered....1940		J & J	'83	Feb. 27,'93	....	....	....
″ Pen. & At. 1st 6's, g. g, 1921	2,794,000	F & A	108	Dec. 15,'97	108	108	6,000
″ collateral trust g. 5's, 1931	5,129,000	M & N	102	Dec. 17,'97	102	100⅛	41,000
″ L. & N. & Mob. & Montg 1st. g. 4½s....1945	4,000,000	M & S	106⅛	Sept. 10,'97	....	....	....
″ N. Fla. & S. 1st g. g. 5's, 1937	2,096,000	F & A	88⅛	Dec. 10,'97	88⅛	88⅛	25,000
South & N. Ala. con. gtd. g. 5's, 1936	3,673,000	F & A	94	Dec. 30,'97	94	93	4,000
Kentucky Cent. g. 4's....1987	6,742,000	J & J	88¾	Dec. 23,'97	89	87⅛	5,000
L. & N. Louv. Cin. & Lex. g. 4½'s, 1931	3,258,000	M & N	107	Jan. 20,'97	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's. 1945	3,000,000	M & S	....	....	....	....	....
Louisville Railw'y Co. 1st c. g. 5's, 1930	4,600,000	J & J	100⅝	Sept. 9,'92	....	....	....
Manhattan Railway Con. 4's....1990	24,065,000	A & O	94¾	Dec. 31,'97	96	94⅝	321,000
Metropolitan Elevated 1st 6's....1908	10,818,000	J & J	121⅛	Dec. 30,'97	121⅛	119¼	29,000
″ 2d 6's....1899	4,000,000	M & N	104	Dec. 31,'97	104	103¾	72,000
Manitoba Swn. Coloniza'n g. 5's, 1934	2,544,000	J & D	....	....	....	....	....
Market St. Cable Railway 1st 6's, 1913	3,000,000	J & J	....	....	....	....	....
Metro. St. Ry. gen. col. tr. g. 5's...1997	12,500,000	F & A	113¼	Dec. 31,'97	113¼	111⅞	894,000
B'way & 7th ave. 1st con. g. 5's, 1997	7,650,000	J & D	120½	Dec. 28,'97	120½	119½	41,000
″ registered....		J & D	112½	May 29,'95	....	....	....
Columb. & 9th ave. 1st gtd g 5's, 1993	3,000,000	M & S	121	Dec. 31,'97	121	119	57,000
″ registered....		M & S	....	....	....	....	....
Lex ave & Pav Fer 1st gtd g 5's, 1993	5,000,000	M & S	121	Dec. 30,'97	121	119	136,000
″ registered....		M & S	....	....	....	....	....
Mexican Central.							
″ con. mtge. 4's....1911	58,908,000	J & J	66	Aug. 14,'97	....	....	....
″ 1st con. inc. 3's....1939	17,072,000	JULY	19	Jan. 20,'96	....	....	....
″ 2d 3's....1939	11,724,000	JULY	9	Jan. 30,'96	....	....	....
Mexican International 1st g. 4's, 1942	14,000,000	M & S	69	Mar. 10,'97	....	....	....
Mexican Nat. 1st gold 6's....1927	11,416,000	J & D	90	Mar. 6,'95	....	....	....
″ 2d inc. 6's "A"....1917	12,265,000	M & S	42⅝	Nov. 12,'96	....	....	....
″ coup. stamped....	....	......	....	....	....	....	....
″ 2d inc. 6's "B"....1917	12,265,000	A	13	July 9,'97	....	....	....
Mexican Northern 1st g. 6's....1910	1,836,000	J & D	97	Feb. 11,'97	....	....	....
″ registered....		J & D	....	....	....	....	....
Michigan Cent. 1st con. 7's....1902	8,000,000	M & N	114⅝	Dec. 30,'97	115	114½	42,000
″ 1st con. 5's....1902	2,000,000	M & N	106	Dec. 28,'97	106⅛	106	8,000
″ 6's....1909	1,500,000	M & S	120	Dec. 10,'87	120	120	5,000
″ coup. 5's....1931	3,576,000	M & S	127½	Dec. 11,'97	127⅛	125	15,000
″ reg. 5's....1931		Q M	121	Dec. 6,'97	121	121	65,000
″ mort. 4's....1940	2,600,000	J & J	106	Sept. 10,'97	....	....	....
″ mtge. 4's reg....		J & J	102	Jan. 20,'96	....	....	....
Battle C. Sturgis 1st g. g. 6's...1989	476,000	J & D	....	....	....	....	....

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Mil.Elec.R.&Light con.30yr.g.5's	1926	5,500,000	F & A	....	....	....	....	....
Minneapolis & St. Louis 1st g. 7's	1927	950,000	J & D	135½	Aug. 4,'97	....	....	....
" 1st con. g. 5's	1934	5,000,000	M & N	106½	Dec. 31,'97	106½	106¼	138,000
" Iowa ext. 1st g. 7's	1909	1,015,000	J & D	127	Nov. 22,'97	....	....	....
" Southw. ext. 1st g. 7's	1910	636,000	J & D	129	May 16,'96	....	....	....
" Pacific ext. 1st g. 6's	1921	1,382,000	J & A	121¼	Aug.31,'97	....	....	....
Minneapolis & Pacific 1st m. 5's	1936	3,208,000	J & J	102	Mar. 26,'87	....	....	....
" stamped 4's pay. of int. gtd.				....	....	....	....	....
Minn., S. S. M. & Atlan. 1st g. 4's	1926	8,280,000	J & J	94	Apl. 2,'95	....	....	....
" stamped pay. of int. gtd.				89¾	June 18,'91	....	....	....
Minn., S. P. & S. S. M., 1st c. g. 4's	1938	6,710,000	J & J	....	....	....	....	....
" stamped pay. of int. gtd.				....	....	....	....	....
Minn. St. R'y 1st con. g. 5's	1919	4,050,000	J & J	97	Dec. 18,'95	....	....	....
Missouri, K. & T. 1st mtge g. 4's	1990	39,625,000	J & D	86	Dec. 31,'97	87⅛	86	648,000
" 2d mtge. g. 4's	1990	20,000,000	F & A	63	Dec. 31,'97	64⅛	62¼	690,500
" 1st ext gold 5's	1944	998,000	M & N	85	Oct. 12,'96	....	....	....
" of Texas 1st gtd g. 5's	1942	2,685,000	M & S	81⅞	Dec. 31,'97	83	81⅛	182,000
" Kan. C. & P. 1st g. 4's	1990	2,500,000	F & A	67	Dec. 2,'97	67	67	3,000
" Dal. & Waco 1st g.g. 5's	1940	1,340,000	M & N	78⅛	Dec. 29,'97	80	78¼	10,000
Booneville Bdg. Co. gtd. 7's	1906	599,000	M & N	....	....	....	....	....
Tebo. & Neosho 1st 7's	1903	187,000	J & D	....	....	....	....	....
Mo Kan. & East'n 1st gtd. g. 5's	1942	4,000,000	A & O	94	Dec. 29,'97	95	93	78,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	94	Dec. 27,'97	96	90⅛	160,000
" 3d mortgage 7's	1906	3,828,000	M & N	107	Dec. 16,'97	107	106½	32,000
" trusts gold 5's	1917	14,876,000	M & S	71⅛	Dec. 10,'97	71⅛	70¼	9,000
" registered			M & S	....	....	....	....	....
" 1st collateral gold 5's	1920	7,000,000	F & A	68	Dec. 31,'97	71⅛	65	216,000
" registered		....	F & A	....	....	....	....	....
Pacific R. of Mo. 1st m. ex. 4's	1938	7,000,000	M & S	105⅛	Dec. 30,'97	105⅛	102¾	65,000
" 2d extended g. 5's	1938	2,573,000	F & A	109	Dec. 30,'97	109	108⅛	11,000
Verdigris V'y Ind. & W. 1st 5's	1926	750,000	M & S	....	....	....	....	....
Leroy & Caney Val. A. L. 1st 5's	1926	520,000	J & J	....	....	....	....	....
St. L. & I'rn. Mt. 1st ex. 4½'s	1897	4,000,000	F & A	108⅛	Dec. 16,'97	108	107¾	8,000
" Ark'nsas b'nch ext 5's	1895	2,500,000	J & D	106¾	Dec. 20,'97	106¾	106	6,000
" g. con. R.R. & l. gr. 5's	1931	18,345,000	A & O	88⅛	Dec. 31,'97	89	85¾	881,000
" stamped gtd gold 5's	1931	6,945,000	A & O	85	Oct. 16,'97	....	....	....
Mob. & Birm., prior lien, g. 5's	1945	374,000	J & J	....	....	....	....	....
" small		226,000	J & J	....	....	....	....	....
" inc. g. 4's	1945	700,000	J & J	....	....	....	....	....
" small		500,000	......	....	....	....	....	....
Mobile & Ohio new mort. g. 6's	1927	7,000,000	J & J	120⅛	Dec. 28,'97	121⅛	120	39,000
" 1st entension 6's	1927	974,000	J & D	119	Dec. 6,'97	119	119	1,000
" gen. g. 4's	1938	9,450,500	Q J	77½	Dec. 31,'97	78¼	72	516,000
St. Louis & Cairo gtd g. 4's	1931	4,000,000	M & S	86	Dec. 17,'95	....	....	....
Nashville, Chat. & St. L. 1st 7's	1913	6,300,000	J & J	133⅛	Dec. 17,'97	133⅛	133⅛	1,000
" 2d 6's	1901	1,000,000	J & J	105¾	Nov. 9,'97	....	....	....
" 1st cons. g. 5's	1928	5,594,000	A & O	103¼	Dec. 30,'97	103½	102¼	53,000
" 1st 6's T. & Pb.	1917	300,000	J & J	....	....	....	....	....
" 1st 6's McM. M.W. & Al.	1917	750,000	J & J	108	Mar. 24,'96	....	....	....
" 1st g.6's Jasper Branch	1923	371,000	J & J	....	....	....	....	....
O. & N. East. prior lien g. 6's	1915	1,320,000	A & O	108⅛	Aug.13,'94	....	....	....
N. Y. Cent. & Hud. R. 1st c. 7's	1903	30,000,000	J & J	119⅛	Dec. 29,'97	119⅛	119	27,000
" 1st registered	1903		J & J	119	Dec. 13,'97	119	119	10,000
" debenture 5's	1904	10,000,000	M & S	110⅛	Dec. 20,'97	110⅛	110⅝	7,000
" debenture 5's reg.			M & S	110	Dec. 2,'97	110	110	2,000
" reg. deben. 5's	1889-1904	1,000,000	M & S	109⅛	Sept.24,'97	....	....	....
" debenture g. 4's	1905	15,000,000	J & D	103¼	Dec. 30,'97	103¼	103¼	10,000
" registered	1905		J & D	103½	Oct. 19,'97	....	....	....
" deb. cert. ext. g. 4's	1905	6,450,000	M & N	103	Nov. 22,'97	....	....	....
" registered			M & N	104¼	Aug. 3,'97	....	....	....
Harlem 1st mortgage 7's c	1900	12,000,000	M & N	107⅞	Nov. 15,'97	....	....	....
" 7's registered	1900		M & N	109	Dec. 31,'97	109	107¾	51,000
N. Jersey Junc. R. R. g. 1st 4's	1986	1,650,000	F & A	103	May 7,'97	....	....	....
" reg. certificates			F & A	....	....	....	....	....

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West Shore 1st guaranteed 4's.....	50,000,000	J & J	111	Dec. 30,'97	111⅞	110¾	179,500
" registered..................		J & J	109	Dec. 29,'97	111⅛	108¼	88,000
Beech Creek 1st. g. gtd. 4's.....1936	5,000,000	J & J	108⅛	Nov. 16,'97	....	....	....
" registered		J & J	105½	June 12,'96	....	....	....
" 2d gtd. 5's..............1936	500,000	J & J	....	....	....	....	....
" registered	....	J & J	....	....	....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd g. 4's ser. A. 1940	770,000	J & J	86	Nov. 15,'97	....	....	....
" small bonds series B......	33,100	J & J	....	....	....	....	....
Gouv. & Oswega. 1st gtd g. 5's.1942	300,000	J & D	....	....	....	....	....
R. W. & Og. con. 1st ext. 5's...1922	9,081,000	A & O	122½	Dec. 31,'97	122½	119¾	89,000
coup. g. bond currency..........		A & O	....	....	....	....	....
Nor. & Montreal 1st g. gtd 5's..1916	130,000	A & O	....	....	....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's.1918	375,000	M & N	....	....	....	....	....
Oswego & Rome 2d gtd gold 5's.1915	400,000	F & A	110	Oct. 16,'94	....	....	....
Utica & Black River gtd g. 4's..1922	1,800,000	J & J	107⅛	Oct. 14,'97	....	....	....
Mohawk & Malone 1st gtd g. 4's.1991	2,500,000	M & S	100	Mar. 14,'94	....	....	....
Carthage & Adiron 1st gtd g. 4's 1981	1,100,000	J & D	....	....	....	....	....
N. Y. & Putnam 1st gtd g. 4's..1993	4,000,000	A & O	103	May 22,'96	....	....	....
N. Y. & Northern 1st g. 5's.....1927	1,200,000	A & O	122½	Sept. 24,'97	....	....	....
N.Y., Chic. & St. Louis 1st g. 4's.1937	19,425,000	A & O	106⅝	Dec. 30,'97	107	106¼	138,000
" registered................		A & O	103	Nov. 4,'97	....	....	....
N. Y., N. Haven & H. 1st reg. 4's.1903	2,000,000	J & D	104½	Oct. 7,'97	....	....	....
" con. deb. receipts.....$1,000	15,007,500	A & O	144½	Dec. 24,'97	144½	141	22,000
" small certifs............$100	1,430,000	......	141	Dec. 17,'97	141	141	500
Housatonic R. con. g. 5's.........1937	2,838,000	M & N	125¼	Feb. 6,'97	....	....	....
New Haven and Derby con. 5's..1918	575 000	M & N	115½	Oct. 15,'94	....	....	....
N. Y. & New England 1st 7's......1905	6,000,000	J & J	123	June 16,'97	....	....	....
" 1st 6's..................1905	4,000,000	J & J	114	May 27,'97	....	....	....
N.Y., Ontario & W'n con. 1st g. 5's 1939	5,600,000	J & D	107¾	Dec. 31,'97	108	107	98,000
" Refunding 1st g. 4's.....1992	8,375,000	M & S	97½	Dec. 31,'97	97½	96¼	41,000
" Registered......$5,000 only.	....	M & S	88⅝	Aug. 25,'92	....	....	....
N. Y., Sus. & W. 1st refunded 5's.1937	3,750,000	J & J	106	Dec. 8,'97	106	103½	7,000
" 2d mortg. 4½'s........1937	453,000	F & A	85	Dec. 28,'97	85	85	2,000
" gen. g. 5's..............1940	2,547,000	F & A	86⅝	Dec. 27,'97	87	86	105,000
" term. 1st mtg. g. 5's...1943	2,000,000	M & N	109½	Dec. 27,'97	109½	109½	1,000
" registered..........$5,000		M & N	....	....	....	....	....
Wilkesb. & East. 1st gtd g. 5's..1942	3,000,000	J & D	93	Dec. 31,'97	94	93	51,000
Midland R. of N. Jersey 1st 6's.1910	3,500,000	A & O	120	Dec. 31,'97	120	120	3,000
N.P. 1st m.R.R.&L.G.S.F.g.c.6's..1921	11,505,000	J & J	118½	Dec. 31,'97	120	118	46,000
" registered..................		J & J	117	Dec. 22,'97	120	117	95,000
St. Paul & N. Pacific gen 6's....1923	7,985,000	F & A	128	Dec. 8,'97	128	128	3,000
" registered certificates....		Q F	126	Nov. 3,'97	....	....	....
N. P. Ry prior ln reg.&ld.gt.g.4's.1997	81,406,500	Q J	96	Dec. 31,'97	96	92⅛	3,211,500
" registered..................		Q J	91½	Nov. 11,'97	....	....	....
" gen. lien g. 3's..........2047	56,000,000	Q F	61	Dec. 31,'97	61⅝	59½	2,874,500
" registered..................		Q F	....	....	....	....	....
Nor. Pacific Term. Co. 1st g. 6's..1933	3,930,000	J & J	106	Dec. 30,'97	107	104¼	44,000
Norfolk & Southern 1st g. 5's....1941	750,000	M & N	108	June 26,'97	....	....	....
Norfolk & Western gen. mtg. 6's.1931	7,283,000	M & N	123¾	Dec. 17,'97	123¾	121½	2,000
" New River 1st 6's........1932	2,000,000	A & O	120¾	Dec. 7,'97	120¾	120½	21,000
" imp'ment and ext. 6's...1934	5,000,000	F & A	97	Feb. 19,'94	....	....	....
" Sci'o Val & N.E. 1st g. 4's, 1989	5,000,000	J & N	82½	Dec. 29,'97	84½	82	96,000
" C. C. & T. 1st g. t. g g 5's 1922	600,000	J & J	101	Feb. 23,'97	....	....	....
Norfolk & West. Ry 1st con. g. 4s.1996	23,199,400	A & O	78⅝	Dec. 29,'97	79¼	76½	847,000
" registered..................		A & O	....	....	....	....	....
" small bonds................		A & O	....	....	....	....	....
Ogdb'g & L. Chapl. 1st con. 6's...1920	3,500,000	A & O	49	Apr. 13,'96	....	....	....
Ogdensburg & Lake Chapl. inc..1920	800,000	O	....	....	....	....	....
" inc.......................small	200,000	O	82	Feb. 26,'87	....	....	......

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Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	December Sales. High	December Sales. Low.	December Sales. Total.
Ohio & Miss. con. skg. fund 7's	1898	3,435,000	J & J	103	Dec. 10,'97	103	103	10,000
" consolidated 7's	1898	3,066,000	J & J	102⅝	Nov. 6,'97	....	....	....
" 2d consolidated 7's	1911	2,952,000	A & O	121	Dec. 13,'97	121	120	15,000
" 1st Springf'd d. 7's	1905	1,984,000	M & N	106	Dec. 31,'97	106	102	68,000
" 1st general 5's	1932	405,000	J & D	98	Apr. 2,'92	....	....	....
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	105	Nov. 15,'97	....	....	....
" gen. mortg. g 6's	1937	2,428,000	A & O	85	Dec. 16,'96	....	....	....
Ohio Southern 1st mortg. 6's	1921	3,924,000	J & D	80	Nov. 19,'97	....	....	....
" gen. mortg. g 4's	1921	1,543,000	M & N	14	Nov. 12,'97	....	....	....
" gen. eng. Trust Co. certs...		1,255,000	......	9	July 16,'97	....	....	....
Omaha & St. Lo. 1st g 4's	1901	2,376,000	J & J	84	Dec. 28,'97	86½	82½	84,000
Oregon Improvement Co. 1st 6's	1910	254,000	J & D	108	Sept. 21,'97	....	....	....
" eng. Tr. Co. ctfs. of dep.....		3,717,000	......	102½	Dec. 29,'97	102½	99½	111,000
" " std. int. pd. to Dec. 1,'97		....	......	....	....	....	....	....
" con. mortg. g 5's	1939	652,000	A & O	82¼	Aug. 24,'97	....	....	....
" Trust Co. reor cts 4th ins pd		5,897,000	......	45⅛	Dec. 31,'97	45⅛	45	58,000
Oregon Ry. & Nav. 1st s. f. g. 6's	1909	4,451,000	J & J	115¼	Dec. 31,'97	116¾	115	349,000
Oregon R. R. & Nav. Co. con. g 4's	1946	15,174,000	J & D	93⅝	Dec. 31,'97	93½	92⅛	315,000
Oregon Short Line 1st g. 6's	1922	13,651,000	F & A	123¾	Dec. 31,'97	124	122	168,000
Utah & Northern 1st 7's	1908	1,031,000	J & J	120	Dec. 13,'97	120	120	4,000
" g. 5's	1926	1,877,000	J & J	102	May 24,'94	....	....	....
Oreg. Short Line 1st con. g. 5's	1946	10,369,500	J & J	98¾	Dec. 31,'97	99¾	94½	761,000
" non-cum. inc. A 5's	1946	7,336,000	SEPT.	58	Dec. 29,'97	59⅝	57	212,500
" non-cum. inc. B. & col. trust		14,018,000	OCT.	39¼	Dec. 15,'97	39¼	39	59,000
Panama s. f. subsidy g 6's	1910	1,732,000	M & N	101½	Dec. 21,'91	....	....	....
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	115¼	Dec. 21,'97	115¾	114½	55,000
" reg	1921		J & J	112¾	Dec. 21,'97	114¾	112¾	84,000
" gtd. 3½ col. tr. reg. ctfs.	1937	5,000,000	M & S	....	....	....	....	....
Pitts., C. C. & St. Louis con. g 4½'s								
" Series A	1940	10,000,000	A & O	111⅜	Dec. 27,'97	111⅝	111¼	31,000
" Series B	1942	10,000,000	A & O	111⅝	Dec. 27,'97	111⅝	111¼	24,000
" Series C	1942	2,000,000	M & N	105	Jan. 16,'97	....	....	....
" Series D gtd. 4's	1945	4,863,000	M & N	102	Oct. 9,'97	....	....	....
Pitts., C. & St. Louis 1st c. 7's	1900	6,863,000	F & A	111¼	July 2,'97	....	....	....
" 1st reg. 7's	1900		F & A	109¼	Apr. 23,'97	....	....	....
Pitts., Ft. Wayne & C. 1st 7's	1912	2,917,000	J & J	142	Nov. 16,'97	....	....	....
" 2d 7's	1912	2,546,000	J & J	142½	Dec. 23,'97	142½	142½	8,000
" 3d 7's	1912	2,000,000	A & O	126	Aug. 26,'95	....	....	....
Chic., St. Louis, & P. 1st c. 5's	1932	1,506,000	A & O	113	May 14,'96	....	....	....
" registered		....	A & O	110	May 3,'92	....	....	....
Cleve. & Pitts. con. s. fund 7's	1900	1,505,000	M & N	109	Nov. 6,'97	....	....	....
" gen. gtd. g. 4½'s Ser. A	1942	3,000,000	J & J	113	Apr. 18,'95	....	....	....
" Series B	1942	1,628,000	A & O	....	....	....	....	....
St. Louis, V. & T. H. 2d 7's	1898	1,000,000	M & N	101	Nov. 9,'97	....	....	....
" 2d gtd. 7's	1898	1,600,000	M & N	100	Nov. 25,'96	....	....	....
G. R. & Ind. Ex. 1st gtd. g 4½ g	1941	4,366,000	J & J	107	May 18,'96	....	....	....
Allegh. Valley gen. gtd. g. 4's	1942	5,389,000	M & S	102	Nov. 10,'97	....	....	....
Newp. & Cin. Bge Co. gtd g. 4's	1945	1,400,000	J & J	....	....	....	....	....
Penn. RR. Co. 1st Rl Est. g 4's	1923	1,675,000	......	108	May 12,'97	....	....	....
con. sterling gold 6 per cent	1905	22,762,000	J & D	....	....	....	....	....
con. currency, 6's registered	1905	4,718,000	Q M 15	....	....	....	....	....
con. gold 5 per cent	1919	4,998,000	M & S	....	....	....	....	....
" registered			Q Mch	....	....	....	....	....
con. gold 4 per cent	1943	3,000,000	M & N	....	....	....	....	....
con. Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	111	July 8,'97	....	....	....
U'd N. J. RR. & Can Co. g 4's	1944	5,646,000	M & S	114¼	Oct. 22,'97	....	....	....
Del. R. RR. & Bge Co 1st gtd g. 4's	1936	1,300,000	F & A	....	....	....	....	....
Peoria, Dec. & Evansville 1st 6's	1920	327,000	J & J	103¼	Nov. 18,'97	....	....	....
" eng. Trust Co. ctfs.		960,000	......	98	Dec. 3,'97	98	98	5,000
" Evansville div. 1st 6's	1920	499,000	M & S	100	Dec. 23,'97	101	100	13,000
" eng. Trust Co. ctfs.		971,000	......	95¾	Nov. 29,'97	....	....	....
" Tr. Co. ctfs. 2d mort 5's	1926	1,851,000	M & N	14½	Dec. 30,'97	14½	13	32,000
Peoria & Pekin Union 1st 6's	1921	1,500,000	Q F	112	Mar. 8,'97	....	....	....
" 2d m 4½'s	1921	1,499,000	M & N	85	Nov. 24,'97	....	....	....
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov. 17,'93	....	....	....

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Pittsburg, Clev. & Toledo 1st 6's	1922	2,400,000	A & O	108½	Apr. 5,'93	....	....	....
Pittsburg, Junction 1st 6's	1922	1,440,000	J & J	124	Mar. 12,'96	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A	1928	2,000,000	A & O	112	Mar. 25,'93	....	....	....
Pittsburg, McK'port & Y. 1st 6's	1932	2,250,000	J & J	117	May 31,'89	....	....	....
• 2d g. 6's	1934	900,000	J & J	....		....	....	....
McKspt & Bell. V. 1st g. 6's	1918	600,000	J & J	....		....	....	....
Pittsburg, Pains. & Fpt. 1st g. 5's	1916	1,000,000	J & J	95½	Apr. 2,'95	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's	1940	3,000,000	A & O	106½	Dec. 31,'97	105½	105½	34,000
• 1st cons. 5's	1943	786,000	J & J	98	July 14,'97	....	....	....
Pittsburg & West'n 1st gold 4's	1917	9,700,000	J & J	79	Dec. 30,'97	80	76¾	104,000
• Mort. g. 5's	1891–1941	3,500,000	M & N	83½	Mar. 1,'97	....	....	....
Pittsburg, Y & Ash. 1st cons. 5's	1927	1,562,000	M & N	....		....	....	....
Reading Co. gen. g. 4's	1997	58,668,000	J & J	85⅞	Dec. 31,'97	86¼	84⅝	2,270,000
• registered			J & J	....		....	....	....
Rio Grande West'n 1st g. 4's	1939	15,200,000	J & J	83⅞	Dec. 31,'97	83⅞	81½	679,000
Rio Grande Junc'n 1st gtd. g. 5's	1939	1,850,000	J & D	90	Oct. 21,'97	....	....	....
Rio Grande Southern 1st g. 3-4	1940	4,510,000	J & J	63½	Jan. 15,'97	....	....	....
Salt Lake City 1st g. sink fu'd 6's	1913	297,000	J & J	....		....	....	....
St. Jo. & Gr. Isl. 1st g. 2.342	1947	3,500,000	J & J	71½	Dec. 30,'97	71½	68¼	83,000
St. Louis, A. & T. H. 1st 2T. g. 5's	1914	2,200,000	J & D	105	Dec. 28,'97	105	105	2,000
• registered			J & D	....		....	....	....
Belleville & Carodt 1st 6's	1923	485,000	J & D	115	June 22,'96	....	....	....
St. Louis, South. 1st gtd. g. 4's	1931	550,000	M & S	90	Nov. 12,'97	....	....	....
• 2d inc. 5's	1931	126,000	M & S	72½	Nov. 25,'91	....	....	....
• 1st con. 5's	1939	399,000	M & S	....		....	....	....
Carbond'e & Shawt'n 1st g. 4's	1932	250,000	M & S	....		....	....	....
St. Louis & San F. 2d 6's, Class A	1906	500,000	M & N	114½	Dec. 24,'97	114½	114½	3,000
• 2d g. 6's, Class B	1906	2,766,500	M & N	114½	Dec. 27,'97	114½	114	36,000
• 2d g. 6's, Class C	1906	2,400,000	M & N	114½	Dec. 24,'97	114⅝	114¼	28,000
• 1st g. 6's P. C. & O.	1919	1,035,000	F & A	118	May 23,'92	....	....	....
• gen. g. 6's	1931	7,807,000	J & J	119⅝	Dec. 30,'97	119⅝	117½	363,000
• gen. g. 5's	1931	12,293,000	J & J	105⅞	Dec. 31,'97	105⅞	103¼	237,000
• 1st Trust g. 5's	1987	1,099,000	A & O	95	Dec. 22,'97	95	93½	27,000
Ft. Smith & Van B. Bdg. 1st 6's	1910	319,000	A & O	105	Oct. 4,'96	....	....	....
Kansas, Midland 1st g. 4's	1937	1,608,000	J & D	....		....	....	....
St. Louis & San F. R. R. g. 4's	1996	6,388,000	J & D	76½	Dec. 31,'97	77	73¾	432,500
St. Louis S. W. 1st g. 4's Bd. ctfs.	1989	20,000,000	M & N	73	Dec. 31,'97	74	72	129,000
• 2d g. 4's inc. Bd. ctfs.	1989	8,000,000	J & J	28	Dec. 3,'97	28	28	5,000
St. Paul City Ry. Cable con. g. 5's	1937	2,480,000	J&J15	90	Nov. 8,27	....	....	....
• gtd. gold 5's	1937	1,138,000	J & J	90	Mar. 20,'96	....	....	....
St. Paul & Duluth 1st 5's	1913	1,000,000	F & A	114	Aug. 24,'94	....	....	....
• 2d 5's	1917	2,000 000	A & O	107¾	Dec. 27,'97	107¾	105½	7,000
St. Paul, Minn. & Manito'a 2d 6's	1909	8,000,000	A & O	122¾	Dec. 30,'97	122¾	121¼	64,000
• Dakota ext'n 6's	1910	5,676,000	M & N	121¼	Dec. 29,'97	121½	121	13,000
• 1st con. 6's	1933	13,344,000	J & J	130	Dec. 7,'97	130	130	1,000
• 1st con. 6's, registered			J & J	120	Aug. 19,'95	....	....	....
• 1st c. 6's, red'd to 4½'s		21,196,000	J & J	108½	Dec. 31,'97	108½	107½	92,000
• 1st cons. 6's register'd			J & J	105	Nov. 4,'95	....	....	....
• Mont. ext'n 1st g. 4's	1937	7,805,000	J & D	93⅞	Dec. 27,'97	93⅞	93	7,000
• registered			J & D	89½	Apr. 23,'97	....	....	....
Minneapolis Union 1st 6's	1922	2,150,000	J & J	126	Sept. 10,'97	....	....	....
Montana Cent. 1st 6's int. gtd.	1937	6,000,000	J & J	122½	Oct. 27,'97	....	....	....
• 1st 6's, registered			J & J	115	Apr. 24,'97	....	....	....
• 1st g. g. 5's	1937	2,700,000	J & J	106	Nov. 27,'97	....	....	....
• registered			J & J	....		....	....	....
Eastern Minn. 1st d. 1st g. 5's	1908	4,700,000	A & O	107	Nov. 9,'97	....	....	....
• registered			A & O	....		....	....	....
Willmar & Sioux Falls 1st g. 5's	1938	3,625,000	J & D	111	Nov. 23,'97	....	....	....
• registered			J & J	....		....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's	1919	3,872,000	J & J	100½	Oct. 20,'97	....	....	....
Sav. Florida & Wn. 1st c. g. 6's	1934	4,056,000	A & O	106⅝	Aug. 2,'97	....	....	....
• 1st g. 5's	1934	1,780,000	A & O	104½	Oct. 18,'97	....	....	....
Seaboard & Roanoke 1st 5's	1926	2,500,000	J & J	98	Apr. 18,'96	....	....	....
Seat L.S.&.E.Tr.Co.cts.1st gtg.6's	1931	4,991,000	F & A	40	Dec. 30,'97	40	40	50,000
• assessment paid			F & A	43½	Apr. 28,'96	....	....	....
Sodus Bay & Sout'n 1st 5's, gold	1924	500,000	J & J	105	Sept. 4,'86	....	....	....
South Caro'a & Georgia 1st g. 5's	1919	5,250,000	M & N	95	Dec. 29,'97	95¼	94¼	200,000

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Southern Pacific Co.							
Gal. Harrisb'gh & S.A. 1st g 6's..1910	4,756,000	F & A	106	Sept.25,'97			
" 2d g 7's.............. 1905	1,000,000	J & D	104	Nov. 30,'97			
" Mex. & P. div 1st g 5's.1931	13,418,000	M & N	92	Dec. 30,'97	92¼	91¼	107,000
Houst. & T C 1st Waco & N 7's..1903	1,140,000	J & J	125	June 29,'92			
" 1st g 5's int. gtd.......1937	7,107,000	J & J	112¼	Dec. 27,'97	112½	112	34,000
" con. g 6's int. gtd......1912	3,455,000	A & O	108	Dec. 28,'97	108	107¾	27,000
" gen. g 4's int. gtd......1921	4,297,000	A & O	78½	Dec. 29,'97	81	78	126,000
Morgan's La & Tex. 1st g 6's....1920	1,494,000	J & J	114	Nov. 17,'97			
" 1st 7's.................1918	5,000,000	A & O	129	Dec. 18,'97	129	129	1,000
N. Y. Tex. & Mex. gtd. 1st g 4's..1912	1,442,500	A & O					
Oreg. & Cal. 1st gtd. g 5's........1927	18,842,000	J & J	72½	June 11,'97			
San Ant. & Aran Pass 1st gtd g 4's.1943	18,886,000	J & J	61⅞	Dec. 30,'97	62	60	388,000
Tex. & New Orleans 1st 7's......1905	1,620,000	F & A	111	Mar. 1,'97			
" Sabine div. 1st g 6's...1912	2,575,000	M & S	106½	Nov. 17,'97			
" con. g 5's..............1943	1,620,000	J & J	98¾	Dec. 31,'97	98¾	98	177,000
South'n Pac. of Ariz. 1st 6's 1909-1910	10,000,000	J & J	104⅝	Dec. 21,'97	105	103	123,000
South. Pac. of Cal. 1st g 6's.1905-12	30,577,500	A & O	109	Dec. 14,'97	109	109	2,500
" 1st con. gtd. g 5's...1937	19,671,000	M & N	93¼	Dec. 31,'97	94	92	167,000
Austin & Northw'n 1st g 5's...1941	1,920,000	J & J	85	Dec. 30,'97	89¾	85	121,000
So. Pacific Coast 1st gtd. g. 4's...1937	5,500,000	J & J					
So. Pacific of N. Mex. c. 1st 6's....1911	4,180,000	J & J	108½	Dec. 31,'97	108½	108¼	115,000
Southern Railway 1st con. g 5's.1994	26,962,000	J & J	95⅛	Dec. 31,'97	95⅛	92½	1,368,000
" registered................		J & J					
East Tenn. reorg. lien g 4's....1938	4,500,000	M & S	92½	Nov. 30,'97			
" registered................		M & S					
Alabama Central, 1st 6's.......1918	1,000,000	J & J	112¼	Aug. 17,'97			
Atl. & Char. Air Line, income..1900	750,000	A & O	104	May 24,'95			
Col. & Greenville, 1st 5-6's.....1916	2,000,000	J & J	119	Dec. 22,'97	119	116½	14,000
East Tenn., Va. & Ga. 1st 7's...1900	3,123,000	J & J	110	Dec. 24,'97	110	110	11,000
" divisional g 5's........1930	3,106,000	J & J	115	Nov. 12,'97			
" con. 1st g 5's..........1956	12,770,000	M & N	110½	Dec. 31,'97	110½	109¼	103,000
Ga. Pacific Ry. 1st g 5-6's......1922	5,660,000	J & J	122½	Dec. 27,'97	122½	122½	6,000
Knoxville & Ohio, 1st g 6's.....1925	2,000,000	J & J	117	Dec. 14,'97	117	115½	11,000
Rich. & Danville, con. g 6's....1915	5,597,000	J & J	124¼	Dec. 14,'97	124¼	124¼	6,000
" equip. sink. f'd g 5's, 1909	940,000	M & S	101	Nov. 2,'97			
" deb. 5's stamped.....1927	3,368,000	A & O	100	Nov. 4,'97			
Vir. Midland serial ser. A 6's..1906	600,000	M & S					
" small.....................		M & S					
" ser. B 6's..............1911	1,900,000	M & S					
" small.....................		M & S					
" ser. C 6's..............1916	1,100,000	M & S					
" small.....................		M & S					
" ser. D 4-5's............1921	950,000	M & S					
" small.....................		M & S					
" ser. E 5's..............1926	1,775,000	M & S					
" small.....................		M & S					
" ser. F 5's..............1931	1,310,000	M & S					
Virginia Midland gen. 5's......1936	2,392,000	M & N	108½	Dec. 29,'97	108½	103	17,000
" gen. 5's. gtd. stamped.1926	2,466,000	M & N	102¾	Nov. 17,'97			
W. O. & W. 1st cy. gtd. 4's.....1924	1,025,000	F & A	84	Aug. 10,'97			
W. Nor. C. 1st con. g 6's........1914	2,531,000	J & J	115	Nov. 17,'97			
Staten Island Ry 1st gtd. g 4½s..1943	500,000	J & D					
Sunbury & Lewiston 1st g. 4's...1936	500,000	J & J					
Ter. R. R. Assn. St. Louis 1g 4½'s.1939	7,000,000	A & O	118	Dec. 16,'97	108½	108	6,000
" 1st con. g. 5's.....1894-1944	4,500,000	F & A	108	Nov. 29,'97			
St. L. Mers. bdg. Ter. gtd g. 5's.1930	3,500,000	A & O	103	Oct. 27,'96			
Terre Haute Elec. Ry. gen. g 6's.1914	444,000	Q JAN	105⅝	Dec. 18,'95			
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th 1905	3,784,000	M & S	108	Dec. 1,'97	108	108	8,000
" 1st gold 5's.............2000	21,049,000	J & D	97⅞	Dec. 31,'97	98	95½	429,000
" 2d gold income, 5's.....2000	23,227,000	MAR.	28⅝	Dec. 31,'97	31	28	2,708,000
Third Avenue 1st g 5's...........1937	5,000,000	J & J	124⅛	Dec. 24,'97	124⅛	123¾	5,000
Toledo & Ohio Cent. 1st g 5's....1935	3,000,000	J & J	106	Dec. 14,'97	106	105	21,000
" 1st M. g 5's West. div...1935	2,500,000	A & O	104	Sept. 16,'97			
" gen. g. 5's.... 1935	1,500,000	J & D					
" Kanaw & M. 1st g. g. 4's.1990	2,340,000	A & O	77½	Dec. 21,'97	79	76	6,000
Toledo, Peoria & W. 1st g 4's....1917	4,900,000	J & D	73	Dec. 21,'97	73	72	13,000
Tol., St.L.&K.C. Tr. Rec. 1st g 6's.1916	8,234,000	M & N	90	Dec. 20,'97	90	84	167,000

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Ulster & Delaware 1st c. g 5's....1928	1,852,000	J & D	102½	Dec. 29,'97	102¾	102½	2,000
Union Elevated (Chic.) 1st g.5's.1945	3,925,000	A & O	....	....	....	....	....
Union Pacific 1st g. 6's..........1896	11,604,000	J & J	103	Dec. 31,'97	103	102⅛	10,000
" g. 6's..................1897		J & J	103	Dec. 31,'97	103	102¾	7,000
" g. 6's..................1898		J & J	102¾	Dec. 10,'97	102¾	102¾	10,000
" g. 6's..................1899		J & J	103⅛	Dec. 30,'97	103⅛	102¾	39,000
" g. 6's Tr.Co.cfs.ex mat cps 1896....................	15,685,000	......	113	Dec. 23,'97	116	113	26,000
" g.6's Tr.Co. cfs.ex mat cps 1897....................		......	113	Dec. 23,'97	113	113	1,000
" g.6's Tr.Co. cfs. ex mat cps 1898....................		......	116	Dec. 21,'97	116	112	57,000
" g. 6's Tr.Co. cfs.ex mat cps 1899....................		......	114⅛	Oct. 22,'97	....	....	....
" collat. trust 6's...........	8,983,000	J & J	103	Dec. 31,'97	103	103	2,000
" col. trust g. 5's........1907	4,970,000	J & D	83	Aug.31,'97	....	....	....
" col. Tr.Co. cts.g. 4½'s.1918	2,000,000	M & N	45	Dec. 17,'97	48½	45	13,000
" collat. Tr. 6's g. notes.1902	8,150,000	F & A	103	Sept.15,'97	....	....	....
" col.Tr. 6's g.nts. 62½ p.pd.	....	......	43	Dec. 30,'97	44	43	450,000
Tr. Co. ctfs.Ext. sink'g f'd g 8's.1899	1,391,000	M & S	114	Dec. 30,'97	114	110	150,000
" eng. purchase money ctfs	22,000,000	......	112	Dec. 31,'97	112¼	110	1,890,000
Kansas Pacific 1st 6's...........1895	1,436,000	F & A	111¼	June 7,'97	....	....	....
" eng.Tr.Co. cfs. ex mat cps	805,000	......	110⅛	Oct. 23,'97	....	....	....
" 1st 6's..................1896	1,990,000	J & D	114	Sept.29,'97	....	....	....
" eng.Tr.Co. cfs. ex mat cps	2,078,000	......	111⅛	Oct. 23,'97	....	....	....
" Denver div. assd. 6's..1899	2,836,000	M & N	120½	Oct. 5,'97	....	....	....
" eng.Tr.Co. cfs. ex mat cps	3,051,000	......	110	Dec. 20,'97	110	110	2,000
" Tr.Co. ctfs. 1st con. 6's1919	11,474,000	......	85	Dec. 30,'97	90¾	84	553,000
Cent. Br. Un. Pac. f'd cpns 7's.1895	630,000	M & N	96	June 22,'93	....	....	....
Atch., Colo. & Pac., 1st 6's......1905	4,070,000	Q F	30	Dec. 21,'97	30	30	5,000
U. P., Lin. & Colo. 1st gtd g. 5's.1918	4,480,000	A & O	35	Dec. 2,'97	35	35	3,000
U.P. Den.&G'T.Co.cf.1st c.g.5's.1939	15,288,000	J & D	49	Dec. 31,'97	52	47⅛	437,000
Wabash R.R. Co., 1st gold 5's....1939	31,664,000	M & N	107¾	Dec. 31,'97	107⅞	105⅞	375,000
" 2d mortgage gold 5's..1939	14,000,000	F & A	80¾	Dec. 31,'97	81¼	79	806,000
" deben. mtg series A..1939	3,500,000	J & J	....	....	....	....	....
" series B................1939	25,740,000	J & J	27	Dec. 21,'97	28⅛	27	45,000
" 1st g.5's Det.& Chi.ex.1940	3,500,000	J & J	101⅛	Dec. 31,'97	101⅛	99⅛	69,000
St. L., Kan. C. & N. St. Chas. B. " 1st 6's.................1908	1,000,000	A & O	111	July 20,'97	....	....	....
Western N.Y. & Penn. 1st g. 5's..1937	10,000,000	J & J	109¼	Dec. 29,'97	109¼	108⅛	21,000
" gen g. 2-3-4's............1943	10,000,000	A & O	47	Dec. 23,'97	47½	46½	37,000
" inc. 5's..... 1943	10,000,000	Nov.	12	Nov. 30,'97	....	....	....
West Chic. St. 40 yr. 1st cur. 5's. 1928	3,969,000	M & N	....	....	....	....	....
" 40 years con. g. 5's......1936	6,031,000	M & N	99	Dec. 28,'97	99	99	5,000
West Va. Cent'l & Pac. 1st g. 6's.1911	3,000,000	J & J	108	Feb. 18,'96	....	....	....
Wheeling & Lake Erie 1st 5's....1926	1,265,000	A & O	92½	Nov. 16,'97	....	....	....
" Trust Co. certificates......	1,735,000	......	100	Dec. 22,'97	100	100	9,000
" Wheeling div. 1st g. 5's.1928	1,500,000	J & J	77	Nov. 1,'97	....	....	....
" exten. and imp. g. 5's...1930	1,624,000	F & A	70	Feb. 3,'97	....	....	....
" consol mortgage 4's....1992	1,600,000	J & J	62¼	July 20,'96	....	....	....
Wisconsin Cent.Co. 1st trust g.5's1937	1,987,000	J & J	34	Nov. 16,'97	....	....	....
" eng. Trust Co. certificates.	10,013,000	......	34	Dec. 31,'97	35	33	95,000
" income mortgage 5's...1937	7,775,000	A & O	5	Oct. 21,'97	....	....	....

UNITED STATES GOVERNMENT SECURITIES.

NAME *Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1897 *High.*	YEAR 1897 *Low.*	DECEMBER SALES. *High.*	DECEMBER SALES. *Low.*	DECEMBER SALES. *Total.*
United States 2's registered........Opt'l	25,364,[illegible]00	Q M	98⅛	98¼	....	....	......
" 4's registered..............1907	559,634,000	J A J&O	113⅛	110⅝	112¾	112⅛	73,450
" 4's coupon..................1907		J A J&O	114⅛	111⅜	113¼	113¼	13,000
" 4's registered..............1925	162,315,400	Q F	129	120¼	129	129	5,000
" 4's coupon..................1925		Q F	129⅛	120⅛	129⅛	128⅝	98,000
" 5's registered..............1904	100,000,000	Q F	115	113	115	114½	26,000
" 5's coupon..................1904		Q F	115⅞	113	114¾	114¾	194,000
" 6's currency.................1898	29,904,952	J & J	103½	99¾	99¾	99¾	2,000
" " 1899	14,004,560	J & J	107¾	106⅛	....	....	......
" 4's reg. cer. ind. (Cherokee)1898	1,660,000	MAR	....	....	....	....	......
" " 1899	1,660,000	MAR	106⅝	106⅝	....	....	......

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS.

NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	DECEMBER SALES. *High.*	DECEMBER SALES. *Low.*	DECEMBER SALES. *Total.*
American Cotton Oil deb. g. 8's..	1900	3,068,000	Q F	108¼	Dec. 30,'97	109	107⅛	24,000
Am. Spirit Mfg. Co. 1st g. 6's....	1915	2,000,000	M & S	71	Dec. 28,'97	75	70	44,000
Atlanta Gas Light Co. 1st g. 5's..	1947	1,150,000	J & D	....	....	....	....	....
Barney & Smith Car Co. 1st g. 6's.	1942	1,000,000	J & J	....	....	....	....	....
Bost. Un. Gas tst ctfs s'k f'd g. 5's.	1939	7,000,000	J & J	92	July 26,'97	....	....	....
B'klyn Union Gas Co. 1st con. g. 5's.	1945	13,081,000	M & N	112	Dec. 30,'97	112⅝	111	180,000
B'klyn Wharf & Wh. Co. 1st g. 5's.	1945	17,500,000	F & A	98¾	Dec. 31,'97	99¼	98⅛	87,000
Chic. Junc. & St'k Y'ds col. g. 5's.	1915	10,000,000	J & J	109⅛	Feb. 9,'97	....	....	....
Colo. Coal & Iron 1st con. g. 6's..	1900	2,954,000	F & A	93	Nov. 15,'97	....	....	....
Colo. C'l & I'n Devel. Co. gtd g. 5's.	1909	700,000	J & J	93	July 12,'97	....	....	....
" Coupon off..................		....	....	....	....	....	....	....
Colo. Fuel Co. gen. g. 6's..........	1919	1,043,000	M & N	106½	Nov. 10,'92	....	....	....
Col. Fuel & Iron Co. gen. sf g 5's..	1943	2,021,000	F & A	80½	Dec. 30,'97	80⅛	80	22,000
Columbus Gas Co., 1st g. 5's......	1932	1,175,000	J & J	....	....	....	....	....
Colo. Hock. Val. C'l & I'n g. 6's..	1917	960,000	J & J	94	Sept. 21,'94	....	....	....
Commercial Cable Co. 1st g. 4's.	2397.	11,400,000	Q & J	105½	Nov. 26,'97	....	....	....
" registered.....................			Q & J	105⅝	Nov. 30,'97	....	....	....
Detroit Gas Co. 1st con. g. 5's....	1918	2,000,000	F & A	97	Dec. 23,'97	97⅛	95¾	76,000
Edison Elec. Illu. 1st conv. g. 5's.	1910	4,312,000	M & S	112	Dec. 30,'97	112	111¾	13,000
" 1st con. g. 5's............	1995	2,156,000	J & J	115	Dec. 29,'97	115	114⅛	17,000
" Brooklyn 1st g. 5's......	1940	1,500,000	A & O	110½	Feb. 4,'97	....	....	....
" registered...................			A & O	....	....	....	....	....
Equitable Gas Light Co. of N. Y.								
" 1st con. g. 5's...........	1932	2,500,000	M & S	114	Dec. 14,'96	....	....	....
Erie Teleg. & Tel. col. tr. g s fd 5's.	1926	1,960,000	J & J	....	....	....	....	....
General Electric Co. deb. g. 5's...	1922	8,000,000	J & D	100¼	Dec. 31,'97	100¼	98½	51,000
Grand Riv. Coal & Coke 1st g. 6's.	1919	780,000	A & O	90	Nov. 26,'95	....	....	....
Grand Rapids Gas Light Co. 1st								
" g. 5's....................	1915	1,225,000	F & A	92½	Mar. 11,'95	....	....	....
Hackensack Wtr Reorg. 1st g. 5's.	1926	1,090,000	J & J	107⅛	June 3,'92	....	....	....
Hend'n Bdg Co. 1st s'k. f'd g. 6's.	1931	1,728,000	M & S	111	Aug. 23,'97	....	....	....
Hoboken Land & Imp. g. 5's.....	1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Illinois Steel Co. debenture 5's...	1910	6,200,000	J & J	86	May 8,'96	....	....	....
" non. conv. deb. 5's......	1910	7,000,000	A & O	70	Apl. 23,'97	....	....	....
Iron Steamboat Co. 6's...........	1901	500,000	J & J	75½	Dec. 4,'95	....	....	....
Jefferson & Clearfield Coal & Ir.								
" 1st g. 5's.................	1926	1,975,000	J & D	107	May 27,'97	....	....	....
" 2d g. 5's..................	1926	1,000,000	J & D	80	May 4,'97	....	....	....
Kansas City Mo. Gas Co. 1st g 5's.	1922	3,750,000	A & O	....	....	....	....	....
Lac. Gas L't Co. of St. L. 1st g. 5's.	1919	10,000,000	Q F	103⅝	Dec. 31,'97	103⅞	102	63,000
" small bonds................				97½	Nov. 1,'95	....	....	....
Madison Sq. Garden 1st g. 5's....	1919	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim. gen. g. 4's.	1940	1,300,000	M & N	55	Aug. 27,'95	....	....	....
Metrop. Tel & Tel. 1st s'k f'd g. 5's.	1918	2,000,000	M & N	103¼	Jan. 5,'92	....	....	....
" registered..................			M & N			....	....	....
Mich. Penins. Car Co. 1st g 5's...	1942	2,000,000	M & S	85	June 5,'97	....	....	....
Nat. Starch Mfg. Co., 1st g 6's...	1920	3,837,000	J & J	107	Nov. 17,'97	....	....	....
Newport News Shipbuilding & Dry Dock 5's.............	1890-1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. & N. J. Tel. gen. g 5's cnv..	1920	1,261,000	M & N	100	June 4,'95	....	....	....
N. Y. & Ontario Land 1st g 6's...	1910	443,000	F & A	92¼	May 5,'96	....	....	....
North Western Telegraph 7's....	1904	1,250,000	J & J	107	May 13,'89	....	....	....
Peop's Gas & C. Co. C. 1st g. g 6's.	1904	2,100,000	M & N	114¾	Dec. 18,'97	114¾	114	28,000
" 2d gtd. g. 6's............	1904	2,500,000	J & D	106	Dec. 28,'97	106	105	5,000
" 1st con. g 6's............	1943	4,900,000	A & O	116	Dec. 28,'97	116	116	8,000
Chic. Gas Lt & Coke 1st gtd g. 5's.	1937	10,000,000	J & J	107½	Dec. 30,'97	107½	105	43,000
Con. Gas Co. Chic. 1st gtd. g. 5's.	1936	4,346,000	J & D	104	Dec. 29,'97	104¼	100	64,000
Eq. Gas & Fuel, Chic. 1st gtd. g. 6's.	1905	2,000,000	J & J	107	Dec. 24,'97	107	105	3,000
Peoria Water Co. g 6's......	1889-1919	1,254,000	M & N	100	June 23,'92	....	....	....
Pleasant Valley Coal 1st g 6's....	1920	590,000	M & N	106⅞	Oct. 14,'95	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	DECEMBER SALES. *High.*	DECEMBER SALES. *Low.*	DECEMBER SALES. *Total.*
Procter & Gamble, 1st g 6's......1940	2,000,000	J & J	117	Dec. 12,'95	....	....	....
St. Louis Terml. Cupples Station. & Property Co. 1st g 4½'s 5-20..1917	2,000,000	J & D	....	....	....	....	....
So. Y. Water Co. N. Y. con. g 6's..1923	478,000	J & J	101	Feb. 19,'97	....	....	....
Spring Valley W. Wks. 1st 6's....1906	4,975,000	M & S	....	....	....	....	....
Standard Rope & Twine 1st g. 6's.1946	2,955,000	F & A	56⅛	Dec. 31,'97	60	53	50,000
" " inc. g. 5's.1946	7,500,000	......	11⅛	Dec. 30,'97	12½	10	81,000
Sun. Creek Coal 1st sk. fund 6's..1912	400,000	J & D	....	....	....	....	....
Ten. Coal, I. & R. T. d. 1st g 6's...1917	1,244,000	A & O	83	Dec. 23,'97	82	81	13,000
{ " Bir. div. 1st con. 6's...1917	3,399,000	J & J	87	Dec. 29,'97	87	85	19,000
{ Cah. Coal M. Co. 1st gtd. g 6's..1922	1,000,000	J & D	84	May 2,'95	....	....	....
{ De Bard. C & I Co. gtd. g 6's...1910	2,428,000	F & A	81⅛	Aug. 16,'97	....	....	....
U. S. Leather Co. 6% g s. fd deb..1915	6,000,000	M & N	115	Dec. 10,'97	115	114	12,000
Vermont Marble, 1st s. fund 5's..1910	640,000	J & D	....	....	....	....	....
Western Gas Co. col. tr. g. 5's....1933	3,805,500	M & N	103	Sept. 28,'97	....	....	....
Western Union deb. 7's.....1875-1900	3,680,000	M & N	107	June 26,'96	....	....	....
{ " 7's, registered..........1900		M & N	105	Dec. 11,'97	105	105	1,000
{ " debenture, 7's......1884-1900	1,000,000	M & N	105⅛	July 7,'97	....	....	....
{ " registered..................		M & N	104⅛	Nov. 12,'97	....	....	....
{ " col. trust cur. 5's 1938	8,502,000	J & J	111	Dec. 29,'97	111	109¼	34,000
{ Mutual Union Tel. s. fd. 6's....1911	1,957,000	J & J	112	Dec. 29,'97	112	111⅛	12,000
Wheel L. E. & P. Cl Co. 1st g 5's.1919	846,000	J & J	68	Dec. 23,'96	....	....	....
Whitebrst Fuel gen. s. fund 6's..1908	570,000	J & D	....	....	....	....	....

BANKERS' OBITUARY RECORD.

Allen.—James E. Allen, of the banking firm of Winslow & Allen, Worcester, Mass., died December 26.

Brumback.—John T. Brumback, President of the Van Wert (Ohio) National Bank, died December 11, aged sixty-eight years.

Curtiss.—Charles Curtiss, President of the Farmers and Merchants' Bank, Downer's Grove, Ill., died December 12. He went to California in 1849, where he was engaged in mining for five years. In 1887-'88 he was a member of the Illinois Legislature.

Ferre.—Lyman Ferre, Vice-President of the People's Bank, Bloomington, Ill., and a wealthy business man, died December 1. He was born in Springfield, Mass., in 1821, and had lived in Bloomington fifty-seven years.

Fleischmann.—Hon. Charles Fleischmann, President of the Market National Bank, Cincinnati, O., and connected prominently with a number of leading business enterprises, died December 10. He was a conspicuous figure in State politics and was very wealthy.

The following minute in regard to the death of Mr. Fleischmann was adopted by the Cincinnati Clearing-House Association:

CHARLES FLEISCHMANN.—Born November 3, 1834; died December 10, 1897.

In this community, his city of adoption, has lived and died one whose presence was felt in the many walks of life.

Not only was Charles Fleischmann a man of energy and laudable ambition, possessed of true methods of advancing the commercial interests of this and other cities, but in him existed the wholesome enjoyment of kindly assistance in word and deed to fellow man.

His versatility of mind and a marvelously adaptable character made him especially qualified to exert an influence over all who came in contact with him.

His was a beautiful life to behold, self-sacrificing in its nature, gentle in its daily application and faithful in its fulfilment.

Many successful business enterprises shared the advantages of his excellent judgment and bold execution of original methods. Fortunate in the accumulation of wealth by signal ability and business sagacity, he was generous in its uses, which brought comfort and happiness into many homes.

Charles Fleischmann as President of the Market National Bank gave to it his strong influence and support, and by his superior judgment and popularity greatly promoted its welfare and success.

We know of his love for music, books and the fine arts, and of the great pleasure it gave him to witness and enjoy the works of those distinguished in their profession.

A life blended with what is lovable and kind, upright and honorable, generous and charitable alike, richly deserves the halo of blessedness encircling the sweet memory of the ideal life of one of nature's noblemen.

Our sincere sympathy is extended to the members of the family in this hour of great bereavement.

(Signed) The Cincinnati Clearing-House Association.

M. M. WHITE,
CASPER H. ROWE, } *Committee.*
GEO. H. BOHRER,

Foster.—Charles M. Foster, a member of the well-known banking house of Henry Clews & Co., New York city, died December 28, aged forty-four years. Mr. Foster was a member of the Stock Exchange and of the Produce, Cotton and Coffee Exchanges.

Hall.—Lewis Hall, President and one of the founders of the Lechmere National Bank East Cambridge, Mass., died December 23, aged eighty years.

Henry.—John Henry, Vice-President of the Hawkinsville (Ga.) Bank and Trust Co., died December 12. Besides being Vice-President of the bank Mr. Henry was for many years the head of a large mercantile establishment and was a successful business man.

Miller.—Charles Addison Miller, of the banking and brokerage firm of Miller & Doubleday, New York city, died December 29. Mr. Miller was a member of the Stock Exchange and of a number of the leading city clubs. He had been in the banking business since 1883, when he became a member of the firm of Miller & Francis, which five years later was succeeded by Miller & Doubleday.

Morse.—Charles C. Morse, Vice-President of the Rochester (N. Y.) Savings Bank and an old and well-known business man, died December 4.

Newton.—Charles H. Newton, President of the Calais (Me.) National Bank, died December 2, aged sixty-seven years. Mr. Newton was a former member of the Maine Legislature, and was connected with important business enterprises in addition to his banking interests.

Patton.—John Patton, President of the Curwensville (Pa.) Bank and prominent in the politics of that State, died December 23.

Powers.—Daniel W. Powers, President of the Powers Bank, Rochester, N. Y., died December 11. He was born at Batavia, N. Y., seventy-nine years ago. His business career was commenced in the hardware trade, and shortly after reaching his majority he engaged in banking, continuing in that business ever since. He accumulated a large fortune, and was a public-spirited man. The Powers Art Gallery is famous both in this country and Europe for its fine collection of paintings.

Rohner.—John Rohner, Cashier of the Evans City (Pa.) Bank and a prominent business man, died November 29, aged sixty-seven years.

Sherwood.—F. A. Sherwood, a banker at Ottawa, Ill., and ex-Mayor of that city, died November 29.

Soule.—W. H. Soule, Cashier of the Cumberland National Bank, Portland, Me., since 1878, died December 29, aged sixty-seven years.

Spencer.—Hon. Israel L. Spencer, President of the First National Bank, Suffield, Conn., died December 31, aged sixty-four years.

Sturges.—Stephen B. Sturges, one of the founders of the Northwestern National Bank, Chicago, died at his home in Brooklyn, N. Y., December 19. Mr. Sturges was born at Mansfield, O., in 1827. For a time he was engaged in banking at Sacramento, Cal., and later at Cleveland, O., afterwards assisting in organizing the Northwestern National Bank of Chicago. In 1877 he retired from active business.

Thurman.—Richardson H. Thurman, a former well-known bank officer at Troy, N. Y., died December 4, aged eighty-six years. He was the organizer of the First National of Troy and its Cashier during the entire existence of the bank. Mr. Thurman was also one of the organizers of the Union Bank, of Troy. He was especially well informed in all matters relating to banking law and practice.

Turner.—C. J. Turner, of the Stock Exchange firm of C. J. Turner & Son, New York city, died December 27.

Ullrich.—Paul Ullrich, President of the Ullrich Savings Bank, Mount Clemens, Mich., died December 14.

Wothen.—Moses E. Wothen, Vice-President of the Passaic (N. J.) National Bank, and identified with other financial and business enterprises, died December 26.

THE

BANKERS' MAGAZINE.

RHODES' JOURNAL OF BANKING and THE BANKERS' MAGAZINE Consolidated.

FIFTY-SECOND YEAR. FEBRUARY, 1898. VOLUME LVI, NO. 2.

THE SUPERVISION OF BANKS by examinations conducted under the authority of the Comptroller of the Currency during the existence of the National banking system has been more effective in lessening the losses by failure either from fraud or mismanagement than any other means provided in the Federal laws regulating the banking business.

It is usual to ascribe the superior safety of banks under national laws to the safeguards thrown around their circulation. The deposit of bonds to protect the ultimate redemption of bank notes has no doubt rendered this branch of the business of National banks perfectly safe. But the issue of circulation is comparatively a small part of the business of a National bank. The main portion of its business is receiving deposits and making loans. Upon the wisdom and enterprise with which the loans of a bank are made depend the profits of the institution and the safety of the funds entrusted to it by depositors.

It is of course possible to secure absolute protection to those who receive bank notes by taking the portion of the assets on which this form of credit is based absolutely out of the hands of the management of the bank, and as long as the notes are in circulation keeping this portion of the assets entirely free from all interference. But the loaning of the remaining assets must be left in the hands of the directory of the bank, and it is the use of this power that determines the success or failure of the institution.

The law provides certain general rules for the manner in which these loans shall be made, which are based on experience. But within these rules the directory of a bank is absolutely free, and is only checked by motives of self-interest and by the general supervision exercised by the Comptroller of the Currency by means of reports and examinations.

The result of examinations under the national system of laws has been so good that the system has been copied in the banking laws of the larger number of the States, and thus the general status of banking throughout the country has been raised. The fact that all National and most of the State banks are under Federal and State supervision also indirectly influences the operations of private bankers.

Notwithstanding the success of bank examination conducted by examiners under the direction of the Comptroller of the Currency in reducing the losses to depositors from failures of National banks, there are several improvements that should be made in the system of making them.

The Comptroller of the Currency, in his last report, recommends that a change be made in the manner of compensating examiners. and the Monetary Commission also makes some recommendations for the betterment of the conditions under which these examinations are made.

The examiners at present are given each a district containing a certain number of banks, and each is expected to examine every bank in his district at least once a year. The bank pays a fee for the examination according to its capital and business. The examiner is naturally inclined to perform his duties as rapidly as possible and there is a tendency to hurry the work, which is detrimental to the service.

The thorough examination of a bank requires care and time, and according to circumstances may occupy an expert from a few hours to two weeks or more.

The system of fees has a tendency to place all the banks in the district on the same level as to the time taken by the examiner to make the examination.

The Comptroller recommends that regular salaries be paid instead of fees, and that the money to pay the salaries be collected by a general assessment on all the banks. The Monetary Commission proposes to amend the laws relative to bank examinations in several particulars. They recommend fixed salaries for examiners and more frequent and thorough examination of banks. They think, also, that instead of examination of a bank by the same examiner time after time there should be a rotation among these officials from one district to another.

The most important recommendation, however, is that loans by a bank to an examiner be forbidden and made penal, as well as the giving of any gratuity, and the making it criminal for an examiner to receive a loan or gratuity.

There is no doubt that some examiners have abused their position to ask loans from the banks they had under their charge, which very often the bank officers dreaded to refuse, and granted the request, not to avert any discovery, but simply for fear that the examiner might use his position to start rumors that might injure the bank with the public or its competitors. This was really a species of blackmail, and although the great majority of examiners kept themselves clear of the practice, yet the conduct of the few brought the whole body into disrepute with many banks.

It is, perhaps, this sensitiveness to unfounded and malicious rumors, that may get out through an examiner, that does more to render examinations unpopular than any desire of concealing the true condition of the bank. This recommendation of the Commission, if it becomes law, will do much to raise the standard of the service.

THE FEAR OF BANKS on the part of many Congressmen was again manifested in the recent hearings before the Banking and Currency Committee of the House.

It is rather strange that so many Congressmen afflicted with bank phobia and other currency diseases appear in the make-up of this Committee. There are many Congressmen who are bankers, or if not actually concerned in the management of banks, they are at least owners of stock and perhaps directors, but notwithstanding these facts one seldom hears, either in committee or on the floor, any argument from the standpoint of a man who knows what banking really is and what its relations are to the people and the Government.

Mr. BROSIUS, who in the absence of Mr. WALKER acted as Chairman of the Committee, during one of the interviews with Mr. GAGE was extremely solicitous lest the Secretary's plan of withdrawing legal-tender notes from circulation and locking them up in the redemption fund should so reduce the demand obligations of the Government payable in gold that the people who wanted gold to pay foreign balances could not obtain notes with which to draw the gold from the Treasury. He thought they would then of necessity be forced to rely on the banks, and if the banks failed, as in 1893, then the country might be brought to a silver basis. He appeared to have forgotten the fact that during and after the panic of 1893, when there was no difficulty in procuring legal-tender notes to draw gold from the Treasury, that it was the Treasury that would have failed to have gold to pay, if it had not been for the assistance of the banks. The banks at that time by their united action not only supplied gold to their customers, but also, by frowning down unnecessary and panic-stricken demands for gold, lessened the demand on the Treasury. While the question of bond sales was in abeyance, and when Congress refused to do anything to help the Treasury, the banks in reality sustained the whole burden. They were under the disadvantage, too, of undertaking something that they had no reason to be expected to perform. In the law of 1890 Congress had thrown the duty of maintaining the parity of the gold and silver money of the country on the Treasury, and the banks had not prepared themselves for an emergency brought about by the unwisdom of the financial laws making the Treasury the great centre of the gold reserve of the country.

If their own interest in the welfare of the business community had not been so great, the treatment which the banks have for years received from the Government has been such as to put them into a state of feeling where antagonism rather than assistance would have been natural. On any day during the summer of 1893 and at times after that the banks in New York city alone could have presented legal tenders enough to have bankrupted the Treasury. They did not do this, but they did the very thing that the Secretary now proposes to have the Government itself do; they locked up the legal-tender notes in their vaults, and only doled them out in cases where the procurement of gold was a real necessity. They resisted all efforts to draw gold from the Treasury for hoarding or to embarrass the Government.

Rightly considered, the power and disposition to rightly use it manifested by the banks at that time indicates what they could accomplish if, as Mr. Brosius seems to fear, the burden of maintaining the parity should by accident or otherwise fall on their shoulders.

To admit that the banks are only guided by the principle of selfishness, only strengthens the position. It merely proves what the defenders of the banks have always asserted, that the real interest of the banks, recognized consistently as such by them, is the best interest of the whole community. If, therefore, by any plan bank notes are substituted for legal-tender notes in the general circulation, it is a work of supererogation to fear that the banks will not take care of these notes when gold is wanted for them. What they did for the Treasury when called on unexpectedly and with little opportunity of preparation, it is to be believed they will do for themselves when the necessity of preparation is constantly before their eyes.

One reason why the banks were able to assist the Treasury in 1893 was because for a long time the bank managers of the highest rank had anticipated that such weakness of the Treasury might occur under the unwise manipulation of our financial laws. They had for a long time looked upon the Treasury as a clumsy sort of an elephant that might knock over the financial equilibrium at any time. They had seen the trouble caused by too great a surplus accumulation in the Government coffers, and when that disappeared they were equally afraid of the weakness ensuing on the falling off of revenue. A currency they could not reduce when redundant or increase when deficient had for years troubled all their calculations. For the redundancy they applied the remedy of a sober and careful inspection of loans and securities, and repressed and discouraged the tide of speculation. For deficiency they devised the system of clearing-house loan certificates.

All of these devices to obviate the defects in the financial laws of the country were put in operation by the banks without the aid of legislation.

When the circulation privilege was restricted the system of checks by which more than half the daily business of the country is performed, began to develop itself.

A banking system that has preserved itself and the country, not only from danger but even from the inconvenience of a vicious system of currency, can be trusted to manage faithfully and wisely a currency which it issues and regulates itself.

The only thing for which the banks can be blamed is, because they have by their efforts, actuated of course solely by their intelligent selfishness, really made the people generally believe that the United States has the best currency system on earth, and that the reason they cannot get as much as they need of it is because the banks gobble it all up and will not let them have it. Therefore, there are many people who advocate more silver dollars as a remedy. They know from experience that it is useless to try to get money from a bank without security and that without it they cannot get a loan, even if they could get the majority of a whole State to vote in their favor. But there are many who still have a lurking hope, that by some mystery of the ballot box they can bring it about that the Government will give them money for nothing, whether gold or silver, or paper or nickel, they do not really care so long as it costs them no labor. To take the currency function from the Government and give it to the banks would deprive many of their last hope of a competency.

THE OUTLOOK FOR CURRENCY REFORM is such that it is just now very difficult to predict what may be the outcome. All the elements of the opposition are in a high state of activity. The plan of the President indicated in his message, the more elaborate plan of the Secretary of the Treasury, and the plan of the Monetary Commission, together with the bills of Mr. WALKER and Mr. FOWLER presented to Congress at its last session, all point to the further strengthening of the gold standard. The activity of the Banking and Currency Committee in inviting expressions of opinion from the Secretary of the Treasury and Mr. EDMUNDS and Mr. FAIRCHILD of the Monetary Commission, and the questions which have been propounded to these gentlemen, have attracted wide attention.

But there is opposition even in the committee itself, although the members in favor of some reform are in the majority. The majority are, however, by no means agreed as to the best measure to report. Chairman WALKER is said to be so much in favor of his own bill that it may be difficult to obtain his vote for any other proposition.

In reality it makes little difference what particular measure is reported by the committee so long as a report is made and some currency measure is brought before the House for action and is actually taken up for consideration. It cannot be expected that any proposition will go on its course to enactment without amendment, and if the general subject of the currency is taken up for debate, there will be a chance for testing thoroughly the merits of the various propositions put forward.

The most important step to be taken in currency reform is to open the discussion. In this light the discussion in the Senate of the resolution of Mr. TELLER relative to the status of the silver dollar must be regarded as extremely favorable. The resolution itself merely reiterates what is already the law of the country. The silver dollar is now a legal tender except when otherwise stipulated in the contract, and the Government now has the option to pay its creditors either in gold or silver dollars, under the condition of maintaining the parity of the two metals.

There is really nothing in the TELLER resolution that need be feared by the advocates of currency reform, especially as there is nothing in it attacking the law which directs the maintenance of parity. This is the bulwark of the gold standard in the United States under present law. The advocates of free silver are not daring enough to attack this directly, because by so doing they would confess themselves the supporters of silver monometallism. They of course attack it indirectly, knowing that if free coinage at 16 to 1 became a law that the parity could not be sustained.

The TELLER resolution has evidently been forced to discussion to enable the opponents of currency reform to gain the advantage, if it is one, of striking the first blow. The tactics of the advocates of free silver have always been aggressive. They are never embarrassed by the delicate hesitations and motives of doubtful expediency that have for so long paralyzed the reformers. They come boldly to the attack and endeavor by their boldness to increase the dismay and hesitancy of their opponents. Among those who have opposed the free coinage of silver there are many who scruple to do anything more than temporize. They do not realize that on the currency question those who do not advance are in great danger of losing all that has been gained. Among these are men who still affect to believe in the possibility of international bimetallism. They cling to this moonshine with a tenacity worthy of a better cause. Everything that is actually undertaken for currency reform is regarded as an obstacle in the way of international bimetallism. The gold standard must not be mentioned for fear that it may dissipate this pleasing illusion.

Another class are those optimists who claim that everything is well as it is. Because by straining every nerve the country has managed to barely weather the disasters of the panic of 1893 brought on by unwise currency legislation, therefore no measure of reform should be attempted. These people are like the physician who should advise a patient who has by mere strength of constitution survived an attack of delirium tremens not to attempt to reform his bad habits because he is not suffering at the moment.

These two classes weaken the party that opposed with success the forces of the free silver party during the presidential campaign. On the other hand the free silver and inflation party are not inclined to be diverted from their object by the promise of international bimetallism. They regard it as a mere device of the enemy.

It is evident from the introduction of the TELLER resolution that the silver men intend to force the fighting. TELLER is to-day the real leader of the silver party, and this conspicuous action of his in the Senate may lead to his superseding BRYAN as the candidate of the anti-reform party for the presidency in 1900.

It is plain that whether successful or not an attempt is to be made by the silver men to make the currency issue the great political question on which the congressional battle is to be fought in 1898 and the presidential campaign in 1900. In fact there is no other issue in which the people are really interested. It therefore is the best policy for the Republican party, as the representative of the gold standard, to accept this challenge, for challenge it is. The action of the Republican sound money senators in taking up the glove is an indication that the party leaders are coming to this conclusion.

THE BANKERS OF THE SOUTH are taking an active interest in currency reform. The meeting of bankers at Atlanta, Ga., on December 15, passed some very important resolutions in regard to the reform of the currency, which, from the approving comments in a number of Southern papers of prominence, seem to represent the weight of public opinion in that section.

These resolutions were in substance to take banking out of politics and the Government out of the banking business; to substitute bank notes for Government notes; to protect noteholders and depositors under a Federal law, and to make all banks equal under a United States law governing banks of issue. The gold standard was not specifically mentioned, but the resolution to keep every dollar of the currency, which under another resolution would be bank currency, good enough to pass current in any land, is equivalent to a declaration in favor of that standard.

The South has been held to be one of the strongholds of the party in favor of the free coinage of silver at 16 to 1. But the cause of this has been the lack of the means for the full use of home credit in developing the resources of the section. The South has never been able to avail itself to any purpose of the provisions of the National Banking Law. There was not in existence the requisite amount of surplus capital to start National banks enough to furnish the necessary currency. The high rates of interest prevailing in most parts of the Southern States precluded any profit in taking out circulation. It was therefore the exception when National banks were established, and these were to be found as a rule only in the more important cities and towns. The country generally had no use for them.

The recommendation to repeal the ten per cent. tax on State bank circulation inserted in a former platform of the Democratic party was the result of Southern influence. This would have enabled the State banks to have turned their credit into a circulating medium. The silver craze was an afterthought, and prevailed because of the ardent desire to obtain anything that would relieve the dearth of currency.

The Atlanta resolutions, representing the best sentiment of the Southern States, really express the principles which must form the foundation of a sound plan of financial relief. But there is reason to think that there are some in the South who, while opposed to free silver and in favor of the gold standard, would prefer banking and issuing currency under State laws with no Federal supervision. These hold that as long as the central Government has the direction of the issue of currency by the banks that the Government would necessarily to that extent still be in the banking business.

The plan of the Monetary Commission, which provides for the conversion of State banks into National banks, compels them to put up bonds to the extent of 25 per cent. of their capital. It enables them, however, to receive circulation on these bonds to the extent of their market value based upon a realized rate of three per cent. Thus, if a State bank with a capital of $100,000 decides, should the plan of the Commission become a law, to enter the national system, it would be obliged to purchase $25,000 in United States bonds. The price of these bonds is about 128, realizing about 2.58 per cent. to the investor. At a realized rate of three per cent.

they would be worth about 118. The $25,000 bonds of this class would cost the bank $32,000. At the realized rate of three per cent. they would be worth $29,500 as a basis for circulation. The bank might apparently receive $29,500 in circulation on bonds valued at $32,000.

The plan of the Commission does not seem quite clear as to bonds of this class, at their present price, inasmuch as another provision in the plan seems to restrict the notes issued on bonds to one-quarter of the capital, which would be $25,000. But if the plan means that the bonds deposited shall, when figured at a realized rate of three per cent., have a market value of one-quarter the capital, the computation would be different.

At a calculated value of 118 (at the three per cent. realized rate) it would take $21,186 in four per cent. bonds of 1924 to equal $25,000. The actual cost of these bonds at a market price of 128 would be $27,119. The circulation received would then be just $25,000, or one-quarter of the assumed capital. In addition to this $25,000 the bank, by the plan, is permitted to issue further circulation up to sixty per cent. of its capital. That is for a deposit of bonds costing $27,119 the bank receives $60,000 in circulation. It is also permitted to issue $20,000 more circulation up to eighty per cent. of its capital by paying a tax on this additional issue of two per cent. On all notes received above the $25,000 on bonds the bank deposits five per cent. in gold to form a guaranty fund. The whole expense of taking out circulation to the extent of $80,000 would be the price of $21,186 in bonds, viz., $27,119, and five per cent. of $55,000, additional circulation above $25,000, viz., $2,750. On $20,000 there would be an annual tax of $400 to be paid. On the other hand the bank would realize about 2.50 per cent on its bonds in interest, about $529.

A computation will show that the profit on taking out circulation on this system after deducting guaranty fund, five per cent. redemption fund and taxes, would be 2.9 per cent. on the whole capital of $100,000.

The regular five per cent. redemption fund being permitted to count as a reserve on deposits, is hardly to be counted as reducing profits on circulation. If this is not deducted from the circulation received the value of taking out circulation under the Commission's plan would be over three per cent. on capital.

The loaning resources of the bank, that is, its power to accommodate customers, will be increased from $100,000 to $146,231, or nearly fifty per cent. Moreover, in emergencies, an additional $20,000 of circulation can be issued at a cost of six per cent. per annum tax to the bank. When rates rule high there would be additional profit in this. If not, the loss on the issue would be little or nothing compared with the benefit to the credit of the bank.

The inducements held out by the plan both to the bank and the community in which the bank is located ought to secure support for it from State banks in all parts of the country, especially where the rates of interest are high, as they are in the South.

One advantage that the adoption of the plan of the Commission would bring to the people and banks of the South, over any system of circulation authorized by State law, is the solidity of a guaranty fund contributed to by all the banks in the United States. The banks in any one State might of course have a similar guaranty under State law, but it could not possibly give the security given by a guaranty fund supported by the banks of the whole country. It is certain that in their plan the Commission have endeavored to meet fully the wishes expressed in the resolutions passed at the Atlanta meeting and commented on favorably by the Southern press, including many papers formerly in favor of free silver.

THE SPEECH OF SENATOR WOLCOTT, the head of the Commission appointed by the President to negotiate abroad for the holding of an international monetary conference for establishing a system of international bimetallism, delivered in the Senate on January 17, was an explanation of the work of the Commission. He acknowledged the failure to accomplish any definite result, and said that the Commission had had in its negotiations the hearty support of the President and the Government.

The Commission was accorded a most satisfactory reception both in France and in England, and Mr. WOLCOTT said that the assurances received at first in the latter country were such that, had they been adhered to, more than one-half of Europe and the United States would have agreed in advance to open their mints to silver upon terms to be settled at a conference. For England, however, he acknowledges that bimetallism would be out of the question, but that the vital point in all negotiations with that country was India and the reopening of the Indian mints to silver. This is as much as saying that if this step had been consented to by the Indian Government that the establishment of an international bimetallic ratio by a conference would have been an assured fact.

This would seem to be intended to give the impression that the spirit of European countries toward bimetallism had greatly changed since previous conferences. At these conferences it had been found impossible to come to any agreement, although the Indian mints were then open to the coinage of silver. Mr. WOLCOTT stated that the general impression was that the Indian Government would be glad to return to its old policy, and that the reply from that country protesting against the reopening of the mints was a surprise. He acknowledges, however, that this protest was the deliberate and uninfluenced judgment of the Indian Government, and that they were not affected by the action of the business men of the City of London against any aid to bimetallism. He considers it inexplicable that India will refuse to understand her own interests. Therefore the failure, according to Mr. WOLCOTT, to bring about any agreement as to an international monetary conference for the establishment of bimetallism was chiefly, if not entirely, due to the refusal of India to open her mints.

If the explanation had ended at this point little complaint could be made as to the Commissioner's attitude. But the remainder of his speech in which he vaguely blames the New York bankers, the Director of the Mint, and the Comptroller of the Currency, seems to be thrown in as a sort of relief from pent-up ill-humor at having failed to accomplish what might have been known in advance as an impossible task.

The President was bound by the Chicago platform to make an effort in behalf of international bimetallism. In selecting Mr. WOLCOTT for the head of the Commission, he chose the best possible man for the task. If any one could galvanize the question into some appearance of life in Europe, Mr. WOLCOTT was the man. But there are some things too dead to be made to take on even the semblance of life. The New York bankers had the right, and it was their duty if they opposed bimetallism, to do all that they are accused of. Both the Director of the Mint and the Comptroller of the Currency were also strictly exercising an honest judgment in all they may have said which was displeasing to Mr. WOLCOTT, and so did the Secretary of the Treasury, who was selected as the representative of those who are in favor of the gold standard.

But, according to the Senator's own admissions, none of these things had any influence on the Indian Government, which acted on its own deliberate and uninfluenced judgment, and it was on this action that all the blame of the failure is laid. Therefore after acknowledging this it is rather a work of supererogation to try to drag in the New York bankers, the Director of the Mint, the Comptroller of the Currency, and the Secretary of the Treasury. It looks like an indirect stroke at the President, throwing blame on him for having such men around him.

The whole speech is a confession that the task of organizing an international monetary conference to effect anything is an impossibility. Although Mr. WOLCOTT speaks of a bright prospect of success in the future, yet he retires from the task and says in effect, Let some better negotiator than myself take hold of it. Well, there is no one in the United States, or in the world for that matter, who by knowledge of the subject, natural adaptation, and positive genius, is better able to accomplish such a task than Mr. WOLCOTT, and he as much as says that now anybody who thinks he can do any better had just as well try.

If as Mr. WOLCOTT says the success of international bimetallism depends on the opening of the Indian mints, it will now perhaps be the next step to send a commission to India to labor with the recalcitrant Government there. This could not be done without the consent of the British Ministry, and in the face of the storm raised in London last autumn on the news of the correspondence between the ministry and the Bank of England, it does not look as if any ministry would risk the danger of giving consent.

The truth is that the whole subject is dead and incapable of resurrection. There will be enough talk and discussion in the United States about free coinage of silver at 16 to 1, but international bimetallism is defunct.

THE EFFECT OF THE ALASKAN GOLD DISCOVERY upon the revival of business during the year cannot but be very great. It is estimated that last year at least ten thousand people went into the regions where gold has been discovered, and that each of them, on an average, required at a low estimate five hundred dollars for transportation and outfit. This would foot up at least five millions of dollars spent in supplies of different kinds, for those engaged on the various lines of approach and for those who went to the gold regions.

During the coming season it is estimated that at least one hundred thousand people will go to seek for fortune in the Klondike region. Assuming that each will require five hundred dollars, a very low estimate, the sum total of probable expenditure will amount to at least fifty millions of dollars. Nor will this represent the whole impulse given to enterprise in this direction. There will in addition be large sums required to build boats and to make roads through the difficult approaches to this new country, and it will be safe to say that as soon as the returning spring brings weather that will permit work that at least one hundred millions of dollars will be seeking investment in the search for gold. This is very nearly as great a sum as was expended during the first year of the Civil War, and will be more than would be put into supplies, etc., if there should be a war with Spain. The cost of the War of 1812 did not exceed eighty millions, and that of the Mexican War sixty millions of dollars.

To carry the resources of civilization into the barren regions of Alaska, where the country itself can be depended on to produce little or nothing, will be very much in the nature of a war in the absolute consumption and destruction of vast quantities of products. These must be made good, and it is easy to foresee that a great stimulus will be given to many classes of manufactures that will be felt as a benefit in all parts of the United States.

The question whether the gold produced will in the end repay all this expenditure of money and energy has as little to do with the matter as the question whether the results gained by a war can be made to show a profit in an account of debit and credit. That vast quantities of gold will be obtained there can be no doubt, but it is almost equally certain that every dollar in gold obtained will cost at least a dollar before it arrives in the money markets. It cannot be expected that of all who go to make a fortune in the Klondike that each will return even with as much as he started with. It is a lottery in which all hope to secure the great prizes which in the nature of things can only be obtained by a comparatively small number.

The country in the Klondike region is unlike California in the days of the gold discoveries of 1849. The latter possessed an equable climate and a fertile soil, and the unsuccessful miner could turn to other employments and did not see starvation staring him in the face if he failed to make mining pay.

It is certain, therefore, that measuring the cost of production by the amounts invested by those who fail and those who succeed, that the cost of gold obtained in that region will be much greater than that produced in any other part of the world where gold is found. Nevertheless there may be in the end, after the first excitement has subsided and the limits of the profitable search for gold by individuals thoroughly tested, a way discovered to obtain the gold product of Alaska with a minimum expense. Mining appliances on a large scale can probably be operated after the first start as systematically and with as little expense as anywhere else.

As a result of these new discoveries the world's supply of gold will be enhanced to a degree that will tend to discredit those who affect to believe that a single gold standard is impracticable because of an inadequate supply of the metal.

On the whole, it is probable that after the first excitement has died away crowds of individual miners will cease to go to Alaska. The business of mining will be left to large corporations that can successfully provide against the rigors of the climate and the roughness of the approaches. But in the meantime the mass of people who are burning with the gold fever can only be cured by actual experiment, and while the process lasts the expenditure of money in outfits and supplies and for transportation will be equal to those of a very respectable war. This must give a strong impulse to various enterprises and increase the activity in many lines of business.

THE MONETARY CONVENTION AT INDIANAPOLIS, which met recently to ratify the plan prepared by its Commission and to take action to secure the passage of a measure by Congress in accordance with the recommendations of the Commission, was if anything of greater importance than the first meeting. The delegates were from nearly every State, and were thoroughly representative of the business and commercial interests of the United States.

It is said that some of the Southern delegates thought that the plan of the Commission does not allow sufficient latitude for the issue of currency by State banks. The Commission's plan provides for the conversion of State banks into National banks, but does not provide for the banks issuing currency while they continue business under State charters. Whether the plan can be modified in this respect without involving the danger of a conflict between State and Federal laws, if a State bank issuing currency under Federal laws should fail, remains to be seen.

The main work of the Executive Committee of the convention now consists in organizing a campaign in favor of the reforms proposed. This will be a great work, and it is to be doubted whether the committee fully recognizes its magnitude. The opponents of honest money have been actively at work propagandizing for the last thirty years. They have seized every pretense and every opportunity. They have worked on regular political lines and by organization and association outside of politics to corrupt the sterling honesty of the people. First in favor of irredeemable greenbacks after the so-called slaughter of the rag baby; when silver began to be cheap, they took up that metal, and in season and out of season they have harped on this theme ever since. And yet they are very indignant at any attempt at organization in opposition to them. The effect of the long-continued campaign of the silverites is evident in every section of the country. The politicians, whatever their faults in other respects, are not lacking in sagacity in detecting the blind prejudice in favor of silver that has been so artfully and persistently cultured in the minds of large masses of the people.

To any one who, without prejudice, studies the principles of finance, it becomes more and more a matter of surprise that there should be so much prejudice and so much inertia to overcome before currency reform can be attained. It is astounding to be forced to see that the opinions of those who have studied this subject, and who have had experience of all its practical bearings during their lives, and who are men of character and reputation, are so little regarded. Every assembly of bankers whose business must necessarily show them which is the right course to take ; every assembly of men of business and enterprise, pass resolutions full of good, practical purport. But they have hitherto found it almost impossible to get their elected representatives, in whose hands the making of the necessary laws rests, to pay any serious attention. It is as surprising to find so much opposition to the best plans for currency reform as it would be to find opposition to the multiplication table.

The masses of the people have been misled by the persistent and senseless gabble about silver. They cannot understand the process by which through overproduction a metal for so many ages considered precious has gradually ceased to be so. Silver is now going through the process of decadence which removed copper from its position as a money metal. The various fallacies and partial truths, as well as actual misstatements that have been dinned into the ears of the people about the position of silver during over twenty years must be combated with the same persistence and vigor as was shown during the campaign against the rag baby in the years between 1875 and 1879.

In their campaign of educating the people and bringing the influence of their constituents on the law makers, the committee have only to ask and they will receive substantial support from the thrift and enterprise of the country. If such were not the case the whole fight for a monetary system under which the resources of the people and the country can be developed without continual losses and setbacks, had better be given up in advance. It is really an occasion on which the intelligence and thrift of the people in every rank of life are arrayed against ignorance marshalled by those seeking for personal aggrandizement. On every previous occasion the right has prevailed, and it is hardly possible that in this instance it will have to take the second place.

THE TELLER BOND RESOLUTION, which passed the Senate on January 28 by a vote of 47 to 32, and was defeated in the House on January 31 by the decisive vote of 182 to 132, may be considered as the preliminary skirmish of the Congress elections of 1898. To regard it as anything more than a political move would be an exaggeration of the importance of the resolution, which declared in substance that the principal and interest of United States bonds are, at the option of the Government, payable in standard silver dollars, "and that to restore to its coinage such silver coins as a legal tender in payment of said bonds, principal and interest, is not in violation of the public faith nor in derogation of the rights of the public creditor."

A resolution in exactly the same words was passed twenty years ago, under these circumstances. The House of Representatives had passed a bill for the free and unlimited coinage of silver at the 16 to 1 ratio, and the bill was sent to the Senate, where a substitute was offered providing for the limited coinage of silver on Government account. This Senate substitute finally became the Bland-Allison law, but before the bill passed the Senate the resolution above referred to, introduced by Mr. MATTHEWS, of Ohio, was passed. At that time, by the terms of the Coinage Act of 1873, the standard of value was the gold dollar, and no silver dollars were being coined.

Senator TELLER'S resolution, being concurrent in form, would have had no legal effect even had it passed the House; besides it made no change in the existing law, which undoubtedly gives the Government the right to pay in silver if it chooses. So long as the part of the law in regard to maintaining the parity of the two coins is unrepealed, and is executed in spirit, that option cannot make any material difference to any creditor of the United Sates, and even the TELLER resolution did not propose to repeal that provision of the law. As a matter of fact, however, most of the Senators who voted for the resolution are in favor of free coinage, and are not in accord with the present methods of maintaining the parity of the two metals. This was shown by the debate, which was conducted with great ability on both sides, and by the fate of the amendments offered.

The defeat of the measure in the House by an adverse majority of fifty is the answer of the sound-money party to the Senate's challenge. It is an evidence that the party in power, whatever its past financial sins, has resolved upon a bold and courageous stand in favor of a gold standard. This resolution, and the debate and vote in the two Houses, will serve to define the issues of the approaching fall campaign. There will be a renewal of the fight between the partisans of the gold and silver standards, with currency reform as a strong collateral issue.

It cannot be doubted that a great majority of the people will vote to sustain the public faith and credit. Business men are tired of political juggling with questions of such vital interest as the monetary standard and the currency, and from all sections of the country there is a strong demand for a straightforward financial policy. The House of Representatives, as the popular branch of the national legislature, fairly represents the sentiments of the people, and if the sound money campaign of education is continued a popular verdict will be secured next fall which even the Senate cannot disregard.

Meanwhile, and for many years to come, the United States will continue to pay gold to such of its creditors as may prefer it.

PLAN OF THE MONETARY COMMISSION.

The Monetary Commission selected by the Executive Committee of the Indianapolis Monetary Conference made its report public on January 3, accompanying the report with a plan for currency reform in the form of a bill consisting of thirty-nine sections. This report will be found in full in the January number of the MAGAZINE (pages 59-80).

The Commission was made up chiefly of typical business men from the East, West and South, and did not number among its members any one who can be accused of representing banking interests.

Their report and plan in its main features is entirely in accord with the report and plan presented to Congress by Secretary Gage. It embodies, as does the report and plan of the Secretary, the same general remedies for the defects in our currency laws which have been prescribed by the best financial authorities during the three or four years that this subject has been under discussion. These features are a definite assurance by Congress of the maintenance of the gold standard, the withdrawal of the legal-tender and Treasury notes from circulation, provision for the convertibility of silver dollars and silver certificates into gold on demand and the issue of notes by the National banks on the basis of their general assets secured by a safety fund.

The differences between the plan of the Commission and other plans similar in principle consist in matters of detail, the time given for the withdrawal of legal-tender and Treasury notes, etc.

A separate division is created in the Treasury Department to which shall be committed all the functions of that department pertaining to the issue and redemption of notes and certificates, and which shall have charge of the guaranty and redemption funds of the National banks. To this division is to be entrusted all the notes, gold, silver dollars and silver bullion held against outstanding notes, silver and other certificates. The accounts relating to these matters are to be kept entirely separate from the purely fiscal accounts of the Treasury, the effect being entirely to separate what may be called the banking functions entrusted to the Treasury from those functions relating to the collection and disbursement of revenues. The Secretary of the Treasury is to maintain the gold reserve in this division at a point always sufficient to redeem all notes and silver dollars presented, and also to maintain public confidence. To do this it is empowered to transfer to this division all surplus revenues, and to sell gold bonds to run twenty years but payable after one year, at the option of the Government, to bear three per cent. interest. The Secretary is also authorized to issue certificates of indebtedness to bearer, payable in one to five years, to bear interest at three per cent. per annum. These are to be disposed of in denominations of fifty dollars and multiples thereof, at the Treasury, Sub-Treasuries, designated depositaries and such post offices as may be selected. These certificates are to be entitled to the same privileges as the refunding certificates issued under the Act of July 14, 1870. In addition to the bonds and certificates the Treasury is empowered to receive lawful money, in sums of not less than fifty dollars, at the money order post offices throughout the United States, whenever it is necessary to borrow money upon the credit of the United States. These loans are to be inscribed upon a book to be kept in Washington, and are to be paid when due in gold. They are to bear interest at three per cent., payable in the same manner as interest is payable on registered bonds, and the loans may be transferred in the same manner as registered bonds are transferred. This feature will place it in the power of the Secretary to avail himself of a popular loan at any time. It will accustom the people of the country to Government securities and, being payable in gold, will strengthen the gold standard in the minds of the people. It will do away with the invidious distinction which is constantly adverted to by demagogues, of gold for the bond holders and silver for the mass of the people. As all lawful money is received for these loans this feature will have great effect in maintaining the parity between the gold and silver money of the country.

The Commission does not recommend any change in the amount of silver dollars and silver certificates now in circulation. But to secure their constant equivalence with the gold par, it is provided that no more silver dollars are to be coined. The silver certificates are to be issued in denominations of one, two and five dollars only. Silver certificates of higher denominations are to be gradually exchanged as they are paid in for those of the denominations named. No United States, Treasury notes or National bank notes of a less denomination than ten dollars are to be issued. As the United States notes and Treasury notes are redeemed in gold, they are not to be paid out except for gold coin. The first fifty millions redeemed are however to be cancelled. After this amount has been cancelled the Secretary of the Treasury shall continue to cancel these notes to an amount equal to the amount of the increase in National bank notes. After five years, if any legal-tender or Treasury notes remain outstanding, one-fifth of the amount so outstanding shall be cancelled every year, and after ten years these notes shall cease to be legal-tender except for dues to the United States.

To further strengthen the gold reserve the Secretary is authorized to sell any silver bullion on hand from time to time, as he can do so advantageously, for gold. If United States notes and Treasury notes shall accumulate faster than they can be cancelled under the law, they may be used to purchase United States bonds, which are to be held as part of the reserve, and which may be sold in case any exigency of the redemption division shall require such sale. This provision was not signed by J. Laurence Laughlin, one of the Commission, because he considered that the power to reissue United States notes in emergencies might subject the Secretary to outside pressure, that the law provided a remedy in the bank issues, and that the one provision interfered with the operations of the banks in furnishing elasticity to the currency.

It will be seen that the plan of the Commission does not interfere with the present funded debt of the country. It provides merely for the issue of sufficient bonds to keep the reserve fund of gold ample to maintain redemptions and to preserve public confidence. If the revenues of the Government shall in a short time exceed the expenditures, there may be no necessity of issuing a single bond. The effect of the whole plan will be merely to apply the surplus revenues to the retirement of the demand notes of the Government instead of to the purchase of the funded debt.

The plan, after clearing the field by retiring the United States and Treasury notes and providing for the maintenance of the silver dollars and certificates at par in gold, then proceeds to provide a National bank circulation adequate to fill the vacancy. The proposed law fixes the amount of circulation to be issued by any National bank at an amount equal to its paid-up unimpaired capital exclusive of the amount invested in real estate. The notes are to be a first lien on the assets of the bank, including the liability of stockholders. Twenty-five per cent. of the notes permitted to be issued shall be based on bonds, and are to be equal in amount to the value of the bonds, equalized by comparison with United States bonds bearing three per cent. interest, except that on bonds payable at the option of the Government the amount of circulation shall be ninety-five per cent. of the market value as determined by the Secretary of the Treasury. The notes in addition to twenty-five per cent. of capital may be issued without bonded security. Upon the notes issued up to sixty per cent. of capital no tax is imposed. In excess of sixty per cent. and not to exceed eighty per cent. a tax of two per cent. is imposed. On all circulation above eighty per cent. a tax of six per cent. is imposed. The circulation above eighty per cent. will therefore be an emergency circulation simply, only issued in times of extreme stringency, which, if the whole plan works practically as may be expected, will probably never occur, except it may be locally. The law there practically confines the circulation of the National banks to eighty per cent. of their paid-up unimpaired capital less the amount invested in real estate. The retention of any portion of the circulation based on bonds is temporary only, and an expedient for the gradual transition from the present system to a system of circulation based simply on assets. Five years after the proposed Act takes effect the amount of the bonds required to be deposited (twenty-five per cent. of capital) is to be reduced at the rate of one-fifth each year. In ten years, therefore, from the passage of the Act the National bank circulation of the country will be entirely based on the assets of the bank and a guaranty fund. This guaranty fund is to be made up by the payment of five per cent. of the notes issued to each bank in gold. When a bank fails to pay its notes they shall be paid from the guaranty fund, which shall afterwards be paid back from the money collected from its assets and the liability of stockholders. The guaranty fund is to be kept unimpaired by further assessment on all the banks if necessary. The taxes of two per cent. and six per cent. on circulation are to be kept as a fund supplementary to the guaranty fund, to be used to pay notes in case the guaranty fund should be exhausted before an assessment to make it good can be collected. If, therefore, it were possible under the operation of the proposed law for such a panic and financial crisis as that of 1893 to occur, and a large number of National banks were unable to pay their notes, these notes would first be redeemed from the guaranty fund, and then from the accumulated taxes. After the worst of the panic had subsided, both funds would be restored from the assets of the banks, and if these failed to make them good then by further assessments. In addition to the guaranty fund of five per cent. the banks are required to keep up the present five per cent. redemption fund for the current redemption of their notes.

Together these two funds contributed by the banks under this plan are equal to the ten per cent. redemption fund required by the plan of Secretary Gage.

To meet the expenses of the redemption of bank notes and of the bureau of the Comptroller of the Currency a tax of one-eighth of one per cent. on the capital, surplus and undivided profits of the bank is imposed.

In comparing the taxation and assessments imposed by the plan of the Commission with the taxation imposed by present law, it might at first sight appear that the proposed burdens were heavier than those now borne. Banks now pay one per cent. per annum tax on all circulation outstanding. They pay the expenses of all redemptions and reissues. Under the new law, the only tax that a bank is obliged to pay is the one-eighth of one per cent. on capital and surplus profits, which in most cases will not be more than is now paid for redemptions. They can on the other hand issue circulation untaxed up to sixty per cent. of their capital and to eighty per cent. at a tax of two per cent. per annum. They may receive on bonds circulation to the amount of the market value, on a three per cent. equalized valuation, instead of ninety per cent. of the par value. The five per cent. guaranty fund is only exacted where the bank receives the benefit of circulation issued without bond deposit. In fact all the new taxes are arranged to accrue to the benefit of the banks themselves, strengthening their credit with the public. They have moreover a certain definite field for the circulation of their notes given them within which they will not be interfered with.

The privileges granted are confined to the National banks, but the Act facilitates the entry of State and private banks into the system. The Commission thus endeavors to do away with the distinction between State and National institutions by extending privileges which will induce all banking capital to enlist under the national law.

To recapitulate : The plan of the Commission contemplates the retirement of the United States and Treasury notes within ten years without necessarily increasing the interest-bearing debt, although the borrowing power is employed in a way that will popularize the loans and increase the appreciation of the gold standard by the people. The silver dollars are definitely payable in gold. This will tend to encourage their larger circulation. The silver certificates are confined to one, two, and five dollar denominations. This and the restriction of bank notes and Treasury and United States notes, until their final retirement, to denominations of ten dollars and upward will grant to silver dollars and certificates the entire field of retail trade, and almost always so fully employ them that they will be presented for gold redemption to small amounts only. As lawful money they will be given additional prestige by being receivable for Government loans. Further coinage of silver dollars is to cease. Silver bullion on hand is to be sold when it can be profitably. Bank notes are gradually to take the place of United States and Treasury notes as the latter are retired. The bank notes by degrees are to depend for ultimate security on the general assets of the bank, and for immediate payment on a safety or guaranty fund. When the plan becomes fully operative the money of the United States will consist of gold and silver coin, the latter interchangeable with the former, and of bank notes redeemable in gold coin, and silver certificates redeemable in silver dollars.

The plan, as a whole, is based on lines long marked out by the most reliable financial authorities.

BANKING UNDER THE MONETARY COMMISSION'S PLAN.

PROFITS ON CIRCULATION AND INCREASE IN ACCOMMODATING POWER OF THE BANKS.

The plan of the Commission permits all banks entering the national system and those already belonging to it to issue circulation equal in amount to their unimpaired paid-up capital, exclusive of real estate. It permits all State banks to enter the system after examination by the Comptroller of the Currency. In small places it permits National banks with a capital of $25,000.

As to the amount of bonds required to be deposited before the necessary national charter can be taken out, the present nominal limit as established by law appears to be uninterfered with. This is one-quarter of the capital for all banks with capital of $200,000 or less and $50,000 in bonds for any bank with capital in excess of that amount.

The plan of the Commission does not, however, seem to be quite clear as to the manner in which the plan they have adopted as to the valuation of bonds as a basis for circulation is to be carried out. The plan recites: "Up to an amount equal to twenty-five per cent. of the capital stock of the bank, the notes issued by it shall not exceed the value of the United States bonds as fixed by the Secretary of the Treasury. The Secretary is to fix annually the value of each series of United States bonds bearing interest in excess of three per cent., as equalized upon the rate of three per cent. per annum, and the valuation so fixed shall be the valuation at which the bonds will be receivable on deposit. That is four per cent. bonds of 1907, at a three per cent. valuation, being fixed at 108 a bank with a capital of $200,000 that the law now required to deposit $50,000 in bonds at par before commencing business, will be required to deposit only such an amount of these bonds, as valued at 108, will be worth $50,000 in the market, viz., $46,300. Upon these being deposited there may be issued upon them $50,000 in circulation. A small bank, with a capital of $25,000 will be required to deposit about $5,800 in four per cent. bonds of 1907, at a valuation of 108, realizing three per cent.

The bank will, of course, have to pay the market rate for the bonds, and the difference between the market rate and the computed value on a three per cent. basis will still form a margin by which the value of the bonds will exceed the circulation taken out.

After taking out circulation to the extent of one-quarter of the capital on bonds, the bank may then take out additional circulation by paying an amount equal to five per cent. of the circulation taken into a guaranty fund.

Up to sixty per cent. of the capital the circulation is without tax; on all in excess of that amount up to eighty per cent. a two per cent. annual tax must be paid. On all taken above eighty per cent. of capital a tax of six per cent. must be paid. The five per cent. redemption fund now required will also be required under the plan of the Commission.

The profit to be derived from circulation will depend somewhat upon the amount of capital of the bank and the extent to which it can use its own notes. Thus a bank of large capital in a large commercial centre toward which the currency tends to gravitate might not find use for as many notes as a small bank. For instance a bank with five millions capital would have to issue notes on bonds to the extent of $1,250,000 before it could issue any notes free of bonded security. Now this bank might find that $1,250,000 circulation was all that it could keep in use, and it would, therefore, be compelled to put up bonds for all of its issues.

The profits on circulation based on bonds under the Commission's plan are of course greater than under present law, but they are not so great as upon the circulation issued without bonds deposited. The plan will, therefore tend more to encourage the issue of notes by banks of moderate capital outside of the commercial centres, than it will the issue of notes by large banks in those centres. The tendency will be to cause a flow of notes to these centres for redemption as they accumulate there, and when they are redeemed they will be returned to the outside banks for reissue, thus keeping the notes constantly in motion and not permitting them to stagnate in any place.

It will be better for clearness to consider first what the profits on circulation based on bonds under the Commission's plan will be, then the profits on the various classes of circulation issued on the guaranty fund and last on some combination of all.

Circulation Based on Bonds.

A bank of $100,000 capital required to deposit $25,000 in bonds.		
Fours of 1925, worth 118, calculated on three per cent. basis, $21,187 at par		$25,000.00
Fours of 1907, worth 108, calculated on three per cent. basis, $23,150 at par		25,000.00
Fives of 1904, worth 111, calculated on three per cent. basis, $22,522 at par		25,000.00
$21,187 fours of 1925 at 128 cost		27,119.00
$23,150 fours of 1907 at 112.5 cost		26,044.00
$22,522 fives of 1904 at 113.5 cost		25,562.00
Taking the rate on loans to be six per cent.		
If the portion of capital $27,119 invested in bonds, *viz.*, fours of 1925, be loaned at six per cent. it will pay		$1,627.14
But invested in bonds for circulation income is as follows:		
$21,187 realize at 128 2.58 per cent	546.62	
$25,000 (deduct redemption fund, five per cent., $1,250) $23,750 circulation at six per cent	1,425.00	1,971.62
Net profits		$344.48
If the $26,044 invested in fours of 1907 had been loaned at six per cent., annual interest is		$1,562.64
Invested in bonds to secure circulation:		
$23,150 at 2.52 per cent. realized rate	$583.38	
$25,000 circulation less redemption fund at six per cent.	1,425.00	2,008.38
Net profits		$445.74
If the $25,562 invested in fives of 1904 be loaned at six per cent. the annual interest is		$1,533.72
Invested in bonds to secure circulation:		
$22,522 at 2 64 per cent. realized rate	$594.58	
$25,000 circulation less redemption fund at six per cent.	1,425.00	2,019.58
Net profits		$485.86

Circulation Based on Guaranty Fund without Tax (Thirty-five Per Cent. of Capital).

A bank with $100,000 capital can issue $35,000 on depositing five per cent. or $1,750 in gold. Deduct also the regular five per cent. redemption fund, $1,750, and there remains net $31,500, which loaned at six per cent will produce $1,890.

Circulation Based on Guaranty Fund, with Tax of Two Per Cent. (Twenty Per Cent. of Capital).

Bank with $100,000 capital can issue	$20,000	
Deduct ten per cent. for guaranty and redemption fund	2,000	
Leaving balance of	$18,000	
This loaned at six per cent. would produce		$1,080
Deduct two per cent. tax		400
Leaving net profit of		$680

CIRCULATION ABOVE EIGHTY PER CENT. OF CAPITAL.

On the circulation above eighty per cent. of capital the tax is six per cent. and the deductions for guaranty and redemption funds ten per cent. and unless the usual rate for loans is above six per cent. there would be no profit in the issue. If the bank can loan at seven per cent. there would be $60 profit on taking out $20,000 of this circulation. In no one of these calculations has the expense of preparing plates and printing and transportation of circulation been included. This expense differs with each bank and must be taken into account. Allowing for this expense probably no bank would find any profit in taking out circulation above eighty per rent. of capital unless money could be loaned for at least eight per cent. per annum.

Profit on the Several Classes of Circulation Combined.

A bank with $100,000 capital not taking out circulation, assuming six per cent. as the rate for loans, will realize per annum		$6,000.00
Taking out circulation it would be necessary to invest $26,044 of its capital in bonds (if fours of 1907). The remainder of its original capital, $73,956, the bank would have in hand to loan at six per cent., and the income from this source would be	$4,437.36	
Add to this the income on bonds and circulation based on bonds	2,008.38	
And the income from circulation on guaranty fund, without tax	1,890.00	
And the income on the circulation, taxed two per cent	680.00	9,015.74
Total income		$3,015.74

Profits in taking out circulation when assumed rate for loans is six per cent., or about three per cent.

THE INCREASE IN LOANING POWER AND CONSEQUENT BENEFIT TO THE PUBLIC.

Heretofore the benefit to be derived from bank circulation based on the plan of the Commission has been considered from the standpoint of the bank. The rate assumed for bank loans, six per cent., is a high one and does not prevail throughout the country, though there are some localities and sections where the rate is even higher. The banks also have to pay all the expenses connected with the issue and redemption and transportation of notes. The benefit to the bank depends too entirely upon the demand for accommodation on the part of the public.

It has been the complaint that the National banks under present law do not satisfy this demand. It will now be seen how under the plan of the Commission the power of the banks to meet this demand is increased. At present a bank with $100,000 capital can loan only its capital and such deposits as it may have in excess of the legal reserve required to be kept. The power to loan deposits will remain under the plan of the Commission the same as now, and can, therefore, be left out of the comparison.

Under present law a National bank with $100,000 capital is obliged to deposit bonds of the par value of $25,000. Assuming that the bank deposits fours of 1907 these bonds will at present prices (112.5) require the investment of $28,125 of its capital.			
It has remaining for loans		$71,875	
On the $25,000 bonds it can issue circulation	$22,500		
Less five cent. redemption fund	1,125	21,375	
The total amount the bank can loan is			$93,250
Under the Commission's plan the bank is required to deposit bonds of the value of $25,000, calculated on a basis of three per cent. As has been seen to procure these bonds the bank will have to invest $26,044 of its capital, leaving			$73,956
On these bonds it issues circulation	$25,000		
Less five per cent. redemption fund	1,250	23,750	
It can also issue without tax	$35,000		
Less five per cent. redemption fund and five per cent. guaranty	3,500	31,500	
It can also issue with two per cent. tax	$20,000		
Less ten per cent	2,000	18,000	
Total amount available for loans			147,206
Total increase loaning power			$53,956
Or over fifty per cent.			

In addition the bank has the privilege of issuing $20,000 more circulation by paying a tax of six per cent. This will never be done with much if any expectation of profit to the bank, but at times it will be availed of for the benefit of the public.

It can readily be seen that the banks with large capital will not be so apt to avail themselves of the circulation privilege to the fullest extent, as they are generally situated in those centres to which money naturally flows, and there will not be so great opportunities to put out their notes. They will have to deposit much greater amounts of bonds before they can issue the circulation based on bonds required to be put out, before the circulation on guaranty can be availed of. Still the inducement to issue even on bonds will be great. After five years the Commission's plan provides that the bonds required to be deposited shall be reduced one-fifth each year until all the circulation is based on a guaranty fund. It might be thought that the demand for bonds if this law goes into operation will be so great as to cause a great rise in their prices. The banks with $200,000 capital and under have already one-quarter of their capital in bonds at their par value. All of these banks will have some portion of their bonds to sell. Most of the banks with a capital in excess of $200,000 now hold the minimum limit of $50,000. Some of them will undoubtedly increase their bond holdings. Even if the prices of bonds should rise somewhat, the tendency to speculation on the part of the banks will be checked, first, by the fact that they cannot retire their circulation based on bonds, until they have retired all circulation based on the guaranty fund, and this would be difficult to do; second, after five years all the banks will begin to have bonds for sale. It would perhaps be well for the Commission to shorten this period to one year. Third, the valuation of the bonds at a three per cent. rate, will, if the market price rises, increase their value as a basis for circulation.

THE SMALL COUNTRY BANKS, STATE AND PRIVATE, WILL BE BENEFITED.

Any State bank can under the Commission's plan convert its charter into a National bank charter. Any private bank can organize as a National bank. National banks with a capital of $25,000 will be permitted in places of less than 4,000 inhabitants.

Before such a bank can commence business it must deposit United States bonds equivalent at a three per cent. rate to $6,250. At present quotations the face value of the bonds required would be $5,787 exactly, but as the denominations are not less than fifty dollars the amount to be deposited would probably be $5,800, costing $6,525, on which $6,250 circulation would be issued. The circulation would pay for the bonds within $275. Then the bank having commenced business would be prepared to issue $8,750 more circulation free from tax, upon the deposit of $437.50 in gold as a guaranty fund, and $437.50 in the five per cent. redemption fund. Then $5,000 more on a similar deposit of ten per cent. in the two funds.

Starting with $25,000 capital the account would stand		$25,000.00
Cost of bonds	$6,525.00	
Five per cent. redemption fund on $6,250 circulation	326.25	
Ten per cent. on $8,750 circulation without tax	875.00	
Ten per cent. on $5,000 circulation, two per cent. tax	500.00	8,226.25
Capital remaining		$16,773.75
Circulation based on bonds		6,250.00
Circulation without tax on guaranty fund		8,750.00
Circulation taxed two per cent. on guaranty fund		5,000.00
Total loanable funds		$36,773.75

This would appear to be sufficient advantage to induce every sound bank in the country to put itself under the supervision of the national banking laws.

A WESTERN BANKER'S VIEW.—Henry M. Knox, Vice-President of the Security Bank of Minnesota, Minneapolis, in a recent interview said :

"It has been in the power of the Republican party to give us a good, stable currency for most of the period of thirty years. But it has only haggled with the question. The great body of business men, merchants, manufacturers, railroad men, financiers, men of large enterprise and influence—the employers of men—now demand some solution of it as indispensable to the new and broad prosperity. If they do not get it from this Congress, or a vigorous attempt to do all that is now possible, I look for parties to reform on new lines. The patriotic movement of the Gold Democrats in the last campaign will be met and passed overwhelmingly by the revolt of the sound-money Republicans. People are tired of dirty party politics as a disturbing element in the nation's business affairs."

FOREIGN BANKING AND FINANCE.

Issues of Secureties in 1897.

Estimates of the issues of new secureties and the conversion of old ones have already been made for Great Britain by the London "Economist" and for France by "*L'Economiste Européen.*" The applications of new capital in Great Britain for 1897 reached £157,289,000, the figures for the first quarter of the year being £28,116,000; second quarter, £47,777,000; third quarter, £31,874,000; and fourth quarter, £49,522,000. The record for 1897 far surpasses that for several recent years, the amount in 1893 having been only £49,141,000; for 1894, £91,835,000; for 1895, £104,690,000; and for 1896, £152,807,000. The only record surpassing 1897 was that of 1889, when the applications for new capital were £207,000,000. The largest items in the account for 1897 are foreign government loans, £10,615,300; Indian and Colonial government loans, £13,684,700; breweries and distilleries, £17,950,-600; and manufacturing, £15,383,200. Cycles and appliances called for £7,193,000 of new capital. The comparison of the record of 1897 with the conditions of 1889 is put by the London "Economist" of December 25 in the following terms:

"That was, however, before the breakdown in South America, when the foreign government loans greatly swelled the total, and since then the composition of the new issues of capital has undergone some striking changes. For instance, in 1889, Argentina borrowed something like £10,000,000 in Europe, and this year has borrowed nothing; while the Indian and Colonial loans have fallen from £13,000,000 to £2,100,000 in the same eight years. In 1889, again, trust companies were all the rage, and no less than £30,000,000 was asked from the public by their promoters; now, however, nobody would look at a new trust company, and the few finance ventures have been mainly started for exploiting mining areas. In reference to English and foreign breweries and distilleries, the applications have dropped from over £28,000,000 in 1889 to £17,951,000 this year, and railways from about £24,000,000 to under £18,000,000. The balance has been largely adjusted by the creation of an enormous variety of industrial and trading companies, a large proportion of which seem likely to have a much less successful experience than the brewery companies of eight years ago, or even the trust companies, which have managed to tide over the difficulties which followed so closely upon the period of the trust mania."

The total issues of French securities in 1897 are computed in "*L'Economiste Européen*" of December 31 at 451,900,375 francs ($90,000,000), of which 227,550,375 francs was in the loans of states and cities and 224,350,000 francs in the securities of industrial and other corporations. Many of these issues were of foreign securities, like the five per cent. loan of the Brazilian State of Minas-Geraes, 50,700,000 francs; the five per cent. Bulgarian loan of 27,000,-000 francs; the three per cent. Hungarian loan of 47,250,000 francs; and the three and one-half per cent. loan of the Mortgage Bank of the Nobility of Russia, 106,400,000 francs. The issues in 1896 were more than twice those of 1897, including 857,300,000 francs in the loans of states and cities, and 147,250,000 francs in other classes of obligations. The conversions of old loans, however, were much larger in 1897, amounting to 589,992,000 francs, of which 178,543,000 francs was on account of states and cities against 107,000,000 francs in 1896, and

411,449,000 francs in the obligations of industrial societies against 55,000,000 francs in 1896. The totals of all classes of issues, including conversions, were thus 1,041,892,375 francs in 1897 against 1,166,550,000 francs in 1896. M. A. Lechenet, in reviewing the investment history of the year, declares that French savings are not yet finding adequate employments, but that they are occupying themselves more than before with industrial and commercial securities, and that there is ground for hope that in new classes of investments which have been and will be offered, a compensation will be found for the decreasing return paid by existing securities at their quoted values.

German Investments Abroad.

An investigation of the volume of German capital invested in foreign countries has been suggested to the Frankfort "*Finanzherold*" by the careful investigation which has been made on the subject in France by M. Edmond Théry. It is pointed out that German capital is invested in nearly every European country in banks, factories, and other enterprises. The proof that German capital is finding its way all over the world is found in the extension of German banks, of which there is one with a capital of 10,000,000 marks ($2,500,000) in Brazil; one with head offices at Buenos-Ayres and Valparaiso, with a capital of 20,000,000 marks; one at Shanghai and Calcutta, with a capital of 15,000,000 marks; and the German Bank of Chile at Valparaiso, with a capital of 10,000,000 marks. Germany is greatly interested in the Brazilian railways of Minas, with a capital of 62,000,000 marks, and in the railways of Anatolia (which are almost wholly owned in Germany) with a capital of 36,720,000 marks and loans of 68,340,000 marks. German capital is also largely invested in breweries, paper mills, soap factories, textile mills and machine shops in America. An estimate of some of these investments puts the amount of German capital invested in Guatemala at 140,000,000 marks; in Mexico, 360,000,000 marks; in Venezuela, 200,000,000 marks; in Brazil, 600,000,000 marks; and in Chile, 100,000,000 marks. Investments of 100,000,000 marks in Africa raise the known total to 1,500,000,000 marks or about $350,000,000.

In regard to the volume of securities held in Germany and the proportion representing foreign enterprises, M. Léon Picard declared in "*L'Economiste Européen*" of December 31, 1897, that an estimate of the Prussian Ministry of finance in 1893 put the investments in foreign securities in Prussia alone at 1,500,000,000 marks. Regarding the facts for the whole of Germany, he continued :

"From 1883 to 1892 there were issued in all of Germany 23,200,000,000 marks in nominal capital in foreign securities. According to Christians, the Empire has absorbed 5,000,000,000 marks of this sum, and this calculation appears to be confirmed by the statistics of the stamp tax. The Empire possessed, according to Schmoller, in 1892, 10,000,000,000 marks of foreign securities. Becker estimates that in 1888 the fortune of Germany amounted to 175,000,000,000 marks ($43,000,000,000) and computed the annual increase at three per cent. Schmoller at the same date calculated that Germany purchased every year 1,000,000,000 marks of securities, a total which is certainly surpassed to-day. In this amount, from 1883 to 1892, one-third was represented by foreign securities, obligations of railways or public loans. Germany has little reason to complain of these investments, for according to the very exact calculations of Schmoller, she drew in 1892 a sum of 500,000,000 marks from these foreign securities, and it may be affirmed that since that date this sum has been considerably increased."

The Governor of the Bank of France.

The new Governor of the Bank of France is M. Georges Pallain, who has served for nearly ten years as the Director-General of Customs. The appointment of a new Governor was rendered necessary, under the law extending the charter of the Bank, by the decision of the former Governor, M. Magnin, to remain in the Senate. The two positions were declared incompatible by the new law.

The new Governor was born March 20, 1847, and served in youth as an advocate before the Court of Appeals. He was made sub-prefect of the seals in 1871 and was chosen by M. Léon Say, upon the designation of M. Thiers, as chief clerk at the time of the loan for the liberation of the territory. He was Treasurer-General at Chaumont from 1873 to 1876, and was given charge of the *personnel* and accounting of the Ministry of Foreign Affairs in 1881. He returned, after the short ministry of Gambetta, to the Department of Finance, where he had charge of statistics and the Government monopolies. The direction of the customs was confided to M. Pallain on April 22, 1888, by M. Carnot, Minister of Finance. M. Pallain has retained this position until his appointment as Governor of the Bank and rendered important services in formulating the new general tariff of 1892 and the conclusion of commercial arrangements with foreign powers. He bears the cross of Commander of the Legion of Honor.

M. Pallain is highly commended by those familiar with his work, who believe that he will follow substantially the same policy as the retiring Governor, M. Magnin.

The Monetary Circulation in France.

An important investigation of the character of the French monetary circulation has just been completed by the Government and the results fill some thirty pages in the December number of the "*Bulletin de Statisque et de Législation Comparée.*" The investigation extended over a much larger field than ever before, covering an analysis of the receipts on September 15, 1897, of the branches of the treasury, the customs, the registration offices and postal and telegraph offices, a total of 26,000 agents ; the Bank of France, the Bank of Algeria, the *Crédit Foncier* and other institutions of credit which have numerous branches, like the *Crédit Lyonnais*, the *Comptoir d'Escompte* and the *Société Générale.* The amount and percentages of bank-notes, gold pieces and silver five-franc pieces dealt with in this investigation and in the last two of a similar character are indicated in the following table :

CLASS OF MONEY.	1885.		1891.		1897.	
	Amount in francs.	*Per cent.*	*Amount in francs.*	*Per cent.*	*Amount in francs.*	*Per cent.*
Bank Notes	35,737,720	67.6	97,100,165	80.5	173,358,080	84.2
Gold money	11,860,480	22.4	16,365,080	13.5	23,199,640	11.2
Five-franc pieces	5,247,885	9.9	7,133,730	5.9	9,311,370	4.5
Total	52,846,085	100.0	120,598,975	100.0	205,869,080	100.0

The above table does not include the subsidiary silver and small change, which amounted in 1897 to 3,212,525 francs and 1.54 per cent. of the whole amount dealt with. The report presents a classification of the results of the inquiry by departments and gives colored maps showing the departments containing the largest proportion of gold relatively to money in circulation, the largest proportion of gold relatively to silver and the largest proportion of subsidiary money. The department where gold constitutes the largest part of the circulation is Lozère in the south of France, where the proportion is 36.91. The department where gold constitutes the smallest part of the circulation is the Gironde, in which Bordeaux is situated. The smallest proportion of gold to the total circulation appears in several of the departments containing the largest cities, because of the large use of bank notes in commercial transactions. These departments, however, show a large proportion of gold to silver, the departments around Paris showing a gold proportion of more than 85 per cent. of the metallic circulation. The proportions of bank-notes in circulation in Paris and the department of the Seine in 1897 was 89.86; gold, 7.61; five-franc pieces, 1.66, and subsidiary silver and small change, 0.87. The other departments showed 80.45 per cent. in notes, 12.35 per cent. in gold, 5.41 per cent. in five-franc pieces and 1.79 per cent. in other money.

The nationality of the coins in circulation in France shows a larger proportion of French pieces than has been expected in some quarters, in view of the free circulation of the coins of the Latin Union in all the countries of the Union. The percentage of the French gold pieces found was 87.43; Belgian, 5.78; Italian, 4.54; Swiss, 0.15; Grecian, 0.27; Russian, 0.50; Austrian, 1.25; Spanish, 0.08. All these coins except the Russian and Austrian are based upon the unit of the Latin Union, and the old Russian ruble was the exact equivalent of four French francs. These proportions vary greatly in different departments, such departments as the Nord, Doubs, Haute Savoie and Var, which are close to foreign countries, showing a proportion of from 25 to 45 per cent. of foreign coins. The proportion of foreign silver coins runs very nearly even with the foreign gold coins, Italy showing the greatest variation, with nearly twice as many five-franc pieces in circulation in France as gold pieces. The proportion of foreign pieces at the date of different examinations has not varied greatly, the significant fact being that the proportion has not increased since 1878, when the tendency of foreign coin to enter France and French coins to go to foreign countries seems to have reached an equilibrium.

The Discount Rate in Germany.

The need of an extension of credit facilities in Germany is becoming daily a more pressing topic of discussion among financiers in that country. The discount rate of the Imperial Bank has been as high as five per cent. for some time, and many unfavorable comparisons are made with the two per cent. rate which prevails in Paris and the three per cent. rate in London. It is generally expected that the charter of the Imperial Bank will be seriously revised during the coming year, in view of its approaching expiration. The Berlin correspondent of the London "Economist," in discussing credit conditions in Germany in the issue of December 11, 1897, declared:

"The private discount rate in the open market is four and five eighths per cent. Towards the close of the month a heavy strain on the means of the Imperial Bank is looked for. This, however, the bank is in a position to meet. But the opinion is growing that the present banking and credit system is no longer adequate to the requirements of the country. What was good in 1874 need not be so nowadays, after a very considerable expansion of trade and commerce. Efforts are now being renewed to extend and popularize the use of cheques. But the plan of founding another great central bank alongside of the Imperial Bank is already being mooted. The plan stands but little chance of early success, but unless the Imperial Bank adopts important improvements, it will some day gain in practical importance. Possibly at the time, not so far distant, when the renewal of the charter of the Bank comes to be discussed, the present system, with an amount of note-issue too narrowly limited, and a cheque and transfer system standing in need of improvement, will be seriously attacked. The opinion largely prevails that money need not be at five per cent. now if the banking and credit system, in spite of its general excellence, did not present some defective points."

New Notes of the Bank of France.

The Bank of France is about to issue new notes of the denominations of 100 francs and 1,000 francs. The designs have been engraved and approved, and the new notes are likely to be soon in circulation. Specimens have been printed, and from the description given of them they appear to be very elaborate compositions, the 1,000 franc note especially. It comprises a procession of allegorical figures, the principal one representing Industry, seated on a car drawn by tigers, and followed by Science, Art, Agriculture and Commerce, each with distinctive attributes. Before the car is a group of winged genii singing and playing on cymbals. Among other embellishments are a landscape, a sea with ships and steamers, a hive with a swarm of bees, fruit, flowers, a portico, a globe, a compass, an atlas, a bale of merchandise, and what is, perhaps, more characteristic, a semi-nude figure of Fortune, blindfolded, flying on a wheel, and a hardy workman in pursuit of her. The 100 franc note is pictured with an Arcadian scene, allegorical figures and attributes. The first of the new silver coins will be pieces of a half-franc, a small number of which will be struck in a few days, but as they will be all sent to the Treasury they will probably only reach the hands of a favored few. They bear on the recto a female figure sowing wheat, supposed to represent the Republic, and on the verso an olive branch.

Mortgage Bonds in Germany.

Mortgage bonds are not finding a ready market in Germany, in spite of low return upon many safe investments. The Berlin correspondent of the London "*Economist*" declares, in the issue of Dec. 18, 1897:

"A special feature in this market is the difficulty which mortgage banks encounter in the sale of three and one-half per cent. bonds. The three per cent bonds of the Landschaften are almost unsalable. The Landschaften are associations, under State control, of large real estate holders in different provinces, the feudal character prevailing. They make loans out of the proceeds of issues of mortgage bonds. When about 1889-96 the rates of interest declined everywhere, the Landschaften thought to profit by reducing the rate they pay on their bonds from four to three per cent. When these bonds, the amount of which comes up to several milliards of marks, were at five and four per cent. they always found a ready market. In order not to run any risk by conversion, a syndicate was constituted, and assumed the guarantee. Some of our greatest banks are members. In this case, however, the usual foresight of our financiers failed them. The public (as they had been warned) would not take three per cents, and many millions of the bonds are still in possession of the banks constituting the syndicate. The quotation of the three per cents is about ninety-one per cent. The mortage banks also wanted to profit by the reduction of interest on the bonds.

But the newly created three and one-half per cents are not popular, and consequently not steady in the market. Their present prices would be much lower if the banks had not a system of buying their own bonds whenever prices begin to show an important decline."

The Gold Standard in Holland.

An important declaration of the attitude of the Netherlands Government regarding the maintenance of the gold standard was made early in December in the course of the discussion upon the budget. Mr. Pierson, the Minister of Finance, declared that the entire policy of the Government might be summed up in this—to maintain the Dutch florin at its value in gold. He added that, although for the moment there did not seem to be any necessity for taking extraordinary measures to ensure this end, yet if the necessity should arise it would be acted upon without the least hesitation. "It is of the highest importance," declared the Minister, "as much with regard to the credit of the Government itself as with regard to the commercial credit of the nation, that this truth should be well understood—that the Government will not permit the Dutch florin to depart in the smallest trifle from its gold value. It is after mature deliberation that it was resolved to adopt the gold standard. The Government is fully determined to maintain it, whatever measures may be required for this result." In regard to bimetallism, in favor of which two members of the Chamber made ardent pleas, the Minister declared that however disagreeable it might be to admit oneself vanquished after for many years sustaining a cause, it was necessary to recognize the fact that there was nothing to be expected from it. If, on the one hand, England did not yet admit that the principle was applicable to her at home, there was, on the other hand, great divergence of opinion even among the countries which desired to get together upon the subject, regarding the basis to be adopted.

The declarations of the Minister were understood to refer to the power conferred upon him by the law of 1884, for the sale of silver coins for gold. This law authorized him to withdraw from circulation 25,000,000 florins and sell them as bullion. The Bank of the Netherlands found its gold reserve seriously threatened in the autumn of 1883, and secured the passage of the law of March 4, 1884, authorizing the sale of silver for gold. The exchanges became favorable before the law was enacted, and the power conferred has never been actually availed of, but the fact that it exists has diminished apprehension on several occasions when the reserve has declined, and there does not appear to be any strong party in Holland opposed to the maintenance of gold parity by the necessary action of the Government and the Bank.

The Monetary Situation in Austria.

The monetary situation in Austria-Hungary was anything but favorable at the close of last year. The struggle between the two branches of the Empire, with the possible commercial and financial difficulties which it involves, has again raised a doubt whether the complete and unquestioned restoration of gold payments can be counted upon. The Austro-Hungarian Bank might be compelled to divide its business and impair its solidity in case of a dissolution of the Empire, and this fact doubtless has its influence upon the financial situation. The Vienna correspondent of "*L'Economiste Européen*," in the issue of December 31, calls attention to the fact that the State railway offices are collecting customs dues exclusively in gold or silver. "This measure," he declares, "which nothing justifies, since the silver pieces are far from a premium over bank notes, and which is injurious to the credit of the Bank paper, has provoked a protest from Austrian commerce. This protest has not been listened to." The correspondent continues :

"This fact is the more regrettable, since certain signs lead to the belief that the monetary situation was in course of improvement. The price of metallic certificates tended to return to par and the premium on gold fell half of one per cent. It is more than probable that the decision taken by the railway administration will dissipate the hopes to which these events gave birth. In another direction not less important the situation is also grave. There has just been published the results of our foreign commerce during the month of November and during the first eleven months of the year. This document shows that the commercial deficit continues to grow. During the month of November, the amount of importations increased 10,300,000 florins ($4,000,000) while that of exportations diminished 7,100,000 florins ($2,800,000). While the month of November, 1896, balanced with a margin of 15,300,000 florins in favor of exports, the month of November, 1897, ends with a margin of 2,100,000 florins in favor of imports. During the eleven first months of the year 1897 the favorable balance, compared with that of the same period of the preceding year, has fallen from 66,500,000 florins to 23,800,000 florins. In analyzing the reports of the Bureau of Statistics, it appears that this difference is principally due to an increase of 18,000,000 florins in the importation of cereals and a great reduction in the exportation of sugar."

Development of Scotch Banks.

Some interesting particulars regarding the history of the Scotch banks during the past generation are presented by Mr. Andrew William Kerr in a recent book on the Scotch banks during what he calls the "Period of Published Accounts." The title is drawn from the fact that it was in the year 1865, when the acuteness of the crisis accompanying the failure of the Western Bank of Scotland had passed, while the impressions made by it were still vivid, that the banks in Scotland first generally adopted the practice of publishing annual reports, with abstract balance-sheets and profit statement.

"Some of them had, indeed, previously given more or less information to the public, the younger banks being generally less reticent than their older rivals, who jealously preserved the secrets of the prison-house. The banks in Glasgow published their yearly statement in the newspapers for several years before those in Edinburgh did so. The first of the latter to follow the example was the British Linen Company. Of course, the dividend was always an index to the profits. But in regard to the general statement of the banking business, and the relative positions of the several banks, there was almost absolute ignorance, or at best, only shrewd guessing. The advent of the reports was, therefore, received with a large amount of interest, and no few surprises by bankers and the public."

The fact that the banks have not been making such large profits as formerly is also clearly set forth. Mr. Kerr says upon this point:

"The banking advances have not expanded in proportion to the increase in deposits, and, consequently, a large proportion of the banks' resources has been diverted into reserve securities, which, of course, are less remunerative. Moreover, it has been increasingly difficult to get suitable investments for surplus funds, the pressure for such being so great that the return on gilt-edged securities has been brought down to an unprecedentedly low point. But the chief adverse element has been the persistent downward course of interest rates. Thus, while in 1864 and 1865 the cash account rates averaged 6.37 per cent. and the three months' discount rates for London bills averaged 6.09 per cent., in 1894 and 1895 the rates were 4.52 per cent. and 2.76 per cent. respectively. But this by no means exhausts the position. An increasing proportion of the advances is now made at special low rates ; and the rates obtainable during recent years for floating balances in London have been almost nominal."

State of the British Banks. The careful analysis made annually by the London "Banker's Magazine" of the progress of the banks of Great Britain and Ireland, shows no radical change during 1897 in capital and reserve funds. There was a net decrease in the aggregate of these funds at the close of 1897 as compared with 1896, amounting to £625,717, but this does not indicate any reduction of banking business. It is the result of the amalgamation of some of the small banks with the large ones, where the capital of the large bank was sufficient to carry on the business. The whole banking capital of Great Britain and Ireland at the close of 1897 was £84,203,800, not including reserve funds of £40,094,500. The Bank of England showed a capital of £14,553,000 with reserve fund of £3,000,000; other British banks, capital of £53,122,800 and reserves of £27,645,700; the Isle of Man, capital of £105,000 and reserves of £98,800; the Scotch banks, capital of £9,309,000 and reserves of £6,071,000; and the Irish banks, capital of £7,114,000 and reserves of £3,279,000. The increase in banking capital since 1876 appears upon the face of the returns to have been £22,093,941 and the increase in reserves to have been £18,216,-325, making a total of £40,310,266, but a part of this increase is due to the publication of the returns of the private banks in recent years, which was not made at earlier dates. The number of joint stock banks which altered their capital and reserve in 1897 was eighty; of which twelve show a diminution of capital, due to amalgamations. The banking reserve of the Bank of England shows an increase of only £1,500,000 since 1876, while the Bank of France shows an increase of £41,000,000 and the Imperial Bank of Germany an increase of £16,100,000.

The Convention of the Latin Union. The convention of October 29 among the countries of the Latin Union is rapidly receiving ratification from the contracting countries. The French Chamber acted on November 29. The Italian Chamber ratified the convention on December 21 by a vote of 261 against 59, and the Senate took the same action on the next day by a vote of 64 against 7. The question was discussed in the Italian Chamber whether the convention should not be modified so as to provide in future for keeping subsidiary money in the issuing country instead of permitting it to circulate at par among the countries of the Union. Signor Luzzatti stated that all the powers were disposed to favor such a plan, but that it was desirable at present to accept the pending convention. Signor Fracassi went further than other critics of the convention and desired the naturalization of the five-franc pieces, which Signor Luzzatti declared would be equivalent to the dissolution of the Union. This could not occur without preliminary steps for the protection of the Italian financial system.

The propriety of dissolving the Latin Union came under discussion also in Switzerland in the Federal Assembly. The Federal Council ratified the agreement unanimously on December 10, and the Assembly acted with only four dissenting votes on December 17. M. Joos opposed ratification and desired the withdrawal of Switzerland from the Latin Union and the creation of a State bank. M. Tobler insisted that Switzerland, owing to her small size, derived important advantages from the Union, and that she was under no disadvantage, since other powers were bound to redeem the five-franc pieces which entered into her circulation and she had herself only a small silver circulation. M. Hauser, one of the members of the Council, declared that rejection of the pending convention would not remedy the scarcity of small silver in Switzerland, but make the situation worse. While Swiss five-franc pieces were accepted at the Bank of France, he declared, they would be considered by the public as legal tender in France. M. Joos replied to these arguments, but rallied only four votes against the ratification of the convention, which deals only with the increased coinage of subsidiary silver.

The Bourse Laws in Germany.

The laws passed a year ago in Germany for the regulation of speculation, with the object of the anti-option bills proposed in the United States, have not had the effect expected by their promoters. The Berlin correspondent of "*L'Economiste Européen*," in the issue of January 7, says upon this subject:

"For the time being the visible effect of the new Bourse laws has been to drive transactions from the Bourse to the banks, and, contrary to the purpose of the legislator, they have killed small transactions to the profit of the large. The prohibition upon entering an industrial security on the Bourse lists before the second year of its existence has greatly discouraged the creation of new enterprises. On the other hand, capital has been projected in mass upon the securities of established enterprises, and the mania for these securities explains the low rates for the National securities, which, contrary to those of other great powers, have suffered from a serious stagnation. The application of the Bourse laws to the produce exchanges has had even more unfavorable effects. The desire to submit the transactions upon these markets to Government supervision has driven the merchants who operated upon them out of the reach of any control and of all publicity. Selling prices have fallen, the agriculturists have complained more than ever, and a large part of the transactions are now carried on at London, where a market for future sales of cereals was created six months ago. It is the general opinion that the new situation has created great dangers, especially in a year of famine."

A New Bank in Buenos Ayres

A proposition to revive under a new organization the State bank of the province of Buenos Ayres is reported by the correspondent of the London "Economist" in the issue of January 1. He says that it is proposed to graft a quasi-private bank on the ruins of the old institution, but that the proposition is not favorably received. He continues:

"It is proposed by the syndicate that the new bank shall have transferred to it all the privileges of the bankrupt State bank, which are numerous, the principal one being priority of claim on debtors' assets without any legal proceedings being necessary. The monstrous pretensions of the syndicate can be seen from this part of the proposal alone. It would be quite illegal to transfer such a State privilege to a private bank. In addition the proponents demand exemption from taxes of all kinds for the thirty years the concession would have to run, a monopoly of all the Government's banking business and financial operations at home and abroad for thirty years, and an undertaking from the Government that no other bank would be allowed to work in the province till the concession expires. In return for all this the bank promises Government ten per cent. of the profits, and to give loans at long dates to the farming classes, as the old State bank did. These are the main features of this precious scheme, but there are many minor ones, all ingeniously contrived for the benefit of the concessionaires who out of a nominal capital of $30,000,000 propose to work on only three millions called up, as they would have the judicial deposits—generally about ten millions—at their command."

BANKING AND FINANCIAL NOTES.

—The valuable series of papers on negotiable securities in France, which have been appearing during the last six months in "*L'Economiste Européen*" from the pen of the editor, M. Edmond Théry, have been published in book form and a copy has been received by the BANKERS' MAGAZINE. The several extracts which have been made from these articles in this department of the MAGAZINE from time to time illustrate their character and value and should stimulate the interest of investors and economic students in the full details and careful discussion which the book presents. The title is "*Les Valeurs Mobilières en France;*" the book is published at the office of "*L'Economiste Européen*," at two and a half francs.

—M. Meline, the French Premier, has prepared a project of law for the establishment of local banks for mutual agricultural credit. He proposes to encourage such associations by loaning to them without interest the advance of 40,000,000 francs which the Bank of France is required to make to the Government under the convention extending its charter. The 2,000,000 francs of annual taxes which the Bank pays to the Government will also be shared equally among the local mutual banks without interest.

—The clearings at the Bankers' Clearing House in London were £7,491,-281,000 during 1897. This is a reduction compared with 1895 and 1896, but larger than the preceding years since 1890, when the clearings were £7,801,-048,000. The amount in 1894 was £6,337,222,000; for 1895, £7,592,886,000; and for 1896, £7,574,833,000. The London "Economist" of January 8 declares that "from the heavy falling off on Stock Exchange and Consols pay-days, and the increase on Fourths of the month, there would seem to have been a continuance of the conditions that prevailed in 1896, viz., increased activity in general trade coincident with a reduced volume of dealings in Stock Exchange securities. That is further confirmed by the record of provincial clearings, which are more directly influenced by fluctuations in trade than are the London totals."

—The Nicaraguan Congress has declared illegal the change of the name of the Bank of Nicaragua to the London Bank of Central America, and the proposal to change the domicile of the institution from Nicaragua to London. Congress restricts the bank to its banking privileges under its charter.

—Attention is being attracted in Berlin to the new Russian Bank of Korea, with a capital of 500,000 rubles ($250,000) in two thousand shares. The bank is constituted in connection with the Russian-Chinese Bank and the East-Chinese Railway Company. C. A. C.

RULE FOR BANK EXAMINERS.—Charles G. Dawes, Comptroller of the Currency, addressed the following circular to National banks, Jan. 20:

"It has come to my attention that it has been the custom of some National bank examiners to accept employment and compensation therefor, in making extra examinations and reports of conditions of National banks assigned them for regular examination, which examination and reports are for the use of the bank and not for this office.

For an examiner to accept employment in examinations of the same bank from both the Government and the bank has a tendency to interfere with that rigid impartiality which should characterize his work as a Government official.

Notice is hereby given that hereafter examiners will not be allowed to accept employment from National banks in making extra examinations for the use of the banks."

HON. THOMAS S. RIDGWAY.

The man whose life is here briefly sketched was for many years a prominent figure in the business and political life of the State of Illinois, and was known and respected far beyond the immediate locality where his life was spent. He was a successful merchant, banker, railway president, and was honored with one of the most responsible offices within the gift of the people of a great State. In all the obligations of citizenship and in his private life he was a type of the best American manhood.

Mr. Ridgway was born in White county, Illinois, August 30, 1826. His father, John Ridgway, was a descendant of the early New Jersey and Pennsylvania Quakers, and his mother was of Scotch Presbyterian antecedents.

When only six years of age his father, with his family, moved to Shawneetown, Ill., where for more than sixty-five years Mr. Ridgway was an honored citizen, adding honor to the town and city and receiving honor from it because of his merits.

In early life he entered the mercantile business, for which he was peculiarly fitted and in which he was successful. First in the employment of E. H. Gatewood; next, as a member of the firm of O. Pool & Co. (Orval Pool, John McKee Peeples and T. S. Ridgway), and then of Peeples & Ridgway.

The First National Bank of Shawneetown was organized in 1865 by Thos. S. Ridgway and J. McKee Peeples, his former partner in the mercantile business—Mr. Peeples being chosen President and Mr. Ridgway Cashier. Although holding such a post of responsibility and labor, Mr. Ridgway spent a large portion of his time and means in the development of his town and State, and his indomitable energy was mainly instrumental in building the Springfield & Illinois Southeastern Railroad (now part of the Baltimore & Ohio Southwestern Railroad) from Shawneetown to Beardstown, of which road he was president for six years.

In 1874 he was elected State Treasurer of Illinois, administering the affairs of the office with signal ability.

On the death of Mr. Peeples in 1879 he was elected President of the bank, which position he filled to the time of his death.

From its organization to the present time there have been but five stockholders. Formerly the capital of the bank was $200,000, but on account of excessive taxation this was reduced to $50,000. This reduction of capital has not prevented the bank from having ample funds to meet the needs of its customers. Mr. Ridgway's business ability, character, and the confidence inspired by his uprightness throughout an almost lifelong residence at Shawneetown, have been leading elements in establishing the First National Bank upon a solid basis.

Mr. Ridgway was a firm friend of public education, and was for many years a member of the Board of Trustees of the Southern Illinois Normal University, and during a goodly portion of the time the respected and useful president of the board. He was rarely absent from the meetings of the

Thos. S. Ridgway
Jany. 1894.

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[illegible] New Jersey and Penn[illegible] [illegible]sbyterian antecedents. [illegible] family, moved to Shawnee[illegible] Mr. Ridgway was an honored [illegible] receiving [illegible]

[illegible] life he [illegible] for which he was [illegible] and [illegible] was [illegible]. First in the employment of [illegible] H. [illegible]tewood, next, as a member of the firm of O. Pool & Co. [illegible] Pool, John McKee Peeples and T. S. Ridgway, and then of Peeples & Ridgway.

The First National Bank of Shawneetown was organized in 1865 by Thos. [illegible] and J. McKee Peeples, his former partner [illegible] being chosen President and Mr. Ridgway Cashier. [illegible] post of responsibility and labor, Mr. Ridgway spent [illegible] and means in the development of his town and [illegible] energy was [illegible] instrumental in building the [illegible] Southeastern [illegible] part of the B[illegible] Railroad from Shawneetown to Beardstown, of which road he was president for six years.

In 1874 he was elected State Treasurer of Illinois and [illegible] the affairs of the office with signal ability.

[illegible] the [illegible] of Mr. Peeples in 187[illegible] he was elected President of the bank, which position he filled to the time of his death.

[illegible] its organization to the present time there have been but five stock-holders. [illegible] the capital of the bank was $200,000, but on account of [illegible] taxation this was reduced to $[illegible],000. This reduction of capital has [illegible] the bank from having ample funds to meet the needs of its [illegible]. Mr. Ridgway's business ability, character and the confidence [illegible] his uprightness throughout an almost lifelong residence at Shawneetown have been leading elements in establishing the First National Bank [illegible].

Mr. Ridgway was a firm friend of public education, and was for many years a [illegible] of the Board of Trustees of the Southern Illinois Normal University, and during a goodly portion of the time the respected and useful president of the board. He was rarely absent from the meetings of the

Thos. S. Ridgway
Jany. 1894.

board, and took a keen personal interest in this important educational institution.

In early life Mr. Ridgway was a Whig in politics, but identified himself with the Republican party at or soon after its formation and has been a consistent, devoted adherent of that organization ever since. He was a man of strong convictions, heart and soul a Republican and a stern partisan. He believed in his party and its principles. Frank, fearless and outspoken, he possessed in an eminent degree the courage that springs from sincere convictions, and he had the ability to defend these convictions. While doing this he dealt heavy blows, but they were dealt in an open, straightforward manner. He asked only an open field and an open fight. Possessing many rare and generous attributes, he found warm friends even among his political opponents, and was a tower of strength to his own party. His services and talents commanded the position of a leader, and he filled that position ably, having for at least twenty-five years been a dominant leader of his party in his Congressional district. During this period he has been in attendance upon and a controlling spirit in nearly every county, district, State and National Republican convention which has been held.

He was dignified in bearing, yet gentle in his manners and courteous to all in business, in politics and socially. No one who desired from any cause to approach him ever hesitated a moment to do so. His affability was one of his chief characteristics and was a leading cause of his popularity among his acquaintances. He was candid and bold in his opinions, yet invited the confidence and friendship of all with whom he was associated. He was well fitted, both by education secured in the school of experience and in natural ability, for the exercise of high and important trusts, and it was his laudable ambition to write his name among the prominent men of his State.

Mr. Ridgway took an active part in organizing the State Bankers' Association of Illinois, of which body he was first president, and was also interested in the work of the American Bankers' Association, and was a member of the executive council at the time of his death.

He had been a member of the Presbyterian church since 1858 and was for more than thirty years Superintendent of the Sunday-school.

His married life, extending over nearly half a century, was exceedingly pleasant, and he was strongly devoted to his wife and children.

His death, which occurred on November 17, 1897, took from the activities of the world a man whose business career and private character may well be taken as a model by those ambitious of winning success and the approval of their fellow men.

THE SECRETARY OF THE TREASURY.—In his statements before the Banking and Currency Committee at its recent hearings on the subject of financial legislation, Mr. Gage has demonstrated his mastery of all the details of the national finances and has taken a firm and courageous stand in favor of more firmly establishing our currency system upon the gold standard of value. His attitude has naturally aroused the bitter antagonism of the silver men in Congress, but it has justified the confidence with which his appointment was regarded by those who believe in maintaining the public credit. There has been too much temporizing in dealing with this question and Mr. Gage's utterances, and the strong and plain language of the President, will serve as a much-needed tonic in reinforcing the courage of those who have been afraid to mention the gold standard except in a whisper.

PRACTICAL BANKING DEPARTMENT.

HELPFUL HINTS DERIVED FROM EXPERIENCE.

SAVINGS PASS BOOKS LEFT AT THE BANK FOR SAFE-KEEPING.

Savings depositors often appreciate the privilege of leaving their pass books at the bank for safe-keeping. This is especially true of non-residents, and of those having no fixed place of abode. It is also of advantage to, and should be urged upon, another class who are forever losing their books. Without question, the bank can well afford to give this matter suitable attention, involving as it does only a small amount of additional labor.

For the accommodation of pass books, which are not likely to be a very large number, a tin or wooden box can be provided; this box may have one or more divisions, or stalls, each just a trifle wider than the width of the book; the box to be about two-thirds as deep as the book is long, thus enabling the book to be dropped in endwise; on the top of the envelope, exposed to view, the number should be written, and by arranging numbers in numerical order any book can be quickly found. At night the tray of books should of course be carefully stored in the vault.

Upon receiving a book for safe-keeping the customary card should be issued to the depositor, which usually reads something like this:

THE CROGHAN BANK, FREMONT, O.

(SAVINGS DEPARTMENT.)

PASS BOOK NO. 3469

Received above book which will be returned to its owner upon presentation of this receipt.

Obiges Buch empfangen, welches seinem Besitzer nach Vorzeigung dieser Quittung zurückerstattet wird.

In special instances it may be a source of satisfaction to the depositor to have his balance and the date thereof written on the back of the card.

Non-residents find great inconvenience in maintaining savings accounts, for the reason that they are obliged to forward books whenever deposits are made or withdrawn. Again, if their books are kept by the bank they are liable to lose track of their balances, or possibly become restless over the fact that they have nothing to show for their deposits. But these objections are easily overcome by the use of the annexed forms.

Referring to the first form it will be noted that the bank has received from Mr. Brown a remittance for credit; also in acknowledging same has incidentally mentioned a recent credit of interest, together with figures giving the exact status of his account. All this information is essential to a foreign depositor and quite as satisfactory to him as the book itself. This same blank can also be utilized in responding to requests for the withdrawal of deposits, and in the manner shown in the second form.

MEMORANDUM—NOT NEGOTIABLE.

THE CROGHAN BANK
AND SAVINGS CO.,
Fremont, Ohio

JAN 10 1898

Mr. Baxter N. Brown,
Brownstown, Texas.

On your Pass-Book No. 3469, now in our hands for safe-keeping, we have this day
Credited $200 — draft Chicago in your favor 5th.
We also credited interest, Jany 1st $15.00

Amount standing to your credit after making above entry, $1215.

Very respectfully,

.... Cashier.

The operation of this system has held deposits which otherwise would have been withdrawn by those moving to other places; it has also encouraged these people to continue business relations by sending back new

MEMORANDUM—NOT NEGOTIABLE.

THE CROGHAN BANK
AND SAVINGS CO.,
Fremont, Ohio

JAN 24 1898

Mr. Baxter N. Brown,
Brownstown, Texas.

On your Pass-Book No. 3469, now in our hands for safe-keeping, we have this day
Charged $100 — for enclosed draft on N.Y. as per your request 19th inst

Amount standing to your credit after making above entry, $1115.

Very respectfully,

.... Cashier.

deposits. Altogether it has proven so mutually advantageous to bank and customer that the writer does not hesitate to commend it.

FREMONT, OHIO, January 14, 1898. A. E. RICE.

[For the guidance of Savings banks, we will present in the next issue of the BANKERS' MAGAZINE a very valuable article on the treatment of "Lost Pass Books," giving forms, etc.]

THE BANKER'S INTEREST IN COMMERCIAL ACCOUNTING.

The banker everywhere is a marked man. His wealth, his familiarity with affairs and his position at the head of a financial institution, combine to give him the respect of the community and to enable him to exert an important influence with regard to that community's business affairs. In many cases he has the opportunity to be the confidential adviser of those business men who have had but limited experience and who need the restraint and guidance which is embodied in wholesome advice based on wide experience.

Banker's accounts, while frequently open to criticism and subject to improvements, are yet far better kept than those of any ordinary business with which they might be compared. The banker's insight into business affairs, his familiarity with the schedules which bookkeepers prepare, and his ability to analyze general statements of business condition, combine to place him in a position to advise intelligently upon all questions revealed by the accounting of his dealers. He is also able to exercise, as far as may be desirable, a friendly supervision over the affairs of those who need counsel and whose confidence he possesses.

With this much of general statement, embodying facts which no one will dispute, there is virtually outlined the argument supporting the proposition that the banker has a special interest in the accounting of those who transact business across his counter, and yet the case could be made stronger by still further inquiry.

The present is distinctively an age of education and training. First, in his youth, under the supervision of parents and guardians, the young man designed for business is given such an education as is deemed best for his proposed career. Then, a little later, when he finds himself in the midst of the activities of life and is brought face to face with some deficiency in his equipment, he at once sets about to supply what he has found to be lacking. So much for the individual. The State has supplied the facilities for education in elementary matters, and in an important sense is interested in supplementing that elementary education by whatever will make the individual a better citizen. The business community is also interested in whatever will make him a better business man. The banker is interested in whatever will make him a safer user of capital. The banker's success and profit depend upon a given volume of transactions with the minimum of loss. The elements which enter into his business management include all of those various and special qualities which would be ordinarily enumerated in this connection, and in addition all that he can command that are calculated to prevent losses.

All statistics dealing with the reasons of failures in business indicate that a very considerable proportion of the entire number are due to preventable causes. In the list of preventable causes there stands in the first place lack of capital, and following it are several other causes, all of which could be summarized under the head of incompetency. Few men who are beginners in business are able to estimate correctly the amount of capital their business requires. Some place it too high, but the majority place it too low. The banker's advice on matters of this kind is invaluable to the business man, and can be safely based upon the condition of the business as revealed by its balance sheet.

When incompetency as a cause of business failure comes to be considered analytically, a very large part may be ascribed to blind sailing or lack of ability to correctly estimate one's financial condition. All large and successful establishments have their accounts in fine condition. Able business managers lean on good accounting and find it a support that never fails them and an aid in management that cannot be dispensed with. The incompetent business man, on the other hand, is seldom an accountant, and it is a fact that the majority of concerns that fail reveal poor accounting or no accounting at all.

Here then is the banker's interest in commercial accounting still further stated. As the confidential adviser of the young, progressive and enterprising business men in the community in which his bank is situated, he has it in his power to influence them in the direction of securing the best accounting and to advise them concerning their affairs in the light of such periodical statements as their accounts produce.

Taking the business community first and last, a very small number of men, comparatively, comprehend a balance sheet or correctly understand the elements of which it is composed. Of those who are able to construct a balance sheet, so far as the mere form goes, there are some that are sadly deficient in the art of valuations, and in the skill that is necessary to detect the presence of dead wood. The banker's training with respect to values, his familiarity with balance sheets and the skill that he acquires in the prosecuting of his own business in dissecting business statements, make him, or should make him, an expert in matters of this kind. His counsel and co-operation, therefore, wherever he has the opportunity to proffer assistance, would be a help to the young business man greatly to be appreciated as soon as its value had become apparent.

Bankers are ever seeking safe loans into which to put their funds. Many business men who are able to secure the discount of their notes in bank are far less desirable risks than others in the community who have not the least idea how to borrow nor yet how to interest needed capital in the really profitable enterprises they are conducting. The banker's inside information, based upon the interest he has taken in the accounts of these dealers, first by securing for them the best systems that can be devised, and second by the knowledge that he has acquired of their business from examining their accounts for the purpose of advising them, is now turned to his own profit. He is able to discriminate against the plausible and inflated borrower and to favor the more modest and far safer applicant for his favors.

So far the argument has turned upon the help that the banker may give to the very young business man and to beginners in general. Let us apply the same principle in the case of concerns having ample capital and assumedly an experience which should enable them to conduct their business safely and profitably without any such friendly help. Even here the banker's superior knowledge will enable him to serve his own interests, while also making a profit for his dealers, if happily he has the information which their accounting should furnish. There is many a merchant who at present is not discounting his purchases, whose profits would be greatly enhanced if all his bills were discounted. For example, in many lines of trade the stock of goods is turned as often as three times a year. Jobbers and manufacturers are allowing discounts on bills paid within ten days, ranging from two per cent. minimum to six per cent. maximum on their face. The average, as stocks are made up, will run somewhat above four per cent. If the stock is turned three times a year, then a capital of $20,000 will satisfactorily carry sales of

$60,000. Many merchants who are in possession of the facts just stated still fail to perceive the advantages which follow. Some even put their surplus money in outside investments for the purpose of a gain, when they could make a much larger return by keeping it turning in their own business. However, it is with those who need to borrow in order to avail themselves of these discounts that we have to deal at present.

If, in order to pay all his bills in ten days, the merchant were compelled to borrow the whole amount, he would still make a profit by thus using his credit at the bank. If he turns his stock three times a year and makes four per cent. on the face of the bills each time, and assuming that each turn amounts to $20,000 or an aggregate of $60,000 a year, he would secure twelve per cent. on $20,000, or $2,400. If he borrowed from his banker the whole $20,000, paying six per cent. therefor, he would still make $1,200 by the transaction. As a rule he would need to borrow but a part. Hence the advantage to the banker in bringing to his attention this important source of profit.

I risk nothing in saying that there are thousands of merchants throughout the country who are entirely solvent, some of whom have very respectable surpluses outside of their business, consisting of such assets as residence property, business property, bank stock, farms, etc., who, for lack of cash in hand, are neglecting to discount their bills. The banker's interest in their accounting, and his familiarity with their affairs gained from inspecting their balance sheets should enable him to discover more or less of these opportunities. His knowledge in these particulars should show him also to whom it is expedient to extend bank favors.

Illustrations might be multiplied indefinitely. The subject is by no means exhausted by the little that is here presented, but enough has been shown to indicate how the banker's knowledge of good accounting may be used to the advantage of his dealers and at the same time to his own profit. A. O. K.

Notes on Banking Practice.

—Some banks have their banking rooms specially planned and designed to meet the requirements of administration and to accomodate the public. Others by force of circumstances are obliged to put up with such shaped rooms as are available in buildings already constructed. Some banks do an even business, while others grow rapidly and in a way to make their accommodations insufficient in a comparatively short period of time. They soon require additional space for each of the several departments, which brings them face to face with the problem of enlargement of premises where they are or removal.

Banks in this regard are not unlike other branches of business, but perhaps in no department of activity are facilities which are just right for the business conducted so much appreciated as in a bank. Accordingly, the equipment of a bank very frequently becomes an excellent advertisement. It is perhaps for this reason as well as others that bank managers very generally fit up their places of business with a certain degeee of elegance, freely employing artistic grilles, plate-glass panels, fine wood counters, tiled floors, and other similarly attractive features.

—How best to fit up a given room for banking purposes is a very important consideration. First of all, the public must be suitably accommodated. There must be enough space for as many dealers as are likely to congregate at any one time, and in addition there must be provision for the comfort of those who have to wait for an interview with one of the officers of the bank. In many cases a private desk for ladies, apart from the public space, is extremely desirable. The different departments of a bank—that of the receiving teller, the paying teller, the bookkeepers, the note teller, and so on to the end of the list—are often separated one from the other by wire partitions. For public convenience they must be so arranged that dealers can communicate with each of them without difficulty. On the bank side they must be so placed that one man can reach any other, as occasion may require. In addition, there should be provided means by which the Cashier, manager, or President can go from his own department to any other expeditiously, and without in the least hindering or interfering with the regular routine of work.

—The planning of a banking room recently occupied in New York has very happily introduced a special feature which may not be new to all the readers of this paragraph, but which may serve as a suggestion to many others. The banking room is nearly square. It has light from the street on one side, while opposite the windows open into a court, around which the building is constructed. The entrance for the public is from the main hall of the building, and on a side of the room between these windows. The public space is very nearly the center of the room and is approximately square. The different departments are arranged around it. On the right, as one enters the public space, there is a reception room for those who have occasion to wait to see one of the officers of the bank. Next comes the office of the Vice-President and general manager, with wicket to the public space permitting communication with those who are outside. Next comes the Cashier's desk, which occupies the remainder of the space on that side of the public room. In the corner, before turning, is located the President's desk. His situation is close to the working force of the bank, close to the public space, and yet very private. Turning the corner, there is next the note teller's wicket, and then two wickets for the receiving tellers. Again turning the corner of the public space, and reaching that side which faces the Cashier and Vice-President's wickets, is the paying teller's desk. Behind him is the vault.

—Thus far the arrangement does not differ materially from that of many other banking rooms, but the special feature to which attention is to be directed is that communication is had with each one of the several departments by a passageway arranged outside of them and immediately inside of the walls of the room. For the general manager, for example, to reach the paying teller, who is on the opposite side of the space, he merely makes the circuit of the room, and in thus going around passes the doors opening into each of the departments mentioned. By this same route visitors may be conducted from the waiting-room to the desk of the President or to that of the Cashier. Electric lights, with which the banking room is liberally provided, make one part of it just as comfortable for the transaction of business as another. It is practically independent of daylight, although it has a generous supply of the latter.

—Large business firms, who employ their own specially engraved or printed checks, introduce from time to time certain variations from the usual form, for the employment of which as a rule there seems to be most excellent reason. Some of these houses use what may be called the conventional check form while others prefer the draft form, so far as concerns the general arrangement of the check. The one feature to which special attention is now directed is that of putting into the body of the check a notation of the purpose for which the check is drawn. A sample check is presented herewith, illustrating this provision. It has its counterpart in the checks in use by various establishments at the present time.

JOHN DOE, MERCHANT,
10898 Boulevard.

No. 287. $237 $\frac{50}{100}$

NEW YORK, Jan. 10, 1898.

FAIR AND SQUARE NATIONAL BANK.

Pay to the order of———RICHARD ROE CO.,———

Two hundred and thirty-seven $\frac{50}{100}$ ———DOLLARS

in full of invoices Jan. 4 and 8 less discount.

JOHN DOE.

—The reason for this innovation upon the check form is easy to perceive. Checks at the present time are preferred as acknowledgments of remittances over any other form of receipt. Many concerns do not stop for receipts when amounts are paid by check across their counter. The reason for this is obvious. The check being drawn to order cannot be used without an endorsement, and an endorsed check is most excellent evidence of money paid. Some establishments go still further, especially those having a large number of payments to make, either locally or at a distance, and accompany their remittances by special directions that no receipt is expected or desired. Wherever this practice is encountered, it is positive evidence that the auditing of the concern is based upon its cancelled checks rather than upon other records and that receipts, if sent, would only cumber the files and tend to increase the work of the auditor. Many checks are encountered in use in which no provision is made for a statement of the account or bill to which the check applies, but which, nevertheless, have this stipulation crowded on to the face of the check by writing over the engraving or between the usual lines.

—Tellers should not be allowed to make loans to others, and especially to officers or tellers of other banks, who sometimes use this means to procure currency to cover a shortage while undergoing or expecting an examination. Loans should be made solely through the regular channel, and no payment of currency should be made except upon a regular voucher. When tellers receive deposits, it is advisable that they put their initials thus, "A. B.," in the pass book, opposite the amount, and the same on the deposit ticket. This plan has prevented loss in more than one instance. Tellers should not be allowed to carry anything in the "Cash items" but small expense items, which should be fully described on their balance book, and should be charged off every month at least.

COUNTRY CHECKS AND COUNTRY BANK ACCOUNTS.

AS SEEN BY A BANK CLERK.

The object of this article is not to urge reforms or to advocate any special scheme for the collection of country checks, but simply to state the situation as it appears to the writer, giving the impressions received, with the bits of information picked up from an experience of twenty-seven years in handling country checks and treating interest-bearing balances.

The usual aim of writers in discussing the subject has been the elaboration of some plan for improving the present methods of collecting country checks; but from my viewpoint I should say that the greatest need is more light, more information, a clearer insight into the nature and cost of country checks, and a more comprehensive understanding of the effect they produce upon the accounts into which they enter. Very few depositors realize the conditions produced by their country checks, and very little effort is ever made to enlighten them on the subject. The general impression among depositors is that banks have some means by which they get all such checks cashed without cost; and that the addition of a few hundred dollars in country checks to their deposits is a small matter for the bank. Some business men have been known to say that they supposed all country checks were cleared through the New York Clearing-House; others again believe that all New York city banks have country bank balances, against which they can charge all such checks. It is a mistaken policy to encourage any such misconceptions. A wiser plan would be to aim to enlighten depositors as fully as possible on this subject and to make clear to them the effect their country checks produce upon their accounts.

Country checks deposited as cash are neither cash nor its equivalent. They are simply bills of exchange, to be collected and paid for by a check on New York city. They all cost something to collect, and no bank in New York city has any system or process by which it can use out-of-town checks without loss. If the country bank should remit at once without charge for collections sent it, there would still remain the item of time. The nearest point consumes two days time in going and coming, and as two days of each week would include Sunday, the average time would be two and one-third days. But country banks do not remit at once without charge. The nearest to that is what is known as the semi-weekly remittances. In that case the country bank remits on the fourth day for the collections it has received during the three preceding days. This makes an average of two days time for the three days collections; add to this the two and one-third days going and coming, and you have four and one-third days as the average time cost in the case of semi-weekly remittances. In making weekly remittances the country bank remits on the seventh day for the checks it has received during the six preceding days, and as Sunday intervenes, the time consumed for the six days checks after they reach the bank is eight days, making an average of four days time for the six days collection. Add to this the two days going and coming, and we have six days as the average time cost in the case of weekly remittances; so that the time cost for semi-weekly remittance is four and one-third days, and for a weekly remittance it is six days. With interest at 6 per cent. per annum the cash cost for collections in semi-weekly remittances is 75 cents per $1,000, and with weekly remittances it is $1 per $1,000.

These are but two of the many rates upon which country banks make returns for collections sent them. There is no general rule or uniformity in their charges. The fact is all country banks expect to make a profit by handling these checks, and they get all they can out of them.

In addition to the semi-weekly and weekly remittances, there are remittances three times a month, twice a month and sometimes monthly. Then there are daily remittances, with charges ranging from one-fortieth of 1 per cent to one-fourth of 1 per cent., and at a few remote places the cost is as high as one-half of 1 per cent. In some places the rates are fixed by combinations among the local banks. These combinations are not general, but enough of them exist to make it worth while to consider their character and scope. A study of the schedules of some of these combinations is interesting.

At Rochester, N. Y., the clearing-house association has fixed the following rates·

Lowest charge for single items, 10 cents each.

On amounts of $100 to $1,000, one-tenth per cent. on the amount.

On amounts from $1,000 to $2,000, $1 for the remittance.

On amounts over $2,000, one-twentieth per cent. on the amount.

These are about the ruling rates in most of the places in New York State where combinations control the rates, and in places where there are no combinations similar sliding scales are the rule. In some small places in the State where there are two or three banks the following are the rates:

On amounts from $1 to $50, 10 cents each.

On amounts from $50 to $100, 15 cents each.

On amounts from $100 to $1,000 and upwards, one-tenth per cent.

At several places in Indiana the following rates are given:

Single items under $100, 15 cents each.

Single items from $100 to $250, 25 cents each.

Single items $250 and over, one-tenth per cent. on the amount.

At several places in Wisconsin the following schedule has been adopted:

Items not exceeding $10, 10 cents each.

Items over $10 and not exceeding $30, 15 cents each.

Items over $30 and not exceeding $50, 20 cents each.

Items over $50 and not exceeding $250, 25 cents each.

Items over $250, one-tenth per cent. on the amount.

At a little place in North Carolina, Reedsville by name, the two banks there have agreed upon the following:

On sums of $10 and under, 10 cents each.

Sums over $10 and under $25, 15 cents each.

Sums over $25 and under $50, 20 cents each.

All sums over $100, one-fourth per cent on the amount.

At Jacksonville, Fla., the combination there has fixed the following schedule:

Five dollars to $25, 15 cents each.

Twenty-five dollars to $100, 25 cents each.

One hundred dollars to $1,000, one-fourth per cent. on the amount,

One thousand dollars to $3,000, one-eighth per cent. on the amount.

Three thousand dollars and over, one-tenth per cent. on the amount.

These different schedules show the great variety of rates that prevail throughout the United States. In some of the places where there are combinations the rules permit the banks to substitute time remittances without charge in place of direct charges for daily remittances.

The one predominating condition in all places is the more collections the less the rate. As a result of this, the smaller banks in New York city are forced to pay more for their collections than the larger ones. It is safe to say that this difference would average in many cases 25 cents per $1,000. Twenty-five cents per $1,000 on an output of $100,000 daily amounts to $7,500 a year. Therefore a bank with only $100,000 of collections daily is obliged to pay $7,500 a year more for them than the same amount of collections would cost a bank with two or three times that amount. A glance at the schedules will show that this estimate of the difference is not exaggerated. At Rochester, for instance, $1,000 of collections cost $1, while $2,000 costs only $1. At Jacksonville, Fla., $1,000 costs $2.50, while $3,000 costs only $3. It is the same all over the country. At places where the terms are remittances at stated periods, the small banks submit to weekly remittances, while the large banks get returns semi-weekly. If it is a direct charge the small bank pays one-tenth per cent., while the large one gets returns at one-twentieth per cent. And these differences extend all along the line.

Effect of Country Checks on Balances.

In order to determine the effect country checks produce upon balances it is necessary to ascertain their average cost; and with the complex conditions that prevail, that is not an easy matter. An approximate average cost can be reached by grouping different sections of the country, and fixing upon the amount of collections in each section and their cost.

There are in the United States over 6,700 banking towns with one or more banks in each place, and among the enormous amount of checks that go out each day from the New York banks there are checks on nearly every one of these banking towns. The great bulk of the checks, however, are on the large cities.

About 30 per cent. of the whole amount are on the three large Eastern cities, Philadelphia, Boston and Baltimore; 12 per cent. in the New England States outside of Boston; 15 per cent. in New York State; 10 per cent. in Pennsylvania outside of Philadelphia; 3 per cent. in New Jersey and the balance distributed throughout the West and South. The cost of the checks on the three large cities named is usually a matter of time. Philadelphia is the most costly of the three. Weekly remittances are about the best that can be done there except in special cases. The conditions in Boston are more favorable. There, semi-weekly remittances are the rule, and it is possible to do even better than that with large amounts. At Baltimore the terms range from weekly to semi-weekly remittances, so that the average cost for checks on these three cities is about five days time. Throughout the New England States and New Jersey it is possible to get weekly remittances without charge for nearly all collections in those sections. New York State presents a great variety of conditions. The rates in that State range from semi-weekly remittances to monthly remittances without charge, and remittances at once with charges ranging from one fortieth per cent. to one-fourth per cent.; but it is possible to simplify these conditions by concentrating collections in the larger cities and towns, where banks will remit weekly without charge for checks on their own places and immediate vicinity and include other points with a charge of one-tenth per cent. By this method it is possible to get about one-third of the whole State at weekly remittances without charge, and the balance of the State at once less a charge of one-tenth per cent. The cost in the State of Pennsylvania is about the same as in New York State.

The following table will give a very good idea of the general distribution and cost of a daily output of $100,000 in country checks. In this computation it will be noted that 53 per cent. of the whole amount is without cost other than the time, and the other 47 per cent. costs both time and exchange:

Philadelphia, Boston and Baltimore	$80,000—5 days time, no exchange.
New England States and N. J.	15,000—6 days time, no exchange.
New York State	5,000—6 days time, no exchange.
New York State	10,000—2½ days time and one-tenth per cent. exchange.
Pennsylvania	3,000—6 days time, no exchange.
Pennsylvania	7,000—2½ days time and one-tenth per cent. exchange.
Middle Western States	15,000—6 days time and one-tenth per cent. exchange.
Border States	6,000-5 days time and one-eighth per cent. exchange.
Southern States	5,000—5 days time and one-fourth per cent. exchange.
Gulf States	3,000-6 days time and one-fourth per cent. exchange.
Pacific States	1,000—10 days time and one-fourth per cent. exchange.
	$100,000

This combination shows the cost of $100,000 in country checks to be an average of five days time and 62 cents per $1,000. Five days average time on $100,000 means $500,000 constantly outstanding, which causes a loss of interest on that amount in addition to the direct charge of 62 cents per $1,000. Figuring the interest at the rate of 4 per cent. per annum, the total cost of $100,000 daily for a year is as follows:

Four per cent. interest on $500,000 for the year is	$20,000
Sixty-two cents per $1,000 on $100,000 for the year	18,600
	$38,600

The total cost then in interest and exchange for $100,000 in country checks daily for one year is $38,600. This is at the rate of $1.28 per $1,000, or a trifle over one-eighth of 1 per cent. One-eighth per cent. is a fair average cost to the New York banks for the general run of country checks.

It is possible for banks with an output of two or three hundred thousand dollars daily in country checks to reduce this rate considerably; but much depends upon the treatment of the checks. With a large amount daily an opportunity is presented for the exercise of ingenuity in handling them so as to secure the most satisfactory results; while careless and indifferent treatment is sure to produce an increased cost.

To get returns for $100,000 at an average rate of one-tenth per cent. it would be necessary to reduce the average time to four days and the average exchange to 50 cents per thousand dollars. Then the computation would be.

Four per cent. on $400,000 for a year	$16,000
Fifty cents per $1,000 on $100,000 for a year	15,000
One hundred thousand dollars daily at a cost of one-tenth per cent. costs for the year	$31,000

Thirty-one thousand dollars a year for 300 working days is $103.33 a day, which is equal to about one-tenth per cent. on the output.

With these figures as a basis, the amount outstanding can be used to ascertain the cost of the output. Seven per cent. on the amount outstanding is equal to one-eighth per cent. on the output, and 6 per cent. on the amount outstanding is equal to one-tenth per cent. on the output.

The most important consideration with reference to country checks is the effect they produce upon balances. Fully one-half of all accounts in the banks of New York city are more or less disturbed by country checks. While some accounts are but little affected by them, there are a very large number of accounts so saturated with country checks that their balances represent nothing but money invested in uncollected checks.

Banks which keep no record of the relative proportion of country checks to balances are sure to find, upon investigation, that they are carrying a large number of just such saturated accounts.

Putting the cost of country checks at an average rate of one-eighth per cent. and allowing 300 business days to the year, the cost of a daily deposit of $1,000 in country checks is $375 a year, and $375 a year is 2 per cent. per annum on a balance of $18,250. Therefore crediting $1,000 in country checks daily at par is equivalent to paying 2 per cent. per annum on a balance of $18,250. One thousand dollars in country checks credited daily at par makes the loaning funds of a balance of $10,000 cost at the rate of 5 per cent. per annum. To illustrate it:

Average balance	$10,000
Less 25 per cent. reserve	2,500
	$7,500

The balance available for loaning is $7,500. Five per cent. on $7,500 is $375 a year, and $1,000 in country checks daily cost $375 a year.

The following table gives the rate of cost of the loanable funds of an average balance of $10,000 with different amounts of daily deposits of country checks.

BALANCE.	*Amount of country checks deposited daily.*	*Rate of cost of the loanable funds.*
Ten thousand dollars	$100	½ per cent. per annum.
"	200	1 " "
"	300	1½ " "
"	400	2 " "
"	500	2½ " "
"	600	3 " "
"	800	4 " "
"	1,000	5 " "
"	1,500	7½ " "
"	2,000	10 " "

Out-of-town banks are more highly favored than city depositors. They receive interest on their balances, as well as credit at par for a large proportion of their country checks. The liberality with which some of the New York banks treat their out-of-town customers is truly amazing. One out-of town bank keeps an average balance of $200,000 with its New York correspondent. On that balance it receives interest at the rate of 2 per cent. per annum, and in addition to that it receives credit at par on receipt for a daily amount of country checks equal to 5 per cent. of the balance; that is $10,000 of country checks daily when the balance is $200,000.

Putting the cost of the country checks at the low estimate of four days average time and 50 cents per $1,000 exchange, the loanable funds of that account cost at the rate of 4½ per cent. per annum. Here is the calculation:

Average balance	$200,000
Four days time on $10,000 in country checks absorbs	40,000
Balance less country checks	$160,000
Deduct 25 per cent. reserve	40,000
Balance available for loaning	$120,000

This balance of $120,000 costs $5,500 a year, as follows:

Two per cent. on $200,000	$4,000
Ten thousand dollars in country checks at 50 cents per $1,000	1,500
	$5,500

Fifty-five hundred dollars a year for $120,00 is at the rate of 4.58 per cent. per annum.

Another large out-of-town bank keeps with its New York correspondent an average balance of $300,000. It gets no interest on that balance, but is credited at par on receipt with country checks amounting to an average of $35,000 daily. Estimating the cost of country check the same as the other account, the loanable funds of this account cost at the rate of 4.87 per cent. per annum. Here is the demonstration:

Average balance	$300,000
Four days time on $35,000 in country checks daily absorbs	140,000
Balance less country checks	$160,000
Deduct 25 per cent. reserve	40,000
Balance available for loaning	$120,000

Thirty-five thousand dollars collections at 50 cents per $1,000 is $5,250 a year. Therefore the balance of $120,000 costs $5,250 a year, which is at the rate of 4.87 per cent. per annum.

These are *bona fide* accounts held by leading banks in New York and are but samples of an innumerable number of similar accounts carried by New York banks.

The following table shows the rate of cost of a country bank balance of $10,000, with interest at 2 per cent. per annum and varied amounts of country checks :

BALANCE.	*Interest.*	*Amount of collections credited daily.*	*Rate of cost of loanable funds.*
Ten thousand dollars......	2 per cent.	$100	3.16 per cent. per annum.
"	2 "	200	3.66 " "
"	2 "	400	4.66 " "
"	2 "	500	5.16 " "
"	2 "	800	6.66 " "
"	2 "	1,000	7.66 " "

The place country checks hold in the business of the New York banks is strikingly shown by the total amount of money invested in country checks by all the New York banks combined.

The amount constantly outstanding in country checks, as shown by their statements, approximates $45,000,000. The cost of these at the rate of one-tenth per cent. on the daily output is $2,700,000 a year. The same statements show the amount of loans of all the banks to be $455,000,000. The yearly cost of the country checks ($2,700,000) is a little over one-half of 1 per cent. on the total amount of the loans. All deposits do not include country checks, probably not more than one-half of them. Therefore 1 per cent. per annum on one-half of all the loans of the New York banks is the cost of the country checks included in those loans.

Combination as a Remedy.

Propositions that have occasionally been suggested for improving the present methods of handling country checks have not been encouraged by the New York banks.

The country clearing-house theory is hardly a feasible scheme, for the reason that nearly all out-of-town banks get more or less of a profit from handling country checks, and they are not likely to surrender any part of such profit for the benefit of a central bank in their locality, or to accommodate the banks in New York city. But a combination among the smaller banks of New York for securing more prompt and cheaper returns for their country checks is a sensible proposition and would prove a profitable undertaking for that class of banks. The large banks frown upon anything of that kind because of the effect it might produce upon the country bank balances they secure through their collections.

Leaving out of consideration the large banks, a combination of smaller ones could be carried out with good results. Eighteen of the large banks have an aggregate output of $4,550,000 in country checks daily, an average of $252,000 for each bank. A combination without these would include twenty-eight banks with an aggregate daily output of $3,000,000, an average of $105,000 for each bank; and twenty-five banks, with an aggregate daily output of $1,200,000, an average of $48,000 for each bank.

A combination of these two groups of banks would give to the combination $4,200,000 in country checks daily. With this amount of country checks, or even one-half of that amount under a single management, the possibilities would be incalculable. It would constitute a force so powerful that it would be able to get returns direct from nearly every banking town in the country at the lowest rates possible.

The saving in time and exchange for each bank interested would add materially to its profits.

At a low estimate an average saving of 40 cents per $1,000 could be secured. Forty cents per $1,000 on a daily output of $100,000 is $40 a day, and $12,000 a year. So that each bank with $100,000 in country checks daily could save $12,000 a year; and banks with $50,000 daily could save $6,000 a year.

In addition to this the saving in the cost of handling the checks would be considerable.

The cost for postage and other expenses in the combination would probably not amount to one-half of the present cost.

This gives an idea of the possible saving under existing conditions; and with such a combination it is more than likely that new and better conditions would be produced.

With such possibilities in view, it is surprising that some such scheme has never been put into practical operation in New York.

Country Bank Accounts.

To determine the value of country bank balances it is important to consider other conditions as well as the cost of the funds they supply.

There are two factors in the banking business which produce the highest standard of profit. One is deposits without cost, such as interest and country checks; and the other is a demand from dealers for discounts of their business paper at the legal rate of interest. The prosperity of a bank is governed largely by the amount of these two elements it can control, and as country bank balances represent but a minimum proportion of them, that fact is to be reckoned with in estimating the value of such accounts.

The demand from country banks for discounts at six per cent. is very small, and when a strong out-of-town bank obtains a loan from its New York correspondent, the security is good and it gets the loan at the market rate for similar security.

As to deposits without cost, there is practically none from country banks.

Country banks not only receive interest on their balances, but a large proportion of them get a liberal supply of country checks credited at par in addition.

Two per cent. interest is the ruling rate; a lower rate is the exception. Occasionally two and one-half per cent. is paid, and three per cent. is not an unheard-of rate. There are no balances kept in New York by country banks without interest or its equivalent. That equivalent may be an unusual amount of country checks credited at par, compensation for some special service, or some unusual privileges.

The great bulk of country bank balances are paid for at the rate of two per cent. per annum, with an indefinite quantity of country checks credited at par.

The two classes of accounts, the city dealers' accounts and the country bank accounts, when viewed separately are essentially different. The city dealers' accounts contain the elements of profit in themselves, while the country bank accounts are productive of profit only under specially favorable conditions.

Country bank accounts without the aid of city dealers' accounts would not yield sufficient revenue to pay the running expenses of any bank in New York. The reason is plain—the country banks furnish very little demand for six per cent.

loans, and the funds they supply cost more than they can be loaned for outside of the regular discount business of a bank.

The correctness of this proposition is strikingly illustrated in the liquidation of the Third National Bank of New York. That bank was pre-eminently a country bank depository; eighty per cent. of its deposits were country bank balances.

This preponderance of such business gave to that bank an unusual opportunity for demonstrating the value of country bank accounts, and the experiment was not a success. As the alleged "hard times" that caused the bank to go out of business did not affect any other bank in New York to the same extent, that explanation can hardly be accepted as the true cause of its discontinuance; but all indications point to the conclusion that it was the victim of country checks and country bank balances. In the last published statement of the bank we find the following items:

Country bank deposits	$9,700,000
Other deposits	2,300,000
Outstanding in country checks	1,833,000
Loans	8,100,000

The bank probably had some country bank accounts without interest; estimating the exceptions at $1,000,000, there would still remain $8,700,000 on which it paid two per cent. interest. Valuing the cost of its country checks at 75 cents per $1,000 on the daily output, and putting the cost of the running expenses of the bank at three-quarters of one per cent. of its deposits, the cost of its whole business was about as follows:

Eight million seven hundred thousand dollars deposits at two per cent.	$174,000
Two hundred and sixty-six thousand dollars country checks daily at 75 cents per $1,000	59,800
Running expenses three-quarters per cent. on its $12,000,000	90,000
Total cost per year	$323,800

According to these figures the total cost of its business yearly was $323,800.

Its loans were $8,100,000, which cost $323,800 yearly, being at the rate of four per cent. per annum.

With funds costing at the rate of four per cent. per annum it is unreasonable to expect that any bank could make money in New York city.

In country bank accounts there are three general items of cost:

Interest on balances.

Cost of country checks.

Cost of handling the business.

Two per cent. interest does not represent the actual cost of the available funds a bank secures from such accounts.

In paying two per cent. on balances the bank pays that rate on twenty-five per cent. of the balance of which it can make no possible use, and the seventy-five per cent. that is available for use costs at the rate of two and two-thirds per cent. per annum.

To illustrate this, a balance of $100,000 at two per cent. would cost $2,000 a year for the use of $75,000, and $2,000 a year for $75,000 is at the rate of two and two-thirds per cent. per annum.

For convenience call this the loaning cost.

The loaning cost, then, of all two per cent. balances is two and two-thirds per cent. per annum.

This is the first item of cost.

The next item of cost is country checks. Country bank accounts include country checks to a large extent; and as one-half of one per cent. per annum on the available funds of all the deposits in the New York banks is the cost of the whole amount of country checks, that rate will apply to bank balances.

It must not, however, be inferred that this rate applies to each separate account, but to the whole amount of balances. A large number of accounts have no collections, but a larger number have collections in sufficient amount to make their balances cost from two to four per cent. per annum in addition to the interest. It is easy to see that half of one per cent. is a low average rate when we recall the fact that at a valuation of one-tenth per cent. on the output of country checks it takes only $125 in country checks daily to make the loaning funds of a balance of $10,000 cost at the rate of one-half per cent. per annum.

To establish this point here is the demonstration. One hundred and twenty-five dollars of country checks at one-tenth per cent. is twelve and one-half cents per day, making $37.50 for a year of three hundred working days; $7,500 is the amount of loanable funds in a balance of $10,000, so the cost of the $7,500 is $37.50 a year, which is at the rate of one-half of one per cent. per annum.

Half of one per cent. per annum, then, is the average cost for the second item.

The third item of cost is the expense of handling the business.

The cost of handling the business of a bank in New York is an expensive matter. The cost on the deposits ranges from one-half per cent. to one and one-half per cent. per annum. The larger the volume of business the less the rate of cost. Three-quarters of one per cent. per annum on the deposits would be probably about a fair average rate for a moderate sized bank; at that rate the expenses of a bank with a deposit line of $10,000,000 would be $75,000 a year, including salaries, stationery, taxes, and all incidental expenses. This cost, like all other costs, must be on the amount of available funds, because the twenty-five per cent. reserve is a dead weight and produces nothing.

The income of a bank is all figured on the loanable funds, the expense must be there likewise.

In $10,000,000 deposits the loanable funds would be $7,500,000, and the three-quarters per cent. on the $10,000,000 deposits would be equal to one per cent. on the $7,500,000, so that the cost of handling the business of that sized bank would be one per cent. per annum on the loanable funds. But as larger banks would cost less than this rate, we will place the average rate at three-quarters per cent. on the loans.

The third item of cost is three-quarters of one per cent. per annum.

Combining these three items the loaning cost of country bank balances is as follows:

Interest on balances..	2⅔	per cent.	per annum.
Cost of country checks....................................	½	"	"
Expense of handling...	¾	"	"
	3.91	per cent.	

According to this estimate the average cost of country bank balances is at the rate of 3.91 per cent., or within a fraction of 4 per cent. per annum.

It is safe to say that the loanable funds of fully sixty per cent. of all the country bank balances kept in New York cost the New York banks at the rate of 4 per cent. per annum.

The aggregate amount of country bank balances kept in New York approximates $250,000,000. Sixty per cent. of this is $150,000,000, and the loanable funds of this would be $115,000,000. Therefore $115,000,000 of the loans of the New York banks cost the banks at the rate of 4 per cent. per annum.

This amount is about one-quarter of all the loans of the combined banks of New York.

Therefore, one-quarter of the aggregate amount of loans held by the banks of New York cost at the rate of four per cent. per annum.

Outside the regular discount business of a bank there are just two channels for the employment of money; one is loaning on call and the other is buying commercial paper.

With the rates for call loans ranging from one per cent. to two and one-half per cent., and rates for commercial paper from three per cent. to 5 per cent., the possibilities for profit with such funds are not very promising.

The loanable funds of a two per cent. balance, without country checks, and with the lowest possible cost for handling, cannot be placed on the market at less than 3 per cent. per annum. The direct cost of the funds is two and two-thirds per cent., to which should be added one-third per cent. for the cost of handling. One-third per cent. for the handling is one-quarter of one per cent. on the balances, which gives $2,500 a year for all the work and expense of handling one million dollars of bank business.

To make a profit out of money that costs from three to four per cent. per annum is the problem that confronts the interest-paying banks of New York.

Can they do it?

It is possible to figure a profit in such funds by taking the average rate of all the loans of a bank as a basis; but such a proposition is neither logical nor remunerative.

It would require an average of 4 per cent. on loans to afford any profit on country bank balances, and to secure an average of four per cent., some five and six per cent. loans are necessary. The demand for six per cent. loans comes from the regular city customers of a bank, and from that source alone. There are no safe six per cent. loans to be had in the New York money market outside the regular discount business of a bank. The country bank balances do not increase the quantity of six per cent. loans, therefore the value of the city dealers' accounts must be reduced in order to make up the deficiency in the country bank accounts, when figuring on the average of loans. Whenever it is possible to save money by abolishing any special class of business, that class of business is being conducted at a loss. Upon that theory a bank with any money that is costing it at the rate of three per cent. per annum, and any loans that are yielding two per cent-per annum, is losing one per cent. per annum on all such business; because the bank can use the money invested in the two per cent. loans to pay off its three per cent. deposits without in any way affecting its other business.

That being the case it is neither reasonable nor consistent to increase the three per cent. funds while any of the loans are less than that rate, and expect to make a profit because the cost of the funds is less than the average of all the loans of the bank. It would be just as sensible for a merchant to buy a certain line of goods, sell them at a loss, and claim that he made a profit on that special transaction because by averaging it with all his other business, he made a profit on his whole business.

It is not possible to make a profit from an account so long as any loans of the banks are drawing a less rate of interest than the rate the loanable funds of that account cost; and it follows that the highest cost funds are used for the lowest rate loans.

In the early days of banking in New York, when money was scarce and commanded high rates, the banks found it difficult to supply their regular customers with all the discounts they required; and the payment of interest on country bank balances was the outgrowth of an effort to secure additional funds to meet the demands of regular customers.

These conditions long since passed away. Very few of the banks in New York now have a home demand for anywhere near the full amount of the funds their city dealers supply.

With the regular discount demand supplied, the only other employment for the funds of a bank is the open money market in New York. And the situation has degenerated into a condition where the New York banks secure funds from country banks at a cost of three to four per cent. per annum, to be used for the manipulation of loans in the New York open money market.

And we have the remarkable anomaly of the New York banks buying money in the dearest markets and selling it in the cheapest.

New York is unquestionably the cheapest money market in the United States.

There is not a city or town anywhere in the Union where money is not worth more than it is in New York city; and yet there is the keenest rivalry among the banks in New York for the money of country banks at a cost to the New York banks greater than it is possible to loan it in New York, with as good protection as the New York banks afford the country banks.

If it is possible for the New York banks to make a profit by buying commercial paper with the funds supplied by country banks, it is reasonable to conclude that they could make more profit by borrowing the money in the New York market; for the average rate for call loans in New York is less than the two per cent. rate of the country bank balances, and no country checks to contend with.

The banks of New York certainly hold millions upon millions of dollars of deposits, the loanable funds of which cost from three to four per cent. per annum, and it is equally certain that the same banks have millions upon millions of dollars invested in loans at less rates, and singular as it may appear, according to the theory of these banks, these two conditions have no affinity for each other. Funds that cost three per cent. per annum do not get into loans that yield but two per cent.; but by mixing the two per cent. loans with the higher rate loans of the bank and making an average of, say, three and one-half or four per cent., the assimilation is complete and the three per cent. funds show a profit.

These same banks continue to increase the quantity of their three and four per cent. funds, and continue to add to the amount of loans at less rates, and still find a profit by averaging all the loans of the banks.

We are told that the large conservative banks in New York pay interest on country bank balances and make money. It is true that they make money on the aggregate of their business, but that is no proof that they make a profit on their country bank balances. It must be remembered that every large bank in New York has a large amount of highly profitable business from its city dealers. It can spare a good deal of that as an offset to its unprofitable business and have a good profit left. If a bank with about an equal amount of both classes of deposits should make a profit of one per cent. on its city business and nothing on its out-of-town business, it would show a profit of one-half of one per cent. on its whole business.

This suggestion about represents the actual situation, for a careful investigation of the statements of the New York banks shows that some of the banks without country bank accounts make a net profit of over one per cent. per annum on their deposits; while the large banks with a liberal supply of country bank accounts show a profit of less than one-half of one per cent. on their total deposits, and in some cases it is less than one-quarter of one per cent. on their deposits. B. J. SHREVE.

POSTAL SAVINGS BANKS.—The proposition to have the Government go still deeper into the banking business does not appear to have any chance of success in Congress. The March number of the BANKER'S MAGAZINE will contain an extended review of the growth of Provident Savings banks in the United States and the adaptability of the system to all parts of the country.

CHANGES IN THE NATIONAL BANK ACT.

I would recommend:

1st. That a Currency Commission of nine members be appointed by the President to hold their offices three for four, three for eight and three for twelve years, and the term of office to be for twelve years, the members of this Commission to be non-partisan, and to take the place of the Comptroller of Currency, with the same and additional powers, and wherever the name Comptroller of Currency appears to be changed to Currency Commission.

2nd. Permit National banks to be chartered with a capital of $25,000 in places with a population not exceeding 3,000 inhabitants.

3rd. That all banks, before commencing business, shall deposit with the United States Treasurer United States two per cent. bonds to an amount not less than three-fourths their capital; banks organized prior to this Act shall deposit United States bonds equal to three-fourths their capital within two years from the passage of this Act.

4th. The affairs of each National bank shall be managed by a board of not less than five directors; no director shall be eligible for election for more than three years in succession without an intermission of one year, with the exception of the President, in banks with a capital of $500,000 and upwards.

5th. Every association, after having complied with the provisions of this title preliminary to the commencement of the banking business under this title, shall transfer and deliver to the Treasurer of the United States, as security for its circulating notes, United States registered bonds, bearing interest at the rate of two per cent. per annum. Said bonds to be issued upon the receipt of an application for a charter for a National bank, or for an increase of the circulation by any National bank by the Currency Commission, and upon the recommendation of the Currency Commission the Government is to issue and deliver at par United States two per cent. bonds in such form as may be prescribed by the Currency Commission, said bonds to be paid for in gold. Such bonds shall be received by the Treasurer upon deposit, and shall be by him safely kept in his office until they shall be otherwise disposed of in pursuance with the provisions of this title, and such of those banks having on deposit bonds in excess of that amount are authorized to reduce their circulation by the deposit of lawful money as provided by law. Provided, that the amount of such circulating notes shall not exceed in any case the par value of the bonds deposited as herein provided. Provided any National bank may issue circulating notes to the full amount of its capital stock and may increase its circulating notes at any time from the three-fourths capital as required by this Act to the full amount of their capital by depositing with the United States Treasurer United States bonds; or in times of emergencies or in times of panics by depositing with the Treasurer of the United States securities to be approved by the Currency Commission, and said securities are to be kept at par by the bank depositing them and to be replaced whenever required by the Currency Commission.

If the increased circulation is kept out for more than two years the banks doing so shall deposit with the United States Treasurer United States bonds as required by this Act in place of the securities. Provided, also, that the Currency Commission may require the increase of the circulation of all the National banks in times of panics or in anticipation of a panic, to any amount not to exceed twenty-five per cent. in excess of the amount of the capital stock of the National banks, and require securities subject to the approval of the Currency Commission to be deposited with the Treasurer of the United States to secure the issue of this additional currency. The amount of the issue in excess of the capital stock to be reduced to not more than the capital stock of the National banks as soon as it is deemed advisable by the Currency Commission to do so.

6th. That banks be permitted to issue circulating notes to an amount not exceeding par of the United States bonds deposited.

7th. That the denomination of National bank notes shall be $10 and upwards.

8th. In lieu of all existing taxes, every association shall pay to the Treasurer of the United States in the months of January and July one-fourth of one per centum each half year upon the average amount of its notes in circulation, and that one-half of this amount shall be kept as a guarantee fund by the Treasurer of the United States to make good any losses to depositors that might occur by the failure of any National bank, through the increasing of the circulation of the banks by the deposit of its securities to secure additional circulation, either to increase its circulation up to the full amount of its capital, or the additional increase made by the order of the Currency Commission. Provided, that the Currency Commission may invest three-fourths of the guarantee fund in United States bonds, so long as such bonds will yield an income of two per cent. per annum on the investment, and when United States bonds cannot be had that will net two per cent. on the investment, then this fund may be invested in State and municipal bonds where the entire indebtedness does not exceed five per cent. of the assessed value of taxable property. Provided, that when the guarantee fund and accumulated interest shall amount to $30,000,000, that the National banks may be permitted to retire annually their United States bonds to secure circulation *pro rata* as the amount of issue of any National bank is to the National bank notes outstanding in proportion after the guarantee fund reaches $30,000,000, equal to the amount of the interest on the guarantee fund and the amount received from the tax on circulation.

New banks organized after the passage of this Act shall deposit United States bonds to secure their circulation for the same number of years that the banks were required to keep their bonds on deposit before the guarantee fund amounted to $30,000,000; then the new banks shall be permitted to retire the bonds they have deposited to secure their circulation.

9th. That banks may hold one-half of their reserve in United States bonds, payable in gold.

10th. That the total liabilities to any association, of any person, or of any company, corporation or firm for money borrowed, including the liabilities of a company or firm, the liabilities of the several members thereof, shall at no time exceed fifteen per cent. of the capital and surplus of such associations actually paid in. And that no loan may be made to an officer of more than ten per cent. of the paid-up capital. That loans may be made on first mortgages on real estate, not exceeding sixty per cent. of a fair cash value of the property to be mortgaged and the mortgage to be made upon the written approval of three directors. Providing that not more than twenty-five per cent. of the capital is to be used in such loans and under such restrictions as may be required by the Currency Commission, and no bank to be permitted to make loans on real estate that has issued circulating notes to the full amount of its capital.

Provided, also, that one National bank may loan to another National bank twenty per cent. of its capital and surplus. But the discount of bills of exchange drawn in good faith against actually existing values, and the discount of commercial business paper actually owned by the person negotiating the same, shall be considered as money borrowed.

11th. That National banks, by depositing securities with the Treasurer of the United States, be permitted to carry on a trust department and act as trustees. Also, that by maintaining a separate set of books and accounts, they may be permitted to receive Savings deposits and pay interest on same, under restrictions to be prescribed by the Currency Commission.

Analysis of the Recommendations.

I am in favor of a Currency Commission of nine members, for the reason that this commission is to be non-partisan and they are to be selected from all parts of the United States by the President, and subject to removal for cause by impeachment. This commission will be in touch with the whole people at all times, and will, as it were, have their hands upon the financial pulse of our nation, and at the same time our financial system will not be kept in a constant state of uncertainty, depending on the results of our elections every four years. By giving this commission charge of the bank examiners they will soon weed out the poor ones and make the examination of a bank mean something. By making the office of commissioner a long time office and the commission non-partisan, the responsibitity of the system will be thrown upon the commissioners, who will have a National as well as an individual pride in keeping our financial condition equal to or superior to that of any other country.

I believe the second amendment to be advisable, as it would give to the West and South a chance to organize National banks with smaller capital and would stop the growth of State banks in those States, and also stop the clamor for State banks of issue. I believe all banks of issue should be under the supervision of our National Government.

I am in favor of banks with smaller capital than $50,000, and the danger of losses to depositors will not be increased by the organization of such banks. We find from the reports of the Comptroller of the Currency that there has been a smaller per cent. of failures of National banks with a capital of $50,000 than with banks of a larger capital.

My object in the third section, as will be seen later on, is to increase the amount of money of our country by increasing the circulation of the National banks, and at the same time getting funds from the sale of additional bonds to take up the outstanding greenbacks.

My reason for limiting the length of time in the fourth section, that a director may serve to three years, is this: In banks with a capital of $500,000 and upwards, these banks are usually the correspondents of a large number of smaller banks, and I believe it is the duty of the Government to look more closely into such institutions than into smaller, and by dropping a director every three years it would prevent the accumulation of too large loans to his particular friends, and at the same time would add new members to the board, which cannot but be beneficial, and would prevent any such failures as we had in the National Bank of Illinois at Chicago. I would not advise the change of directors each year, as that would be a damage to the bank, but by making it once in three years you would not materially change the management by the election of directors.

I make the proviso as to the President of the bank as the law provides, and I think the President should be at all times a member of the board of directors, and it would not be a good policy to make a change once in three years in this office.

The object of the fifth section is to provide a safe and at the same time an elastic currency, and by its adoption I believe it will do so. There seems to be a demand from all parts of our country for such a currency, and I believe the above plan to be a safe one for the country to adopt.

The proposed changes will require the Government to issue a special two per cent. bond, to be paid for in gold. I make the provision that the bonds must be paid for in gold for the reason that I expect the money derived from the increased sale of bonds that this Act would require would be sufficient to take up the outstanding greenbacks, and when they are once taken up they are to be cancelled and not reissued.

There were in existence, as shown by the Comptroller of Currency's Report, October 31, 1896, 3,679 National banks, with a paid-up capital of $658,192,345, and there was outstanding circulation to the amount of $234,984,444 and under my proposed change this amount would have to be increased, by the issue of seventy-five per cent. of the amount of the capital, to $493,644,258, or an increase of $258,659,814. This, with the additional banks that I believe would be organized within the two years that this bill is to take effect in, would bring into the United States Treasury sufficient gold to retire our greenbacks, and the change would take place in such a manner that the effects of it would never be felt in our business world.

In the proviso I make radical changes from the present laws. I believe it was intended, upon the passage of our national banking laws, that they were to furnish more money for the use of our people, and the law was supposed to be one that would furnish an elastic currency, but in this respect it has been a failure, for the reason that, at the times when the country has need for more currency, our banks could not furnish it, because they had all their money loaned and could not call their loans to get money to buy bonds to increase their circulation. Under my plan I propose that the banks may increase their circulation from three-fourths of their capital to the full amount at any time with the consent of the Currency Commission, and I believe this a wise plan, for there are times and circumstances that may arise in any community where it would be advisable for a bank to increase its circulation up to the full amount of its capital stock, and there are many localities in the West and South that it would be more profitable for banks to issue to the full amount than it would be for them not to do so, and if the Currency Commission has the power to accept the securities of the bank to increase the circulation of the bank, it will make an elastic currency, and one that can be made to benefit the communities where it is most needed. I also provide that they must replace these securities with United States bonds within two years if the additional circulation in excess of seventy-five per cent., or three-fourths of the capital, is to be kept up, so that there is to be an end to securities as security for the additional issue in excess of the three-fourths of the capital as required by this Act.

I also provide that the Currency Commission can, when they deem it advisable, compel all National banks to issue currency up to an amount twenty-five per cent. above their capital stock. This I think a good provision, for this Commission should be men of ability, and selected from the different sections of our nation, so that they can keep in touch with the whole people, and be at all times in touch with the financial pulse of the nation, so that they can foresee any approaching panic, and quietly forestall it by this power of issue; that they can increase the money of the country quietly, without alarming the whole people of the country. This power, on the presumption that the National banks of the country would not issue more than three-fourths of their capital, would give the Commission the power to increase the money of the country $329,096,172, or, if all the banks had issued up to the full amount of their capital stock, they could increase the money of the country $164,548,086 without the addition of any more National banks than we have at the present time.

I believe that if a plan of this kind had been a law during our recent panic, the New York banks would have been able to have furnished their correspondents with a currency that they could have used to better advantage than the New York Clearing-House certificates and the clearing-house certificates of other cities, and saved these banks the reputation of being what we would call in the West, and what the people in general would call, in a bankrupt condition. Yet these banks were not bankrupt, and had in their vaults ample securities to meet all their obligations, but it required time for them to do so, and they proved themselves to be all right in the end, yet it cost many of their correspondents dearly by the refusal of these banks to send currency, and ruined many a man financially, and gave to the banking circles of this country a name that it will take years of time to wipe out. Had there been a Currency Commission, as I have provided for, they could have forestalled any panic by compelling the National banks to increase their circulation, and the additional circulation would have been secure, as the securities have proven to have been good in New York. I favor a Commission of nine men for the reason that there is too much at stake to be left to the judgment of one man, and one man is apt to become panicky, while nine men from different sections of our country are not apt to.

I provide that this excess circulation is to be reduced as the Currency Commission deems it advisable. Should a time come when it would be necessary to increase the circulation of National banks to the full twenty-five per cent. in excess of the amount of capital stock of the National banks, the Currency Commission would have the power to call for a gradual reduction of this excess circulation, and it could be done so as not to affect the affairs of the country, while if they did not have the power of this gradual reduction and made a call for the full twenty-five per cent. at one time it would cause a panic by the withdrawal of so much money at one time from circulation. But under the plan I propose it would never be missed.

The suggestion is that banks be permitted to issue circulating notes to an amount not exceeding par of the United States bonds deposited. I think there is no objection to this provision by any one, and it has been recommended by all writers that I have read on the subject.

The seventh amendment proposes to confine the denomination of National bank notes to $10 and upwards.

My object in making this change would be to increase the use of silver and silver certificates, which would add to it the use of $76,342,632 now issued by our National banks. To this amount I would add all bills of $5 denomination issued by the Government and I think by so doing that we would satisfy a large number of people who are now asking the use of more silver.

The ninth proposal favors reducing the tax on circulation to one-half of one per cent., or an amount that will be ample to meet all the expenses of the banking department, and I would be in favor of a reduction to one-quarter of one per cent. only I believe that the banks should pay something for the privilege of issuing circulating notes and also pay for the prestige it gives them by having a title of a National bank, which is constantly held up to the people, and the people in many places are misled to believe that the Government is in some way responsible to the depositors.

I think that one-quarter of one per cent. of the tax on circulation should be held by the Treasurer of the United States as a guarantee fund to protect the depositor and make good to them any losses that might occur by the failure of a bank during the time it has its securities up to increase its circulation, for if you do not make some provision of this kind, then this plan of increasing the circulation or for an elastic currency is as faulty as any that has been offered, and I claim that the Government has no right, under any plan, to increase the circulation of the banks and make the Government claim a first lien on the assets of the bank and rob the depositors of the best securities that rightfully belong to them as creditors of the bank, and if there is any preference to be made the depositors should be the preferred creditors of the bank and not the Government. If the United States Government passes laws and maintains a department to supervise the management of the banks, the people have a right to expect of the Government when it sends out bank examiners to examine into the condition of the banks, that that examination means something; and if a bank is examined to-day and fails to-morrow or next week, the Government should be responsible for the losses or a portion of them, or else give up the farce of examination that has been going on in past years.

The people have lost faith in our National banks because the management of many of the banks have deceived the people into the belief that the Government stands back of them. It is a case of lack of confidence. Bank examinations should mean something, and when they do confidence will soon be restored and you will hear no more demand for a Postal Savings bank, except from a few postmasters, of whatever political party that happens to be in office, and who, ninety-nine times out of a hundred, have not business sense to make a living, and would be a charge on the community were it not for some influential relative who puts the charge on the Government.

In the proviso to the 8th amendment, giving the Currency Commission the power to invest three-fourths of the guarantee fund in United States bonds that will net the fund at least two per cent. annually, and if such bonds cannot be had, then the Commission may invest the fund in State and municipal bonds where the entire indebtedness does not exceed five per cent. of the assessed valuation of the taxable property, I make this provision so that a part of the amount of money deposited as a guarantee fund may be kept in circulation, at the same time keeping on hand twenty-five per cent. of the fund to pay any losses that might occur. Two per cent. would be ample reserve at the present time, but I make the reserve ample beyond all question and strong enough to meet the demands upon it when the bonds to secure the circulation of the banks have been withdrawn.

I also recommend a gradual reduction of the bonds deposited by the banks to secure their circulation after the guarantee fund has reached $30,000,000, and I expect in time that this fund shall be the only security for the National bank issue. I estimate with no more banks than we have at the present time that it will take twenty years for this fund to reach the required amount, and after it has reached the amount the compound interest on the amount of the fund and the amount received annually from the tax on circulation will retire the bonds quite rapidly and at all times you will have a note issue absolutely secure.

It is recommended in the ninth proposal that banks may hold one-half of their reserve in United States bonds.

This, I believe, would be a good provision, as it would release $125,000,000 to $150,000,000 that is now idle and useless, and at the same time give the banks additional interest, and the money derived from the sale of their bonds could be used in reducing our national debt, and the bonds may be sold at a low rate of interest the same as those recommended to secure the increased circulation of the banks.

A Chicago banker recommends that a two per cent. scrip in denominations of $5 be issued about the size of a $5 bill with a coupon attached, and in case of a run on the bank this scrip might be used as money to pay the obligations of the bank.

I make some radical changes in the tenth section. The first is as to the amount of money that may be loaned to an individual, firm or a corporation. I increase the amount of loans from ten per cent. of the capital as it now is, to fifteen per cent. of the capital and surplus of the association actually paid in. I make this change for the reason that there are twenty States that have laws governing banks, twelve States have laws limiting the amount of loans, and eight States have no limit to the amount, that I can find. The average amount of loans permitted by the twelve States that have a limit is sixteen and two-thirds per cent., and I increase the amount that National banks can loan so that they can compete with the State banks.

The second change is, I limit the amount of loans to any officer of the bank to ten per cent. of the capital, so as to avoid criticism.

I provide that loans may be made on real estate not to exceed in amount twenty-five per cent. of the capital of the bank, for in many of the country towns such loans are profitable, and they are the best loans that can be had, and it will give the country banks in many places in the South and West a chance to use their money profitably and to a good advantage, and it will, at the same time, give the bank a good collateral to use should they want to borrow money from their correspondent, and will give the correspondent a chance to accept as good collateral as can be had for a loan. It will also be the means of helping the farmer in securing cheaper money, and will tend to an equalization of city and country rates of interest for money. I can see no good reason why there should be as much difference as there is at present. In connection with the real estate loans, I provide that no bank shall be permitted to make real estate loans that has issued circulation to the full amount of its capital, and my reason for doing so is this: The real estate loans will be more profitable to a bank than the full amount of circulation would be, and I want it to be so as to keep down the amount of circulating notes issued, which will give a wider expansion of the currency; in case of an emergency the amount of these loans is limited to twenty-five per cent. of the capital, so that these securities may be deposited to increase the circulation of the bank at any time it should be needed.

My fourth change in this section is as to the amount one National bank may loan to another. I permit one bank to loan twenty per cent. of its capital and surplus to another, and I do this as an inducement to banks to organize under the National banking laws by giving a National bank one-third more credit than to any other class.

I have suggested all the changes to this section so as to put the National banks on an equal footing with the State banks, so far as the accommodations to their customers are concerned, and yet at the same time keep the National banks on safe grounds. It is necessary that some changes should be made in this section, as it is natural for a customer to go to a bank where he can get the best accommodations, and there is no doubt about our State banks being as safe as the National banks, for there is a smaller per cent. of failure of such banks than there are of National banks, and there are more State banks to-day than there are National.

I make the suggestion for the eleventh amendment so as to give National banks the right to carry on a Savings bank in connection with their banking business, as is done in Michigan and Illinois very successfully, and I hope by such a provision to keep the Government out of the banking business.

JOHN L. HAMILTON, JR.

HOOPESTON, Ill.

THE CHEMICAL BANK LOSSES.—William J. Quinlan, Jr., for twenty years past the Cashier of the Chemical National Bank, New York, has resigned, and Francis Halpin, Assistant Cashier, has been appointed temporarily to succeed him. The causes of Mr. Quinlan's resignation are stated in the following letter :

NEW YORK, Jan. 31, 1898.

To the Directors of the Chemical National Bank:

GENTLEMEN :—Within the last few months I have made loans without consulting the President, to the amount of about three hundred and ninety-three thousand ($393,000) dollars on collaterals which I knew that you would not approve, and hence I have concealed these loans from you by methods which were not right.

I have not been interested personally in them and have not received one dollar of the proceeds of them, nor in but one instance received any benefit from them, and then but for a moderate amount; nor have I ever speculated to the extent of a single share in Wall street. My error has arisen from over-confidence in the representations of those to whom these loans were made, and, while I hope eventually no loss will arise from them, I acknowledge the justice of the request for my resignation, which is hereby presented, both as a director and as Cashier of the Chemical National Bank. This terminates a faithful service (until the above) of thirty-six years to the institution, which has justly been the pride of my life.

Respectfully,

WILLIAM J. QUINLAN, JR.

It appears that the loans were made to persons who make a business of organizing various kinds of speculative companies, and it is alleged that some years since New York banks were defrauded of large sums by one of the promoters of several of these enterprises.

These men succeeded in gaining the personal friendship and confidence of the Cashier. Mr. Quinlan admits having accepted a gift of some of the stock in one of the companies on whose securities the loans were made. There is no allegation of criminal wrong-doing on his part.

Mr. Quinlan had been connected with the bank for thirty-six years, and had a most creditable business record. That he should have made such a serious mistake as admitted in his letter is unfortunate from any point of view. The Chemical Bank will scarcely feel the loss, as it has a surplus of $7,500,000, and is one of the strongest banks in the country.

In this connection it may not be inappropriate to commend to the careful consideration of bankers and their customers the following axioms of sound banking :

"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 funds of a bank belong to its shareholders and depositors, and should never be loaned except upon securities of known value.

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States Courts and State Courts of last resort will be found in the MAGAZINE'S Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

IMPORTANT DECISIONS OF GENERAL INTEREST TO BANKERS.

BY THE SUPREME COURT OF MINNESOTA.

RIGHTS OF AN ASSIGNOR'S WIDOW IN INSOLVENT ESTATE—TRANSFER OF COLLATERAL—AUTHORITY OF CASHIER TO BIND BANK—SET-OFF.

On account of the importance of the accompanying decisions, the following explanation of them is given.

The case of *Merrill* vs. *The Trust Co.* deals with transactions that had become frequent, where, in connection with large assignments, the assigned would not relinquish his wife's dower (or statutory right, as it is in Minnesota), except on large payment, ostensibly to her, for a quitclaim; and the more dishonest the failure the more likely the creditor was to get a small dividend, the more certain this demand has been made, and when not made directly it has been made covertly by having bidders in the interest of the assignor bid in the assigned property with an understanding that, if it came into the hands of a friend, the wife's statutory right could be acquired.

There was probably no more prolific source of dishonest gain than the old theory of the law, and the Supreme Court of Minnesota is entitled to the highest credit for launching out a decision, which they had a perfect right to do, in their consideration of the statute, which decision is for honor and equity.

Imagine the case of a man borrowing $30,000 of a bank, investing it in a row of three houses, failing, and the wife taking an undivided third, having the court divide to her the property, thereby acquiring a $10,000 house free of incumbrances and practically at the expense of the creditors of her husband; but even this would be more honorable than for him to acquire the $30,000 in indivisible shape and his assignee be able to get but $10,000 for it, because of the wife's inchoate interest, in which case the creditors would, on account of this interest, lose two-thirds of their money.

The case of *Woodford* vs. *Cook* carries its own explanation. The Fort Dearborn case is one where the extreme danger of doing business with a man who acts in a fiduciary capacity is emphasized, particularly if he acts in more than one fiduciary capacity at the same time, and there is not absolute and proof positive that the act that he does binds the principal that is supposed by the loaner to be bound.

The case of *Stoltz* vs. *Bank of Minnesota* is one that sets forth the principles of equitable set-off probably as clearly as any case that has been decided in this country, allowing, as it does, the set-off not only against the direct paper of the insolvent, but equally against the business paper that had been taken by the insolvent and discounted by the bank. In this case some part of the evidence is introduced to show exactly what the court had before them on which to render the decision.

It is sometimes the opinion of bankers and business men that theoretical law prevails too largely in our court decisions. This criticism may be just, but the accompanying decisions seem to indicate that when the business propositions are clearly laid before a court and the court can find law to uphold equity and sound business policy, it is ready to do so.

[The foregoing explanation of these decisions is furnished the MAGAZINE by Mr. A. C. Anderson, of St. Paul.]

INSOLVENCY—RIGHTS OF ASSIGNOR'S WIDOW.

Supreme Court of Minnesota, Jan. 6, 1890.

ALICE X. MERRILL, *vs.* SECURITY TRUST COMPATY AS ASSIGNEE OF D. D. MERRILL, INSOLVENT.

(Prepared for The BANKERS' MAGAZINE by Heachmer Johnston, of the St. Paul Bar.)

Where a married man executes, under the insolvent law, an assignment of all his unexempt preperty for the benefit of his creditors (his wife not joining), the assignee's title to the real estate assigned is not subject to the wife's inchoate right.

Deeds by the assignee in execution of the trust convey a complete title and the wife has an inchoate interest only in the land, if any, which remains undisposed of after the trust is fully executed.

***Dayton* vs. *Corser* (51 Minn. 406) distinguished, and *Goodwin* vs. *Kumm* (43 Minn. 403) considered and limited.**

Appeal by defendant from an order overruling a demurrer to the complaint. Reversed.

The facts are stated in the following opinion:

MITCHELL, *J.:* In 1893, D. D. Merrill (a married man), being insolvent, executed to defendant, pursuant to the insolvent law of 1881, an assignment of all his non-exempt property for the benefit of his creditors. Included in the assigned property was a large amount of real estate which the defendant still holds for the purposes of the trust. Mrs. Merrill did not join with her husband in the execution of the assignment; Merrill died in 1896, and the plaintiff, his widow, brings this action against the defendant for a partition of the real estate, claiming that under the statute she is now the absolute owner of one undivided third of it, free from the payment of any part of the debts of her deceased husband.

Aside from certain questions of practice, not necessary to be considered, the only question presented by this appeal is whether this claim on the part of the widow is correct.

Owing to their early professional education lawyers may be liable to enter upon the consideration of this question with certain preconceived impressions derived from the doctrines relating to common law dower (which was not subject to the payment of the husband's debt), and to fail to give due weight to the fact that with us the widow's statutory one-third in the real estate of her husband is "subject in its just proportion with the other real estate, to the payment of such debts of the deceased as are not paid from the personal estate."

Some things which this Court has said, if not decided, will show that our minds have not always been entirely free from these preconceived impressions. In view of the plain provisions of the statute there can be no question that when the husband's estate is administered in the probate court the widow's third in his real estate is subject to the payment of its just proportion of debts.

Sales of real estate by the personal representative for the payment of debts are not subject to the widow's right, but convey a complete title. All that the widow gets in such a case is a third of the real estate which is left after the debts are paid. Every reason for this applies with equal or greater force where the husband's entire non-exempt estate is administered by the district court in bankruptcy. In the latter case, although not physically dead he is financially so. If after his discharge he acquires property it is by virtue of what may be termed a new financial birth, as of the date of his discharge. In bankruptcy, as in probate, his entire non-exempt estate is in court for purposes of administration and distribution ; and in the one case as in the other, all his creditors are, or may become, parties to the proceedings. The insolvent law contains no provision that the assignment by the husband shall be subject to the wife's inchoate right in his real estate; and in our opinion the provisions of the statute requiring the wife's assent in writing to conveyances by the husband in order to bar her inchoate interest in the property conveyed have no application to a general assignment under the insolvency law for the benefit of creditors. It would result in an anomalous state of things if the wife is held to have greater rights when her husband's estate is administered in bankruptcy than when it is administered in probate. Take the present case, for example. If plaintiff's contention is correct she is entitled to an absolute one-third of her husband's estate, regardless of the amount of his debts, and yet if he had happened to die without making this assignment and the estate had been administered by the probate court she would, in all probability, have been entitled to nothing except the homestead, there was one. Any such rule would be attended with grave practical evils and would tend to defeat, to a great extent, the purposes of the insolvency law.

It is a well-known fact that property sold subject to the wife's inchoate interest will not usually bring anything like its full value. The result would be that the land would be disposed of without either debtor or creditor getting the benefit of its full value, and that, too, without the wife deriving anything but a very remote and contingent advantage from the sacrifice of the property.

We are referred to *Dayton* vs. *Corser* (51 Minn. 406) as being in conflict with these views. In that case we held that the sale of the land of one spouse on execution founded upon a judgment against the owner did not divest the inchoate interest of the other spouse. Whatever might be said of the decision if the question was *res integra*, we are not disposed to overrule or modify it. But that case and the present one are not at all analagous. In the case of sale on execution the estate of the debtor is not in court for administration. No property is affected except the particular tract or tracts sold. Neither are his creditors in court nor parties to the proceeding. There is no way of determining who his creditors are or how much his debts amount to. Hence, there is no way by which it can be determined what would be the just proportion of his debts to which the wife's inchoate interest in the particular tract should be subjected.

Goodwin vs. *Kumm* (43 Minn. 403) is also relied on by plaintiff's counsel. That case was rightly decided on the ground that the husband cannot, by his covenants of title against the inchoate interest of the wife in the deed of conveyance, create by their breach a debt which will indirectly have the effect of divesting the wife's inchoate interest in the property conveyed.

If the opinion had put the decision of the case on that ground alone it would have been entirely sound ; but it proceeded *obiter* to announce certain other propositions, some of which are probably incorrect.

The order overruling the demurrer is reversed.

This is one of the most important decisions that has been rendered in this State for years, and as far as we can ascertain is without precedent.

Up to 1875 the statutes of Minnesota recognized the old common law dower, which was the right that every widow had to the use, simply the use, of one-third of the real estate left her by her husband. In estimating this one-third no deductions were made for debts owing by the husband. It was thought that the creditors could obtain reasonable compensation from the remaining two-thirds of the realty and from the reversion of the widow's one-third after her death. But in 1875 the law here was changed. Then the widow was given the absolute ownership of one-third of the husband's real estate. But, in consideration of her obtaining an absolute title and not merely the use of the property, it was fixed by the new law that she should receive not one-third of that realty after the husband's debts had been paid. Suppose a widow could now claim her one-third interest in real estate assigned by her husband to pay his creditors. That would give her one-third of the estate regardless of debts. In other words, a man owing a large sum would merely have to turn his property into real estate and then assign that real estate before his death to enable his widow to get a great deal more than she would get if he died and his estate was distributed in the probate court. By that means a man could practically cheat his creditors out of one-third of their security.

COLLATERAL SECURITY.

Supreme Court of Minnesota, Jan. 6, 1898.

WILLIAM L. WOODFORD, *et al.*, *vs.* JACOB H. COOK.

Contemporaneously with the execution of the note in suit, the defendant, as collateral security for its payment, assigned to plaintiff certain notes and mortgages against third parties under an agreement that, when collected or realized on the proceeds should be applied to defendant's note.

Same—part payment, statute of limitations.

Within six years before the commencement of this action, the plaintiff, having previously realized on the securities, applied the proceeds on the note and gave notice of the fact to the defendant, who made no objection to such application.

Held, that the application of the proceeds of the collaterals did not constitute a part payment, which would interrupt the statute of limitations.

If a debtor voluntarily, and in the absence of any circumstances repelling the inference of an implied promise to pay the whole debt, transfers to his creditor new and additional collateral securities for the payment of his debt, the proceeds of which when realized on to be applied towards its payment, it will constitute a "part payment," which will interrupt the running of the statute, as of the date of the transfer of the securities.

The evidence on this question should have been submitted to the jury. Order reversed. MITCHELL, *J.*

AUTHORITY OF CASHIER TO BIND BANK.

Supreme Court of Minnesota, Jan. 6, 1898.

FORT DEARBORN NATIONAL BANK OF CHICAGO *vs.* FRANK A. SEYMOUR AND WILLIAM H. LIGHTNER, AS RECEIVERS OF THE BANK OF MINNESOTA.

This action was brought by the Fort Dearborn National Bank of Chicago against the Receivers of the Bank of Minnesota, to recover the sum of $5,808.59.

For some years the two banks had had business dealings, the one acting as the agent of the other in collection of various drafts and checks.

When the Bank of Minnesota suspended December 22, 1896, it had in its hands certain drafts and checks received from the Chicago bank for collection, amounting to the sum above stated, and which were collected by the Receivers; it had also collected but had not remitted $29,116.16. At the same time the Bank of Minnesota had on deposit with the Fort Dearborn National Bank $35,360.11. The Receivers demanded payment of the deposit, and, upon action being brought by the Chicago bank to recover the amount of collections made by the Receivers, they asserted as a defence and counterclaim against the Chicago bank the balance of the deposit of $35,360.11, less the sum of $29,116.16, and ask for judgment in their favor for $435.36

The lower court gave judgment for the plaintiff as prayed, which has been reversed by the Supreme Court in the following syllabus:

MITCHELL, *J.:* A bank in Chicago was the correspondent of a bank in St. Paul, in which the latter kept funds on deposit.

The Cashier of the St. Paul bank was secretary and a large stockholder in a land company. The President and two of the directors of the St. Paul bank were also interested in and stockholders of the land company. The land company was indebted to certain parties in the sum of $25,000, which had to be met and paid.

The Cashier of the St. Paul bank, in his individual name, wrote to the Cashier of the Chicago bank that he had been unexpectedly called on to take up $25,000 for a company in which he was interested and did not want to borrow the money from his own bank, and asking if the Chicago bank would place an enclosed note for the land company for $25,000 to the account of the St. Paul bank, adding that the latter bank would not draw against it. To this the Cashier of the Chicago bank replied that he had placed the proceeds of the land company note to the credit of the St. Paul bank, with the understanding that none of it was to be paid out and that they reserved the privilege of charging the land company note to the St. Paul bank at their option. The Cashier of the St. Paul bank replied, consenting to and accepting these conditions. The Chicago bank then discounted the land company note and placed the proceeds to the credit of the St. Paul bank, and the latter then paid the amount ($25,000) to the land company. The St. Paul bank was not a party to the note of the land company and had no interest in it. None of the officers of the St. Paul bank, except those who were stockholders in the land company and interested in the transaction in their own behalf adversely to the interests of the bank, ever authorized, knew of or ratified the agreement between their Cashier and the Chicago bank, and had no notice that the credit of $25,000 by that bank to the St. Paul bank was not an actual and unconditional credit for cash deposited.

Held, that the agreement of the Cashier of the St. Paul bank that the Chicago bank might charge up the note of the land company to the St. Paul bank was wholly without the scope of his authority, that it amounted to an attempt to pledge the responsibility of the St. Paul bank for the payment of the note of the land company in order to enable that company to raise money to pay its own debts; that this was, in law and fact, a fraud on the St. Paul bank, of all which facts the Chicago bank was chargeable with notice.

That the knowledge of the transaction by the Cashier of the St. Paul bank or by those officers who were interested with him in the land company and were acting for themselves and adversely to the interests of the bank, did not constitute notice to the bank.

That after having thus credited the St. Paul bank with the proceeds of the land company note, and after that bank had paid over the amount to the land company, as it expected and knew would be done, the Chicago bank had no right to charge up the land company note to the account of the St. Paul bank.

The rule that a principal must either repudiate or ratify the unauthorized act of his agent as an entirety, that he cannot accept the benefits and repudiate the conditions or liabilities attached, has no application to the facts.

Judgment reversed.

DISCOUNT OF NOTE—EFFECT—BANKS OF GENERAL DEPOSIT—EQUITABLE SET-OFF.

Supreme Court of Minnesota, January 14, 1898.

STOLZE *vs.* BANK OF MINNESOTA.

Fred H. Stolze, assignee of the Elmer H. Dearth Agency, *vs.* Bank of Minnesota. Judgment for defendant. Plaintiff appeals. Affirmed.

1. Held, that whether the discounting of a bill or note, with the general indorsement of the holder, is a sale of the paper, or a loan to the holder, secured by the paper and indorsement as collateral, is ordinarily a question of fact.

2. The plaintiff's assignor indorsed and delivered certain notes of its customers to the defendant, and was credited on the books of the defendant with the amount thereof as a general deposit. The assignor thereafter made an assignment for the benefit of its creditors to the plaintiff, who brought this action to recover the balance of the deposit.

The trial court found as a fact that the transaction was a loan, secured by the indorsed notes, and as a conclusion of law, that the defendant had the right to an equitable set-off of the loan against the deposit, although the loan was not due when the assignment was made. *Held*, that the evidence sustains the findings of fact, and that the conclusions of law are right.

The facts are stated in the following opinion.

START, *C. J.*: This is an action by Fred H. Stolze, as assignee of the Elmer H. Dearth Agency, an insolvent corporation, to recover from the defendant $2,838.82, the balance of a general deposit with the defendant to the credit of the insolvent at the date of its assignment to the plaintiff for the benefit of its creditors. The answer admits the amount of the deposit, and alleges as an offset that the defendant loaned and advanced to the insolvent, at its request, before its assignment, various sums of money, amounting in the aggregate to $9,869.17, and took as security therefor certain negotiable promissory notes, set out in the answer, payable to and indorsed by the insolvent. The reply denied that the defendant loaned any money to the insolvent, and alleged that the notes referred to in the answer were sold and indorsed to the defendant, and that none of them were due at the time the insolvent made its assignment. Upon this issue the trial court made this finding :

"The defendant, at various times, granted loans of money and accommodations to the Elmer H. Dearth Agency, at its request, and accepted its indorsements upon negotiable paper of others as security for said loans. Among other transactions the defendant advanced, loaned and paid out to the Elmer H. Dearth Agency, at its request, and before its assignment, various sums of money, amounting in the aggregate to $9,869.17 and took as security for said loans the indorsement of the Elmer H. Dearth Agency upon certain notes, mentioned in defendant's answer, all of which are now overdue, and none of which have been paid, except a note of D. Kennedy & Son for the sum of $143.44, and except that there has been paid upon certain notes of the Hobb's Medicine Company, the sum of $5,000, and there still remains unpaid upon said loans far more than the amount of said deposit. The makers of all said notes were insolvent at the time of the making of the assignment of the Elmer H. Dearth Agency, and still remain insolvent. Due demand of payment and notice of non-payment and protest for non-payment of said notes was made at their maturity."

It was admitted, as a fact, on the trial, that none of the notes referred to in the answer and findings were due when the assignment was made. As a conclusion of law, the court directed that the plaintiff take nothing by this action, and that defendant have judgment for its costs. The plaintiff appealed from the judgment so entered.

The only question on this appeal is to the sufficiency of the evidence to support the foregoing finding of fact. If, as claimed by the plaintiff, the only liability of the insolvent, the Dearth Agency, to the bank, was that of indorser on the notes referred to, then his contention, because, when the assignment was made, the notes were not then due, and therefore such liability cannot be offset in this action, is correct. (*Wilder* vs. *Peabody*, 37 Minn. 248, 33 N. W. 852.)

The plaintiff's claim rests upon the proposition that the indorsement of the notes to the defendant was an absolute sale of them, and that the bank did not loan to the insolvent any money. On the other hand, the claim of the defendant is that the insolvent's liability was twofold: (1) That it was primarily and absolutely liable to the bank for the amounts represented by the several notes, because such amounts were loaned to the insolvent on the notes so indorsed as security; (2) that it is contingently liable as such indorser: (3) that it is the absolute debt or liability, and not the contingent one, which the band seeks to offset in this case. If the defendant's claim is correct, it follows that the conclusion of law by the trial court is also correct; for, if the claim of the bank was absolute, although not due, it had the right to an equitable set-off in its favor against the deposit, upon the insolvency of the Dearth Agency. (*Trust Co.* vs. *Leck.* 57 Minn. 87, 58 N. W. 826.)

The pivotal question in the case, then, is, did the defendant loan the amount of the several notes to the insolvent on the security of its general indorsement of the notes? It is admitted that the defendant did not take any note or obligation from the insolvent as evidence of the alleged loan, and that when the insolvent brought in the notes, with its indorsement thereon, and delivered them to the defendant, the amount thereof was placed to its credit, and was subject to its check. Whether or not the discounting of a bill or note, with the general indorsement of the holder, is a sale of the paper, or a loan to the holder, secured by the paper and indorsement as collateral, is ordinarily a question of fact. (*Becker's Inv. Ag.* vs. *Rea* [Minn.] 65 N. W. 928.)

The evidence sustains the finding of the court we have quoted, to the effect that the defendant loaned the amount of the notes to the insolvent, and took the notes as collateral. There were two principal witnesses on this question—Mr. William Dawson, Jr., the Cashier of the defendant, and Mr. Elmer H. Dearth, the President of the insolvent. The testimony of the former was substantially this:

"A day or two before October 1, 1895, Mr. Dearth came into the bank, and said that he had a good concern that was entitled to credit, and wanted to do business with a bank that would do it on the basis of their own credit; that they would keep a good balance, and would at times want to borrow as high as $20,000. I told him to bring in a statement, and if it was all right we would take the account and make the loan. He brought in the statement, showing the company to be solvent. The next day he came in, and I took some notes from him, and I loaned him $2,918.29. After this I did not see very much of him.

The business went right along. He said he would not ask to borrow on his or his company's name, but always on his customers' paper. These notes were brought in, and we would loan him the money, and place it to his credit just as fast as he brought them in, up to twelve or thirteen thousand dollars. Some of them were taken care of when due by the makers, and others by the Dearth Agency."

On his cross-examination he testified as follows:

"Q. Is it your usual custom, Mr. Dawson, when you make a loan, or make a loan to a customer or anybody else, to make the loan without taking from the borrower his note? A. Why, we have got a lot of customers, just like Mr. Dearth, that we take the paper and charge it to them. Q. But, I ask you, when you say that is the custom, what is the usual custom, in relation to taking the note of the debtor. Don't you require the debtor to make his note when you make a loan of money to him? A. Why, if we loan it to him on his own name, we take his note. If we loan it on stocks, or bonds, or collateral, we take his note and state what the collateral is. If we loan him on his customer's note we take the note and don't take his with it. Q. Now, if he came in to discount a note, without asking you to discount a loan at all, you would do precisely the same thing, wouldn't you? A. I don't think they very often say 'Will you discount a note?' They say 'Will you loan us some money on this note?' That is the way they usually come in. Q. Now, Mr. Dawson, do you mean to say that, where a party should come in with notes that he wanted discounted, and he said he wanted you to make a loan, that you wouldn't also take his note? A. I mean to say, if we were going to loan him any money, we would simply have him write his name on the notes, and place them to his credit. Q. Do you mean to testify, Mr. Dawson, that you held those notes, and all the notes that you had at that time, as collateral to loans or advances that you had made from time to time to the Dearth Agency? A. I mean they were collaterals to the indorsement of Mr. Dearth's company to our bank. Q. As what? A. They were the only security we had for the advances made by our bank to Mr. Dearth on those notes."

The Cashier gave much other testimony, but none which materially affects that which we have here set out. The president of the insolvent testified that he told the Cashier that his company wanted a line of credit in discounting the paper of its customers, and that it might run as high as $15,000 or $20,000.

"Q. Was anything said about borrowing or loaning money?. A. No; only in that connection. Q. Did you ever ask a loan from the bank? A. No. Q. Did they ever loan you any money? A. No; only in that connection, as I have stated. Q. Do you know how the business was transacted in relation to the discounting of the paper between you and the bank? A. Yes. Q. What was the method? A. Why, we took our customers' paper, notes bearing interest, there for deposit, to our credit, discounted. Q. You took the notes to the bank. The notes were indorsed by you—by the Dearth Agency? A. By the Agency. Q. Delivered to the bank, and your account was credited? A. Yes, sir."

It is obvious that the evidence amply sustains the finding. Such being the case, all other questions urged by the appellant are immaterial. Judgment affirmed.

LIABILITY OF STOCKHOLDER—CLAIM AGAINST ESTATE.

Supreme Court of Wyoming, Sept. 27, 1897.

***In re* BEARD'S ESTATE.**

The individual liability of a stockholder in an insolvent National bank is not a preferred claim against his estate, and is not entitled to priority of payment even though the estate is insolvent.

CONAWAY, *C. J.:* The intestate left an estate insufficient to pay his debts in full. He was a stockholder in the Cheyenne National Bank, an insolvent corporation, now in the hands of Joel Ware Foster as Receiver. Intestate was liable, under the laws of the United States upon the subject of banking, for the debts of the corporation to an amount equal to the par value of his stock in the corporation. This liability survives against his estate. The amount is fixed by the judgment and decree of the United States Circuit Court for the District of Wyoming at $6,139.93, and this amount is not in dispute. But Foster, as Receiver of the Cheyenne National Bank, claims that this liability constitutes a preferred claim against the estate. He filed his motion in the District Court for Laramie County—a court of probate jurisdiction, and having jurisdiction of this estate—that the administrator pay to him this claim in full, without regard to the assets and other liabilities of the estate, "for the reason," as stated in the motion, "that said claim, aforesaid, is a trust fund, and no part of the general assets of said estate."

In the brief filed on behalf of the Receiver, this proposition is stated in somewhat different language. It is claimed that the statute establishing the stockholder's liability "creates from his estate a trust fund for the payment of the debts of the bank," and, further, that the decree of the United States Circuit Court was based upon the ground that the statutory liability of the stockholder "created and carved from his assets a trust fund for the payment of the debts of the bank, and that, therefore, the assets of the decedent, to the amount of this guaranty or fund, constituted in fact no part of the general assets of the decedent's estate, but are trust funds, dedicated to the payment of this liability."

Upon the hearing of this cause in the district court, upon the motion of the Receiver for preference in payment, that Court found that important and difficult questions arose in the cause, and upon its own motion, and with consent of all parties, reserved and sent to this court for decision such questions. They are three in number:

(1) Does the statutory liability of a stockholder of a National bank to pay towards its debts a sum equal to the face value of his stock create from his assets a trust fund for the payment of the debts of the bank?

(2) Is the liability created by the statute mentioned in the last question entitled to preferential payment out of the funds of the insolvent debtor?

(3) Where a stockholder of a National bank dies subsequent to the insolvency of the bank, but before any assessment is made on his stock on account of such insolvency, and after his death an assessment equal to the full value of his stock is made upon the administrator of his estate, and where his estate is insolvent, should such assessment be given a preference over the claims of general creditors?

It is not questioned that the entire assets of the intestate are held by the administrator in trust for the payment of the debts of the intestate. But this, of itself, does not give to any particular debt preference in payment over any other debt. The claim urged on behalf of the Receiver is that the liability of intestate upon his bank stock is entitled to preference. Under Section 5152, Rev. St. U. S., the administrator is not personally liable on account of this stock, but the estate and funds of intestate in his hands are liable in like manner, and to the same extent, as the intestate would be if living. It is not questioned that the principles involved are the same as if the liability of intestate had been for unpaid subscription upon his capital stock. One authority states the "trust-fund" doctrine in such cases as follows: "It is a favorite doctrine of American courts that the capital stock and other property of a corporation is to be deemed a trust fund for the payment of the debts of the corporation, so that the creditors have a lien or right of priority of payment on it in preference to any of the stockholders of the corporation." (Thomp. Liab. Stockh. § 10.)

It is apparent that the doctrine must have a much more extensive application than this to sustain the claim of the Receiver in the case at bar. In a note to the section quoted, the learned anthor says: "I have not found a similar statement of doctrine in any book of English reports. The idea appears first to have been formulated by the fertile brain of Mr. Justice Story in *Wood* vs. *Dummer* (decided in 1824) 3 Mason, 308, Fed. Cas. No. 17,944."

But the case of *Wood* vs. *Dummer* has been extensively followed by both Federal and State courts, and the doctrine of that case is perhaps now too firmly established in America to be denied. The case was a bill in equity brought by some of the creditors against some of the stockholders of the Hallowell & Augusta Bank, and sustained on the ground of the impossibility of bringing into the suit all the parties interested. There was a recovery against the stockholders, the trust-fund doctrine being announced, as it appears, for the first time. No question of priority of payment arose.

A good statement of the result of the cases upon this branch of the law of the liability of stockholders is given in 23 Am. & Eng. Enc. Law, at page 855, in these words:

"The liability of members of a corporation is founded on stock. But in the modern stock corporation, where membership is usually acquired by entering into the contract of subscription, each member may be said to assume the obligation to pay to the company the full amount named in his contract, *i. e.*, he agrees to pay the corporation only, and the satisfaction of its claim in any manner acceptable to it discharges him from further liability. But the American courts of equity have evolved the doctrine that by the act of subscription one becomes liable for the full amount thereof to corporate creditors, as well as to the corporation; that all who deal with the latter have a right to rely upon the total amount subscribed as a security for their claims,—in a word, and in the language of the courts themselves, that upaid subscriptions are a 'trust fund' for the payment of creditors. While, in its origin, this doctrine is distinctively American, and does not obtain in England, yet by statute a limited application of similar principles is there allowed. The more recent applications of the doctrine have been subjected to considerable criticism in this country."

This statement of the law is sustained by numerous citation of cases, and is followed by a discussion of the applications of the doctrine; but nothing appears to indicate that it has ever been applied to give to the stockholder's liability for unpaid subscriptions for stock a preference in payment over other debts of the stockholder. Neither have counsel cited a case in which such application of the trust-fund doctrine has been made. Neither has such a case fallen otherwise under our observation.

In the case of *Thompson* vs. *Bank* (19 Nev. 242) it was held that it was not necessary to present to the executor or administrator of a deceased stockholder a claim for unpaid subscription to the capital stock of the bank before bringing an action thereon, although the statute provided that no holder of any claim against the estate of decedent should maintain an action, unless such presentation had first been made. The following reason is given in the opinion of the court:

"The stockholders are trustees of the creditors, and suits to establish and enforce the trust are maintained against the representatives of deceased persons, upon the theory that the decedent held money, equal to the amount of his unpaid subscription, in trust for the creditors, and that the fund, although incapable of identification, has passed into the hands of the executor or administrator. Such a fund is properly no part of the estate of a deceased person. The deceased stockholders were trustees, and not debtors of the bank's creditors."

The doctrine of this case fully sustains the contention of the Receiver. If the administrator has taken possession of any money or property that did not belong to the intestate, and did belong either to the bank or its creditors, he should deliver such money or property to the Receiver, who represents both the bank and its creditors. But no trust fund in money and no trust property ever passed into the hands of intestate from any source. The trust is purely constructive; the fund is purely constructive. It may have no existence in fact. The stockholder may have neither property nor money, but his debt to the corporation for unpaid subscription for stock is held to be a trust fund. The corporation, according to the American doctrine, may not release the debt to the prejudice of its creditors without payment in full. If the corporation does release the stockholder without full payment, the creditors of the corporation may resort to the stockholder for payment to the extent of the stockholder's liability for unpaid subscriptions. To this extent the cases go, and some seem to go further; but I do not find any case that goes to the extent of charging the property of a stockholder with a trust or lien on account of his unpaid subscriptions for stock.

The doctrine of the Nevada case, however, would lead to that result. It was a suit in equity by a judgment creditor of an insolvent corporation to subject unpaid subscriptions for stock to the payment of his debt. Two of the defendants were representatives of deceased stockholders. Of the conclusion that the statute requiring claims to be presented to the executors or administrators of deceased persons before suit did not apply in that case, one commentator says:

"It is believed that this conclusion cannot be maintained upon principle. The rule which allowed a trust fund to be followed from hand to hand, and recovered, is believed to apply only in cases where the fund is earmarked, or separated from the remainder of the estate of the trustee in such a manner that it can be identified." (Thomp. Corp. § 3328.)

And this suggests the question which must arise in every case under the doctrine of the Nevada court, what portion of the property of the stockholder constitutes the trust fund, which is properly no part of his estate? Does the trust attach to all of his property? Does any one purchasing his property with knowledge of his indebtedness to a corporation for unpaid subscription for stock take the property subject to the trust? No court has answered these questions directly, because no court has made the application of the trust-fund doctrine urged on behalf of the Receiver in the case at bar; and, on the other hand, it must be said that no court has ruled directly against this application of the doctrine. It seems that none of the courts have been called upon to rule directly upon the exact question presented here. The application of the trust-fund doctrine claimed here is evidently a new application of that doctrine.

The case of *Peters* vs. *Bain* (133 U. S. 670), cited by counsel, has, however, a direct bearing upon the question under consideration. Bain & Bro. were directors and stockholders to a large amount in the Exchange National Bank of Norfolk. The bank was insolvent; Bain & Bro. were insolvent. They made an assignment of all their property for the benefit of their creditors. Peters, Receiver of the Exchange National Bank of Norfolk, brought the action by bill in equity to set aside the assignment, and subject the assigned property to the payment of debts due the bank. The liability of the Bains on account of their stock is considered, beginning at page 691, 133 U. S., and page 361, 10 Sup. Ct. (opinion of Chief Justice Fuller). The validity of the deed of assignment and the trust-fund doctrine are disposed of in the following language:

"Counsel contends that the deed was in contravention of sections 5151, 5234, Rev. St. U. S., which provide that the shareholder of every national banking association shall be held individually responsible for its debts to the extent of the amount of their stock, and additional thereto, and that the Comptroller can enforce that individual liability. It is insisted that the capital stock is a trust fund, of which the directors are the trustees, and that the creditors have a lien upon it in equity; that this applies to the liability upon the stock of a National bank; and that no general assignment of his property for the payment of his debts can lawfully be made by a shareholder. Certainly not, when he is a director. Undoubtedly, unpaid subscriptions to stock are assets, and have frequently been treated by courts of equity as if impressed with a trust *sub modo*, in the sense that neither the stockholders nor the corporation can misappropriate such subscriptions, so far as creditors are concerned. (*Richardson's Ex'r* vs. *Green*, 133 U. S. 30, 44.) Creditors have the same right to look to them as to anything else, and the same right to insist upon their payment as upon the payment of any other debt due to the corporation. The shareholder cannot transfer his shares when the corporation is failing, or manipulate a release therefrom, for the purpose of escaping his liability; and the principle is the same where shares are paid up, but the stockholder is responsible in respect thereof to an equal additional amount. There was, however, no attempt to avoid this liability, and the fact of its existence did not operate to fetter these assignors in the otherwise lawful disposition of their property for the benefit of their creditors."

This needs no comment. It appears to leave no room for the application of the trust-fund doctrine to the extent of giving to the Receiver or to the creditors of an insolvent corporation preference in payment from the estate of an insolvent stockholder as against the general creditors of such stockholder, whether he be living or dead. The trust, evidently, can have no greater effect on the property in the hands of an administrator than in the hands of the assignee.

Of the three questions submitted, the first is answered "Yes" to the extent indicated in this opinion. The second and third are answered in the negative.

SET-OFF—DEBT SECURED BY MORTGAGE.

Supreme Court of California, Sept. 22, 1897.

M'KEAN *vs.* GERMAN-AMERICAN SAVINGS BANK.

Under the statutes of California a bank cannot set off against a deposit the amount of a note of a depositor held by it, where such note is secured by a mortgage.

CHIPMAN, *C.:* This was an action brought by plaintiff against defendant to recover judgment for $400 alleged to have been deposited with defendant by John Schwickert as a general and ordinary deposit, payable on demand to said Schwickert or assigns. The complaint averred an assignment by Schwickert to plaintiff. For answer, defendant showed that, at the time of the deposit, Schwickert was indebted to it upon certain promissory notes secured by mortgage; that, under the terms of the notes, they were due; and that defendant had applied the money in reduction of Schwickert's indebtedness before the assignment by Schwickert to plaintiff, and before any demand by plaintiff had been made upon it. Judgment passed for plaintiff, and defendant appealed.

The question thus presented is that of the right of the holder of a debt secured by mortgage to apply in reduction or cancellation of the debt a claim due by the holder to the debtor; and the determination of this question necessarily involves a consideration of the scope and meaning of section 726, Code Civ. Proc., which declares that "there shall be but one action for the recovery of any debt, or the enforcement of any right secured by mortgage upon real or personal property, which action must be in accordance with the provision of this chapter."

Appellant contends that it is settled law that where a depositor in a bank is indebted to the bank by bill, note or other independent indebtedness, the bank has the right to apply so much of the funds of the depositor to the payment of his matured indebtedness as may be necessary to satisfy the same, and this general principle he supports with the citation of numerous pertinent authorities.

It is not denied, but it is conceded, by respondent, that appellant correctly states the law, as an abstract proposition. But the principle is denied as applicable to this case, in which the answer shows that at the time the deposit was so applied the notes on which it was applied were secured by mortgage on real estate.

The answer avers that the "property covered by said mortgage is insufficient to satisfy the debt secured thereby," but does not allege that it is wholly valueless.

It is alleged in the answer and admitted by the demurrer that appellant took by assignment the Schwickert notes before the deposit was made, and, of course, before respondent became the owner by assignment of the deposit. Respondent therefore stands in Schwickert's shoes in the matter.

Address Reply to
"COMPTROLLER OF THE CURRENCY."
Washington, D. C.

Treasury Department,

Office of the Comptroller of the Currency,

Washington, D. C., Jan. 28, 1892.

A. E. R.
HG&G

The question recurs, could respondent apply this deposit on the secured notes of Schwickert? In the case of *Bartlett* vs. *Cottle* (63 Cal. 366) the action was brought upon a promissory note, the complaint being silent as to the mortgage. The answer set up the mortgage in abatement of the action. The court below found the security of no value, and gave plaintiff judgment. It was contended on appeal that the judgment ought not to stand, because the security was not valueless when the action was commenced. Mr. Justice Thornton, in giving the decision of this court, said:

"We are of opinion that the security was not without value at the time referred to. * * * This action on the note, then, cannot be maintained, under the provisions of section 726 of the Code of Civil Procedure. According to this section, there can be but one action, and that of the character prescribed in it."

In the case of *Biddel* vs. *Brizzolara* (64 Cal. 354, 30 Pac. 609), it was so held; and in the opinion, given in bank by Mr. Justice McKinstry, it was further said:

"Whatever the form of the debt, the mortgagor can be legally compelled to pay no part of it until decree is entered for the sale of the premises mortgaged, and the liability which shall then accrue to him is a liability to pay only a deficiency which shall appear on the sheriff's return. The liability of the mortgagor is therefore contingent on the fact that a sale of the mortgaged premises shall satisfy the debt and costs. It is against this contingency that the purchaser indemnifies him."

See also *Porter* vs. *Muller* (65 Cal. 512), in which it was held that the proceeds of the sale of the mortgaged premises constitute a primary fund out of which the mortgaged debt must be paid.

In the case of *Brown* vs. *Willis* (67 Cal. 235) it was held that this section means that "a mortgagor cannot be compelled to pay any part of his mortgage debt until a decree is entered for a sale of the premises mortgaged, and he then becomes liable only for such deficiency as shall appear on the sheriff's return"; citing *Biddel* vs. *Brizzolara* (*supra*).

In the case of *Barbieri* vs. *Ramelli* (84 Cal. 154) the action was at law on a promissory note. The note in fact was secured by a junior mortgage, there being other mortgages on the same premises. The court below found that the mortgage was valueless as a security to plaintiff—that is to say, that the market value of the land and improvements put on it by defendants since their purchase was not equal in amount to the sums due on the indebtedness secured by the prior mortgages—and gave judgment for plaintiff. Defendant claimed on appeal that the action could not be maintained, because prohibited by section 726, Code Civ. Proc., and this court held the point to be well taken. The opinion reiterates the position taken in previous decisions *supra* and holds "that the plaintiff is bound by the law to pursue the remedy pointed out by the statute;" and it further holds that "the plaintiff is not authorized to waive the security and bring an action on the indebtedness, and the court erred in so holding, as it did in effect, and rendering judgment for plaintiff." It further points out that it was not intended to be intimated in *Bartlett* vs. *Cottle*, *supra*, that where the security is valueless an action might be brought on the indebtedness alone. Mr. Justice McFarland concurred on the ground that the rule is settled in this State "that an independent action cannot be maintained on a debt secured by mortgage, without foreclosing the mortgage," although he adds, "If the question were an open one, I would come to a different conclusion." The question having arisen so often, and in so many different forms, there remains no doubt as to how the rule stands in this State.

2. But the appellant bank claims the right to set off the amount due on the notes given by Schwickert against the assigned demand, under section 438, Code Civ. Proc. The contention is that, under this section, in an action on a contract the defendant may set up any cause of action arising upon contract by way of counterclaim, and that counterclaim, under the Code, includes both recoupment and set-off.

Bank vs. *Gay* (101 Cal. 286) is cited. That is an instructive case upon the law of counterclaim, but it is not authority or in point in a case like the one here. The case of *Richmond* vs. *Lattin* (64 Cal. 273, 30 Pac. 818) is cited. In that case plaintiff sued to foreclose a mortgage given to secure a note for $1,000. Defendant set up the defense that after executing the mortgage the defendant sold to plaintiff an interest in a certain patent right for the consideration of $2,000, of which $1,000 were to be applied in satisfaction of the mortgage and payment of the note given by defendant to plaintiff, and the remaining $1,000 were to be paid in a specified time; that plaintiff had refused to cancel the mortgage or pay the other $1,000 The court held that the affirmative relief asked by defendant as to the $1,000 was sufficiently stated as a counterclaim. Appellant apparently reasons that, if this be true, the converse must also be true, and that a mortgage may be pleaded as a set-off or counterclaim to an action such as this. Whether, in an action at law on contract, the defendant may plead a note and mortgage executed by plaintiff, and ask its foreclosure by way of set-off, raises a question not raised here, and which need not be considered. Appellant, in its prayer, asks that respondent's claim be deemed compensated by appellant's claim—practically, that it be credited on the mortgage note of appellant, and appellant be left to pursue its foreclosure suit on the other side of the court. Appellant contends that there is no reason why a demand secured by a mortgage may not be set off against an unsecured demand, and cites *Cattel* vs. *Warwick* (6 N. J. Law, 190).

I have examined the case last cited. It does not support respondent's contention. In New Jersey at that time (1822) the mortgagee apparently could sue on the debt, and in this case did so, and levied execution on the equity of redemption of the mortgagor, leaving two bonds secured by the mortgage unpaid; and the question was whether, having purchased all the estate of the mortgagor, the land had not become debtor to the money, and the remaining bonds or debts extinguished. The court held that these unpaid bonds might be made subject of set-off. Warwick was therefore permitted to introduce them against Cattel's claim. Apellant cites 22 Am. & Eng. Enc. Law, p. 280, in support of the proposition that a "defendant may set off a secured claim without surrendering the security." The proposition rests upon the case of *Wallace* vs. *Finnegan* (14 Mich. 170). Finnegan sued Wallace in assumpsit on the common counts. Wallace pleaded the general issue, and gave notice of a set-off, and the case turned upon the rejection of the set-off by the trial court. The set-off was a note for $450 held by Wallace, made by Finnegan, to secure which Finnegan had delivered to Wallace certain collaterals, which it was agreed should be returned to Finnegan if he paid this note, and otherwise to become the absolute property of Wallace. These collateral notes were secured by mortgage on real estate. It was held "that a person holding a collateral security is not bound, unless he chooses, to resort to it before suing upon his principal claim. When that claim is satisfied, he may be compelled to surrender it, as a condition of enforcing his legal demand. Nothing can be set off unless it could be sued upon, and, on the other hand, any claim coming within the statute can be set off if it could be sued."

It will be seen the case is wholly unlike the one at bar. If the bank had held Schwickert's simple note and held certain other notes of other persons secured by mortgage, and had offered to set off Schwickert's note without surrendering the collaterals, we would have had the Michigan case over again; but the bank offered to set off one of the Schwickert notes, all of which were secured by mortgage. The case is not in point. Appellant cites no case, and I have found none, where a note secured by mortgage was allowed as a set-off to an action at law where such a statute as ours exists.

But appellant alleges in its answer, and it is admitted by the demurrer, that it applied the deposit toward the payment of the Schwickert notes before its assignment to plaintiff. It is claimed that it had a right to do this, although the notes were secured by mortgage. This presents a defense, perhaps, in a form not necessarily involving an action or a right of action, but rather as showing no indebtedness of defendant to plaintiff. But does the right of a bank to apply a deposit to the matured indebtedness of the depositor to the bank apply in this State to the case where that indebtedness is secured by mortgage on real estate? A holds the past-due notes and mortgage of B. He learns of a large deposit in C bank to B's credit. A goes to C bank and sells at a discount B's notes, and assigns the mortgage. Can C bank apply the deposit to the payment of these notes? And, if it could do so, could not a junior mortgagee of the same property compel the bank to appropriate and apply the deposit, and in that way obtain the benefit of it? Again, B gives his note and mortgage to C bank. He continues doing business with the bank by depositing money and drawing against it. The notes mature, and he continues to deposit money there. Can the bank seize upon a favorable moment, when the deposit is large, and impound and apply it and pay off the mortgage, without B's consent?

As I read the decisions of this court, they mean that the mortgagee, whether a banking corporation or a private individual, must first look to the mortgaged premises as constituting the primary fund out of which the debt secured by the mortgage must be paid (*Porter* vs. *Miller*, *supra*, and other cases cited); that the security must be first exhausted; if there be a deficiency, it may be docketed, but this deficiency judgment does not become a lien on any other real property, and execution will not issue upon it until after the sale under foreclosure. (*Culver* vs. *Rogers*, 28 Cal. 520; *Hibberd* vs. *Smith*, 50 Cal. 511.) "The liability," as was said in *Biddell* vs. *Brizzolara* (*supra*) "is contingent on the fact that a sale of the mortgaged premises shall satisfy the debt and costs."

The reason of the rule that gives to banks the right to appropriate a deposit to the payment of the depositor's matured indebtedness does not apply where the bank has security for that indebtedness. The depositor's matured note, payable to the bank, is equivalent to a check drawn by him on the bank; and the right to charge up his note is practically only exercising the right to charge up his checks, for it is a presumption of law that it was his intent to have the note discharged from his deposit; and there is the reciprocal right of the depositor to have his deposit applied to the payment of the note in the event of the bank's insolvency. (*Morse*, *Banks*, §§ 557,560.)

But could there be a presumption of such intent when he had secured his note by mortgage? It seems to me the rule contended for would compel a depositor who is a borrower to avoid keeping a credit account with a bank that held his note secured by mortgage; and if he kept his account elsewhere, it would be imperilled by a possible transfer of the secured note to the bank where his creditors were, and by this short cut, payment would be enforced, wholly ignoring the mortgage, and, I think, enlarging the rule above stated to an unauthorized extent. It would also seem but reasonable that, when the Legislature declared that there should be but one action to enforce a debt secured by mortgage, it did not mean that payment could be enforced, against the consent of the mortgagor, by giving a bank the right to enforce payment under a general banker's lien upon some other property, and that, too, without any legal proceedings whatever. The lien given on the mortgaged premises, I think was intended to be in lieu and exclusive of all implied liens.

I do not see, either, why a bank should be given a right to forcibly, and against the consent of the depositor, appropriate his money, when, if it came into court to do so, the action would not lie; and we have seen it would not lie as counterclaim, set-off, or in whatever other form it may be presented.

The difficulty with appellant's argument is that it ignores the force and effect of section 726 of our Code of Civil Procedure. Whether as counterclaim or set-off or recoupment, or whatever other form the defense may assume, it is, for the purpose of the defense, an action against the plaintiff *pro tanto*.

"An action is an ordinary proceeding in a court of justice by which one party prosecutes another for the enforcement or protection of a right, the redress or prevention of a wrong, or the punishment of a public offense." (Code Civ. Proc. § 22.) And by section 25, same Code, it is said, "A civil action arises out of: (1) an obligation; (2) an injury." Appellant's defense offered was "an action for the recovery of a debt" which was secured by mortgage, and the Code of Civil Procedure says (section 726), "There can be but one action for the recovery of a debt or the enforcement of any right secured by mortgage upon real or personal property, which action must be in accordance with the provisions of this chapter."

The conclusion is irresistible that appellant had no right to plead its mortgage notes by way of set-off.

(3.) Nor does section 440, Code of Civil Procedure, as appellant claims, give it any right. Cross demands of contending parties under that section can be deemed compensated, so far as they equal each other, only under such circumstances as that, if one party had brought an action against the other, a counterclaim could have been set up. But the action of respondent for the deposit, and the right of action of appellant to foreclose its mortgage, are not cross demands, as contemplated by that section. What would be the law if the security had become valueless, is not now here a question, and is not decided. There is no allegation or finding that such was the case. All that was alleged was "that the property covered by said mortgage is insufficient to satisfy said debt secured thereby." It is recommended that the judgment be affirmed. We concur: BELCHER, *C.*; SEARLS, *C.*

Per Curiam: For the reasons given in the foregoing opinion the judgment is affirmed.

CASHIER—RECEIPT OF DEPOSITS BY—LIABILITY OF BANK.

Supreme Court of New Hampshire, July 30, 1897.

HANSON *vs.* HEARD.

The Cashier of a National bank has authority on behalf of the bank to make a collection from a Savings bank.

The promise of the Cashier to pay interest upon a deposit at an usurious rate will not bind the bank; but the bank would be bound to return the amount actually received by it.

The fact that receipts appear upon their face to be the personal receipts of the Cashier does not preclude the depositor from showing that they were intended and understood to be receipts in his capacity as Cashier of the bank.

Where money is paid to the Cashier on a deposit with the bank, the bank is liable though the act of the Cashier in receiving the money was in furtherance of an independent fraudulent scheme for his own benefit.

Assumpsit by Miranda Hanson against William A. Heard, Receiver of the National Bank of the Commonwealth, for money had and received by the bank. On a trial by jury, the defendant's motions for a nonsuit and for the direction of a verdict in his favor were denied, subject to exception.

The Cashier of the bank collected of a Minnesota Savings bank a sum of money due to the plaintiff, and received from her other sums, upon all of which he promised to pay interest at the rate of eight per cent. per annum. He gave receipts for the money, one of which bore his signature as Cashier, and the others his signature without addition. He did not credit the money to the plaintiff upon the bank's books, but credited it to his own account, and subsequently withdrew it and absconded. The evidence was conflicting on the question, whether, in his dealings with the plaintiff, he acted in his private or in his representative capacity. The only evidence of his authority to act for the bank was the fact that he was its Cashier.

CHASE, *J.*: It was not necessary for the plaintiff to show express authority from the bank to its Cashier to receive in its behalf the Savings bank book for collection and the deposits of money.

The Cashier, as one of the executive officers of the bank, *prima facie* had authority to solicit and do such business and to bind the bank to the extent, at least, of the obligations ordinarily pertaining to the business. (*Eastman* vs. *Bank*, 1 N. H. 23, 26; *Corser* vs. *Paul*, 41 N. H. 24; *Bank* vs. *Haskell*, 51 N. H. 116; *Hunter* vs. *Railroad Co.* 116 N. Y. 615, 621, 23 N. E. 9; Morse Banks, 156 *et seq.*)

The Cashier of a National bank stands no differently in this respect from the Cashiers of other banks of discount. National banks, being authorized to carry on the business of banking, have authority to collect notes, checks, bills of exchange and other evidences of debt for other persons, as an incident of the business, although the authority is not expressly mentioned in the National Bank Act. (*Yerkes* vs. *Bank*, 69 N. Y. 382, 386; *Keyes* vs. *Bank*, 52 Mo. App. 323; *Bank* vs. *Townsend*, 139 U. S. 67. 73, 11 Sup. Ct. 496.)

But it cannot be assumed that the Cashier had the bank's authority to promise interest at the usurious rate of eight per cent. This promise, although unauthorized and illegal, would not relieve the bank from the obligation to return to the plaintiff the money it actually received. (*L'Herbette* vs. *Bank*, 162 Mass. 137, 38 N. E. 368.)

It is no ground for sustaining the defendant's motions. The question as to the amount of the plaintiff's damages is not raised by the case.

The fact that some of the receipts given by the Cashier to the plaintiff appeared upon their face to be his personal receipts did not preclude the plaintiff from showing that they were intended by him and understood by her to be receipts in his capacity as Cashier of the bank. (*Van Leuven* vs. *Bank*, 54 N. Y. 671; *Pierson* vs. *Bank*, 77 N. Y. 304, 310.)

The defendant contends that the Cashier's acts having been done in the pursuit of an independent, fraudulent scheme, for his own benefit, and without the knowledge of the bank, the bank is not liable, although the acts were done in his capacity as Cashier. The bank's promise, not the Cashier's fraud, is the foundation of the plaintiff's action. The Cashier's independent fraud did not affect this promise. When the plaintiff's money went into the Cashier's possession, it was in the bank's possession, and was its money. If it was lost afterwards through carelessness, larceny or other means, it was the bank's loss. (*L'Herbette* vs. *Bank*, 162 Mass. 137, 139, 38 N. E. 368.)

A review of the testimony shows that there was evidence upon which the jury might properly find for the plaintiff. Exceptions overruled.

WALLACE, *J.*, did not sit. The others concurred.

DUPLICATE DRAFT—DEFENSES—WAIVER.

Supreme Court of North Dakota, Oct. 21, 1897.

BANK OF GILBY *vs.* FARNSWORTH.

Where a drawer, who has been discharged because of the failure to take the necessary steps to charge him, promises to pay the draft, or recognizes his liability thereon, with full knowledge of the facts releasing him from liability, he thereby waives his right to insist that he has been discharged.

The giving by the drawer of a duplicate of the lost draft does not necessarily evince a purpose to waive such defense.

It is competent to show by parol evidence that the drawer informed the payee that he did

not intend by the giving thereof to waive his rights, but merely to accommodate the payee by putting in his hands a paper which would enable him to collect the money from the drawee.

Corliss, *C. J.:* The plaintiff by this action is seeking to hold the defendant liable as drawer of a draft. The plaintiff is the payee named in such draft, and it was drawn on J. M. Gagen & Co., of Grand Forks city, the defendant being a resi- of Gilby, N. D.

Defendant had been engaged in buying wheat for J. M. Gagen & Co. for some time previous to the day when this draft was drawn. It was his custom to advance the money with which to make all purchases of wheat for his principal, and at the close of the day to draw upon them a draft through the plaintiff, a State bank at Gilby, to reimburse him for such advances.

On September 26, 1895, the moneys he had that day expended in buying wheat for his principal amounted at the close thereof to the sum of $612, and on that day he drew upon them, through the Gilby bank, for that amount; that bank cashing the draft, as was its custom. The draft was lost in transmission by mail from Gilby to Grand Forks, it being forwarded by plaintiff to the First National Bank of Grand Forks for collection. The fact of such loss was not discovered by plaintiff until the latter part of March, 1896, or nearly, if not quite, six months afterwards.

As soon as plaintiff learned that the draft had not been received by its agent, the First National Bank of Grand Forks, it notified the defendant, and requested him to give a duplicate thereof. Defendant refused so to do until he had ascertained whether the draft had in fact not been paid. Subsequently he signed and delivered to plaintiff an exact duplicate of the lost draft, it being dated as of September 26, 1895, the same as the original. Written upon the draft in two places was the word "Duplicate."

Defendant testified, and his evidence was confirmed by that of his son, that he distinctly informed the plaintiff that he knew that he had been discharged from liability on the lost draft by reason of the negligence of the plaintiff, and that he did not intend, by the giving of the duplicate, to reinstate such liability. The evidence on this point is somewhat conflicting, but the learned trial judge, having all except one of the witnesses before him, found in favor of the defendant on this point.

In a case where the evidence is so evenly balanced, we should not overthrow a finding of fact which necessarily rests in part upon a knowledge of the demeanor and appearance of witnesses which we do not and cannot possess.

That the defendant was discharged from liability as drawer does not admit of doubt. Under the statute it was the duty of the plaintiff to present the bill for payment within ten days after the time in which it could, with reasonable diligence, forward it to Grand Forks for such presentation. The draft was payable on demand, and did not draw interest. Our statute declares that "if a bill of exchange payable at sight or on demand without interest is not duly presented for payment within ten days after the time in which it could with reasonable diligence be transmitted to the proper place for such presentment, the drawer and indorsers are exonerated, unless such presentment is excused." (Rev. Codes, § 4941.)

Nor does the loss of the paper exonerate the plaintiff from the performance of this duty, which it owed the defendant. "The loss of a bill or note is no excuse for want of a demand, protest, or notice, because it does not change the contract of the parties, and the drawer and indorsers will be at once discharged if there be failure in respect of either the demand, protest, or notice. This rule applies whether the bill has been accepted or not, for the loss of the instrument does not relax the duty of the holder to make the demand for acceptance within due season." (2 Daniel, Neg. Inst. § 1464.)

It is possible that the time during which plaintiff remained in ignorance of the fact of such loss, without being chargeable with negligence, was not a part of the time mentioned in the statute. Probably section 4909, Rev. Codes, covers such a case. This section reads:

"Delay in presentment or in giving notice of dishonor is excused when caused by circumstances which the party delaying could not have avoided by the exercise of reasonable care and diligence."

It may be that the holder of a draft is not responsible for the carelessness of public servants in the carrying of the mails, and therefore that he does not take the risk of such carelessness. But the moment the exercise of reasonable diligence requires him to know the fact that the paper has been lost, he must then proceed under the statute to make the demand of payment and give notice of dishonor. This duty the section referred to clearly recognizes. It is only when the delay is caused by circumstances which the party delaying could not have avoided by the exercise of reasonable care and diligence, that he is excused.

It is a mild form of expression to speak of the negligence of the plaintiff in failing to discover for six months the fact that this draft had never been paid, and had not even reached its correspondent and agent, the First National Bank of Grand Forks. Nearly six months intervened between the mailing of the draft and the discovery of its loss, during about five months of which time plaintiff's Cashier admits that there was in his possession a statement from the First National Bank which would have disclosed the fact that that bank had never received the paper. From the standpoint of the defendant's rights and interests, the plaintiff was guilty of gross and inexcusable negligence; and defendant was thereby discharged from all liability on the paper.

But it is urged that to allow the defendant to prove the oral understanding between him and the plaintiff's Cashier at the time of the delivery of the duplicate draft, is to contradict by parol evidence the terms of a written instrument. This contention must find support, if at all, in the postulate that the duplicate draft was an independent contract, creating an additional liability.

This position is not tenable. All the evidence in the case, the duplicate itself, and the plaintiff's own pleading, speak but one language regarding the paper. It is not a new agreement, but merely a written evidence of the lost instrument executed to take its place. After a contract is duly entered into, the making of a duplicate adds nothing to the liability of any of the parties to the agreement. There is still only one contract, although for convenience of the parties there may be two, or even more, original agreements, each the exact copy of all the others. Burrill defines a duplicate as "an original instrument repeated; a document which is the same as another in all essential particulars, and differing from a mere copy in having all the validity of an original."

It is immaterial when a duplicate is executed. If it is in fact a duplicate it adds no more to the obligations and rights of the parties to the agreement, when it is executed at a subsequent date, than when its execution is contemporaneous with that of the other duplicate. Suppose that the defendant had been properly charged as drawee, and that thereafter the draft had been lost, would it be claimed that the execution by defendant of a duplicate under those circumstances would have added anything to his liability, or that the duplicate would have been a new and distinct contract? Clearly not; otherwise he would then be liable for twice the sum for which he had received consideration. The mere fact that the duplicate was executed after he had been discharged cannot make it a separate and independent agreement, although the execution thereof might, under some circumstances, be cogent evidence that the drawer had intended to admit his liabilty, and thus, under a familiar rule, waive his discharge.

That, however, is another question having no connection whatever with the inquiry whether the defendant, by signing and delivering this duplicate as a duplicate, and as a duplicate only, has nevertheless entered into a new contract creating a distinct liability. That no new agreement was made by the execution of this duplicate cannot admit of doubt. All that was done was to furnish the plaintiff with a copy of the lost paper; a copy, however, which has all the force (and no more) of the original, because signed by the defendant, the same as this old draft.

Therefore the defendant's evidence that he stated, before signing the duplicate, that he did not thereby intend to add anything to his liability, was in harmony with the very nature of the act of executing a duplicate, and not in conflict therewith. His evidence was not incompetent on the ground that it tended to contradict or vary the terms of a written agreement. Clearly, his evidence that he informed the plaintiff before the delivery of the duplicate that he knew that he had been released from liability, and did not intend to yield his vantage ground by the execution of such duplicate, was not evidence which in any manner varied or contradicted the terms of the only contract between the parties. That contract was the original draft. By signing the duplicate, the defendant, as we have before stated, did not make a new agreement, or add anything to the old. He merely gave another written evidence thereof. Therefore the only contract between the parties whose terms can be varied by the oral evidence in the case is the draft drawn September 26, 1895.

But defendant does not seek to add to or take from this agreement one iota. He concedes that it is a fair contract, and that it means just what the law says it means. But he asserts that the condition on which the liability thereunder was to become absolute has not been fulfilled, and that, therefore, he has been released as drawer of the draft. What he sought to prove was, not that the original draft was delivered on condition, or did not represent the real intent of the parties thereto, but that, by giving a duplicate, he did not intend to waive his right to insist that he had been exonerated from liability by the laches of the plaintiff.

Counsel for plaintiff treats the duplicate as a new contract, and then reasons that it imports an absolute liability on the part of the defendant, provided the proper steps were taken to charge him as drawer. Here is the fallacy of his reasoning. The postulate is false. It is no more a distinct contract than it would have been had it been executed at the same time that the lost paper was executed. As a new contract, it would have no consideration to support it. It is undisputed that no money was paid for the duplicate by the plaintiff. Nor was defendant under any moral, much less any legal, obligation to give it. He had been discharged through the gross carelessness of plaintiff; and the circumstances of the case show that, if the bank had acted with ordinary diligence, the loss of the draft would have been discovered in ample time to insure the collection of the money from J. M. Gagen & Co., as it is uncontradicted that between the time it was given and their suspension of business through insolvency they paid seventy-four drafts drawn on them by defendant.

There might have rested upon defendant a certain business obligation to accommodate the bank by giving to it some written evidence that the bank was entitled to $612 of the funds of the defendant in the hands of J. M. Gagen & Co. But neither legally nor morally was defendant bound to pay a dollar, or in any manner help the plaintiff, by again becoming responsible, out of the dilemma in which it had placed itself by its own inexcusable negligence.

If, therefore, we could treat this duplicate as an independent contract, it would be void as between the parties for want of a consideration to support it. But it is idle to talk of its being a new contract. The whole trend of the evidence, the writing of the word "duplicate" on the paper itself, and the solemn averments of the plaintiff's own pleading, all point to one conclusion; *i. e.*, that all that the parties intended was to make a duplicate of a draft which had theretofore been executed and delivered by defendant to plaintiff. Plaintiff, in its complaint, avers "that on the 1st day of April, A. D. 1892, the defendant executed and delivered to the plaintiff a duplicate of said bill of exchange for the purpose of presenting the same to said J. M. Gagen & Co., and collecting from said J. M. Gagen & Co. the said sum of $612."

We must, if we are not to lose ourselves in a labyrinth, take this duplicate, and assume it to have been executed as of the date of the lost draft, in considering the question whether there has been an attempt on the part of the defendant to contradict or vary by parol evidence the terms of a written agreement. But what effect the execution of this paper has to restore the liability of the defendant as drawer is another question, which must be discussed entirely separate from the question of parol evidence.

On this branch of the case the time when the duplicate was executed is very important. If it had been signed when the lost draft was signed, no one would contend that it was any evidence of waiver. But as it appears to have been executed at a time when the defendant knew that he had been released as drawer, there is a possibility of claiming that he thereby intended to admit his liability despite the fact that he had been discharged. If the paper were a note, and the defendant were an indorser thereon, his indorsing of a duplicate would be strong, perhaps conclusive, evidence that he intended thereby to admit his liability, although he had been discharged. In such a case there would be no other plausible explanation of his conduct.

But in the case at bar there was a sufficient reason why the plaintiff should desire, and the defendant be willing to give, a duplicate, aside from the purpose to re-establish an extinguished liability. It was necessary that plaintiff should have some written authority from defendant to enable it to collect from J. M. Gagen & Co. $612 of the funds of defendant in their hands. For this purpose a duplicate was a very natural paper to give, for it would keep the records of all the parties in proper business shape. An order or an assignment would have been sufficient to enable the plaintiff to collect from J. M. Gagen & Co. the $612, but a duplicate of the original draft was the most natural document for the parties to select to effectuate this object. It was entirely competent for the defendant, at the time of giving it, to notify the plaintiff that he did not intend by the giving of such duplicate to waive his rights, but that his sole object was to put the plaintiff in shape to secure its money from J. M. Gagen & Co. According to his evidence, it was solely for this purpose that the plaintiff asked for the duplicate. It is possible that in this case the inference might be drawn from the bare fact of giving a duplicate under the circumstances of this case that defendant intended to abandon his defense that he had been released. But this would not be on account of the terms of the paper or of its legal effect. Nor would it follow as a legal conclusion from the giving of a duplicate. That would be merely a circumstance having certain probative force, and evidence to overthrow the inference would be competent. Such evidence would only go to show that what on the face of the transaction was presumably the intention of the defendant was not in fact his intention, and that the plaintiff knew that it was not. Unless a duplicate draft, as a matter of law, constitutes a promise to pay despite the release of the drawer—unless this is the legal effect of such an instrument—the parol evidence did not in any manner contradict or vary its terms.

Now, it is obvious that a draft does not contain any promise by the drawer to be bound despite a prior discharge, for at the the time it is given the drawer is never released. And the duplicate draft is not a new contract, but another copy of the original, signed like the original by the drawer. As a contract it imports nothing more than the original draft. As evidence of a purpose to waive a discharge it will have such force as other evidence and other circumstances in the case permit, and no other or different force. And proof of other facts bearing upon the question of waiver in no manner affects the terms or legal effect of the only contract between the parties; *i. e.*, the original draft, which has been lost. The decision of the New York Court of Appeals in *Benton* vs. *Martin* (40 N. Y. 345; Id. 52 N. Y. 570) is a direct authority in support of our decision.

It is true that when the case was before the Court of Appeals the last time (52 N. Y. 570), Judge Folger appears to have thought that the doctrine that it is compepent to prove that a written instrument was delivered conditionally had some bearing on the case, and it may be doubtful, in view of our statutes, whether that doctrine prevails in this State. (See Rev. Codes, §§ 3517, 3889, 3890.)

But no such foundation for the decision was stated by the court in the decision in 40 N. Y. 345. Nor can we perceive how it is possible to talk about the condiditional delivery of a mere duplicate of an actually delivered and perfectly valid contract, one which had previously taken effect without condition. The delivery in that case was not conditional in the sense of the doctrine referred to, or, indeed, in any sense whatsoever. The drawer of the draft in that case merely asserted that, while he recognized the fact that he had once been liable on a draft issued by him, and which had theretofore been delivered unconditionally, and while he was willing to give the payee a duplicate to enable it to obtain its money from the drawee, yet he wished it understood that he did not intend to have his act of accommodation construed as a recognition of the very liability from which he had been, by the payee's carelessness released.

Here was no condition, but merely a refusal to have his act, which was not necessarily an admission of liability, construed as such an admission. The duplicate was not delivered as a contract. The delivery of the contract had already taken place months before. How, then, can it be said that any question of conditional delivery is involved in a case of this kind? What was done in that case and in this was not the delivering of a contract, thus for the first time making it effectual, but the furnishing of a duplicate of a contract which had been unconditionally delivered some time before. Such a thing as the conditional delivery of a duplicate, the contract already having taken effect by an unqualified delivery, is an utter impossibility. The defendant attached no condition to the delivery of the duplicate. He merely guarded against the possibility of having his act in so doing construed as a recognition of liability, and hence, under the authorities, as a waiver of his discharge. Certainly, the furnishing of a duplicate of a lost draft is an act susceptible of two different constructions. It may indicate a purpose to reinstate an extinguished liability, or it may be an act of accommodation to the payee to enable him to obtain the funds of the drawee in the hands of the drawer from such drawee, the payee being equitably entitled thereto. Surely, evidence which throws light on this ambiguous transaction should not be excluded, nor is there any rule of law requiring this to be done. Had the defendant, in express terms, promised in writing to pay the draft, then it might be claimed that parol evidence tending to show that he did not mean what he said would fall within the rule excluding parol evidence to contradict a written instrument. But no such promise is found on the face of the duplicate, nor is one necessarily implied by the law. Whether such a promise was intended to be made—whether it has, in fact, been made,—is to be gathered from all the circumstances of the case; and no act indecisive in character can control to the exclusion of other equally good, or rather of more satisfactory and explicit, evidence. It is unjustifiable to force upon the defendant an intention to yield up his defense merely because he gave the plaintiff a copy of the original draft, when such act could be and was in fact an act of pure accommodation to the plaintiff.

It must be kept in mind that it does not take a contract to reinstate an extinguished liability of this character. No new consideration is necessary. No agreement on the part of the other party (the creditor) is essential. All that is needed is that the drawer should manifest a purpose to be bound notwithstanding the fact that the holder has failed to charge him as drawer. (2 Daniel, Neg. Inst. §§ 1147, 1147a and cases cited.) How, then, has the doctrine relating to parol evidence any bearing on the question whether the drawer has in fact evinced a purpose to surrender his impregnable position? It is urged that the Cashier of the bank had no power to bind it by agreeing that the delivery of the duplicate should not constitute a waiver of the drawer's defense. It is certainly remarkable if a principal can in this way force upon a party an agreement or waiver he never intended. Want of power in the agent will entitle the principal to claim that he is not bound. But it has remained for counsel for the plaintiff to discover that it likewise enables the principal to insist that another who has dealt with the agent has made a contract to which he (such other party) has never assented, or has in law agreed to a waiver which he has expressly guarded against.

When defendant and plaintiff's Cashier came together, defendant had been relieved from all liability to the plaintiff; and whatever rights the plaintiff has obtained have accrued to it through the dealing of the defendant with such Cashier. It can take only such rights as the defendant has seen fit to confer upon it. Claiming the benefit of this arrangement, it must take with it all its conditions.

As the defendant declared to the Cashier that he would not waive his discharge, the plaintiff cannot, on account of any want of power in the agent, transmute this refusal to waive into a waiver in fact. As the defendant was discharged from liability, and as he has not waived his right to rely on such discharge, the judgment of the district court in his favor must be affirmed. All concur.

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

A reasonable charge is made for Special Replies asked for by correspondents—to be sent promptly by mail. See advertisement in back part of this number.

Editor Bankers' Magazine: **———COLORADO, Jan. 29, 1898.**

SIR:—A (a Nebraska corn dealer) draws a demand draft on D (a Colorado dealer); to the draft he attaches a bill of lading for two cars of corn, "shipper's order—notify D." The draft is drawn in favor of B, who indorses it and forwards it to C, who also indorses it and turns it over to his (C's) bank in Chicago. The Chicago bank forwards it to a Colorado bank in D's town, with the following instructions: "Protest if not paid on presentation. Wire immediately if draft is not paid." Slip attached reads: "Notice. Read instructions on letter carefully." Draft is presented as soon as received. D claims that the corn has not arrived and that payment should not be demanded until it does arrive; that this is his first transaction with A, and that he (D) has received no invoice of the goods. He requests that the draft be held until arrival of the corn. Does the Colorado bank incur liability by holding without presentation and without protest until arrival of the corn? What course should the Colorado bank pursue when the draft is first received? CASHIER.

Answer.—As an agent for collection the bank should comply strictly with the instructions of its correspondent; and in the case stated in the inquiry the instruction was very explicit to protest the draft if not paid upon presentation. This instruction would not be controlled or modified by anything in the bill of lading annexed; nor by any question of the legal rights as between the drawer and drawee. These matters might enter into the question of damages; but for failing to comply with instructions, the Colorado bank would be guilty of at least a technical default. And it would be liable for whatever damages resulted to the holder therefrom. The Chicago bank might have discounted the draft on the faith of the assurance of the drawer that it would be paid on presentation; and it might have been very necessary that its right of recourse against the drawer should be perfected at once by protest.

Editor Bankers' Magazine: LYNN, Mass., Jan. 8, 1898.

SIR:—It is not an unusual thing for me to have presented for discount a note, sometimes with and sometimes without other indorsers than the party offering the note, having some minor alteration, more frequently a change in the date. Especially is this liable to occur at the beginning of the year. Kindly inform me of the effect such alteration has on the various names attached to the note. W. M. BREED, *Cashier*.

Answer.—A change in the date is a material alteration. (*National Ulster County Bank* vs. *Madden*, 114 N. Y. 280; *Crawford* vs. *West Side Bank*, 100 N. Y. 50, 56; *Wood* vs. *Steele*, 6 Wall. 80); and if it was made after the delivery of the note, the burden would be upon the holder to show that the alteration was with the consent of the prior parties. (See cases cited above.) If it was made without their consent, the note would be vitiated.

Editor Bankers' Magazine: ——MINNESOTA, Jan. 14, 1898.

SIR:—Is a bank justified in taking the amount of a past due note which it holds out of the amount of a check presented by the maker of the said note and paying him only the balance?

Are jewelers forbidden by law to use gold coins for manufacturing purposes? If so, why are they? SUBSCRIBER.

Answer.—(1) By virtue of the law of set-off a bank may deduct from the balance of a depositor the amount due the bank on a note which has matured. This is because the relation between the bank and the depositor is simply that of debtor and creditor; and the one debt may be set off against the other. But by the general rule which prevails in this country, the drawing and delivery of a check does not operate as an assignment of the deposit to the amount named in the check, and there is no privity between the bank and the payee or holder. There is no mutuality of indebtedness; and hence there can be no right of set-off; and no right to retain any part of the sum named in the check. But in those States where the check operates as an assignment *pro tanto* the bank might have this right; for if it should be sued by the holder it could set up the debt due to itself as a set off or counterclaim. But this would depend entirely upon the local statutes governing the subject of set-off and counterclaim.

(2) The statute is as follows: "Section 5459. Every person who fraudulently, by any art, way, or means, defaces, mutilates, impairs, diminishes, falsifies, scales or lightens the gold and silver coins which have been, or which may hereafter be coined at the mints of the United States, or any foreign gold or silver coins which are by law made current or are in actual use and circulation as money within the United States, shall be imprisoned not more than two years and fined not more than two thousand dollars." We do not understand that this would apply to the case stated in the inquiry.

Editor Bankers' Magazine: LOWELL, Mass., Jan. 8, 1898.

SIR:—In your issue of December 1897, replying to queries relating to a note made by a depositor in a bank, payable at such bank, and the duty of the bank as to paying it, I wish to refer you to the case of *National Exchange Bank* vs. *National Bank of North America*, 122 Mass. 147, wherein the court in its opinion says: "Such authority (to pay depositor's note out of funds on deposit) cannot be implied merely from the fact that they made their notes payable there" (that is, at the bank). CHARLES M. WILLIAMS, *Cashier*.

Answer.—It is quite true that in the case cited the court used the language quoted. But this was not necessary to the decision of the case; for the evidence showed that it was the custom of the makers of the notes to call at the bank at a certain hour every day and pay their notes by checks drawn on the bank. Where such a practice prevails it is clear that no authority could be implied from the fact that the note is drawn payable at the bank. The statement in the opinion was made upon the authority of *Wood* vs. *Merchants' Saving, Loan and Trust Company* (41 Ill. 267), and evidently was not intended as an expression of the court's own deliberate view of the matter. We think that the question is still an open one in Massachusetts.

TEXAS BOND DECISION.

Following is a synopsis of a decision of the Texas Supreme Court, rendered January 10, in the case of the County of Mitchell *vs.* the City National Bank of Paducah, Ky.; suit against the county to recover on interest coupons of certain of its court house and jail bonds; also of certain of its road and bridge bonds, from Mitchell county, Second district. Reversed and remanded.

First.—"Plaintiff in error contends that the bonds to which the coupons in suit were originally attached, are void because at the time the debt was created no provision was made by the county for levying and collecting a tax to pay the interest and provide a sinking fund, (Art. 11, sec. 7, Con.)

Defendant in error claims that the article cited does not apply to counties other than coast counties. Without deciding that question, we will examine the case under the assumption that the article of the constitution cited applies to all counties and that the Legislature so regarded it in enacting the laws under which the bonds were issued.

Under the constitutional provision cited it is in no case necessary that a city or county should at the time of creating a debt ascertain the rate per cent. required to be levied. The requirement is that 'provision shall be made' at the time, or shall have been previously made, by which the rate of tax to be levied is so definitely fixed that it becomes merely a ministerial act to determine the rate to be levied. The Legislature has the power to make all such 'provisions' for counties and cities, or it may leave it to the officers of such corporations to make it, when the debt is created. If made by either it is sufficient. Mitchell county has not provided for the collection of such tax, and the solution of this question now before us depends upon whether the laws under which the bonds were issued made such provision as the constitution requires.

If the terms of the law are such that when the county has issued its bonds in compliance with it the bondholders might resort to a court, and, by mandamus, compel the levy of a tax sufficient to pay the interest annually, and to raise a sinking fund of not less than two per cent., then the provision would be sufficient under the constitution. Whether less certain directions might meet the demands of the constitution is not before us.

The bonds known as court-house bonds were issued under the Act of February 11, 1881. This Act requires the commissioners' court, when they order such bonds issued, to levy a tax sufficient to pay the interest and create a sinking fund for the redemption of said bonds.

The bridge bonds were issued under an Act of the Eighteenth Legislature, special session, 1884, making similar requirements. (Gen'l Laws Special Session, 1884, p. 29-30.)

These statutes were enacted by the Legislature in view of the requirements of sections 2 and 7, Art. 11, of the constitution, and with the evident purpose of giving effect to the terms of those sections. By these statutes the Legislature adopted the wise course of making the necessary provision for the collecting of the lax by a general law which applied to and governed the issuance of all bonds for the given purpose, whereby the taxpayer and bondholder were alike protected and uniformity secured.

Under section 7, Article 11, of the constitution, the Legislature could not have empowered the commissioners' court to create a sinking fund of less than two per cent. and, as the commissioners' court could not, under the law and the constitution, have fixed a sinking fund at less than that rate, we must construe the language used in the Act of 1881 and in the Act of 1884 to mean a sinking fund of not less than two per cent., as defined and limited in the constitution.

Having decided to build a court house, to pay for the same by the sale of bonds maturing at a certain time and bearing a certain rate of interest, and having fixed the price to be paid for said court house, the commissioners' court exhausted the discretionary power vested in them as to this matter, except as to fixing the amount of the sinking fund. No per cent. as a sinking fund has been named by the court, and we must examine the question upon the basis that the minimum expressed in the law is to govern.

The act of issuing the bonds then necessarily determined every fact involved in making provision for the interest and sinking fund, except the taxable values of the county, which was a matter of record and shown by the tax rolls by which the commissioners' court must be governed. It may be answered that the commissioners' court had the discretion to fix

any rate of sinking fund not less than two per cent., which would not make the taxes for any one year exceed twenty-five cents on the $100. This is true, but that court had not the discretion to provide for no sinking fund, nor had it the discretion to provide for a sinking fund of less than two per cent. It, therefore, follows that it was a legal duty resting upon that court, after issuing and selling the bonds under authority of the Acts cited, to levy annually and collect the tax necessary to raise the interest and sinking fund. This legal duty is such that it can be enforced through the district court by means of the writ of mandamus, for it involves the exercise of no discretion.

Second—Certain of the bridge bonds in suit were issued upon an order of the commissioners' court which shows upon its face a purpose to use the bonds in the liquidation of the court house debt and other debts due by the county. Any person desiring to know the authority by which these bridge bonds in question were issued, and looking to the order upon the minutes of the court under which the issue was made, could not fail to see that the county commissioners had undertaken to evade the law by issuing road and bridge bonds for the purpose of constructing a court house. We hold these bonds void even in the hands of the bank which purchased them for value and without actual knowledge of the facts shown by the order in question.

Reversed and remanded. Opinion by Brown, J."

While the above conclusion of the court is a great surprise to many persons of the legal profession, yet it seems founded in honesty and justice, and will be of incalculable benefit to the State of Texas.

It is not definitely known how many bonds are validated by this opinion, but it is believed that no less than ten millions of dollars were saved to the State school fund and to outside investors by the decision of the court in holding these bonds valid.

Prior to the year 1893 there was no requirement that any of our bonds should undergo official scrutiny before issuance and sale. The bond law of 1893, however, changed this, and now requires all county and city bonds to be submitted to the Attorney-General of the State for his approval, and after his certificate of approval is attached "and having been registered in the Comptroller's office, as provided herein, shall thereafter be held, in every action, suit or proceeding in which their validity is or may be brought into question, *prima facie* valid and binding obligations, and in every action brought to enforce collection of such bonds, the certificate of the Attorney-General, or a duly certified copy thereof, shall be admitted and received in evidence of the validity of such bonds, together with the coupons thereto attached; provided, the only defense which can be offered against the validity of said bonds shall be for forgery or fraud. But this article shall not be construed to give validity to any such bonds as may be issued in excess of the limit fixed by the constitution, or contrary to its provisions, but all such bonds shall, to the extent of such excess, be held void."

There is no means of ascertaining how many bonds were issued before the year 1893 that failed to comply with article 11, section 7, above quoted, wherein no provision was made for a tax levy to pay the interest and create a sinking fund, but recent developments disclose the fact that a large per cent. of these bonds were so issued and they must stand or fall by the decision rendered in the Mitchell county case.

The permanent school fund of Texas holds several million dollars in county bonds that were issued prior to the passage of the bond law of 1893, though the holding of this fund is but a small amount of the total bond issue up to that time, the greater amount being held by individuals, companies and corporations beyond the limits of the State. The threatened loss of so much of the school fund, brought about by the investments in securities that are, to legal minds, of doubtful validity, caused the last Legislature to submit a constitutional amendment to the people whereby it was undertaken to validate the bonds held by the school fund. The short-sighted policy of the Legislature in submitting an amendment that sought to validate the bonds alone held by the school fund, influenced the people to the extent that the amendment was rejected.

The State Comptroller's report for the fiscal year ending August 31, 1896, shows that there were registered in his department city and county bonds that had been approved by the Attorney-General during that year to the amount of $2,063,-664. If this be taken as the yearly average of the bond issue in Texas since the constitution of 1876, it will be seen that more than thirty-five millions of dollars were gathered into the State through the bond issues during the seventeen years that intervened from 1876 to 1893—the latter year being the time at which the Legislature passed a bill requiring all bonds to be carefully examined by the Attorney-General. Since the Comptroller's report shows that the school fund holds but about three and a half millions of county bonds, it is apparent that the remainder of the thirty-five millions is owned by individuals, companies and corporations. The constitution provides in what manner bonds may be issued, and places limitations upon their issuance, and if either by mistake or design they are issued in derogation thereof they are void. That is plain. To my mind it is equally clear that counties should not be permitted to take advantage of the condition that gives them large sums of money without giving value therefor, as it robs the lender and leaves the counties in bad odor, with their credits forever ruined. Had the Supreme Court held these bonds unconstitutional and therefore void, there is but little doubt that the people of Texas, through the dominant political party, would have submitted and adopted a constitutional amendment validating such bonds as were not tainted with fraud and which were only voidable through a mere technicality. The time is past when repudiation of public debts will be tolerated in this State. The courts have already affixed their official seal denouncing repudiation and the voice of the people is loud against it.

R. R. Lockett.

Austin, Tex.

Southern Banking Facilities.—On another page of this number will be found extracts from an address delivered by Mr. Joseph Bryan, of Virginia, before a recent meeting of the Massachusetts Reform Club at Boston.

Mr. Bryan calls attention to the fact that there is a fertile region in Virginia containing 5,000 square miles, with 200,000 population and real and personal property assessed at $31,000,000, "without one single place in which a man could make a deposit, draw a check or make a loan."

Equally striking are the statements as to the limited amount of circulation issued. In West Virginia, with $19,000,000 bank capital, State and National, only $1,900,000 in circulation is issued.

The demand for increased banking facilities and the cry for more money has been said to proceed from those sections largely wanting in capital and credit. Such an assumption does not appear to be supported by facts. If the present undue restrictions on bank circulation were removed the banks of the South have ample resources to furnish a circulating medium commensurate with the needs of the people of that section, instead of borrowing largely, as they now do at certain seasons of the year, from Eastern banks.

The National Banking Act could be safely amended so as to permit the issue of circulating notes adequate to the requirements of every part of the country. Unless this is done the movement for free silver may be expected to continue with growing chances for its triumph in the near future.

CANADIAN BANKING AND COMMERCE.

QUARTERLY REVIEW OF THE BANK RETURNS.

The last quarter of the year 1897 has proved a success beyond all expectations. In the review of the figures of the quarter preceding it was predicted that with favorable weather for harvesting the then promising crops the highest anticipations of Canadians would be reached, and happily these predictions have been in a large measure realized.

The figures for October were rather a surprise than otherwise. Notes in circulation amounted to $41,580,9.8, an amount considerably larger than was expected. Deposits payable on demand increased $2,078,927, and those payable after notice, $1,478,261, a total increase of $8,547,188 for the month, making the total deposits of the people in chartered banks $215,866,282. The amount of increase over the same month in 1896 was $22,527,927.

Specie and Dominion notes show an increase of $8,478,716 for the year.

Amount due from banks and agencies in the United States, otherwise Canadian money which found investment there, reached in October $29,188,777, an increase of $1,194,578 over the former month and $11,753,267 greater than that account stood a year previous.

The amount due from banks and branches in the United Kingdom increased over half a million during the month and $2,897,038 during the year.

The increase in deposits seems to have been invested principally in municipal and railway securities and in call loans, as these items show an increase of nearly $12,000,000. This kind of investment is not at all satisfactory to bankers, but has to be taken when more desirable investments are not available. Current loans, which bankers prefer, although showing an increase of $1,705,777 during October, show a reduction for the year of $5,674,231.

The statement made by the banks as their showing for October, 1897, is by far the best yet published.

The statement for November, though having turned the downward grade, keeps well up to its predecessor in its important features. In October, nearly every year, the maximum is reached, and this year was no exception. After the press of the fall trade the unnecessary or surplus bank notes began to find their way back to the vaults from which they a short time before were issued. The reduction during November reached only $1,437,050 and showed an increase for the year of $4,881,-279. Again deposits show a large increase, with a reduction in current loans. The increase in deposits reached $4,500,000 during the month, and nearly $28,500,000 during the year.

A large increase is shown in the amount due from banks and branches in the United Kingdom, but the balance due from banks and agencies in the United States has declined again.

A fair increase is shown in investments in municipal and railway securities and loans on stocks and bonds.

The December returns are also very satisfactory and show tenacity in keeping up a fair business movement. The banks, while complaining of the difficulty of finding lucrative investments for their surplus funds, close their financial year with

STATISTICAL ABSTRACT OF CANADIAN CHARTERED BANKS—COMPARISON OF THE IMPORTANT ITEMS.

ASSETS.	*Dec. 31, 1897.*	*Nov. 30, 1897.*	*Dec. 31, 1896.*	*Increase and decrease for month.*	*Increase and decrease for year.*
Specie and Dominion notes	$25,994,071	$26,195,514	$23,819,000	Dec., $201,443	Inc., $2,175,071
Notes of and checks on other banks	11,826,314	9,526,045	9,016,940	Inc., 2,300,269	Inc., 2,809,374
Due from banks and agencies in foreign countries	23,547,288	23,410,443	16,743,355	Dec., 4,863,155	Inc., 6,803,933
Due from banks and agencies in United Kingdom	15,519,940	16,579,039	9,585,068	Dec., 1,059,099	Inc., 5,934,902
Canadian municipal securities and British provincial or foreign or colonial, other than Dominion	13,798,562	14,007,502	10,623,247	Dec., 208,940	Inc., 3,175,315
Railway securities	16,944,638	15,770,900	11,875,189	Inc., 1,173,738	Inc., 5,069,449
Loans on stocks and bonds on call	19,859,822	18,930,378	14,030,962	Inc., 929,444	Inc., 5,828,860
Current loans to the public	205,931,017	205,723,909	210,522,074	Inc., 207,108	Dec., 4,591,057
Overdue debts	3,238,285	3,391,838	3,988,746	Dec., 153,553	Dec., 750,461
Total assets	$360,133,088	$361,132,969	$329,692,255	Dec., $999,881	Inc., $30,440,833
CAPITAL.					
Capital stock paid up	$62,289,326	$62,288,636	$61,731,354	Inc., $690	Inc., $557,972
Reserve fund	27,515,999	27,283,999	26,670,799	Inc., 232,000	Inc., 845,200
LIABILITIES.					
Bank notes in circulation	$37,995,123	$40,143,878	$33,095,784	Dec., $2,148,755	Inc., $4,899,339
Balance due to Dominion Government	5,100,145	3,943,425	3,208,402	Inc., 1,156,720	Inc., 1,891,743
Balance due to Provincial governments	2,286,763	2,288,759	2,260,126	Dec., 1,996	Inc., 26,637
Deposits of the public payable on demand	81,881,687	80,402,878	70,529,211	Inc., 1,478,809	Inc., 11,352,476
Deposits of the public payable after notice	140,120,460	139,528,801	126,101,012	Inc., 591,659	Inc., 14,019,448
Deposits payable on demand or after notice between banks	3,127,781	3,581,511	2,644,940	Dec., 453,730	Inc., 482,841
Due to banks and agencies in foreign countries	340,186	305,787	341,580	Inc., 34,399	Dec., 1,394
Due to banks and agencies in the United Kingdom	656,266	575,030	2,834,450	Inc., 81,236	Dec., 2,178,184
Total liabilities	$272,376,076	$271,902,920	$241,828,840	Inc., $473,156	Inc., $30,547,236
MISCELLANEOUS.					
Directors' liabilities	$7,689,989	$7,562,652	$7,960,665	Inc., $127,337	Dec., $270,676
Greatest amount of bank notes in circulation at any time during month	40,309,118	42,403,141	35,429,816	Dec. 1,994,023	Inc., 4,879,302

Deposit with Dominion Government for security of note circulation (amount required being five per cent. on average maximum circulation for year ending June 30, 1897), $1,883,067.

an additional amount to paid-up capital, reserve fund and profit and loss after managing to pay a large dividend to stockholders. The reduction of bank notes in circulation is not at all large for the month of December, being less than in 1896, although the amount in circulation was smaller by nearly $5,000,000. Deposits increased during the month by over two millions and have now reached nearly $25,500,000.

For the year a slight increase is shown in current loans but not sufficient to make place for the accumulation of money deposited. It is still noticeable that a fair proportion is being invested in securities, as before referred to, as amounts under these headings continue to grow.

Of the large amounts due from banks and agencies in Great Britain and foreign countries the tide seems to have turned, and it is coming back, though yet the amount of increase for the year reaches nearly $13,000,000. The quarter, of which this is a brief review, has shown great advancement over former years.

A few of the alleged causes are the Queen's Jubilee, the Klondike gold excitement, the successful harvest, the large output of dairy products and the good prices obtained. The ready sale of lumber at remunerative prices has tended to increase railway earnings, which continue to show signs of prosperity. Business failures are fewer and for smaller amounts. Bank clearings are much larger and exports and imports are far in advance of what they have been for years.

For the three months under review the average of bank notes in circulation was $39,906,643; the average for the same three months, 1896, was $34,771,177.

The commercial men of Canada are agitating for an Equal Distribution of Liabilities Act, or an Act for the equal distribution of the estates of insolvent debtors. The boards of trade throughout the country are united in favor of some such law.

The Government is not over anxious to deal with the subject, fearing the bankers who, it is thought, would not be willing to give up their right of preferential claim in case of loans, and the agriculturists, who claim they should have equal privileges of compounding when financial difficulties assail them. The pressure is likely to be steady and strong this session of Parliament, which opened February 3.

DEPOSITS ON DECEMBER 31, 1897, IN GOVERNMENT INSTITUTIONS.

Chartered banks	$222,002,147
Government Savings banks	15,729,648
P. O. Savings banks	33,523,813
Savings banks, Province of Quebec	14,906,975
Loan companies and building societies	19,404,878
Total	$305,564,461

SOUND FINANCIAL PRINCIPLES.—In the recent debate on the Teller resolution, declaring that the bonds of the United States may be paid in silver, the following remarks were made in the House of Representatives by Hon. Nelson Dingley, of Maine:

"No one denies that this or any other nation has the power to pay in full or in part or none of its obligations, in gold, or silver, or paper, or copper according to its pleasure. Payment cannot be enforced against a sovereign nation. Its obligations are measured by its own sense of honor and good faith. But even if this sense of honor is at any time blunted, as was Shylock's, by dwelling on a narrow view of the letter rather than the spirit of the obligation, the intelligent selfishness of a nation, which is to live not simply for a generation, but for centuries, ought to lead it—and, wherever a nation is wisely governed, does lead it—to so scrupulously maintain its pledges in both letter and spirit as to preserve its credit untarnished, and thereby not only make it possible to borrow at the lowest rate of interest, but also to make it easy to obtain loans in exigencies, which are sure, sooner or later, to come to every nation.

A nation's honor and credit, I may say to gentlemen on the other side who applauded so jubilantly when the pending resolution was brought into this Hall, are among its most priceless possessions—aye, its title deed to permanence and prosperity."

NEGOTIATIONS FOR INTERNATIONAL BIMETALLISM.

Senator Edward O. Wolcott, of Colorado, one of the Commissioners appointed by President McKinley to conduct negotiations with certain European governments on the subject of international bimetallism, in a speech delivered in the United States Senate on January 17, gave the following account of his mission :

"There were three of us appointed. We were all bimetallists; our views were known to the President before our appointment; there was no one of us who did not and does not believe that the financial question overshadows all others, and that continued adhesion to the single gold standard means only disaster to our agricultural and commercial interests.

We spent six months abroad, visiting only Paris and London, returning in November last. Whatever measure of success or failure has been meted out to us, we have been hampered by no lack of authority or sanction or administrative support.

The language of the law itself has been our guide, and has marked the extent and limitations of our powers. The President was authorized to call a conference with a view of securing by international agreement a fixity of relative value between gold and silver as money, by means of a common ratio between the metals, with free mintage at such ratio. Or if in the judgment of the President the purpose specified in the first section of the Act, that is, if the securing by international agreement a fixity of relative value between the metals by means of a common ratio, with free mintage at such ratio, could be better attained by the appointment of one or more commissioners or envoys who should seek by diplomatic negotiations such international agreement, he was authorized to appoint them.

By virtue of our appointment we were authorized to negotiate an international agreement. It seems elemental and unnecessary to say that any agreement negotiated by us could have no binding authority except as Congress enacted it into law. Not only were the authority and sanction and powers with which we were intrusted specifically set forth in the law under which we were appointed, but there were never at any time instructions given us that sought in the slightest degree to change or hamper or limit the full powers conferred upon us by law.

We have been of one mind and in entire agreement during all of our negotiations, and our efforts have been loyally furthered by our representatives abroad, who were fortified by strenuous instructions. In England especially the able and intelligent and cordial co-operation of our ambassador was of great advantage in our deliberations.

We have had, then, a law broad and full in its powers; we have been free to act under its provisions; our views have been identical and earnestly favoring an international agreement, and we have had the hearty support of our ambassador at the Court of St. James. Further than this, from the day of our first entering upon the fulfillment of our duties until now the President of the United States has extended to the mission his unswerving support in all its efforts to bring about an international agreement. There has been no moment that we have not known that back of our efforts was the earnest desire of the Chief Executive to carry out in its integrity the provisions of the platform of the Republican party pledging it to every effort to bring about an international bimetallic agreement. * * *

CO-OPERATION OF THE FRENCH GOVERNMENT.

We turned first, naturally, to France. Our sister Republic had for nearly half a century practically alone maintained for the world the parity between the metals. Her interests were largely agricultural. Her people were accustomed to the use of silver as money. Prosperity had attended her financial policy. And, above all, there was at the head of her ministry a far-seeing and courageous statesman who had never faltered in the expression of his belief in bimetallism as the only policy which could stop the steady appreciation of the value of gold and the necessarily equally steady decline in all other values, and the only policy which could overcome the paralysis of agricultural interests, the products of which were compelled to compete with those of the silver-using countries.

It is necessary to remember that in the French Republic, as in our own, the sanction of Parliament was necessary to the consummation of any agreement; and any preliminary understanding could only embody the views of the ministry. France, also, was bound by certain obligations toward her associates in the Latin Union, obligations which she was careful to observe.

The question of bimetallism was viewed in France as essentially an international one. We had before us the resolutions passed by the English House of Commons. We had also the distinct and unequivocal utterances of March 17, 1896, made by Sir Michael Hicks-Beach, Chancellor of the Exchequer, and Mr. Balfour, First Lord of the Treasury, stating the minimum of the contributions England would make toward an international solution of the question, and conveying the intimation that more would be done if possible, but coupled always with the assertion that England would under no circumstances change her existing gold standard. And it was felt that before any definite action should be sought among the other countries of Europe the exact attitude of England should first be ascertained.

It was agreed, therefore, that France and the United States would together present the question to the English ministry, and would together inquire as to the character and extent of the contributions England would make toward international bimetallism. The position of the French Government upon the whole question was fully and clearly stated in the instructions which the French Government gave Baron de Courcel, the French ambassador in London. Copies of these instructions were read to us and were sent by cable to the French ambassador in Washington and by him read to the Secretary of State. These instructions embodied the preliminary understanding already arrived at by France and the United States, and stated unequivocally the desire of France to secure the restoration of bimetallism by international agreement at a ratio of 15½ of silver to 1 of gold.

The importance of this preliminary understanding with France must not be underestimated. While France represents less than eleven per cent. of the total population of Europe, in the volume of her currency she stands first, and furnishes more than twenty-three per cent. of the gold, silver, and paper circulating as money in Europe, her proportion being upward of twenty-five per cent. of the gold, forty per cent. of the silver, and six and one-half per cent. of the uncovered paper. The volume of a nation's currency is not determined by its population, its wealth, and its commerce alone; custom and the habits of its people are powerful factors. Other European countries, comparatively small in area and in the number of their people, furnish large percentages of the money in use, and I think I may say with positiveness that had England even adhered to her assurances of March 17, countries representing more than half of the total money of Europe and the United States would have agreed, prior to a conference, that upon terms to be settled at such conference they would reopen their mints to the unlimited coinage of both gold and silver. * * *

Attitude of Great Britain.

In England the business men of to-day, and their fathers and grandfathers before them, have known only gold monometallism, and when we approached England we realised perfectly that in furtherance of any settlement of the question English mints would not be opened to the unlimited coinage of silver for use in England as money. Short of this, however, England could be a most important factor in bringing about the result we desired. The vital point in all our negotiations with Great Britain was, of course, India. Everything else was of comparatively slight importance; but if certain countries were to open their mints to the unlimited coinage of silver, England, by enlarging her use of that metal, might divert at first silver which would otherwise be offered for coinage at the open mints, and her action in this regard might tend to establish public confidence in the proposed financial policy.

Mr. President, it may be of some interest if I explain briefly some of these proposals. One of them, which was not perhaps generally understood here, was the proposal that there should be some contribution based on the Huskisson plan, or something similar. The plan takes its name from a communication of William Huskisson, one of the ablest financiers that the world has known, who in 1826, after England had gone to the gold standard, suggested that, all other countries but England being upon the silver standard, it was essential for the prosperity of England that she should have silver included in her money, but he did not want it to interfere with her token silver coinage, which was a legal tender for 40 shillings only. He therefore made the suggestion that the mint should be made a bank for the reception of bullion, and that silver bullion should be received there and certificate given to the person presenting it, s ating its weight and fineness and its value at a blank ratio; but further on in his recommendation he said there was but one ratio to adopt, and that was the ratio adopted by France of 15½ to 1, and then providing that these certificates should be redeemable only in silver of that weight and fineness, but should pass current in all transactions.

In his suggestion, in order to overcome its possible interference with token silver, among other reasons, he provided that the amount of silver to be deposited should be not less than 200 ounces and the certificates to be issued should never be less than £50. This was followed soon afterwards by the Duke of Wellington's proposition of a similar character, suggesting instead of a minimum deposit of £50 that it be raised to £200.

The next suggestion was a proposal that the Government should enter upon the coinage in England of rupees and standard silver dollars, and make the lâtter legal tender to whatever amount silver might be made a legal tender within Great Britain. The principal value of any such suggestion could be sentimental only. The mints would never be used unless they were needed, and, if needed, there was every reason why they should be used.

England had already, in December, 1894, entered into an agreement with two banks in the Straits Settlements, the Hongkong and Shanghai Bank, and the Bank of India, Australia, and China, whereby she agreed to coin for the Straits Settlements all the British dollars which might be requested, which should be of the same weight and fineness as Mexican dollars, at a seigniorage of one per cent., but the amount to be coined in any year to be not less than $5,000,000. Since that time she has coined some 16,000,000 British dollars, and the suggestion was made that they be made tender in Great Britain to the amount to which silver should be made a legal tender, and at the nominal value of 4 shillings. With a coinage value of 4 shillings 4 pence, if the parity was maintained, they would never be presented, and the value of this concession would be sentimental, but go far to establish confidence in the coin in the Straits Settlements, where they would circulate.

These two suggestions, the Huskisson plan and the one I have just stated, were made at the solicitation and request of certain gentlemen on the other side of the water, who believed these contributions to the plan to be valuable. The other contributions of which we have heard so much were by no means new. The suggestion of the holding of one-fifth of the reserve in the issue department of the Bank of England in silver was passed upon favorably long ago. As everybody knows, the permission to so apportion it was included in the charter of 1844, and as far back as the conference of 1881, when there seemed some prospect of our reaching an international agreement, our minister to London, then Mr. Lowell, inquired of the English Government whether or not, as a contribution to an international bimetallic agreement, England would consent to put one-fifth of her reserve in the coin and bullion department of the bank in silver, and Lord Granville wrote to the authorities of the Bank of England and received an affirmative answer—that they would make this contribution.

As Mr. Lowell had not made the inquiry at the request of our Government, a report was not made upon it, but later on the ambassador of Italy in London renewed the request of the English Government and received the formal answer, which is published in the proceedings of the conference of 1881, expressing the willingness of the Bank of England to make this contribution toward an international settlement of the question. All the gold members, every one of them, of the gold and silver commission of 1886, which made its report in 1888, reported that this concession ought to be made and could be made, and in December, 1891, Mr. Goschen, a member of the present cabinet and then Chancellor of the Exchequer, in a speech before the Chamber of Commerce of London, declared that the policy of keeping one-fifth of the reserve of the issue department of the Bank of England in silver ought to be carried out.

The other contribution, Mr. President, the calling in of the 10-shilling gold pieces and issuing silver in their place, would have provided for some £23,000,000 worth of silver, a material contribution to the further and enlarged use of silver.

The other suggestion was as to the 20-shilling notes. Both of those suggestions were recommended in terms in 1888 in the report of the gold and silver commission of 1886 as a concession which should be made if any attempt were made internationally to settle the silver question by the inauguration of a bimetallic system, and the 20-shilling notes were specifically recommended by Mr. Goschen.

Thus, Mr. President, speaking very briefly and very hastily, I have covered the other suggestions that were made to the English Government when we were requested to indicate what contributions England could make. All other proposals, however, were of infinitely small importance compared with that respecting the reopening of the mints of India to the unlimited coinage of silver and the repeal of the order permitting gold to be paid for Government dues and to be exchanged for Government rupees.

This great dependency has a population of 290,000,000 of people for centuries accustomed to measure all other values by silver.

Since the days of the Mogul dynasties, I think, she has known no other standard but silver. Again and again attempts have been made to put gold into India. The mohur, the exact weight of the rupee, but a gold coin, and worth fifteen times as much, has been made legal tender and been authorized by law to be received in payment of Government dues, but it never passed into circulation. Another gold coin, known as the pagoda, worth about $1.75, but differing in value in the different provinces of India, has been sought to be introduced, but was invariably refused general circulation. Up to 1835 each separate province in India issued its own silver rupees, of varying weight and fineness, and in 1835 a law was enacted providing that the Madras rupee, the present rupee, should be the standard and destroying the legal-tender quality of gold. Later gold was, by order in council, made tender to the equivalent of ten rupees, but nothing apparently was done about it. It was never acted upon. But silver was the invariable standard in India until June 26, 1893, when the mints of India were closed to the coinage of silver, in accordance with the recommendation of the commission known as Lord Herschell's commission.

There is estimated to be in India silver to the enormous amount of upward of seventeen hundred and fifty million ounces. Of this there is coined into rupees and in circulation as money about 570,000,000 ounces. There is coined into rupees and hoarded about 150,000,000 ounces. There is in bullion, hoarded, and in bangles and other ornaments, easily convertible into bullion, more than one thousand million ounces.

Contemporaneously with the closing of the India mints an order was made providing that sovereigns and half sovereigns of current weight should be received at all the treasuries of British India and its dependencies in payment of sums due to the Government and in exchange for Government rupees as the equivalent of 15 rupees and 7 rupees and 8 annas, respectively. This announcement was accompanied by a public statement of the viceroy that it was intended to introduce a gold standard into India, but that gold would not be made a legal standard for the present.

The effect of this action was, of course, to limit the maximum value of the rupee, measured by gold, to 1 shilling and 4 pence, and practically to attempt to declare the ratio between gold and silver in India to be 1 to 22 and a fraction; a ratio which was nearly, but not quite, maintained from the date of the closing of the India mints until last week, when India exchange was quoted at 16⅛ pence. I hope at a later time to be able to discuss in the Senate the effect of this action of India upon the possible future action of the United States, and also the remarkable action which the Chamber of Commerce of the Straits Settlements took last month in petitioning the English Government to give them an entirely different ratio; to put them upon a gold basis and give them gold pieces of one-tenth the value of the sovereign —50 cents—and make it the equivalent of the silver dollar. But to-day I do not care to go into that branch of the question.

There was both in England and in India bitter opposition to the closing of the India mints, not only from bimetallists but from merchants, bankers, and others having relations with that country. The measure was declared by some authorities to be temporary, and grave doubts were expressed on every side as to the wisdom of the policy. There has ever since been a widespread impression that the India Government would be glad to retrace its steps. Many English gold monometallists of wide influence believe the policy to have been a mistaken one and would be glad to see the India mints reopened, if it could be done without stimulating the cause of bimetallism and as a separate and distinct action. There was a general opinion, not limited to England, that the India Government would be quick to avail itself of an opportunity to reopen its mints and would welcome any international attempt toward bimetallism that would raise the value of silver, and would be glad to co-operate in such an attempt.

This belief found expression in the speech of the Chancellor of the Exchequer of March 17, and I am sure that I violate no confidence when I say that the answer of the India Government protesting against reopening India mints was as much a surprise to the English ministry as it was a disappointment to us. While the protest was not final and while the English Government in London could have overruled the objections from India, yet such action would have been contrary to all precedent. As a matter of fact, the home Government, it is said, unanimously upheld the report.

Frequent statements in our papers assert that the answer of India was dictated from London. It may be that the blind and unreasoning fury of the city of London directed against any suggestion of contributions or concessions to an international settlement of the currency question which should recognize silver, and which threatened a panic and the overthrow of any ministry which attempted it, may have rendered the reply of the India Government not wholly unwelcome; but the policy outlined in the letter of September 16, signed by the viceroy and his associates, must stand as the deliberate and uninfluenced judgment of that Government.

To us the India situation is inexplicable. Millions of people, most of them extremely poor, have for years invested all their savings in silver. These accumulations a few years ago were worth a thousand million dollars and more. To-day they are worth less than half that sum. By the closing of the India mints and the artificial gold value given to silver, India is at a great disadvantage with the neighboring countries, the exports of which are stimulated by the higher premium on gold, and they are robbing India of much of her manufacturing and export trade. The present policy inflicts upon India as well the evils of an insufficient and steadily lessening currency, evils which the vicissitudes of that dependency during the last twelve months have served to emphasize.

The world has heard much of the famine in India and of the great funds subscribed for its victims. It has not been, however, so generally known that the famine was one of money rather than food; that the contributions were chiefly forwarded to India in the form of money and not grain, and that during the whole period of the famine rice was abundant where men were starving, and its price was but a trifle over a cent a pound, less than the price of wheat in England. For all these evils, the loss in the value of the savings of the people, the disadvantage of a different purchasing value for silver in India from that which prevailed in China, the evils of an insufficient volume of money, and the enormous injury which commerce suffers through violent fluctuations in the rate of exchange, we offered what we believed to be a remedy. Our offer was refused, and the refusal must be considered as final until the failure of the experiment upon which the India Government has entered shall be demonstrated. * * *

This, Mr. President, in brief is the statement of our negotiations up to this point. The situation summarized is about this:

England finally and explicitly refuses to open English mints to silver or to alter her existing gold standard. She declines to open India mints to the coinage of silver, basing her refusal specifically, first, upon the lack of certainty that France and the United States could together maintain the parity between gold and silver at the ratio suggested, and, second, upon the proposed ratio of 15½ to 1. We are invited to make any further proposals which shall take into consideration these objections, but it is apparent that for the time being it is useless to count on any co-operation from Great Britain toward a bimetallic agreement.

France actively desires to see silver restored to its old position as a standard of value equally with gold. She insists, however, that the problem is one which demands international action and the co-operation to some adequate extent of other leading commercial nations of the world. Questions of possible future negotiations between France, the United States, and other countries and the question of change of ratio, are for the moment held in abeyance. While we hope for continued joint action, France owes no further duty to us. She stood shoulder to shoulder with us in our attempt to secure from England even the concessions she voluntarily offered a few months ago.

In days when the influence of the money lender is potent in almost every capital of the world and dominates courts and national policies, the ministry of France stood fearlessly by the interests of the whole people and counted the welfare of its hundreds of thousands of small holders of land dependent for their existence upon the fruits of the soil as paramount to that of the powerful class, which wants money dear and grain cheap. Whatever may be the final outcome of an effort through methods of diplomacy to secure some international action in favor of silver, the people of these United States will always remember gratefully the attitude of France upon this great question.

It is my sincere conviction that an international bimetallic agreement is still feasible, by the terms of which certain countries will join us and open their mints to the unlimited coinage of silver, and others will contribute to the plan an enlarged use of that metal as money; and I say this the more freely because I shall give way upon the commission to somebody more fitted for such negotiations and better able to give them his constant time. This result can not be brought about without the expenditure of both time and patience, and the persons intrusted with the duty of negotiation must have back of them the hearty support of the President and of Congress.

Change of Ratio may be Necessary.

It may also be necessary, in my opinion, to make concessions in the ratio, bringing it somewhere in the neighborhood of 20 to 1, more nearly approximating the ratios recognized by Russia, Austria, and India. There are many countries unvisited where there is a strong bimetallic sentiment, and which would undoubtedly co-operate in some fair plan. The Right Hon. Leonard Courtney, in a recent speech, stated that it was reported that the German Emperor had said that he was extremely sorry and disappointed to hear that the India Government would not reopen India mints. I trust this may be true, and, in any event, there are many promising fields as yet untrodden, and many avenues through which we may hope for success.

The cause of bimetallism is not dead in Europe. It is a living, vital, and growing force. Wherever the possession of land is accompanied by the possession of intelligence you find a bimetallist, and in countries where rank and ancient lineage are still associated with ancestral holdings, devotion to the principles of bimetallism is not yet discreditable, nor are its advocates classed as clods or cranks.

We will cross our bridges when we come to them. The time when this country will submit to the final imposition of gold monometallism is far away. Whatever differences of opinion may exist as to the ability of this country to maintain alone the parity between silver and gold, there is no question that the concurrence of other nations would help and not hinder the cause of bimetallism in the United States, and efforts to secure it ought to receive the cordial support of every citizen who is opposed to gold monometallism.

International bimetallism is not a myth, a chimera. The people of Europe are, even as we are, struggling to keep their heads above water and seeking blindly for that which may make for prosperity and for progress. The evils of falling prices and dearer gold bring poverty and disaster to them as to us. It is said that the influence of money grows year after year. So also does the influence of those great masses who toil from dawn till dark upon soil which God made rich and the unwise laws of man make more fruitless.

With useless endeavor
Forever, forever,
Is Sisyphus rolling
His stone up the mountain!

And every year of added burdens and lessened prices swells the ranks of those who refuse longer to believe that overproduction, cheaper transportation, and labor-saving inventions can account for the steady decline in values since the mints were closed, nearly a quarter of a century ago. Dollar wheat is dollar wheat the world over; but it does not tell the same story in France and Germany, where drought and flood have left only starvation in their wake, that it does here where the misfortunes of the Old World have brought prosperity to the New.

Much of the recent legislation in Europe looking to the increase of gold holdings, and the depreciation of silver, finds its origin in the exigencies of a situation where readiness for war is a paramount necessity. There is hardly a statesman in Europe who believes the last word has been said upon the question of the remonetization of silver, and hardly one who would not welcome an effort to settle the question internationally. Only a few days ago, just before Christmas, in a debate in the French Chamber, M. Méline again declared from the Tribune, that the French Government was at one with the United States on the question of bimetallism!

In the face of such a declaration it is cowardly to abandon hope as it is false to talk about failure. International bimetallism is to the gold monometallist a stumbling-block, and to the silver monometallist foolishness, but it is nevertheless a splendid possibility. Its accomplishment would be the greatest blessing that could befall our people, and to achieve it we might well afford to sink for the time the hostilities of party and the bickerings of faction."

The Indianapolis Monetary Convention.—A monetary convention, composed of about 450 delegates, assembled at Indianapolis, Ind., Jan. 25, to take action on the report of the Monetary Commission appointed by a similar convention held in that city about a year ago. The delegates included representatives of leading business organizations in all parts of the country. Gov. Leslie M. Shaw, of Iowa, was chosen permanent chairman of the convention. On Jan. 26 the following resolutions were unanimously adopted:

"*Resolved*, That this convention recognizes its obligations to the executive committee selected under the resolutions of Jan. 15, 1897, for the thorough and able manner in which it has discharged the duties devolved upon it by those resolutions.

It deserves the highest commendation for its determined effort to obtain an Act of Congress providing for the selection of a monetary commission to which the duty should be intrusted of devising the best means of securing a wise and stable currency system through legislative enactment.

As Congress did not adopt a law for the appointment of such a commission, the executive committee, in pursuance of the authority conferred by the convention, proceeded to make such a selection, consisting of men from different sections of the country and from different walks of life, who were well fitted by their ability, their experience, and their high character to deal with this most important subject.

The convention recognizes with gratification the wise and able manner in which the Monetary Commission have dealt with the subject, and find in their work the elements of a system calculated to be of inestimable benefit to the country.

We most cordially approve of the plan of currency reform submitted by the Monetary Commission, in the belief that if enacted into law it would accomplish, as far as possible, the results contemplated by the Commission."

A full report of the Commission's conclusions was published in the January MAGAZINE pp. 59-80.

PROFITS ON CIRCULATION—A CORRECTION.

Editor Bankers' Magazine:

SIR:—In the January issue of the BANKERS' MAGAZINE I have just read, on page 84, your illustration as to profit on circulation of $90,000 on a capital of $100,000. In the items of deduction from profits you give taxes, etc., as $99, whereas the tax alone of one per cent. on $90,000 circulation is $900, paid to the United States. The $99 will hardly cover the cost of fee to bank examiner and cost of redemption of mutilated notes. C. CANNON.

BALTIMORE, Md., Jan. 21.

The error in calculation of profits on circulation on page 84 of the January number which our correspondent has noticed, consisted in wrong pointing of the figures of taxes and expenses. These should have been $990 instead of $99 as given. The proper deduction will then give the profits at two-tenths of one per cent. and thirty-seven hundredths of one per cent., instead of one and eight-hundredths and one and sixty-five hundredths per cent. respectively. The object of the comparison, however, was to show that profits under the Rhodes plan would be greater than under the present law. As our correspondent remarks, the $99 will hardly cover the expenses of printing and other expenses relating to the issue and reissue of circulation. It is almost impossible to avoid an occasional error of this kind, which is, however, so palpable that it can hardly mislead any one.

Another correspondent writes on the same subject:

Editor Bankers' Magazine:

SIR:—Your statement of the value of circulation to the National banks under the existing law, on page 84 of the January issue of the MAGAZINE, is not correct.

We make the statement as follows:

$100,000, four per cent. bonds of 1907, at 113		$113,000
Interest on the bonds at four per cent.		4,000
$90,000 circulation less five per cent. deposit with United States Treasurer, $4,500, leaving $85,500 at six per cent.		5,130
Total income		$9,130
Deduct one-tenth premium for each year	$1,300	
Tax on $90,000 circulation, one per cent.	900	
Expressage and cost of redemption	50	2,250
Net income		$6,880
Income on $113,000 at six per cent.		6,780
Profit on circulation		$100

instead of $1,221, as you state it.

And if you take into account the reserve, as a redemption fund, required by the National Bank Act, a part of which is held comparatively idle, the circulation is absolutely of no profit to the banks.

You state the tax and expenses on circulation in your statement as $99, when the amount should be $950.

The report of the Monetary Commission states the capital stock of the National banks to be $631,488,095, while the circulation is only $230,132,275, leaving $401,355,820 of capital without circulation, which is conclusive evidence that circulation is not profitable. BANKER.

EVANSVILLE, Ind., Jan. 24.

There is no doubt that National bank circulation has ceased to be profitable, and the MAGAZINE has frequently called attention to the fact cited by our Indiana correspondent. Bankers are not indifferent to making money, and if there were any substantial profits to be made on circulation they would more fully avail themselves of the privileges of existing law.

FOR MORE THOROUGH BANK EXAMINATIONS.

The following letter from the State Bank Examiner of Wyoming contains some excellent suggestions on the subject of bank examinations:

Editor Bankers' Magazine:

SIR:—I have read with much interest Mr. Moxey's letter on "Making Defalcations Difficult," appearing in your January number, and fully concur in his suggestions regarding the system of bookkeeping which should be adopted by the banks of our country. However, the perfection of a system of bookkeeping will not secure banks and their creditors against embezzlements and defalcations by officers and employees. It may reduce the number and amount to some extent, but yet the evil of appropriating money illegally and wrongfully will continue to exist.

Systems can doubtless be perfected whereby the stockholders and depositors of banks will be practically secure from loss either by embezzlement or mismanagement, but I doubt if any system can ever be made so effective that it will shut out absolutely all wrongdoing.

I have heretofore advocated a system of independent examinations, and a careful experting of all accounts; the results to be reported to the board of directors and the Comptroller, and if a bank is under State supervision, then to the officer in charge. Examinations made in this manner would bring to light any irregularity that might exist and assist generally in causing a strict compliance with the statute under which the institution operates.

Examinations as now made are more or less superficial. The examiner has not the time necessary to go into details, and even if he had, the fee he is permitted to collect would be wholly inadequate for his services. I am aware that it will be argued that the examiners perform their duties well, and the argument is admitted to be true, in so far only as time permits.

An examiner can count the cash of a bank capitalized at $100,000; prove its loans and discounts, examine the stock books, determine the average reserve carried, have a trial balance furnished by some clerk while another clerk furnishes a statement of the amount of certificates outstanding, and perhaps give his attention to some minor matters, all within one day. I ask, is this an examination? Emphatically it is not. It is but the beginning of what an examination should be.

I no not believe it possible that an examiner can acquaint himself fully with the conditions of a bank doing a reasonable business in the period of one day. The proving of the loans and discounts amounts to nothing unless the examiner knows them to be *bona fide;* it amounts to nothing, unless he knows that the securities are valuable and fully indemnify the bank against loss. It is no guarantee to the board of directors, stockholders and creditors that the accounts are being correctly kept because the books are in balance; or that the certificate account is correct because it is in the same amount as shown by the trial balance. Yet the bank pays the examiner, and its stockholders presume that a thorough examination has been made.

If any irregularities exist and are subsequently discovered, probably on account of the absence of some officer or employee who cannot stand the pressure longer and flees, hoping to escape a convict's cell, it is generally said that the irregularities were not discovered because of being concealed from the examiner.

Would it not be in better taste to say that the examiner does not expert the accounts, and therefore the irregularities were not discovered? Unless accounts are experted there is not much probability of discovery, except the perpetrator of irregularities becomes conscience-smitten and makes a confession.

National and State bank examiners should be paid a fixed and definite salary, allotted a reasonable amount of work and should perform it well.

They should make a complete examination of every bank assigned them regardless of whether it requires two days or two months. The salary and expense should be paid by the Federal or State Government, as the case may be, from a fund derived from an annual assessment made upon the banks; or if such plan is found inconsistent, the stockholders of banking institutions should by resolution require the board of directors to employ some competent person or persons, who should be authorized to make annually a thorough and complete examination of the bank in all its departments and report the result, commending or criticising the officers and employees, as the condition may demand, and making such recommendations as may appear necessary.

The system of accounts proposed by Mr. Moxey and examinations along the lines I have proposed will reduce defalcations, embezzlements and misappropriations of funds by officers and employees and all irregularities to the minimum. It will establish confidence in our banking institutions.

The Postal Savings bank system now being advocated and all arguments in favor of it will be relegated to the past, and the Government will not feel that it is called upon to enter the banking business that depositors may be protected.

HARRY B. HENDERSON, *State Examiner.*

CHEYENNE, Wyoming, Feb. 1.

OPPOSED TO POSTAL SAVINGS BANKS.—Mr. John Harsen Rhoades, President of the Greenwich Savings Bank, of New York city, and of the Savings Bank Association of that State, a distinguished writer on financial topics, in a letter addressed to Col. Myron T. Herrick, President of the Society for Savings, Cleveland, Ohio, *apropos* of the latter's pamphlet touching upon postal Savings banks, says:

"I am thoroughly in accord and sympathy with you in what you said in this open letter. There is no question to my mind, whatever, that the establishment of postal Savings banks in this country would be productive of much evil, lead to gross extravagance on the part of the Government in their desire to invest and to keep invested the large sums of money, which, in the end, would reach their hands, as well as to draw these moneys from the country districts all over the land and centralize them either in the vaults of the Government or in securities, which, in their nature, would do nothing to help the various localities from which the sums were originally gathered.

What we want in this country, covering an immense area, with a sparse and widely-scattered population, is not the centralization of money, but the diffusion as much as possible. The systems of Savings banks, eleemosynary in their character, which have been established in this and the neighboring States, and which, to a limited extent, have been followed in connection with isolated Savings banks throughout the Middle and Western States, are the true systems to be employed, and as I have publicly stated, if the various States in the Union would pass general Savings bank laws, based upon the laws established in this and the Eastern States, making careful provision not to extend the scope of investment too widely, I believe the results would be greatly beneficial to our entire population, and of incalculable benefit to the country at large. I do not believe in the system largely in vogue throughout the Middle and Western States, of attaching Savings bank branches to banking houses. This, in my judgment, is not the right principle in connection with the gathering in of the small savings of the laboring classes; but these moneys should be taken in charge by leading citizens through institutions established and governed by wisely conceived State laws, under careful State supervision, rendered and kept absolutely safe and secure.

As you have rightly said, the postal Savings bank systems of England and of the Continent of Europe are not adapted to our form of Government, or to the conditions existing here, and in my judgment, if such a plan were adopted in this country, it would lead, in the end, to immense loss on the part of the Government, which would have to be made up out of additional taxes to be paid by the mass of our population.

I thank you for your valuable contribution to the public on this very serious question."

WHY THE SOUTH FAVORS CURRENCY REFORM.

At a meeting of the Massachusetts Reform Club at Boston, January 21, addresses were made by J. W. Fries, of North Carolina, and Joseph Bryan, of Virginia. Mr. Bryan said in part:

"In 1860 the old State of Virginia, which included West Virginia, had a population of about 1,000,000 white people and 500,000 negroes, nearly all the latter being slaves. Agriculture was the chief occupation. The negroes had no part whatever in any of the business affairs of the State, and, being under civil disabilities, lived upon the plantations of their masters, who represented them in every respect. The banking facilities which this million of white people had were of the most satisfactory character, and no complaint was ever heard about a lack of money in any part of the State. This was accomplished through the banks, which were chartered by the Commonwealth, and in some of which the Commonwealth had an interest. They had liberal authority for establishing their branches, and most of them issued their notes against their assets, the limitation being that they should never issue notes for a greater amount than five to one for specie in their vaults. The State then had $16,000,000 of banking capital, and $10,000,000 of circulation, a circulation confined to Virginia. The banks had in their vaults all the specie that was requisite to redeem any of these notes. A more contented and happy people it is almost impossible to imagine.

When the Confederate soldier returned to his home, when the success of the Union armies had assured the payment of every obligation of the United States and enormous sums had been realized by those who had taken the bonds and notes of the Government which had been issued to vindicate the integrity of the Union, the Virginian found a desolate home and an absolutely worthless currency, and little left to him but the soil of his beloved State and the blue canopy of heaven. At this very time, when the use of credit would seem to have been almost necessary to existence, the National Bank Act was further amended by the passage of the Ten Per Cent. Act, so as to put the final extinguishment upon all State bank issues. As there were no United States bonds held in Virginia, it was impossible for her people to comply with the conditions of that Act in order to get currency, and so it was that only in cities like Richmond and Norfolk, and perhaps Lynchburg, was banking established by enterprising Northern capitalists. At this time the farmer, if he got money at all, could only do it under terms that were ruinous. One and one-half per cent. a month was the regular street rate when I lived in Richmond in 1870. In South Carolina as high as two and one-half per cent. a month was paid.

The Virginia which remained after the separation of West Virginia contains now over one million seven hundred thousand people, all of them free. The banking capital of the State, nearly thirty-three years after the war, is, roundly, $19,000,000, but the circulation issued by the National banks is only about $1,900,000. Of the banking capital over $10,000,000 is owned by State banks. The balance by National banks. The State banks are, of course, forbidden to issue any notes, and the National banks have the privilege under such restrictions that it is unprofitable to do so. No bank of circulation is allowed to have a branch, and if it were permitted to do so the restrictions upon the issue of notes would still prevail. Our population now is greater than the old Virginia of 1860, with the difference that all are free now, whereas but two-thirds were at that time. We had in 1860 a local currency of $10,000,000, scatteredthroughout the State, accessible to all who were entitled to credit. The situation is now that the great farms have been generally broken up and are tilled by small farmers, who have no connections at large cities, and, however good their credit may be in their own neighborhood, are utterly unknown to the city bankers. These are the people who complain of the scarcity of money. It is not heard in the cities, but in the country, and the countrymen, ignorant of the provisions of the National Bank Act, which forbids those reasonable and well-established methods which prevailed before the war for supplying a currency, have been taught to believe that it was the demonetization of silver that produced the stringency, which is to them, indeed, an actual and cruel stringency."

The speaker then went on to compare Massachusetts with Virginia, in the matter of accessibility, pointing out that in the former State, with an area of about eight thousand square miles, there is some locality for every fifty-five square miles where banking is done. Within the territory lying mainly east of the Fredericksburg Railroad and north of Hampton, in Virginia, there were twenty counties, containing about five thousand square miles, without one single place in which a man could make a deposit, draw a check, or make a loan. Nor was this a desolate region. In this section, at Jamestown, the first foundation of Anglo-

Saxon institutions on this continent was made. In it were born George Washington, James Monroe, John Tyler, Richard Henry Lee, and Robert E. Lee. It was now inhabited by over two hundred thousand people, as orderly, industrious, and God-fearing as any on earth, whose real and personal property was assessed at taxation of $31,000,000. In the superb James River Valley, as fertile and fruitful a section as could be found in any Eastern State, between Lynchburg and Richmond, a distance of 146 miles, the solitary place of deposit was at Scottsville, about midway, where there was a small State bank of $25,000 capital. In this same valley there were State banks in 1860 with resources of nearly $900,000.

"There are many men who now join in the cry for free silver," declared Mr. Bryan, "who know nothing of the affluent facilities for banking enjoyed by their fathers forty years ago. But they know perfectly well, without understanding the reason why, that they are now in a terrible state of restriction. Is it surprising that the demonetization of silver should be used as the explanation of their troubles? I do not hope for an unqualified repeal of the ten per cent. tax upon the State, although it is the almost universal opinion in my country that the restoration of the State banks to the place they occupied before the war would be the death of the silver error, but I feel greatly encouraged by the splendid work of the Monetary Commission, which presents a plan thoroughly sound in its fundamental principles and which will in the course of time work out in a great measure the relief we need."

Gratuity Fund for Bank Officers and Employees.

The following letter and extract from the minutes of a recent meeting of the Board of Directors of the National City Bank are self-explanatory:

THE NATIONAL CITY BANK, OF NEW YORK.
January 28, 1898.

DEAR SIR:—It gives me pleasure to inform you that the stockholders of this bank, at their last annual meeting, desiring to recognize the value of long and faithful work on the part of any one in its service, in the event of his death or permanent disability, have recommended to the board of directors the creation of a provident reserve fund, which shall be available for the payment of gratuities or pensions.

In conformity with this recommendation, the board of directors have created such a fund upon conditions which are fully set forth in the following extract from the minutes of their meeting, held January 18, 1898. Yours truly,

JAMES STILLMAN, *President.*

EXTRACT FROM THE MINUTES OF THE BOARD OF DIRECTORS OF THE NATIONAL CITY BANK, JANUARY 18, 1898.

"On motion it was

Resolved, That a so-called provident reserve fund be created, to be carried as a liability in the statement of the bank, and that $10,000 be transferred from the undivided profits of the bank as an initial contribution;

Resolved, That the directors of the bank be and they are hereby constituted, *ex-officio*, trustees of the said fund for the purposes of its administration;

Resolved, That in case of the death of any officer or employee who, at the time of his death and for a period of not less than five years previous thereto, has been continuously in the service of the bank, the sum of $500 may, in the discretion of the said trustees, be paid:

FIRST. To his widow.

SECOND. In case he leaves no widow, to his minor children.

THIRD. In case he leaves neither widow nor minor children, to his mother, or, in case he leaves no mother, then to his father; and further, that in case of the death of any officer or employee, who, at the time of his death, and for a period of not less than ten years previous thereto, has been continuously in the service of the bank, the sum of $1,000 may, in the discretion of the said trustees, be paid as above provided.

Resolved, That in case of the permanent disability of any officer or employee of the bank, who at the time of such disability, and for a period of not less than ten years prior thereto, has been continuously in the service of the bank, a pension be granted to such officer or employee out of such fund in such an amount as the special circumstances of the case may, in the absolute discretion of the said trustees, seem to warrant; the determination, however, of the amount and method of payment to rest wholly and exclusively in the discretion of the said trustees."

The National City Bank, in establishing a reserve fund for the benefit of its officers and employees, has initiated a system of profit-sharing of the wisest and most practical sort. It is to be hoped that the example of the National City will be followed generally by such of the large banks as may not have already made some provision for disabled employees, or for the survivors of those who die in the harness.

STATE BANKS—REPORTS OF SUPERVISING OFFICERS.

STATE OF MAINE.

BANK EXAMINER'S DEPARTMENT,
AUGUSTA, December 31, 1897.

To the Honorable Llewellyn Powers, Governor, and the Executive Council of the State of Maine:

In compliance with the provisions of the Revised Statutes, chapter 47, section 126, I have the honor to submit herewith, for your consideration, the forty-first annual report of this department, showing the general conduct and condition of all the institutions under my supervision, and making such suggestions as have been deemed expedient.

The number, classes and assets of such institutions are as follows:

	No.	Assets.
Savings banks	51	$62,826,303
Trust and banking companies	16	7,513,403
Loan and building associations	33	2,912,963
Total	100	$73,252,670

This is a decrease of four in the total number of institutions, and, notwithstanding this, an increase of $2,798,064 in the aggregate amount of assets during the period covered by this report.

An equal distribution of these assets would give to each person in the State, $110.81.

They have paid depositors and stockholders $2,540,767 in interest and dividends during the year.

There are eighty-three National banks now doing business in Maine, with assets amounting to $41,358,152. This makes the entire number of banking institutions in our State 183, and our total banking capital $114,610,823, an increase of $7,209,675 during the year.

If this total banking capital was divided equally among all the inhabitants of the State it would give each individual $173.37.

I am pleased to report that the institutions under the supervision of this department are generally in a healthy condition, as is sufficiently apparent from the above general statement.

SAVINGS BANKS.

The number of Savings banks in the State is one less than as reported last year, on account of the closing of the Lubec Bank. The failure of this bank was due solely to local causes, and not to any losses it has ever suffered on its loans or investments, and should in no way affect the confidence of the depositors in other institutions of this class.

I wish again to call attention to the importance of keeping in mind the principal object for which Savings banks were created. The depositors of small savings should be impressed with the fact that their deposits, however small, are welcome additions to the funds of the bank; and their treatment should in all respects be such that they will be encouraged to continue these accumulations. Each bank should be careful to preserve this original and distinctive purpose.

The savings in times of prosperity, and while the depositors are in the prime of life, made for the purpose of protecting them and their families in times of need, are all ultimately drawn and used to cover the emergencies for which intended. In this way the deposits are being gradually changed from year to year, and the purpose for which Savings banks were established is being constantly consummated. As appears, elsewhere, the amount thus withdrawn this year is $10,425,527. A careful estimate shows that the amount of savings thus accumulated and used during the past twenty-five years will exceed $225,000,000.

COMPARATIVE STATEMENT.

The following table shows the condition of our Savings banks on November 6, 1897, and a comparison with that of November 7, 1896.

RESOURCES.	1897.	1896.
United States and District of Columbia bonds	$5,795,450	$5,262,950
Public funds in Maine	962,290	895,029
Public funds out of Maine	14,167,763	14,303,960
Railroad bonds in Maine	4,618,672	4,449,707
Railroad bonds out of Maine	11,648,738	11,230,488
Corporation bonds in Maine	3,646,385	3,233,799
Corporation bonds out of Maine	520,447	587,454
Railroad stock in Maine	696,409	600,584
Railroad stock out of Maine	493,802	421,073
Corporation stock in Maine	420,976	411,976
Corporation stock out of Maine	105,071	116,971
National bank stock in Maine	2,467,514	2,439,549
National bank stock out of Maine	187,975	185,875
Other bank stock in Maine	87,850	112,850
Loans on mortgages of real estate	7,756,010	7,868,660
Loans on collateral	4,449,826	4,635,095
Loans to municipalities	349,832	283,261
Loans to corporations	1,571,788	1,889,585
Real estate	1,009,999	1,037,036
Furniture and fixtures	36,379	38,368
Premium account	461,112	469,456
Expense account	13,974	14,153
Other resources	43,169	42,495
Cash	1,294,868	1,244,047
Total resources	$62,826,303	$60,719,379
LIABILITIES.		
Deposits	$59,598,348	$57,476,895
Reserve fund	2,060,709	2,081,043
Special reserve fund	36,094	55,597
Profits	1,088,801	1,108,350
Other liabilities	22,349	52,493
Total liabilities	$62,826,303	$60,719,379
Number of depositors	167,879	163,115
Number of depositors whose balance is less than $2,000	163,423	158,855
Amount of same	$48,214,076	$46,627,223
Number of depositors whose balance is $2,000 or more	4,456	4,260
Amount of same	$11,384,272	$10,849,662
Average rate of dividend (approximate)	.0367	.0372
Amount of dividends paid	$2,132,369	$2,096,927
Municipal taxes paid	$18,258	$17,510
State tax	$381,862	$381,208

The above statement shows an increase of 4,764 in the number of depositors, and $2,121,452 in the amount of deposits during the year. This gain is nearly twice that for the preceding year.

Out of a total of 167,879 depositors, 129,865 have $500 or less standing to the credit of each.

The average amount now standing to the credit of depositors is $355.01, an increase of $2.64 over that of 1896.

The amount of withdrawals during the year was $10,425,527, and the amount deposited, including dividends credited, $12,554,858.

INVESTMENTS.

The Savings banks in this State are all governed by the same laws and their affairs are conducted by boards of trustees operating under the same system. These laws are so broad, however, and confer upon different boards of trustees so many powers and such a wide discretion in making their investments, that each institution has a character peculiar to itself. The principal line of investments held by each bank is always shaped and controlled by the best judgment of its own board of trustees. The policy in this respect varies to such an extent in the several banks that, in some cases, it seems hardly possible that they have made their investments and conducted their affairs under the provisions of the same law. One may confine its holdings almost solely to municipal bonds, while another may invest principally in railroad securities. It does not necessarily follow, however, that the investments in one class are all good, and those in the other all poor. Each institution may be prosperous, even with these distinctive features. The present condition of the several banks is due more to the care and good judgment exercised in selecting than to the particular class of securities selected.

A careful study of the past record and the present condition of these banks indicates the highest prosperity on the part of those that have invested only in the choicest securities in any particular class. In making investments, security should be the first, and profits for the depositors the secondary consideration. It will be found that the losses on the lower grades of securities will ultimately more than offset the larger income received therefrom. This may not be true if applied to any one issue of bonds, but will be, if applied to the aggregate in each of the different classes in any one bank, or in all of the banks in the State.

The greatest success is achieved in banking, as in other business, when conducted on principles that experience has demonstrated to be safe and profitable. Believing that statistics showing the results derived from past investments would be a valuable aid to investors, the department has obtained statements from all the Savings banks in the State, which give the amount of their losses on all kinds of investments since January 1, 1892. These returns include only such losses as had been actually charged off, either from undivided profits or the reserve fund.

The results obtained from a tabulation of these returns will be found in the following table, which gives:

1. The classes and amount of all assets now held by Savings banks.
2. The percentage of the total assets invested in each class of security.
3. The percentage which the losses in each class bear to the total amount of losses.

RESOURCES.	*Amount of each class.*	*Percentage of each class.*	*Percentage of loss to total loss.*
United States and District of Columbia bonds	$5,795,450	9.22	....
Public funds in Maine	982,290	1.56	....
Public funds out of Maine	14,167,763	22.55	2.31
Railroad bonds in Maine	4,618,672	7.35	....
Railroad bonds out of Maine	11,648,738	18.54	40.85
Corporation bonds in Maine	3,646,385	5.80	4.43
Corporation bonds out of Maine	520,447	.83	6.17
Railroad stock in Maine	696,409	1.11	....
Railroad stock out of Maine	493,802	.79	.68
Corporation stock in Maine	420,976	.67	.16
Corporation stock out of Maine	105,071	.17	....
National bank stock in Maine	2,467,514	3.93	.55
National bank stock out of Maine	187,975	.29	10.30
Other bank stock in Maine	87,850	.14	3.35
Loans on mortgages of real estate	7,756,010	12.34	3.15
Loans on collateral	4,449,826	7.08	20.33
Loans to municipalities	349,832	.56	....
Loans to corporations	1,571,788	2.50	4.90
Real estate	1,009,999	1.61	2.60
Furniture and fixtures	36,379	.06	....
Premium account	461,112	.74	....
Expense account	18,974	.03	....
Other resources	43,169	.07	.22
Cash	1,294,863	2.06	....
Totals	$62,826,303	100.00	100.00

These percentages showing the losses in the different classes of securities are approximately correct, although they might be misleading in some instances if unexplained.

Of the percentage of losses on railroad bonds out of Maine, 29.40 was upon street and 11.45 upon steam railroad securities. It thus appears that loss upon street railroad bonds, when compared with the total amount of these holdings, exceeds that upon any other class of securities, now legal for the banks to hold. It does not necessarily follow from this that there are no safe and profitable investments in this class, for there are undoubtedly at the present time many desirable investments in street railroad securities. The investor would not be as safe, however, in purchasing from this class without investigation as he would from those classes on which the chances of loss appear to be smaller.

It also appears that, while only about one-fourth of one per cent. of the present holdings of our banks are in National bank stocks out of Maine, the losses on this class have been over ten per cent. of all losses. But the results obtained from this class were such that our banks have long since ceased investing therein, and the Legislature has restricted these investments to New England.

The percentage of loss on real estate should be added to that on loans on mortgages of real estate, as these losses are almost invariably upon real estate acquired by foreclosure. This would make the total percentage of loss on real estate loans 5.75. Considering the depreciation in real estate values during the past ten or fifteen years, the results obtained from this class of investments are satisfactory.

About $28,438,788.16, or more than forty-five per cent of the present assets of our Savings banks, are invested and held within the State. This is a large increase from any previous year, and shows that our banking institutions are investing their funds more and more in our own State and its industries, and that they are furnishing much of the capital used in transacting local business.

Dividends.

The following table shows the rates and amounts of dividends during the year, as compared with those paid in the year 1896.

Rate of Dividends.	*Number of banks.*		*Amount of Dividends.*	
	1896.	*1897.*	*1896.*	*1897.*
4½ per cent. paid by	1	....	$382	....
4 " " " "	27	23	1,571,657	$1,528,049
3¾ " " " "	2	2	23,252	53,608
3½ " " " "	14	18	380,696	440,181
3¼ " " " "	3	2	54,355	38,349
3 " " " "	5	6	67,583	72,180
Totals	52	51	$2,096,927	$2,132,369

This is an increase of $35,441 in the amount of earnings distributed among the depositors over that of last year. The average rate of dividends paid the present year has been 3.67, while that for 1896 was 3.72. This gradual reduction, from year to year, in the rate of dividends paid, is the necessary result of the gradual decrease in the earning capacity of investment money. This rate is fully as high as the present earnings will warrant the banks in paying, and higher than can be maintained under the existing conditions of the money market.

Examination and Supervision.

The present laws relating to Savings banks and the method of examining our State institutions have been criticised to some extent. There are those who claim that the enactment of a law requiring some one to verify depositors' accounts would afford additional protection from embezzlement by dishonest bank officials. On the other hand, there are those who insist that we have sufficient law already, and that there has been a failure on the part of some one to enforce that law or use it to its fullest extent to protect depositors. But all agree that depositors should have every consistent and reasonable protection possible. The difficulty, however, lies in suggesting any other method or any additional precautions that will guard absolutely the funds in our banking institutions.

The public generally, in considering this matter, do not distinguish between a comparison of the individual ledger accounts of depositors with the general deposit account, and a verification, or comparison, of the books issued to depositors with the depositors' accounts as they appear on the ledger of the bank. It can be seen that these are different questions, and that, while it may be necessary to apply both tests, they are entirely distinct and should be considered separately.

As already stated, it has not been the custom of the examiner to make a footing of the individual ledger accounts. If this test was not applied, it might be possible for a Treasurer thus to conceal embezzlement to a large amount without any more danger of discovery than in a case like the one under consideration. The fact, however, that it was comparatively easy to guard against any irregularities in this direction led to the enactment of a statute in 1883, providing a method in which it should be done. The present law provides that the Treasurer of a Savings bank shall, "at least once in each year, cause to be entered in a suitable book the net sum of each individual deposit at a fixed date, and ascertain the aggregate of all such deposits and whether it agrees with the other books of said bank; and said book shall be open, at all times, for the inspection of the trustees and corporators, and of the examiner of banks." In making examinations, it is the custom of the examiner to inspect this book and ascertain if these provisions of law have been complied with. The department also requires the trustees in their May return, and the treasurer in his November return, to state under oath whether this comparison has been made, and the results obtained. The present provision of law is giving satisfactory results, and all agree that no change is needed in this direction.

In 1886, the bank examiner, Hon. F. E. Richards, called attention to the importance of some provision for verifying depositors' books, and recommended the passage of a law requiring this to be done by trustees. Each succeeding bank examiner has renewed this recommendation and again urged the passage of such a law. Despite all this, the law still remains without amendment, and the depositors in Lubec Savings Bank are likely to suffer serious loss for want of the protection it would have afforded. With the present object lesson before us, there is no doubt the Legislature will, at the next session, regulate this matter in some way by statutory provision.

The method now used in National bank examinations is no more thorough, nor have they been conducted more conscientiously or carefully in the past than our State bank examinations. There are two examiners for the National banks of the State, though fewer in number than the institutions under the supervision of this department. Notwithstanding this, there has been no other case of embezzlement in any State institution for many years, while during the same time have occurred a large number of serious defalcations in the National banks of the State. While I do not contend that our system is superior to that of the National Government, I do insist that it is equally as good, that the results therefrom have been fully as satisfactory, and that there is no more occasion for a change in the State system than in the National system.

While, as has already been stated, I fully agree with others that it would be wise to have some provision of law requiring a verification of depositors' books, a careful consideration of the matter compels me to admit that it is not of so great importance as would at first appear. The value of the protection it would give has been unduly magnified as depositors in our Savings banks are reasonably safe without it. In a majority of our banks the business is so conducted that two or more persons have access to and make entries upon the depositors' books. They have occasion from day to day, in their regular work, to verify and compare these books with the depositors' ledger, and in this way each is constantly verifying the work of the other. It is safe to estimate that out of the 167,879 depositors' accounts in the banks of the State, more than 140,000 are being constantly verified in this way. The proposed law would, therefore, give no additional protection to a large majority of depositors. It would be impracticable to provide for the verification of deposits without making the law apply to all Savings banks. Such a provision would consequently put a large amount of labor upon the bank officials and an expense upon a large percentage, for the advantage simply that would accrue to a small percentage of depositors. In other States, having various methods of verifying depositors' accounts, embezzlements have frequently occurred, and the methods employed have not apparently decreased the number of defalcations.

Our people and the officials of our Savings banks have reason, however, to be proud of the remarkable record of the State institutions. The loss to the depositors in the Lubec Savings Bank is a serious one, and one that we fully appreciate and regret. But when we consider that this is the only defalcation that has occurred out of more than $200,000,000 that have been handled and disbursed by these institutions in the past twenty-five years, we feel it to be a record that should give great confidence in the present system and satisfy depositors that their funds are reasonably safe without further legislation.

This department has always appreciated the importance of a careful and further examination of the different institutions. While it is the duty of the examiner in every way possible to guard depositors against losses from embezzlement, the general supervision of these institutions by this department covers a much wider scope. The examiner should see that all the books of the banks are properly kept; that reserve funds are kept up to the proper limit; that the profits are legally distributed; that the losses are properly apportioned and not allowed to accumulate against future deposits; that all investments are made in accordance with law; and that in all other things the general affairs of these institutions are conducted in a business-like way and in compliance with the laws under which they are operating. These laws, enacted by the State, are founded upon the experience of the past. There are also other general principles, under which banking business is conducted, which this department should insist upon being observed by each institution. The results of an examiner's efforts in all these particulars contribute more towards the general prosperity of our Savings banks than if he directed his attention more particularly to matters of such rare occurrence as embezzlement.

The trustees are the legal custodians of the funds of their bank, and upon them more than anyone else rests the responsibility for their safety. They alone have the power to select those who are to handle these funds. They should employ only those in whom they have the utmost confidence and then give the matter such personal attention that any serious loss of this kind would be impossible. The law does not authorize this department to insist that they make a verification of depositors' books, nor does it in specific terms require them to do this,—yet they certainly have the power to do so if they deem it advisable. I wish, therefore, to repeat my recommendation made in 1895, "That the trustees should have this done, under their personal supervision, once in every two or three years, by some one other than the regular employes of the bank." Had this rule been adopted by the trustees of the Lubec Savings Bank ten years ago, the present unfortunate conditions in that institution would have been avoided and the depositors saved the serious loss they must now suffer.

A bank is what its officials make it. I am satisfied that it is not only a moral, but a legal obligation, on the part of any trustee who accepts such a position, to give to his bank the amount of time and care necessary reasonably to protect the depositors. The courts have repeatedly held that, if a bank fails through a defalcation of one of its officers, which by proper diligence on the part of the trustees could have been prevented, the latter becomes legally liable to the depositors. In the case in question, the ordinary amount of attention that is usually given by trustees to the institution they represent, would have led long ago to the discovery of the true condition of affairs. This serious neglect of duty by the trustees of this bank should not go unnoticed, but they should be held accountable therefor.

While I feel certain that, as a rule, the trustees of our banks need no such admonition, I trust the lesson received in this case will be a valuable one and that all will be more vigilant and earnest in the performance of their duties and obligations than ever before. The honesty, integrity, and devotion to the interests of the depositors usually exhibited by the different boards of trustees in our Savings banks, and the many services they give to the institutions they represent, frequently without any remuneration whatever, entitle them to the commendation of the public.

Trust and Banking Companies.

The trust and banking companies doing business in the State now number sixteen, two having been placed in the hands of Receivers since the last report by this department.

A petition against the American Banking and Trust Company of Auburn was filed in the Supreme Judicial Court for Androscoggin county, on December 31, 1896. After due notice and hearing, the company was adjudged insolvent, and L. Linn Small was appointed Receiver, and gave bonds in the sum of $20,000.

A petition against the Northern Banking Company of Portland was filed in the Supreme Judicial Court for Cumberland county, on April 5, 1897. After due notice and hearing, Hon. Henry B. Cleaves was appointed Receiver, and gave bonds in the sum of $50,000.

Both of these institutions invested their funds almost wholly in the South and West, and very largely in Western farm mortgages. The experiences of our people in this class of investments are such that it is hardly necessary to explain further the cause of these failures. The people of this State have in the past been heavy investors in this kind of paper and have suffered serious loss therefrom. Our banking institutions, however, have been more fortunate in this respect, and, with few exceptions, have never loaned upon this class of property in the West. The results clearly demonstrate the wisdom of our State laws in not permitting Savings banks to invest in this class of paper. It is a peculiar fact that our people have been more careful and conservative in enacting laws to regulate these investments than they have in the investment of their individual funds. This class of paper is now almost entirely eliminated from the assets of the banking institutions in this State.

Comparative Statement.

The following table shows the condition of the trust and banking companies, November 6, 1897, and a comparison with that of November 7, 1896:

Resources.	*1897.*	*1896.*
Demand and time loans	$3,841,109	$3,148,208
Mortgages of real estate	813,439	912,485
Stocks and bonds	1,996,593	1,670,917
Trust investments	95,774	143,823
Real estate owned	139,553	212,225
Due from other banks and bankers	179,048	196,580
Expense account	11,197	16,998
Furniture and fixtures	84,021	84,532
Cash on hand and on deposit	539,641	391,754
Other resources	313,024	274,239
Total resources	$7,513,403	$7,048,760

LIABILITIES.

Capital stock	$1,386,400	$1,511,400
Surplus	291,500	221,700
Undivided profits	135,544	165,740
Time deposits	2,758,107	2,490,940
Demand deposits	1,857,392	1,644,827
Certificates of deposit	408,621	215,958
Debentures outstanding	58,800	106,300
Trust department	95,929	143,978
Unpaid dividends	2,458	1,683
Deposits for coupons	4,744	7,307
Treasurer's checks outstanding	14,019	5,369
Due other banks and bankers	69,398	48,947
Bills payable	38,719	129,450
Other liabilities	392,267	355,157
Total liabilities	$7,518,403	$7,048,760

The present number of depositors in these institutions is 13,005 and the amount of deposits $5,024,120. This is an increase of $672,394 in deposits during the year.

The time deposits and certificates of deposit are derived from much the same source as the deposits in Savings banks. The present number of depositors in this class is 8,817 and the total deposits $3,166,728. This is an increase of $459,830 in this kind of deposits during the year. The average balance standing to the credit of each depositor in this department is $359.16, while that in the Savings banks, as has already been stated, is $355.01.

The amount of interest paid during the year on all deposits is $109,249, and that in the Savings department alone, $95,264.

The rate of interest on time deposits varies from two to four per cent. per annum in the different banks. The average is substantially the same as the rate of dividends paid by Savings banks.

The amount of dividends paid to stockholders is $85,752. This would be an average of a little over six per cent. on the entire capital stock of these institutions, while the average rate paid last year was but five per cent. This gain in average earnings on the capital stock is due in part to the elimination of $125,000 of non-dividend paying stock from the statement as given in 1896.

Considering that the statement for 1896 used in the above table includes the assets of two institutions not in the one for the present year, a comparison does not show the real growth of the trust companies that are now doing business in this State.

FOREIGN CORPORATIONS.

A license was granted, under the provisions of chapter 181, Public Laws of 1891, to the following foreign corporations, to sell or negotiate their obligations in this State during the year ending December 1, 1897, viz.:

Iowa Loan and Trust Company of Des Moines, Iowa.

Middlesex Banking Company of Middletown, Connecticut.

Nebraska Loan and Trust Company of Hastings, Nebraska.

The statement received from each of these companies was published in some local newspaper at the time the leave was granted, and may also be found in this report.

CONCLUSION.

It has been my constant purpose during the term of my office, to accomplish something toward improving the system in use by this department, and the general condition of the different institutions under its supervision. The design has been to bring about the needed changes, so far as possible, by communicating directly with the officials of each institution, rather than by calling attention to them in the official report. All has not been accomplished that could be wished, neither have the efforts been altogether unsuccessful. The officers of the different institutions have cheerfully responded to every suggestion made, and have always expressed a desire to do everything possible to comply with my wishes and bring about these results. In closing this report, I wish to express my appreciation of the many courtesies received from them and to bespeak for each institution and the many depositors represented, the consideration they deserve.

FREMONT E. TIMBERLAKE, *Bank Examiner*.

NEW HAMPSHIRE.

OFFICE OF BOARD OF BANK COMMISSIONERS,
CONCORD, N. H., December 1, 1897.

To His Excellency the Governor.

SIR:—The Bank Commissioners herewith submit their fifty-second annual report, showing the condition of the institutions which by law are placed under their supervision.

Since the last report made by the commissioners, two new Savings banks have been organized and opened for business, one at Laconia and one at Keene. The amount of business transacted by these banks thus far is necessarily small, but they bid fair to grow and become useful institutions in the communities where located. A statement of their condition when examined by the commissioners will be found in its proper place in the following report, and their condition on June 30, 1897, in a special table.

The number of Savings banks has thus been increased to seventy-seven.

There are fourteen State banks and trust companies, nine of which have savings departments.

Seventeen building and loan associations organized under chapter 166 of the Public Statutes.

One building and loan association organized under a special charter, namely, the Citizens' Building and Loan Association of Manchester.

One building and loan association, the Granite State Provident, in the hands of an assignee.

Of the seventy-seven Savings banks, seventeen are in liquidation, under the management of their own officers, and nine by assignees appointed by the court.

Two banks that were under injunction have reopened for business, viz.: the Monadnock of East Jaffrey, and the Peterborough, the latter after having its deposit accounts reduced twenty per cent. by the court and commissioners.

Of the fourteen trust companies, the New Hampshire Trust Company of Manchester, and the Security Trust Company of Nashua, are in the hands of assignees, and the Bank of New England is liquidating its savings department under the management of its own directors.

THE ENJOINED BANKS.

Since March, 1894, when the assistance of the court was first invoked to protect the banks from unusual withdrawals, to the present time, but two of the banks that have been enjoined have recovered sufficiently to open their doors to the depositors. The rest are in liquidation.

The following dividends in liquidation have been made in 1897:

Farmington Savings Bank, a dividend of ten per cent., June 1.

Hinsdale Savings Bank, a dividend of twenty per cent., July 1, and a dividend of ten per cent., December 1.

Keene Five-Cents Savings Bank, a dividend of fifteen per cent., October 1.

Keene Guaranty Savings Bank, a dividend of five per cent., July 1.

Lebanon Savings Bank, a dividend of twenty per cent., October 1.

Milford Shvings Bank, a dividend of ten per cent., May 4.

Nashua Savings Bank, a dividend of ten per cent., July 15.

New Hampshire Banking Company of Nashua, a dividend of ten per cent., November 15.

Security Savings Bank of Winchester, a dividend of ten per cent., March 10.

Wilton Savings Bank, a dividend of ten per cent., March 1.

Since 1893, and in most part since 1895, there has been paid to depositors by assignees and banks in liquidation $2,968,928 in dividends.

VERIFICATION OF DEPOSIT BOOKS.

The commissioners desire to call attention to the law requiring a triennial examination and verification of deposit books.

Section 23 of Chapter 165 of the Public Statutes provides that "in the year 1892, and in every third year thereafter, the trustees of Savings banks and institutions for saving shall call in the books of deposit of their depositors, for examination and verification, and they shall cause the same to be examined and verified by some person or persons aside from the treasurer or his clerk, to be employed for the purpose."

The first examination of books occurred in 1892, the second in 1895. and the third will take place next year. The first examination and verification was a success. Seventy per cent. of the deposit books were presented for examination, and it was a substantial verification of the ledgers of the banks, showing the accuracy of the entries therein. The second examination showed a large falling off in the number of books presented, and on the whole was not so satisfactory as the first, and the result hardly repaid the banks for the expense incurred.

The commissioners regard this matter as of great importance, and urge upon the banks a hearty compliance with not only the letter but the spirit of the law. Such an examination affords an opportunity to the banks to correct any errors arising from the transposition of figures or in entering the interest dividends, and it enables them to reconcile any variation that may occur in the aggregate of their deposits as shown by the cash books and ledgers. To make this verification effectual, the requirement of the statute must be brought to the attention of the depositors. The law does not provide how notice to the depositors to present their books for examination shall be given. The commissioners do not consider the notice by publication in the newspapers as sufficient, for the experience of 1895 shows that such notice failed to reach a large number of depositors. It should be the aim of the trustees of every bank to have the examination and verification as complete as possible. This can only be accomplished by mailing notices to individual depositors, in sealed envelopes, so that they may be returned to the bank by the Post Office Department should they fail to reach the depositor, when other steps can be taken to ascertain their correct address.

The law provides that the verification shall not be made by the treasurer or his clerks. In some instances, in former examinations of deposit books, the verification has been made either by an immediate relative of the Treasurer, or by some person having insufficient knowledge of the business, who, if errors were detected, would submit them to the Treasurer for verification. Such an examination is not a compliance with the spirit of the law. It is for the interest of the Treasurer, as well as the trustees of the banks, that this examination should be made by a competent and disinterested person, who should mail the notices to the depositors, as well as examine the books when presented.

It will be the duty of the trustees of the banks to employ some person during the coming year to perform this work, and we urge upon them a careful consideration of the suggestions made above.

It is also desirable that this verification should be made substantially at the same time in all the banks. Former verifications were commenced in the month of May, and we recommend this time as being the most convenient.

Condition of the Savings Banks June 30, 1897.

In order to give a fair comparative statement of the condition of the Savings banks between this and the previous year, it is necessary to eliminate from the following table those banks that are in liquidation, for the reason that they are collecting large sums from their securities to pay to their depositors, and are making no reinvestment. The following table therefore will show the resources and liabilities of the banks that are in active business as compared with the condition of the same banks on June 30, 1896.

Savings departments of the trust companies are not inclued in this statement.

Resources.	*1896.*	*1897.*	*Increase or decrease.*	
Loans secured by western mortgages........	$9,834,056	$8,388,127	$1,445,928	Decrease.
Loans secured by local real estate............	7,933,507	7,908,860	24,646	Decrease.
Loans on personal security (local)............	4,000,571	4,059,085	58,513	Increase.
Loans on personal security (western)........	440,901	446,541	5,639	Increase.
Loans on collateral security (local)..........	4,205,242	4,078,028	127,214	Decrease.
Loans on collateral security (western).......	595,941	529,252	66,689	Decrease.
United States and State bonds...............	956,617	1,058,704	102,086	Increase.
County, city, town, and district bonds.......	9,211,526	8,442,916	768,609	Decrease.
Railroad bonds	5,192,976	5,208,796	15,820	Increase.
Miscellaneous bonds..........................	4,059,107	3,697,266	361,841	Decrease.
Bank stock....................................	1,824,657	1,811,449	13,207	Decrease.
Railroad stock................................	3,218,351	3,424,804	206,453	Increase.
Manufacturing and miscellaneous stocks....	1,003,750	1,012,012	8,262	Increase.
Warrants and miscellaneous investments....	254,037	259,379	5,342	Increase.
Real estate by foreclosure....................	2,510,991	3,105,655	594,664	Increase.
Real estate purchased and bank buildings...	505,223	519,258	14,035	Increase.
Cash on deposit in National tanks...........	1,037,852	1,316,215	278,363	Increase.
Cash on hand	117,122	191,787	74,665	Increase.
	$56,902,436	$55,458,145	1,444,291	Decrease.
Liabilities.				
Amount due depositors.......................	$51,001,621	$49,493,055	$1,508,566	Decrease.
Guaranty fund................................	2,909,217	2,892,059	17,153	Decrease.
Interest..	1,207,835	1,020,884	186,951	Decrease.
Miscellaneous indebtedness..................	51,061	89,126	38,065	Increase.
	$55,169,736	$53,495,126	1,674,610	Decrease.
Premium......................................	1,732,700	1,963,019	208,319	Increase.
	$56,902,436	$55,458,145	1,444,291	Decrease.

The decrease of deposits in these banks for the year was $1,508,565. The guaranty fund has been decreased $17,158, while the premium value of the bonds and stocks above the amount carried on the books has increased $230,319.

This, on the whole, is a favorable showing. There has been received in cash during the year, from western real estate, $851,264, as shown by the difference between the reduction of the items of western mortgages and the increase of foreclosed real estate, and it is the unanimous report ef the officers of the banks that their remaining western investments, including foreclosed real estate, are in much better condition and of greater value than heretofore.

There is a marked decrease in local investments as compared with that from 1895 to 1896, when there was a considerable increase. This may be attributed to two causes, viz.: that owing to depressed business there has been less demand for local loans, or to a determination on the part of those banks that have successfully weathered the storm of the past three years to carry in their assets a larger portion of what may be regarded as quick assets readily convertible into cash if demanded by their depositors. The increase in United States and State bonds, in railroad bonds and stocks, and in the larger amount of cash on hand and on deposit show that the banks have prepared themselves to meet every reasonable call upon them from their depositors.

It is to be regretted that there has been a falling off in the aggregate guaranty fund of the banks, which now amounts to but a little more than five per cent. of the deposits.

One of the lessons taught in the past three years is that a five per cent. guaranty fund is insufficient in time of adversity to enable banks to meet their losses and leave their deposit account unimpaired. The commissioners, with the view of providing for an increased reserve fund in the banks, urged upon the banking committee of the last Legislature an amendment to Section 17, chapter 165 of the Public Statutes, providing that until the guaranty fund of a Savings bank amounted to ten per cent., instead of five per cent., as the law now is, a greater rate of interest than three per cent. annually should not be declared, but the proposed change in the law was not reported to the house. Many of our banks provide for a larger surplus than appears in their guaranty fund by their practice of entering high-priced securities on their books at their par value, and charging off the premium from the net earnings. A surplus in the form of a larger guaranty fund is better.

ALPHEUS W. BAKER, JOHN HATCH,
THOMAS J. WALKER,
Board of Bank Commissioners.

WISCONSIN.

BANK EXAMINER'S OFFICE,
MADISON, Wisconsin, Dec. 13, 1897.

To Hon. Edward Scofield, Governor of Wisconsin.

SIR:—I have the honor to submit herewith the fifth semi-annual report of this office exhibiting the financial condition of the State and private banks of Wisconsin, at the close of business, November 6, 1897, as tabulated from the reports made to this office.

The total number of banks in operation on the date mentioned was 241. Classified and compared with those reporting April 2, 1897, they are as follows:

	November 6.	*April 2.*
State banks	130	130
Private banks	110	107
Savings banks	1	1
	241	238

A summary of the statements of all these banks is as follows:

	State banks.	*Private banks.*	*Savings banks.*	*Totals.*
Resources	$38,779,433	$7,550,591	$263,515	$46,593,540
Loans and discounts	22,718,037	4,248,353	175,214	27,141,604
Capital	6,823,425	1,083,959	None	7,907,384
Surplus and profits	2,167,034	680,638	18,555	2,866,229
Deposits	29,608,136	5,726,292	244,959	35,579,387
Available cash reserve	10,956,649	2,059,224	14,192	13,030,067

Compared with the condition of the banks reported on April 2, last, the following increase is shown:

	State banks.	*Private banks.*	*Savings banks.*	*Totals.*
Resources	$2.762,075	$721,695	$47,630	$3,531.401
Loans and discounts	993,893	365,527	27,782	1,387,208
Deposits	2,606,645	760,181	44,461	3,411,288
Available cash reserve	1,714,819	289,462	1,579	2,005,861

The cash reserve is the largest reported since the organization of this department, both in aggregate and proportionate amount, it being, notwithstanding the large increase in deposits, thirty-six and 62-100 per cent. of the total of such deposits.

This gratifying increase in deposits is largely due to the improved prices of agricultural products, and the more general employment of all classes of labor, and the advanced wage scale, making depositors of many who until recently were related to the banks as borrowers only or not at all. The increase in loans and discounts marks a higher degree of confidence in business conditions, showing that banks are more disposed than heretofore to encourage and support business enterprises.

Changes Since Last Report.

New State Banks.	*Location.*	*Capital.*
Jackson County Bank	Black River Falls	$27,725
Mayville Exchange Bank	Mayville	35,000
South Milwaukee Bank	South Milwaukee	25,000
New Private Banks.		
Grange Bank	Evansville	None.
Bank of Independence	Independence	10,000
Bank of Loyal	Loyal	10,000
Lincoln County Bank	Merrill	10,000
Bank of Westby	Westby	2,500

Private Banks Ceased Business.

Montfort Bank, Montfort, sold to Montfort State Bank.

Exchange Office of L. W. Heindel & Son, South Wayne, liquidated.

The Cuba City Bank, of Cuba City, reported to this office as having commenced business after April 2 last, discontinued business before this report was called for.

State Banks Closed

*Bank of Antigo, Antigo.

Bank of Lodi, Lodi.

Bank of Edgerton, Edgerton.

The closing of the Bank of Edgerton on October 19 resulted from the discovery of large losses inflicted upon the bank through criminal frauds perpetrated by its Cashier. The failure of this bank is the most serious suffered in this State since the organization of this department. The causes which led to the ruin of this institution have already been specially and at length reported by me. From such report, and for the purpose of again pointing out the dangers to a bank, made possible by long continued manipulations of a Cashier possessing the implicit confidence of the community and those interested in the bank, I repeat here the following extract from such special report.

"About a dozen years ago it seems that a systematic course of embezzling money from the banks and swindling depositors and outsiders as well, in several most ingenious ways, was entered upon. One of these was by the over-issue of certificates of stock of the bank, which certificates were employed as the wherewithal to raise money by putting them up as collateral security, either with individuals or banks.

Upon the face of the reports and in the stockholders' meetings no trace of this fraudulent procedure was discoverable. The excess of the certificates, which amounted to many thousands of dollars, was in the form of the duplication of the stock, issued either to the Cashier or to members of the family of the former President of the bank. One bank alone, recently was found by me to have $12,000 of these certificates, and suspicion could not even attach to this fraud so long as care was exercised by its perpetrators in their operations.

Another means of obtaining money commonly employed was to receive call deposits

* Has since resumed.—Ed. Magazine.

which were at once misappropriated and never placed in the bank—of these entries were sometimes made upon pass books of depositors; with some, not even this was done, and no entry of any kind was permitted to appear on the books. In this way many thousands of dollars of the money of the patrons of the bank was stolen without leaving on the books any evidence of the embezzlement, and no examination of the bank, whether by the examiner or the directors, could reveal the commission of these acts. The offender was secure so long as he retained in the bank sufficient money to meet checks of depositors when presented.

A third custom was to receive money in exchange for certificates of deposit, appropriate the money and make no entry in the books of the bank of the issue of the certificate, or, if any entry was made, to make it for an an amount much smaller than the sum named in the certificate, or when issue was made of a certificate to a depositor to issue another of like number and enter but one of the certificates upon the bank books. By the issue of these unentered or falsely entered certificates of deposit the bulk of the misappropriation of moneys was accomplished."

This department has constantly endeavored since its creation to enforce upon the directors of banks a sense of their duty to the institutions under their charge. Where mismanagement occurs it too frequently is found that the officers and boards of directors have placed too great confidence in, and exercised too little supervision of the bank's active officials.

National Comptroller Eckels says in one of his recent reports: "Bank directors should know whether precautionary measures in the verifying of entries upon ledgers or pass books are taken, and whether employes, from President to bookkeeper, are engaged in speculative enterprises employing the bank's funds, thus endangering the safety of those trusting the bank."

This view of the National Comptroller is in line with that expressed by me in a circular letter forwarded from this office one year ago to the address of every bank director of a State bank in Wisconsin.

It is of the utmost importance that bank directors and persons owning private banks make themselves conversant with the methods and personal tendencies of those who have charge of the bank's funds; make careful inspection of the loans and securities, the amount and character of overdrafts; the best method of providing for the safe issue of certificates of deposit, and ascertaining the amount and number of those outstanding: and provide for the proper bonding of bank officials. In this particular I desire to call the attention of banks and bankers to the very excellent surety and guaranty companies, which, for a reasonable premium, give bonds for the fidelity of employes.

The above suggestions are in no way intended to shift the responsibility which attaches to the supervision of banks by this office, but rather to emphasize the necessity for the adoption of all practical safeguards for the protection of the patrons of the banking institutions of the State.

Notwithstanding these suggestions are deemed by me to call for the most serious consideration, I feel warranted in congratulating the State upon the strong condition of its banks as a whole. It is a fact that losses, through mismanagement of banks in Wisconsin, have been very small when compared with those resulting from failures of banks in all our neighboring States.

In conclusion, I desire to extend my thanks to the banks under the supervision of this office for the promptness with which they have complied with requirements as to reports and statements, and for the courtesy they have uniformly extended to this office. They have, with very few exceptions, shown a willingness to co-operate for the steady and definite improvement of banking methods, which promises a constant advance and increased efficiency in our banks—of vast importance to business and the public.

Very respectfully, EDWARD I. KIDD, *Bank Examiner.*

Supply of Money in the United States.

	Nov. 1, 1897.	*Dec. 1, 1897.*	*Jan. 1, 1898.*	*Feb. 1, 1898.*
Gold coin	$692,691,685	$696,460,640	$699,478,536	$702,851,399
Gold bullion	36,969,525	42,123,368	45,559,060	49,465,077
Silver dollars	452,713,792	454,213,792	455,818,122	457,068,122
Silver bullion	104,853,852	103,531,722	102,284,736	101,379,158
Subsidiary silver	75,414,007	76,020,675	76,400,207	76,663,116
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	230,132,275	229,634,217	229,014,641	226,529,216
Total	$1,939,456,152	$1,948,665,430	$1,955,236,318	$1,960,637,104

Certificates and Treasury notes represented by coin, bullion, or currency in Treasury are not included in the above statement.

NEW YORK CITY BANK STOCKS.

Capital, Surplus, Deposits, Highest and Lowest Prices of Stocks at Public Sales in 1897; Bid and Asked Prices; Per Cent. of Dividends, and Present Book Value of Stock.

Name of Bank.	*Capital.	*Surplus.	*Deposits.	Public Sales in 1897. Highest.	Public Sales in 1897. Lowest.	Bid.	Asked.	Dividend—Per cent.	Book value
Bank of America	$1,500,000	$2,597,200	$20,446,600	355 Dec. 15	331½ April 7	340	350	14 J. & J.	273
American Exchange National	5,000,000	2,480,000	21,375,900	174½ Sept. 24	166 June 22	170	172	7 M. & N.	150
Astor Place	250,000	355,600	3,043,200	230½ Jan. 27	224⅞ May 4	225	......	6 J. & J.	242
Bowery	250,000	618,800	3,310,700	329½ Jan. 6	310 Dec. 1	300	320	12 J. & J.	347
National Broadway	1,000,000	1,634,200	6,035,400	242 Nov. 19	227 June 23	225	235	12 J. & J.	263
National Butchers and Drovers'	300,000	169,300	1,411,600	127¾ Jan. 13	90 Nov. 27	......	97	6 J. & J.	156
Central National	1,000,000	519,100	13,848,000	165 May 17	156 June 24	165	170	8 J. & J.	151
Chase National	500,000	1,496,900	31,193,100	....	....	500	......	10 J. & J.	399
Chatham National	450,000	988,000	6,400,800	297½ Jan. 13	290 July 27	290	300	16 Quar. J.	320
Chemical National	300,000	7,454,700	29,218,600	4,300 Feb. 2	4,105 May 5	4,100	......	150 Bi-mo. J.	2,585
National Citizens'	600,000	407,000	3,293,900	132 Nov. 19	127 Mar. 17	125	135	7 J. & J.	168
National City	1,000,000	3,745,800	99,282,200	....	....	700	......	15 M. & N.	475
Clinton	300,000	29,400	1,135,300	....	....	90	100	....	110
National Bank of Commerce	5,000,000	3,559,000	20,207,600	211¼ Oct. 27	203½ Jan. 20	205	209	8 J. & J.	171
Colonial	100,000	48,600	718,000	....	....	110	......	5 Dec.	148
Columbia	300,000	185,800	2,061,800	175 Jan. 11	152½ Dec. 15	150	......	8 J. & J.	162
Continental National	1,000,000	204,100	6,718,400	137 Feb. 3	131 Sept. 22	130	137	6 J. & J.	120
Corn Exchange	1,000,000	1,314,000	9,992,800	302 Aug. 18	290 Feb. 18	285	295	12 F. & A.	231
East River National	250,000	145,400	1,323,800	138¼ Dec. 1	138¼ Dec. 1	135	145	8 J. & J.	160
Eleventh Ward	100,000	112,600	1,288,100	....	....	225	......	8 J. & J.	213
First National	500,000	7,012,900	28,496,500	....	....	2,800	......	100 Quar. J.	1,503
Fifth National	200,000	312,100	2,158,100	....	....	225	......	12 J. & J.	256
Fifth Avenue	100,000	1,113,800	8,863,500	3,100 Jan. 6	2,970 May 4	2,800	......	100 Quar. J.	1,214
Fourth National	3,200,000	2,056,700	33,403,000	195 Nov. 30	172 July 3	185	195	7 J. & J.	164
Fourteenth Street	100,000	44,100	873,700	....	....	130	160	6 M. & N.	144
Franklin National	200,000	31,200	403,900	75 Jan. 27	50 Oct. 27	......	......	....	115
Gallatin National	1,000,000	1,653,900	6,417,400	310 Feb. 17	310 Aug. 19	310	......	12 A. & O.	265
Gansevoort	200,000	24,300	692,200	....	....	......	100	....	112
Garfield National	200,000	810,300	5,710,000	....	....	600	......	....	505
German-American	750,000	285,700	2,798,300	125 June 23	120 Jan. 27	112	......	6 F. & A.	138
German Exchange	200,000	570,700	3,105,500	....	....	275	......	10 May.	385
Germania	200,000	711,400	5,036,400	....	....	300	......	10 M. & N.	455
Greenwich	200,000	163,400	892,800	....	....	165	......	6 M. & N.	181
Hamilton	200,000	94,500	1,217,100	111¼ Jan. 20	111¼ Jan. 20	100	......	6 J. & J.	147
Hanover National	1,000,000	2,196,000	34,877,200	360 Sept. 22	330 July 7	365	......	10 J. & J.	319
Hide and Leather National	500,000	144,600	1,636,000	....	....	88	95	....	129

Home	100,000	81,800	550,900	....	....	150	......	....	182
Hudson River	200,000	186,800	949,400	....	....	155	......	6 F. & A.	193
Importers and Traders' National	1,500,000	5,715,100	26,127,000	587½ Feb. 2	529¾ Oct. 26	......	525	20 J. & J.	481
Irving National	500,000	359,000	3,534,200	151 Feb. 16	140½ June 30	147⅛	152½	8 J. & J.	172
Leather Manufacturers' National	600,000	489,800	3,152,000	170½ July 14	168⅛ Dec. 1	165	173	10 J. & J.	182
Liberty National	500,000	290,800	3,064,400	....	....	130	......	....	158
Lincoln National	300,000	646,100	7,137,100	....	....	775	......	12 Quar. F.	315
Manhattan Company	2,050,000	2,100,800	17,585,000	230 Nov. 13	220 May 26	230	......	8 F. & A.	202
Market and Fulton National	900,000	1,021,100	7,026,000	230 Dec. 8	215 July 12	220	235	10 J. & J.	218
Bank of Metropolis	300,000	816,800	5,829,100	475 April 21	442½ April 10	440	......	12 J. & D.	372
Mechanics' National	2,000,000	2,087,600	9,924,000	195 Nov. 19	185 Jan. 27	185	195	8 J. & J.	204
Mechanics and Traders'	400,000	228,500	2,482,000	125 April 21	111 Oct. 13	......	118	6 J. & J.	157
Mercantile National	1,000,000	1,080,000	10,534,700	170 Jan. 20	170 Jan. 20	168	......	6 J. & J.	203
Merchants' National	2,000,000	1,060,900	15,532,700	149 Oct. 21	140 May 12	145	148	7 J. & J.	153
Merchants' Exchange National	600,000	180,900	6,046,700	124 Dec. 8	121¾ Dec. 1	120	......	6 J. & J.	130
Mount Morris	250,000	82,000	1,657,100	104 Dec. 1	60 June 23	100	......	....	183
Mutual	200,000	94,700	896,300	....	....	100	120	....	147
Nassau	500,000	264,300	2,906,100	155 Mar. 19	155 Mar. 19	150	......	8 M. & N.	153
National Union	1,200,000	786,600	12,281,000	....	....	226	......	....	165
Bank of New Amsterdam	250,000	277,500	3,014,200	253⅛ Dec. 15	253⅛ Dec. 15	240	......	....	211
Bank of N. Y. National Banking Ass'tion	2,000,000	1,900,600	14,915,800	241 Oct. 27	232¼ Mar. 15	235	240	10 J. & J.	195
New York County National	200,000	434,200	3,629,000	800 Mar. 23	800 Mar. 23	700	......	8 J. & J.	317
New York National Exchange	300,000	63,400	1,568,800	....	....	80	......	....	121
Ninth National	750,000	282,400	4,338,000	105 Jan. 27	92 Dec. 15	90	94	4 J. & J.	138
Nineteenth Ward	100,000	22,300	915,100	....	....	100	......	6 J. & J.	122
National Bank of North America	700,000	554,400	11,911,300	138 Aug. 18	132 Jan. 21	135	......	6 J. & J.	179
Oriental	300,000	406,300	1,782,100	185¼ May 4	150 Dec. 8	145	......	10 J. & J.	235
Pacific	422,700	465,400	2,839,000	176½ May 4	175 May 4	180	185	8 Quar. F.	210
National Park	2,000,000	3,265,700	42,427,200	267½ Sept. 14	255¼ Aug. 4	262	270	10 J. & J.	263
People's	200,000	250,800	2,682,100	220 Nov. 17	215½ April 28	210	......	10 J. & J.	225
Phenix National	1,000,000	246,600	4,011,600	108¼ May 12	90 Dec. 20	92	97	6 J. & J.	125
Plaza	100,000	105,700	1,229,200	....	....	190	......	....	206
New York Produce Exchange	1,000,000	314,600	3,452,900	120½ Mar. 31	120½ Mar. 31	114	118	6 A. & O.	131
National Bank of Republic	1,500,000	858,200	21,234,100	160 June 19	149⅛ Feb. 3	155	160	8 J. & J.	157
Riverside	100,000	94,300	638,800	....	....	160	......	6 Quar. J.	194
Seaboard National	500,000	324,800	11,716,300	170 July 19	170 July 19	173	......	6 J. & J.	165
Second National	300,000	689,900	6,317,800	....	....	450	......	12 J. & J.	330
Seventh National	300,000	90,500	1,964,500	104 Dec. 1	104 Dec. 1	100	105	6 J. & J.	130
National Shoe and Leather	1,000,000	159,530	4,630,100	96⅛ Dec. 24	90 April 5	94	98	....	116
Sixth National	200,000	343,600	1,435,800	....	....	250	......	12 J. & J.	271
Bank of State of New York	1,200,000	495,700	2,745,100	116⅛ Mar. 10	111 Dec. 22	108	112½	6 M. & N.	141
State	100,000	65,000	1,676,100	....	....	110	......	....	165
Tradesmen's National	750,000	120,800	3,339,000	102 Dec. 7	85 Feb. 9	105	......	4 J. & J.	116
Twelfth Ward	200,000	148,700	1,393,500	....	....	130	140	6 J. & J.	174
Twenty-third Ward	100,000	42,800	835,800	100 July 7	100 July 7	100	......	6 F. & A.	142
Union Square	200,000	269,000	2,237,700	....	....	170	180	....	235
Western National	2,100,000	587,800	29,408,700	138 Dec. 28	114 Feb. 2	130	140	....	128
West Side	200,000	341,100	2,716,600	290 Oct. 7	290 Oct. 7	275	......	12 J. & J.	271
Yorkville	100,000	114,500	1,220,800	....	....	175	......	....	214

* National banks, official reports of December 15; State banks, December 16.

OPEN LETTERS FROM BANKERS.

AN INTERCHANGE OF OPINION BY READERS OF THE MAGAZINE.

POSTAL SAVINGS BANKS.

Editor Bankers' Magazine:

SIR:—As President of the Pueblo Savings Bank your circulars concerning postal banks have been sent to me for answer. While I can see some objections to postal Savings banks, the bulk of the argument seems to me to be in favor of their establishment.

The interests of the people appear to demand that the Government should give them a place of deposit that is beyond question secure. Believing this I overlook my interest as an investor in a Savings bank for the larger interest of those who would be interested in postal Savings banks.

Holding these views, and being willing to do what I can to secure a postal Savings bank law, you can not expect me to endorse your proposition or to follow your wish of using what little influence I have to oppose postal Savings banks. I therefore can not undertake to support your arguments against a theory in which I am a firm believer. ALVA ADAMS.

DENVER, Colo., Dec. 27.

[The self-sacrifice which Governor Adams displays in refusing to subordinate the public welfare to his own personal interests as an *investor* in Savings banks is certainly commendable, but he appears to have no conception of what a Savings bank is. The Mutual Savings banks as they exist in the New England, Middle, and in a few of the Western States, have no capital and no investors. All the funds of the bank are furnished by the depositors, and all the assets and the earnings belong to them. Such banks are governed by a board of trustees, usually men of the very highest ability and character, who serve without pay. These banks (which may with more propriety be called benevolent institutions) are as well managed as any Government banks could possibly be, and the security they afford as near the absolute as it is possible to attain; they encourage thrift and promote local business enterprises. Colorado would find in such a system of Savings banks a powerful agent for developing the great and varied natural resources of the State.—Editor BANKERS' MAGAZINE.]

THE MONETARY COMMISSION'S PLAN.

Editor Bankers' Magazine:

SIR:—The plan of currency reform of the Monetary Commission of the Indianapolis Convention is formulated in thirty-nine regularly numbered articles. It proposes to retire and cancel all the $456,000,000 of greenbacks and Treasury notes by the execution of a programme which is avowedly drawn to accomplish that end within ten years at most, but which would substantially finish the business within two years in fact. This speedy conclusion would result from Article 18, which provides for the redemption on demand in gold, and the immediate cancellation of $50,000,000 of greenbacks and Treasury notes, without waiting for any other paper money to take their places, and provides that the rest of the $456,000,000 shall be redeemed and cancelled as fast as new National bank notes are issued. And Articles 22, 23, 25, 26, 27, 33, 34, and 37 present such high inducements to the National banks to issue new National bank notes that there is no doubt that at least $406,000,000 of such circulation would come forth within two years at the longest. Among other advantages, those articles would allow a National bank to issue as high as four times as large an amount of its notes as the market value of the bonds which it deposits for their security, instead of only ninety per cent. of their par value, as at present, and would allow even those bonds to be withdrawn, in five equal installments, during the second five years of the operation of the plan.

It is true that, in addition to this small and temporary deposit of Government bonds to secure circulation, Article 30 continues the existing provision for a redemption fund, amounting to five per cent. of the National bank notes, and provides that the deposits therein shall be in gold; and Article 27 provides for a joint guaranty fund of gold, to amount to another five per cent. of the issued notes; while Articles 24 and 29 provide for an addition to the guaranty fund by the payment of a so-called tax of two per cent. per annum upon outstanding notes in excess of sixty per cent. of the capital of a National bank, and of six per cent. upon such notes in excess of eighty per cent. of such capital. But, on the other hand, Article 35 reduces the present true tax of one per cent. per annum on all National bank notes to one-eighth of one per cent.; so that, on the whole, the Monetary Commission plan would make the issuing of National bank notes much more profitable than even it is at present.

The burden of maintaining the gold standard is not transferred by the plan from the Government to the banks; for Articles 9, 10, and 13 provide that the Government shall maintain a gold reserve, by which to always redeem in gold, on demand, any or all of the $452,000,000 of silver dollars; while Articles 25 and 29 allow any National bank to retire any of its notes by paying them in any lawful money; and Article 27 permits a resort to the joint guaranty gold fund only in cases of failure of a bank "to redeem its notes," which redemption may be, according to existing law, not changed by the plan, in silver dollars. It is true that Article 30 provides for a five per cent. gold redemption fund, to be separately maintained in the Treasury by each National bank; but that fund would be much too small to insure gold redemption of the notes of that bank, if the Government did not carry the burden of maintaining the gold standard by means of its proposed gold reserve for the redemption of the silver dollars; and there is no provision for the certain replenishment of that five per cent. fund.

For these reasons the plan to turn over to the banks the enormous profits which would be incident to their $456,000,000, or more, of new non-interest bearing circulating notes would not strengthen the gold standard particularly.

But there are some parts of the plan of the Monetary Commission which would strengthen the gold standard, without unjustly enriching the banks at the expense of the Government and the people, if they were enacted into law, without the rest of the plan. Those desirable portions include the first two sentences of Article 1, all of Articles 2, 3, 4, 5, and 6, and, with some amendments, Articles 7, 8, 9, 10, 11, 12, 13, and 15.

The most essential parts of really desirable new legislation on the subject of money, would consist in enacting, in amendment of the present statutes, that the outstanding greenbacks and Treasury notes shall be paid on demand in gold coin of the United States; and that the outstanding silver dollars shall be exchangeable for such gold coin on demand at the Treasury of the United States; and that no more silver dollars shall be coined; and that the silver bullion belonging to the Government shall be gradually sold for gold, and the gold received therefor be put into the Treasury to constitute a part of the gold reserve; and that, in the improbable event of actual necessity therefor, the Secretary of the Treasury may sell gold bonds bearing interest at not above three per cent. per annum, for the purpose of replenishing that gold reserve. Such simple and direct legislation as this would make our present practical gold standard a theoretical one also. But there is no necessity or propriety in coupling such legislation with such enormous legislative benefits to the National banks as those provided by the plan of currency reform of the Monetary Commission of the Indianapolis Convention. ALBERT H. WALKER, *of the Hartford Bar.*

HARTFORD, Conn., January 12, 1898.

WHY HE DOES NOT WANT THE MAGAZINE.

Editor Bankers' Magazine:

SIR:—I do not desire the BANKERS' MAGAZINE for 1898. The MAGAZINE is too prejudiced.

I recommend that you read "The Honest Dollar," by Andrews; "The American Money," by Ignatius Donnelly; also "The Bond and Dollar," by Ridpath; "Bimetallism," by Utley; "Our Money Wars," by Leavitt; "The Battle of the Standards," by Teller, and other works that will give you some knowledge of the money question on which you presume to give advice and information.

You have heard of the man who told a false story so often that it soon became the truth to him. Don't remain in ignorance, but read up; don't lag behind the times; get onto the car of prosperity that is now stopping *forever* the cotton mills and industries of New England. Yours truly, HENRY BROWN (*Cashier Bank of Napa*).

NAPA, Cal., Jan. 29.

AN OPINION OF A DIFFERENT SORT.

Editor Bankers' Magazine:

SIR:—* * * If I cared for the praise of men, I had as soon have your good, able MAGAZINE's as any that I know of. I think that it has never sold out to cheap men. It will be glory enough for you that you now have the leading banking journal on this side the water, at least. HENRY M. KNOX,

MINNEAPOLIS, Minn., Feb. 3. *Vice-Pres. Security Bank of Minnesota.*

BANKING AND FINANCIAL NEWS.

This Department includes a complete list of NEW NATIONAL BANKS (furnished by the Comptroller of the Currency), STATE AND PRIVATE BANKS, CHANGES IN OFFICERS, DISSOLUTIONS AND FAILURES, etc., under their proper State heads for easy reference.

NEW YORK CITY.

—James J. Fountaine, who has been connected with the Manufacturers' National Bank, Brooklyn, for forty years, was recently promoted from the office of Assistant Cashier to that of Cashier, succeeding T. C. Disbrow, who resigned on account of ill health. On February 1 Mr. Fountaine gave a luncheon to the clerks of the bank.

—On Jan. 20 the new building of the People's Bank, of Brooklyn, at Greene Ave. and Broadway, was formally opened, a large number of guests being present. The new building is two stories high, is of limestone and marble, and is strongly built and handsomely arranged. In the basement of the building are 300 safe-deposit boxes. The officers of the bank are: President, James Gascoine; Vice-Presidents, Louis Beer and Henry Roth; Cashier, H. Bernard Coombe. A more extended description of the new building and some mention of the bank's progress will appear in the March number of the MAGAZINE.

—The firm of Welles, Herrick & Hicks has been formed to do a general banking and stock brokerage business at 15 Wall St. Charles E. Welles, formerly of Wilson & Welles; E. Hicks Herrick, formerly Assistant Secretary of the Real Estate Trust Co., and Frederick C. Hicks, a member of the Stock Exchange, compose the firm.

—The new Astor National Bank, which will be in the Astor Building, adjoining the Waldorf-Astoria Hotel, began business Feb. 1. Geo. F. Baker, President of the First National Bank, is President, and Charles F. Bevins, an assistant bank examiner, formerly with the Fifth Avenue Bank, is Cashier.

—On Feb. 1 the Tradesmen's National Bank, located in the Wool Exchange Building, absorbed the Clinton Bank, of 87 Hudson St. The former bank has $750,000 capital, and the latter $300,000. The Tradesmen's Bank has been doing business since 1823, and has been a National bank since 1865. It is expected that its business will be largely increased by the consolidation, which it is believed will be mutually advantageous to the stockholders and patrons of both banks.

—M. Casimir Tag succeeds H. Rocholl as President of the German-American Bank, Mr. Rocholl declining a re-election. Three directors were added to the board, making the total twenty.

—Brayton Ives, formerly President of the Western National Bank, was recently elected President of the Metropolitan Trust Co., to succeed the late Thomas Hillhouse.

—At the recent annual meeting of the Manhattan Trust Co., Grant B. Schley was elected a director, to succeed W. Pierson Hamilton.

—Henry S. Louchheim, of Philadelphia, who failed in March, 1894, has been reinstated as a member of the New York Stock Exchange.

—Frederick L. Eldridge has been elected Treasurer of the Knickerbocker Trust Co., being now Secretary and Treasurer. B. Maclay has been elected Assistant Treasurer.

—Edmund D. Randolph and Frank W. Stearns have been elected trustees of the New York Security and Trust Co.

—Gates W. McGarrah, Assistant Cashier of the New York Produce Exchange Bank, has been elected Cashier of the Leather Manufacturers' National Bank.

—Charles W. Riecks, paying teller, has been promoted to the position of Assistant Cashier of the Liberty National Bank.

—H. B. Fonda has been made Assistant Cashier of the National Union Bank, succeeding H. H. Swazey, who resigned to become Secretary of the Fifth Avenue Trust Co.

—John Harsen Rhoades, Jr., and Stacey G. Richmond have established a bond and brokerage house in the Commercial Cable Building, under the style of Rhoades & Richmond.

—William L. Trenholm, former Comptroller of the Currency, and until recently President of the American Surety Co., has been elected President of the North American Trust Co.

—Walter S. Johnston temporarily succeeds Col. Wm. L. Trenholm as President of the American Surety Co.

—Officers of the Produce Exchange Trust Co., have been chosen as follows: President, J. H. Parker; Vice-Presidents, Thos. A. Beall, Thos. A. McIntyre and John E. Searles. It is expected that the company will begin business in the Standard Oil Building about March 1.

—At a meeting of the board of directors of the National Bank of the Republic, February 2, Charles Parsons was elected a director of the bank.

—The post office business in this city during 1897 surpassed that of any previous year The total receipts were $8,146, 278.67, against $7,785,772.87 last year, an increase of $360,505.80, or 4½ per cent. The net revenue was $4,873,912.21, an increase of 6 per cent. over last year.

—Five shares of the stock of the Chemical Bank, of the par value of $100 a share, sold at auction recently for $4,150 a share. Ten shares of the Central Trust Company, of the same par value, sold at prices ranging from $1,398 to $1,402.50 a share. Five shares of the stock of the First National Bank, par value $100 a share, were sold at $3,165 a share, and one share of the stock of the Fifth Avenue Bank, also of $100 par value, sold at $3,205.

—A considerable block of the stock of the Second National Bank has been acquired by James Stillman, President of the National City Bank, and by William Rockefeller, one of th directors of the last-named bank. Mr. Stillman and Mr. Rockefeller were elected directors of the Second National Bank at the annual meeting of that bank, and it is understood that a policy of business co-operation will be inaugurated between the two banks.

—At a meeting of the Clearing-House Building Company, Jan. 27, the following directors were elected: George G. Williams, of the Chemical National Bank, Frederick D. Tappen, of the Gallatin National Bank, J. Edward Simmons, of the Fourth National Bank, Edward H. Perkins, Jr., of the Importers and Traders' and Dumont Clarke, of the American Exchange National Bank. Mr. Williams was elected President of the company, J. Edward Simmons, Vice-President and William Sherer Secretary and Treasurer.

—Since the change in the administration the principal city bank account has been transferred from the Importers and Traders' to the National City Bank.

—Referees appointed to decide as to whom the proceeds of the sale of the old clearing-house property belong have given judgment to the effect that the sum, $725,000, belongs to the association, and not to the original members only.

—The Emigrant Industrial Savings Bank has reduced its rate on real estate loans from four and one-half to four per cent., the reduction applying to existing loans as well as those made in the future. This reduction affects loans amounting to about $28,000,000.

—The second annual banquet of Group Eight of the New York State Bankers' Association, composed of New York city banks and banking houses, was held at the Hotel Manhattan on February 8.

—The Fourth National Bank recently reduced its interest rate on deposit balances from two to one and one-half per cent.

—John Jacob Astor, who recently built an office building, known as Astor Court, to adjoin the Waldorf-Astoria Hotel, and established a bank therein, to be known as the Astor National Bank, has also founded an insurance company to insure his building enterprises and completed buildings, as well as to do a general insurance business. The company is to be capitalized at $1,000,000, and Mr. Astor will take one-fifth of the stock. The Rhinelander estate is also to have a large block of the stock. J. Hampden Robb, one of the trustees of the Rhinelander estate, is to be president of the company.

—The Franklin Savings Bank will erect a new building for the use of the bank on its present site, at Forty-second street and Eighth avenue. The cost is estimated at about $200,-000. It will be one story in height and as substantial and ornamental as it can be made.

—The Finance Committee of the National Association of Credit men has sent out a letter to a large number of business houses, containing the following:

"From time to time the secretary has placed before you for criticism and suggestion the specific undertakings to which we have given our thought and energy. A recapitulation, therefore, seems scarcely necessary. Suffice it to say that with uniform statement blanks, as a source of education, and a custom insuring closer relations between debtor and creditor, and a protection and advantage to both; with a uniform trade inquiry form as an incentive to more certain trade confidence; with a business literature department having a policy and system insuring the dissemination of the soundest advice; with the extension of a powerful influence upon our commercial agencies, guaranteeing a more perfect and reliable service; with the agitation, looking to correction, of such abuses as the use of local checks by out-of-town merchants, fake advertising, and excessive and unreasonable dating and discounts, and with the successful operation of the department devoted to the investigation and prosecution of fraudulent failures, there can be no question as to the importance of our association, the practicability of its undertakings, and the grandeur of its influence.

What we have accomplished indicates that which is possible. What we may achieve will be determined by the generosity of your support. If you have any appreciation of our activities, any desire for more perfect conditions, any faith in our influence and power, we ask for your assistance through membership.

The affiliation of commercial houses upon a platform so broad as ours, and with purposes at once so exalted, yet practical, makes positive the attainment of sounder and safer business methods and trade relations. That affiliation, however, must be be both general and positive. Success will be qualified by the character of your co-operation."

The secretary of the association is F. R. Boocock, 20 Nassau street, New York.

—The new Fifth Avenue Trust Co. opened for business at Fifth Avenue and Forty-third St., February 7, with $500,000 capital and the same amount of paid-in surplus. Ex-Gov. Levi P. Morton is President, and the directors are men of corresponding rank in the financial world. Deposits on the opening day exceeded $1,000,000.

—At a meeting of the directors of the Colonial Bank, February 7, Wm. C. Duncan, formerly discount clerk of the Hanover National Bank, was elected Cashier to succeed Isaac W. White, who had been Acting Cashier. Several new directors were chosen at this meeting.

NEW ENGLAND STATES.

Boston.—T. Quincy Browne succeeds Isaac Pratt, Jr., as President of the Atlantic National Bank, and Gerald Wyman and William B. Dennison are added to the board of directors.

—The Freeman's National Bank, at the recent annual meeting, reduced the capital from $800,000 to $500,000.

—Henry Lee has retired from the firm of Lee, Higginson & Co.

—The National City Bank has voted to go into voluntary liquidation; the action, however, awaits confirmation by the shareholders.

Bank may Liquidate.—The National Bank of Commerce, of New Bedford, Mass., which lost about $400,000 by mill failures about a year ago, is considering the advisability of going into liquidation.

—At the dinner of the Suburban Bank Cashiers' Association at Young's Hotel, January 19, John J. Eddy, of the National Bank of the Commonwealth, presented a plan by which the banking business of the country could be done by State institutions. His idea is to have the national Government establish in the principal city of each State a central point for exchanges, which should be an institution of large capital and under careful supervision. In every city and town of not less than three thousand inhabitants there might be a National bank, the whole banking system of each State to be under the control of the national Government. The local banks would be subject to State and national control. The State or central bank would be governed by officers drawn from the whole State and their selection would be subject to the approval of the Secretary of the Treasury, the Comptroller of the Currency or other authorized officials. The retirement of all currency other than that issued to National banks would be called for, and each State would have, for instance, for the purpose of illustration, a $5 bill which would read, "National Bank of Massachusetts will pay the bearer on demand five dollars," instead of each bank issuing its own note, thereby giving the United States only forty-six kinds of National bank notes, one for each State, instead of thousands, as at the present time. Each National bank would be called upon, under President Eddy's system, to pay the five per cent. redemption fund to the central bank of the State instead of the department at Washington, as is now the case.

—The question of making Boston a central reserve city was discussed at the dinner of the bank officials, January 10.

A Prosperous Savings Bank.—At the fiftieth annual meeting of the Burlington (Vermont) Savings Bank, January 12, a most satisfactory condition of the bank's affairs was shown. This is the oldest Savings bank, but one, in the State. Its deposits amount to $5,773,318, divided amongst about 15,000 depositors. The surplus exceeds $300,000, and the bank holds in cash and United States bonds nearly one million dollars. The bank exists for its depositors and for the public, and is managed solely for their benefit. The expenses of its management last year amounted to but one-quarter of one per cent. of its resources. The funds entrusted to it for safe-keeping by its depositors are as safely guarded as it is possible for them to be by human wisdom, honesty, experience and care. The sums so deposited draw all the interest that the law of the State permits to be paid by Savings banks. The officers give preference to Vermont loans, and no home application for a loan which can be legally taken by a Savings bank has been or will be refused.

The success of this bank, which is but a type of many others in the New England and Middle States, shows that there is absolutely no need for establishing Government Savings banks in this country.

MIDDLE STATES.

Banker Worthy of Honor.—There is still one brainy Republican in this city who has not yet been honored by the new Administration. But with Vice-President Hobart and Attorney-General Griggs as political pilots to the McKinley craft there is no reason why Henry C. Knox, Cashier of the Paterson National Bank, should not be First Assistant in the United States Treasury Department. Besides his commanding presence and financial abilities he is a shrewd political manipulator and would prove a potent factor in the national disbursing bureau.—*Paterson* (N. J.) *Daily Guardian*, Jan. 14.

New York Bank Bills.—In the House February 2, Mr. Oliver's resolution to compel Savings banks to report amount of real property in use was reported adversely. The House agreed, thus killing the bill.

—The House has passed Mr. Perkins' bill providing that trust companies may act as safe deposit companies.

—Senator Coggeshall has introduced a bill placing all the trust companies of the State under the Banking Law. Under this bill all laws applying to banks shall hereafter apply to trust companies.

Private Bank Statement.—Messrs. North & Co., bankers at Unadilla, N. Y., have issued a detailed statement as of January 1, showing total resources of $272,358. Deposits amount to $234,858; capital, $25,000 and surplus, $12,500. Although a private bank there is no disposition to be secretive; and indeed there is no reason to be, as the statement fully shows.

All private banks would find it to their advantage to make and publish regular statements, and it is only just that a bank inviting public confidence should show some substantial ground upon which to base that confidence.

The report above referred to is certainly a good one, showing $58,000 in cash, $14,500 in demand loans and $30,000 in Government bonds.

Pittsburg, Pa.—Group VIII, Pennsylvania Bankers' Association, held its annual meeting and election January 19, at the Chamber of Commerce. About forty members were present. The chairman, Charles McKnight, presided. The principal topics of discussion were "Country Checks" and the Acts as passed by the State Legislature relating to "Fraudulent Debtors and the Question of Judgment," which have been declared unconstitutional by the Allegheny county courts.

The result of the annual election was as follows:

Chairman, C. F. Dean, Union National Bank, Pittsburg; vice-chairman, Wm. Campbell, Jr., Butler Savings Bank, Butler; secretary, R. J. Stoney, Jr., Banker, Pittsburg; treasurer, H. C. McEldowney, Pittsburg National Bank of Commerce, Pittsburg.

Executive Committee—Chairman, Charles McKnight, National Bank of Western Pennsylvania, Pittsburg; vice-chairman, Jos. A. Herron, of Alexander & Co., Monongahela City; J. A. Armstrong, First National Bank, Connellsville; M. H. Bowman, Second National Bank, Uniontown; M. R. Morgan, Foxburg Bank, Foxburg.

Pennsylvania Bankers' Association.—The Proceedings of the Third Annual Convention of the Association, just published, contain valuable addresses and papers; an illustration of how a successful group meeting may be conducted; and a continuation of the sketches of the lives of eminent Pennsylvania financiers and bankers, in that of Albert Gallatin, with portraits of this distinguished statesman, diplomat, financier and banker of Western Pennsylvania. In arrangement, typography and binding, this volume might well be taken as a model. Mr. Wm. H. Rhawn, Chairman of the Publication Committee, is to be credited with excellent taste in the work of preparing and publishing the report of the proceedings.

Buffalo, N. Y.—The Buffalo "Sunday News" of January 2 contained an extended description of the banks of the city, together with some interesting statistics concerning their growth in the last ten years. The exhibit is as follows:

	1887.	*1897.*	*Increase.*
Capital	$3,000,000	$5,150,000	$2,150,000
Surplus	2,031,637	4,043,839	2,012,201
Deposits	20,415,694	41,317,694	20,901,954

Reserve, $12,000,000.

A gain of 100 per cent. in the capital, deposits and surplus of the Buffalo banks in ten years is an index of a remarkable increase in the business of the city.

—Lyman F. Gray has been appointed Assistant Cashier of the People's Bank of Buffalo, in place of Chas. T. Lathrop, resigned.

—John L. Daniels, formerly Assistant Cashier of the Bank of Buffalo, has been promoted to the position of Cashier.

Meeting of Pennsylvania Bankers.—The semi-annual meeting of Group 3, of the Pennsylvania Bankers' Association was held at Scranton, January 19. J. P. Pardee, of Hazleton, was elected chairman, and Charles W. Gunster, of Scranton, secretary and treasurer. An executive committee, composed of the following, was selected:

A. A. Sterling and E. W. Mulligan, of Wilkes-Barre; H. J. Anderson and F. L. Phillips, of Scranton, and W. L. Watson, of Pittston. It was decided to hold the next meeting at Glen Summit in July.

—The Pennsylvania Bankers' Association, Group 2, met at Reading, January 19 and elected J. Maltzberger, Reading, chairman; Wallace Guss, Tamaqua, secretary and treasurer; executive committee, Horace Lloyd, Phoenixville; W. H. Slingluff, Norristown; I. Carey Carver, West Chester; James Van Horn, Hatboro; P. J. Ferguson, Shenandoah.

New York Trust Companies.—On January 31 the State Banking Department issued a statement showing the condition of the forty-four trust companies transacting business in New York State. The statement shows their condition January 1, 1896.

The total resources of these companies are $483,739,925 and their surplus $47,491,701. The condensed statement is as follows:

RESOURCES.	
Bonds and mortgages	$32,624,995
Stock investments	113,525,797
Loaned on collaterals	230,581,708
Loaned on personal securities	31,183,391
Overdrafts	25,044
Due from banks or brokers	568,935
Real estate	8,760,130
Cash on deposit in other inst'tions	47,202,030
Cash on hand	7,832,420
Other assets	11,435,570
Total assets	$483,739,925

LIABILITIES.	
Capital stock	$33,000,000
Surplus	47,491,701
Undivided profits	7,813,229
Deposits in trusts	185,099,694
General deposits	198,229,029
Other liabilities	12,106,270
Total liabilities	$483,739,925

The following other statistics are shown: Interest and commissions received during the year, $19,583,085; interest paid, $7,568,462; expenses, $3,202,240; dividends declared, $4,354,558; deposits made by order of the courts during the year, $2,472,334; total of deposits on which interest is allowed at the time of the statement, $351,061,687; amount of bonds and mortgages foreclosed, $4,380,037.

Rochester, N. Y.—The Fidelity Trust Company has been authorized to begin business with $200,000 capital and $20,000 paid-in surplus.

Middletown, N. Y.—At the annual meeting of the stockholders of the Merchants and Manufacturers' National Bank, January 11, it was voted to change the name of the institution to the Merchants' National Bank, and to reduce the capital from $160,000 to $100,000, the surplus remaining the same as before.

Washington, D. C.—John R. Carmody was recently elected Vice-President of the West End National Bank. Mr. Carmody has been a director of the bank since its organization, and has also been Treasurer of the Washington Loan and Trust Co. since the creation of that corporation.

Taxation of Bank Surplus.—In the case of the Newburg (N. Y.) Savings Bank against the City of Newburg, for a reduction of assessment for taxes, a local court has decided that the surplus of Savings banks, being an accumulated dividend fund belonging to depositors, is exempt from taxation.

Philadelphia.—Mr. Wm. H. Rhawn, formerly President of the National Bank of the Republic, is being urged by his friends as a candidate for Receiver of Taxes.

—Edwin F. Thanbacker has been elected an additional Assistant Cashier of the Fourth Street National Bank.

—Geo. H. Stevenson has been succeeded by William Funk as Secretary of the Finance Co. of Pennsylvania.

—President Isaac A. Sheppard, of the National Security Bank, after twelve years' faithful service, has resigned because of ill-health.

Wilber National Bank, Oneonta, N. Y.—At the annual meeting of the shareholders of the Wilber National Bank, Oneonta, N. Y., January 11, a semi-annual dividend of six per cent. was declared from the earnings of the last six months. A steady increase in the business of the bank was reported, deposits having increased over sixty-five thousand dollars in the past year. The directors re-elected Geo. I. Wilber as President and E. A. Scrawling, Vice-President and Cashier; Samuel H. Potter was elected Assistant Cashier.

Baltimore, Md.—The Bank Clerks' Association of Baltimore was organized January 21. A constitution was adopted and officers elected as follows: President, Gustavus Brown; First Vice-President, John D. Byrd; Second Vice-President, E. P. Hayden; Secretary, Fred. C. Dreyer; Treasurer, Roger Fry; directors for one year, C. B. Bower and C. H. Ashburner, Jr.; directors for two years, Theodore F. Wilcox and J. E. Marshall, Jr.; trustees-for one year, H. C. James; for two years, C. C. Homer; for three years, L. B. Kemp. Auditors, Henry W. Warner, W. A. Leech and C. C. Hann. The new association has for its object the establishment of a death benefit, the better acquaintance of its members and the promotion of their mutual advancement. Persons eligible for membership are clerks and officials of banks, trust companies, banking firms, the sub-Treasury and the National bank examiner. The annual meeting of the association is to be held on the third Thursday of November of each year.

—The four banks which are to be city depositories for the ensuing year are the Farmers and Merchants' National, the National Exchange Bank, the National Bank of Baltimore and the American National Bank.

SOUTHERN STATES.

A Money-Making Bank.—At a recent meeting of the board of directors of the Bank of Baton Rouge, La., a semi-annual dividend of four per cent. was declared, and the surplus fund was increased $5,000, making the total $115,000. The capital is $50,000; individual deposits aggregate $521,754. With one exception, this bank has the largest capital and surplus of any bank in Louisiana outside of New Orleans, and, besides making money for its shareholders, is looking carefully to the interests of its customers, as shown by the large surplus fund.

Richmond, Va.—On January 13 the Citizens' Exchange Bank was organized here with $200,000 capital. It has purchased the business of the Citizens' Bank. Wm. M. Habliston is President of the bank.

—An interesting statement of the banking resources of the city has been prepared by the banking house of John L. Williams & Sons, from which the following information is taken:

The banking facilities of Richmond are furnished by four National banks, four State banks, four Savings banks, and two trust companies. A considerable business is also done by private bankers.

The total resources of the National, State, and Savings banks amount to $17,727,140, and including the two trust companies, aggregate $18,400,000, being an increase in resources, including the trust companies, for the past year of $1,000,000, and an increase over 1890 of $4,800,000. The banking resources, per capita, including the trust companies, is $195, against $136 in December, 1890.

Since December, 1890, the banks of the city have carried forward to their surplus and profits accounts $697,609, and have paid out in dividends in cash in ten years—since December, 1887—about $2,500,000. The dividends declared, to be paid out by these banks on January 3, amounted to $118,985, and including the three per cent. dividend of the Virginia Trust Company, reach a total of $133,985.

The clearings through the clearing-house association for the eleven months ending November 30, 1897, were $104,954,640, against $103,148,574 for the same period of 1896, being an increase in favor of 1897 of $1,806,066.

Memphis, Tenn.—A charter has been granted to the Slater Bank and Trust Co. here.

New Branch Bank.—A branch of the Bank of Martin, Tenn., will be opened at Sharon, in that State.

Dallas, Tex.—The Texas Savings and Trust Co. has been organized with $50,000 capital.

Meetings of Texas Bankers.—The Fifth District of the Texas Bankers' Association met at Dallas, January 19. D. E. Waggoner was elected chairman and E. O. Tenison, secretary.

Secretary Gage's currency recommendations were discussed, a great variety of opinions being developed. The various systems of handling the cotton business each year, which are now in vogue, were also discussed.

In the evening a theatre party and supper, given by the Dallas bankers, brought the meeting to a pleasant close.

—The Fourth District of the Texas Bankers' Association held its annual meeting at Waco, January 19. W. Goodrich Jones, of Temple, the retiring president, delivered an address. The discussions on the subject of the proposition to establish Government Savings banks in connection with the post offices throughout the United States were particularly interesting. A State clearing-house was strongly advocated.

Col. J. Z. Miller, of Belton, was elected president, and J. W. Butler, of Clifton, was re-elected secretary. Messrs. E. Rotan and L. B. Black, of Waco, and J. R. Raby, of Gatesville, were elected to fill vacancies on the executive committee.

After a social session the bankers adjourned to hold their next annual meeting in Waco.

WESTERN STATES.

Cincinnati, Ohio.—Julius Fleischmann has been elected President of the Market National Bank, succeeding his father, the late Charles Fleischmann.

Missouri Bank Meeting.—Group 5 of the Missouri Bankers' Association, comprising seventy banks located in the counties of Saline, Lafayette, Cooper, Howard, Johnson, Benton and Pettis, held its annual meeting at Sedalia, January 12. J. C. Van Riper, of Sedalia, secretary of the group, called the meeting to order in the absence of Charles W. Stevenson, of Warrensburg.

The following addresses and discussions completed the day's programme: Address, "Duties and Liabilities of Bank Directors," Hon. Thomas Shackelford, President Glasgow Savings Bank; "Is It Proper for a Bank Official to Act as Bondsman for a Public Official, or for an Administrator, Executor or Guardian?" George B. Harrison, Jr., Glasgow; "Would Postal Savings Banks be of Benefit to the People?" C. B. Littlefield, Knobnoster, and E. W. Moore, Bunceton. Recess; 1:30 p. m., address, "Taxation of Bank Stock" and "Is a Bankrupt Law Desirable?" A. P. Wilson, Sweet Springs, and F. McMullen, Holden; "Should Express Companies be Prohibited from Issuing Money Orders? If Not, Should They Make Annual Public Statements of their Money Order Business and Pay a Tax Thereon?" H. K. Givins, Fayette. George L. Faulhaber, of Sedalia, spoke on "Should Banks Make a Charge for Cashing Checks Upon Neighboring Banks?"

L. R. Wilfley, of St. Louis, addressed the bankers and citizens of Sedalia at the court house. His theme was "The Canadian Banking System." Incidentally he touched upon currency reform, his comments eliciting much applause.

Detroit, Mich.—Col. Fred. E. Farnsworth, formerly city assessor, and prominent and popular in business, social and political circles, has been elected Cashier of the Union National Bank, succeeding John B. Padberg, resigned. Col. Farnsworth was for many years successfully engaged in mercantile business here, and will, no doubt, make a good bank officer.

Oklahoma City, Okla.—It is reported that the Bank of Commerce will shortly go into the National system. G. W. Curtin, of Kansas City, will be President, Ex-Gov. Renfrow, of Oklahoma, Vice-President, and J. H. Wheeler, Cashier.

Cleveland, Ohio.—On January 8 the American Trust Co. was incorporated with $500,000 capital. The company will receive deposits of money and valuables for safe-keeping and act as agent, trustee, etc.

Colorado Banks Consolidate.—On January 31, the Central National Bank, Pueblo, Colo., consolidated its business with the Western National Bank, the title of the latter only being retained. B. B. Brown, formerly President of the Central, becomes President of the Western, succeeding W. L. Graham, who takes the place of Vice-President. The new bank has $100,000 capital.

Colorado Products for 1897.—Edward R. Hanley, a real estate and loan agent at Denver, Colo., furnishes the MAGAZINE with the following statement of the products of the State of Colorado for 1897:

Gold	$23,808,696	
Silver	14,756,604	
Lead	3,323,877	
Copper	1,006,334	
Total mineral production		$42,895,511
Agricultural and dairy product		83,000,000
Horticultural product		5,500,000
Oil product		420,000
Coal product		6,000,000
Building stone product		800,000
Lumber product		1,560,000
Live stock product		6,455,000
Wool product		700,000
Iron and steel product		2,000,000
Total new wealth		$99,830,511

Nearly $200 for every man, woman and child in the State.

Of the total increase of $8,000,000 in the gold production of the United States in 1897, $5,000,000 of it was furnished by Cripple Creek, Colorado. The title of "Golden State" has been wrested from California.

Prosperous Kentucky Bank.—The Boone County Deposit Bank, of Burlington, Ky., paid a ten per cent. dividend last year and added $1,000 to surplus account, which is now $19,000.

Chicago.—At the recent annual meeting of the directors of the Union National Bank, David R. Forgan was promoted from the position of Vice-President to that of President, succeeding James W. Ellsworth. Mr. Forgan began his banking career in Scotland, and later was associated with banks in Canada, and then at Duluth, Minn. For four years he was Cashier of the Northwestern National Bank of Minneapolis, resigning to become Vice-President of the Union National of this city. The recent consolidation of the Hide and Leather National with this bank makes a very strong institution whose affairs Mr. Forgan is fully able to direct.

--Charles L. Hutchinson, desiring to travel abroad, has been succeeded by Ernest Hamill as President of the Corn Exchange National Bank. Mr. Hutchinson will be Vice-President hereafter.

—Comptroller Dawes has appointed William C. Oakley National bank examiner to succeed Joseph C. Talbert, resigned.

—The America National Bank, capital $1,000,000, has been authorized to begin business. President, Isaac G. Lombard; Cashier, Edward B. Lathrop. This is a consolidation of the American Exchange National Bank and National Bank of America.

—It is announced that the Continental National Bank will absorb the International Bank.

A Nebraska Decision.—The Nebraska Supreme Court recently decided the cases of Ezra Whitney and Benjamin D. Wells. Whitney was treasurer of Harlan county. When he retired from office he was $30,000 short. It was shown that he had loaned the missing money to Mills, a banker of Orleans, Neb. Both were arrested. Mills was prosecuted under an old statute which makes any one liable criminally for money borrowed from a public official if the borrower has reason to believe the money secured is public funds. Whitney was sentenced to five years, and Mills to three years in prison. Both cases were appealed. The Supreme Court declares Mills equally guilty with the county treasurer from whom he borrowed the money.

Galesburg, Ill.—A year ago the total deposits of the banks here were $842,602, while now they are $1,015,783, an increase of $173,180, or twenty per cent. The loans have increased from $1,383,111 to $1,464,108. The total deposits are larger than in the history of the city. In addition there has been a marked increase in the total of demand certificate deposits, which are not included in the foregoing total deposits.

Kansas Farmers Paying Their Debts.—A remarkable record has been made by Sumner county, Kansas, in the release of farm mortgages. The report filed January 25 shows a reduction in this indebtedness during the past two years of $541,958. The real estate mortgages filed during the years 1896 and 1897 aggregate $479,853, while those released foot up $1,021,958, leaving $541,958 in favor of the credit side. There were 876 mortgages released during 1897. If this ratio was maintained in the other Kansas counties, the decrease of mortgages would aggregate $56,800,590.

Prosperity of Oklahoma Banks.—The Territory of Oklahoma has forty-seven banks under the supervision of the territorial bank examiner. These banks hold $2,405,000 in deposits and $1,797,000 in cash. Their aggregate resources are $3,116,000. In addition to these there are five National banks with $730,000 in deposits and $340,000 in cash and exchange, so that all the territorial banks hold $3,175,000 in deposits and $2,137,000 in cash, a remarkable showing for a country that has been settled only a few years.

St. Paul, Minn.—W. F. Bickel was recently acquitted of the charge of unlawfully converting to his own use the proceeds of a note while Vice-President and Manager of the Minnesota Savings Bank.

—Legal proceedings against the Dawsons for alleged embezzlement in connection with the failure of the Bank of Minnesota have been discontinued.

Women National Bank Directors.—At the annual election of directors of the First National Bank of Huntington, Ind., Mrs. Fredrika Drover and Mrs. Sarah F. Dick were re-elected to places on the board, and Mrs. Dick, who for over twenty-three years has served satisfactorily as Cashier of the bank, was chosen once more to that position.

St. Louis, Mo.—On January 25 a tall, well-dressed man walked into the private office of Judge Madill, President of the Union Trust Company, and pointing a revolver at the financier's head, demanded $5,000 in cash, threatening to kill him if the money was not paid.

Judge Madill engaged the man in conversation, and detectives arrived and the would-be robber was locked up. When searched a small bottle of nitro-glycerine was found in his pocket.

North Dakota Bankers.—The annual meeting of the North Dakota Bankers' Association was held at Fargo, January 14. Officers were elected as follows:

President—E. P. Wells, President James River National Bank, Jamestown.

Vice-President—George D. Lay, President Merchants' National Bank, Grand Forks.

Secretary-Treasurer—S. S. Lyon, Cashier First National Bank, Fargo.

It is the intention to divide the State into four groups, meetings of each group to be held monthly.

Minneapolis, Minn.—Mr. Henry M. Knox, Vice-President of the Security Bank of Minnesota, has resigned his office, to take effect in April next. Mr. Knox has been in the banking business for forty-six years, and feels that a rest for a year or so would be advisable. He began his banking career in Central New York, and later was for some time connected with the Merchants' Bank in New York city. For forty-one years he has lived in Minnesota. The Security Bank of Minnesota, of which Mr. Knox is Vice-President, is one of the very large and successful banks of this city, having $1,000,000 capital, and surplus and profits of nearly half as much more.

PACIFIC SLOPE.

Condition of Wyoming Banks.—Harry G. Henderson. State Examiner for Wyoming, furnishes the BANKERS' MAGAZINE the following statement of the condition of the State and private banks of Wyoming at the close of business December 15.

ASSETS.	*State banks.*	*Private banks.*	*Total.*
Loans and discounts	$180,417	$584,947	$765,364
Warrants, stocks and bonds	14,942	28,630	43,572
Overdrafts	7,523	38,244	45,767
Banking house	6,818	18,768	25,581
Furniture and fixtures	5,369	8,624	13,993
Other real estate and property	1,778	12,208	13,976
Expenses and taxes paid	4,025	9,310	13,335
Due from banks and bankers	128,550	210,029	338,579
Checks and cash items	952	1,836	2,788
Specie, legal tenders, bank notes, etc	19,908	56,852	76,760
Total	$370,274	$969,448	$1,339,722
LIABILITIES.			
Capital stock	72,000	178,516	250,516
Surplus	28,000	1,000	29,000
Undivided profits	20,663	13,741	34,404
Deposits subject to check	170,253	426,579	596,832
Demand certificates of deposit	16,643	20,141	36,784
Time certificates of deposit	62,714	322,495	385,209
Due banks and bankers	....	4,754	4,754
Rediscounts and bills payable	....	2,219	2,219
Total	$370,274	$969,448	$1,339,722
Per cent. of reserve to liabilities	60 per cent.	34½ per cent.	....

Helena, Mont.—The new Union Bank and Trust Co. opened for business January 17. Officers are: President, Henry Elling; Vice-President, Henry Klein; Cashier, Geo. L. Ramsey.

Banker Hay for Sound Money.—State Treasurer Henry G. Hay recently tendered his resignation as Chairman of the Republican Central Committee for Laramie County, Wyo., on account of the vote of the Wyoming Senators, Warren and Clark, for the Teller silver resolution. In resigning he says:

"The position taken by our Senators indicates that it is their intention to force the Republicans of this State into a position antagonistic to McKinley, the national Republican party, and the St. Louis platform, and a large majority of them cannot so be forced."

Mr. Hay asserts that "straddling" on the financial question of the last campaign lost Wyoming to McKinley.

Mr. Hay is President of the Stock Growers' National Bank, of Cheyenne.

Portland, Ore.—In its annual review of the business interests of the city the "Morning Oregonian" makes a most favorable showing of the banking institutions. The deposits of the National banks exceed $7,000,000, an increase of nearly $2,000,000 in the past year. There are also some very strong private banks, which, if included, would materially swell these figures. Portland is the commercial and financial center of a vast and fertile region, and the banks of the city are fully equipped to aid in its development.

FAILURES, SUSPENSIONS AND LIQUIDATIONS.

Arkansas.—The Citizens' Bank, New Lewisville, suspended January 21.

Illinois.—H. F. Cagwin, owner of the Joliet City Bank, made an assignment January 10.

—On January 11 the Cashier of the Elmwood State Bank, M. J. Caverly, shot himself fatally, and the bank was closed by an examiner. The Cashier had not been in good health for some time, and the books were negligently kept. Deposits were $55,000; capital $50,000.

Indiana.—The assignee of the Citizens' Bank of English paid the depositors and other creditors thirty-three and one-third per cent. January 25. He says more will be paid.

Iowa.—The Receiver of the Iowa Savings Bank, Sioux City, which failed in 1896, recently asked authority to pay a dividend of thirty per cent. He states that forty per cent. more will probably be paid.

Kansas.—The assignee of Lebold, Fisher & Co., Abilene, who failed in 1889 with $250,000 liabilities, has filed a final report showing total dividend paid 3.0076 per cent.

—The Ness County Bank, located at Ness City, has gone into voluntary liquidation.

—The Moran Bank, chartered in 1890, suspended January 24.

—The First National Bank, Osage City, went into voluntary liquidation February 1.

Kentucky—LOUISVILLE.—The Kentucky Trust Co. assigned to the Columbia Finance and Trust Co. January 15. It is reported that the Vice-President of the Kentucky Trust Co. is missing, and that he owes the company $84,000, most of which he lost in speculation. Deposit liabilities are not large. Total debts are about $125,000, and assets $40,000 or $50,000.

Maine.—According to the State Bank Examiner's Report the apparent deficit in the Lubec Savings Bank amounts to $22,724.

Massachusetts.—On February 3 the Framingham Savings Bank, South Framingham, was enjoined from doing business. Wm. H. Bird, a former officer, is charged with misappropriating $9,000 of the bank's funds. There are other shortages, aggregating in all $24,000.

Michigan.—J. M. Wilkinson's bank at Marquette assigned January 12, in view of the impending death of Mr. Wilkinson, which took place January 17.

—On January 1 the State Savings Bank, Grand Ledge, was reported as having gone into voluntary liquidation on account of unprofitable business, having assets enough to pay depositors and stockholders.

Minnesota.—The Citizens' Bank, Sauk Centre, assigned January 25.

Nebraska.—The Sutton Exchange Bank, of Sutton, went into voluntary liquidation January 1, paying depositors in full.

—The State Bank, of Crawford, closed February 4. Its President, Francis C. Grable, recently attained notoriety in connection with large loans made to him by the Cashier of the Chemical National Bank, New York, on what is believed to be very poor security.

New York—NEW YORK CITY.—Macy & Pendleton, stock brokers, assigned to H. G. Cortis, Jan. 17. Large expenses and small receipts caused the failure. Liabilities about $100,000.

North Dakota.—The North Dakota Loan and Trust Co., Jamestown, is reported in liquidation.

—The First National Bank, Larimore, suspended January 31. Its capital was $50,000 and deposits about $71,000.

Pennsylvania—PHILADELPHIA.—Efforts to arrange for the voluntary liquidation of the Chestnut Street National Bank having proven unsuccessful, the Comptroller of the Currency appointed Geo. H. Earle, Jr., Receiver, on January 28.

In refusing to modify the conditions prescribed for liquidation the Comptroller said:

"I am informed by the examiner in charge of the bank that there is reasonable hope that seventy-five per cent. of the depositors' claims can be realized from the existing assets of the bank. To this there will be added wherever can be raised from directors' and stockholders' liabilities. The directors are liable for loss which may result from excessive illegal loans to upwards of $1,000,000, and the stockholders for their statutory liability to the extent of $500,000. I cannot consent under these conditions to a change in the plan which would legally endanger these claims against the directors and stockholders."

An appraisement of the assets of the Chestnut Street Trust and Savings Fund Company, which made an assignment following the suspension of the Chestnut Street National Bank, on December 24, was filed January 22. The appraisers place the total value of the assigned estate at $843,414. In relation to President W. M. Singerly's connection with the bank the appraisement shows: Time loans, amount loaned, $106,950; appraised value, $67,750. The call loans of Mr. Singerly's show an amount loaned with interest aggregating $547,828, with collateral appraised at $96,810. Most of these loans were on Chestnut Street National Bank stock, now worthless.

—The Bank of Dubois, which failed in March, 1895, has declared a dividend of twenty per cent., or $26,000 for the creditors. The bank suspended with liabilities of $126,000, and has already paid one dividend of 50 per cent.

Vermont.—On February 2 the Bradford Savings Bank and Trust Co. was enjoined from doing business, and Jas. B. Hale was appointed Receiver.

Washington.—The First National Bank, Pomeroy, has gone into voluntary liquidation.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of New National banks organised since our last report. Names of officers and other particulars regarding these New National banks will be found under the different State headings.

5109—First National Bank, Leonard, Texas. Capital, $50,000.

5110—Blue Ridge National Bank, Asheville, North Carolina. Capital, $100,000.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

First National Bank, Lake Mills, Iowa; by B. H. Thomas, *et al.*

NEW BANKS, BANKERS, ETC.

ALABAMA.

SELMA—Banking House of Minthorne Woolsey; capital, $50,000.

CALIFORNIA.

SAN FRANCISCO—Northern Trading & Banking Co.; capital, $250,000.

COLORADO.

ASPEN—State Bank; capital, $50,000; Pres., David H. Moffat; Vice-Pres., W. S. Cheesman; Cas., T. G. Lyster; Asst. Cas., O. S. Moore.

HAHN'S PEAK—Bank of Hahn's Peak.

CONNECTICUT.

NEW HAVEN—Lewis G. Tewksbury (branch), Edward W. Colby, Mgr.

GEORGIA.

CORDELE—Bank of Wight & Weslosky Co.; capital, $75,000; Pres., E. L. Wight; Vice-Pres., Morris Weslosky; Cas. P. H. Willis; Asst. Cas., W. B. Dozier.

MILLEDGEVILLE—Merchants and Farmers' Bank; capital, $40,000; Pres., Samuel Evans; Cas., M. A. McCraw.

MONTICELLO—Jasper County Bank; capital, $25,000; Pres. D. B. Benton; Vice-Pres., L. Benton; Cas., J. L. Benton.

STILLMORE—Stillmore Banking & Trust Co.

WAYNESBORO—Citizens' Bank; capital, $50-000; Pres., R. C. Neely; Vice-Pres., P. L. Corker; Cas., R. N. Berrian, Jr.

ILLINOIS.

ALPHA—Alpha Exchange Bank; Pres., John Taze; Cas., J. A. Widney; Asst. Cas., W. I. Taze.

CHICAGO—Title & Trust Safe Deposit Vault Co.; capital, $50,000.

LAHARPE—State Bank; Cas., W. B. Kaiser.

MCLEAN—C. C. Aldrich & Son.

INDIANA.

ALEXANDRIA—Alexandria Bank; (successor to Alexandria National Bank); capital. $10,000; Pres., S. G. Phillips; Cas., John H. Heritage.

BROOK—Citizens' Bank.

ELLETTSVILLE—Bank of Ellettsville (Palmer & Co.); capital, $10,000; Cas., George W. Fryhofer.

GREENFIELD—Capital State Bank; capital, $25,500; Pres., N. C. Binford; Cas., L. E. McDonald.

INDIAN TERRITORY.

TULSA—People's Bank; capital, $10,000; Pres., C. Gamble; Cas., C. B. Lynch.

IOWA.

CARROLL—German-American Bank; Pres., Wm. Arts; Cas., Wm. A. Arts; Asst. Cas., W. H. Wahl.

GRAETTINGER—Bank of Graettinger; Pres., M. L. Brown; Cas., J. W. Joyce.

LISCOMB — Farmers' Bank; Pres., H. A. Church; Cas., Minnie E. Lincoln.

PRINCETON—Johnson Bros.

REDDING—People's Bank (branch Blockton, Ioa.); Pres., J. B. Dennis; Cas., H. R. Dennis; Asst. Cas., W. A. Baird.

SLOAN—Security Bank; Pres., S. W. Appleton; Cas., L. B. Chapin.

STACYVILLE—Bank of Stacyville.

WESTFIELD—Bank of Westfield.

KANSAS.

KENSINGTON—Kensington State Bank (successor to Bank of Kensington); capital, $5,000; Pres., L. C. Ahlborn; Vice-Pres., F. Dickhoff; Asst. Cas., R. G. Ahlborn.

RESERVE—Reserve State Bank; capital, $20,-000; Pres., E. R. Cornelison; Vice-Pres., J. M. Hillyer; Cas., Horace Rupert.

KENTUCKY.

LEXINGTON—Lexington Trust Co., capital, $100,000.

LOUISVILLE—Union Trust & Title Co.: capital, $250,000.

PEMBROKE—People's Bank; capital, $9,000; Pres., T. D. Jameson; Cas., J. W. Cross.

ROCHESTER—Green River Deposit Bank; capital, $15,000; Pres., William Willis; Vice-Pres., L. F. Gibbs; Cas., A. J. Wilson.

MAINE.

WILTON—Livermore Falls Trust & Banking Co. (branch); H. R. Discomb, Agt.

WINTHROP—Augusta Safe Deposit & Trust Co. (agency); A. H. Blair, Agt.

MICHIGAN.

CHELSEA—Kempf Commercial & Sav. Bank; capital, $40,000; Pres., R. Kempf: Cas., J. A. Palmer; Asst. Cas., Geo. A. Be Gole.

FARMINGTON - Farmington Exchange Bank; Pres., P. D. Warner; Vice.-Pres., C. J. Sprague; Cas., Clint Wilbur.

MONTROSE—Montrose Bank; capital, $25,-000; Pres., James Shanahan; Vice-Pres., W. C. Andrews; Cas., C. F. Haight; Asst. Cas., C. D. Haight.

MORENCI—Wakefield State Bank (successor to C. C. Wakefield & Co.); capital, $30,000; Pres.. C. C. Wakefield; Cas., C. A. Wilson; Asst. Cas., Cash. E. Wakefield.

OGDEN—Bank of F. S. Phillips.

WHITEHALL—Muskegon County Bank (H. H. Terwilliger); Asst. Cas., H. S. Terwilliger.

MINNESOTA.

DULUTH—Merchants' Bank; Cas., C. B. Aske.

MISSISSIPPI.

DURANT—Bank of Commerce; capital, $25,-000.

MISSOURI.

BELTON—Farmers' Bank; capital, $15,000; Pres., D. H. Roberts; Vice-Pres., D. C. Graves; Cas., C. C. Chandler.

ODESSA—Bank of Odessa (successor to National Bank of Odessa); capital, $50,000; Pres., J. C. Cobb; Cas., F. T. Bates; Asst. Cas. T. R. Taylor.

ST. LOUIS—Marmaduke Brokerage Co.

NEW JERSEY.

PASSAIC—New Jersey Title Guarantee & Surety Co.

NEW HAMPSHIRE.

KEENE—Cheshire County Savings Bank.

NEW YORK.

NEW YORK—Fifth Avenue Trust Co.; capital, $500,000; Pres., Levi P. Morton; Vice-Pres., Cecil D. Landale; Sec., H. H. Swazey; Asst. Sec., Alonzo Potter.——Sancton & Hanau.——Welles, Herrick & Hicks.

ROCHESTER—Fidelity Trust Co. (successor to Powers Bank); capital, $200,000.

YONKERS—Westchester Trust Co.; capital, $200,000.

NORTH CAROLINA.

ASHEVILLE—Blue Ridge National Bank; capital, $100,000; Pres., J. W. Norwood.

SMITHFIELD—Bank of Smithfield; Pres., A. K. Smith; Vice-Pres., W. L. Woodall; Cas., J. O. Ellington.

BREVARD—Brevard Banking Co.

NORTH DAKOTA.

LEEDS—State Bank; capital, $5,000; Pres., N. JACOBSON.

OHIO.

CLEVELAND—Farmers & Merchant's Banking Co.; capital, $50,000; Pres., Jefferson Fish; Sec. and Treas., Henry W. Gazell.

OKLAHOMA.

EARLBORO—Eugene Arnett State Bank; capital, $5,000.

MULHALL—Citizens' Bank; capital, $5,000; Pres., J. L. Pettyjohn; Cas., G. W. Pettyjohn.

PENNSYLVANIA.

PHILADELPHIA—Graham, Kerr & Co., 420 Chestnut Street.——Pfaelzer, Walker & Co., Drexel Building.

SOUTH CAROLINA.

KERSHAW—Gregory-Heath Banking & Mercantile Co.; capital, $15,000.

TENNESSEE.

SHARON—Bank of Martin (branch).

MEMPHIS—Slater Bank & Trust Co.

TEXAS.

LEONARD—First National Bank; capital, $50,000, Pres., J. O. Kuyrkendall; Cas., W. L. Reed.

TYLER—Harris Savings Bank (Harris Bros.)

VIRGINIA.

LUNENBURG, C. H.—Bank of Mecklenburg (branch); Pres., Geo. B. Finch; Cas., C. Haskins, Jr.

RICHMOND—Citizens' Exchange Bank (successor to Citizens' Bank); capital, $200,000; Pres., Wm. M. Habliston.

WEST VIRGINIA.

MIDDLEBOURNE—Bank of Middlebourne.

WISCONSIN.

DICKEYSVILLE—Dickeysville Savings & Loan Co.; Pres., John Longbottham.

CANADA.

BRITISH COLUMBIA.

NELSON—Bank of Halifax; Geo. Kydd, Manager.

VICTORIA—Molsons Bank.

QUEBEC.

MONTREAL—Imperial Bank of Canada.

ONTARIO.

DRESDEN—Canadian Bank of Commerce; R. T. Mussen, Mgr.

NIAGARA FALLS—Bank of Hamilton; H. H. O'Reilly, Agent.

NOVA SCOTIA.

SHERBROOKE—Union Bank of Halifax; S. J. Howe, Agent.

MANITOBA.

HOLLAND—Union Bank of Canada (successor to Harrison's Bank).

NEEPAWA—Merchants' Bank of Canada.

WAWANESA—Ingram Blain & Co. (successors to Blanchard & Co.); D. A. McVicar, Mgr.

NORTHWEST TERRITORY,

SOUTH EDMONTON—Imperial Bank of Canada.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

HUNTSVILLE—First National Bank; James R. Stevens, Asst. Cas.——Farmers' and Merchants' National Bank; no Cashier in place of E. H. Andrews.

TUSCALOOSA—Merchants' National Bank; H. F. Hill, Vice-Pres. in place of J. Collier Foster.

CALIFORNIA.

LOS ANGELES—Citizens' Bank and Columbia Savings Bank, T. D. Stimson, director, deceased.——First National Bank; W. T. S. Hammond, Asst. Cas. in place of G. B. Shaffer.

MERCED—Commercial and Savings Bank; succeeded by Commercial Bank; capital, $50,000; J. D. Bradley, Pres.

SAN FRANCISCO—Nevada National Bank; J. F. Bigelow, Vice-Pres; Geo. Grant, Asst. Cas.——San Francisco National Bank; E. W. Wolfe, Asst. Cas.

SAN JOSE—First National Bank; no Asst. Cas. in place of J. R. Ryland.

COLORADO

DELTA—Delta County Bank (reopened); H. Kohler, Pres.; A. R. King, Vice-Pres. and Cas.; J. R. Phillips, Asst. Cas.

DENVER—Western Bank; R. D. Thompson, F. G. King and Chas. H. Toll, elected directors.

LAMAR—First Nat. Bank; W. W. Cooper, Asst. Cas.

PUEBLO—American National Bank; S. F. Crawford, Asst. Cas., resigned——Central National Bank and Western Nat. Bank; consolidated under latter title; B. B. Brown, Pres.; W. L. Graham, Vice-Pres.

CONNECTICUT.

DANIELSON—First National Bank; John A. Paine, Pres. in place of Silas Hyde; Frederick A. Jacobs, Vice-Pres. in place of Wm. H. Chollar; Albert D. Putnam, Cas. in place of Henry N. Clemens.

HARTFORD—First National Bank; Wm. S. Dwyer, Asst. Cas.——Aetna National Bank; A. R. Hillyer, Vice-Pres.

MIDDLETOWN—Middlesex Co. National Bank; Jerome C. Smith, Asst. Cas.

NEW CANAAN—First National Bank; Edwin Hoyt, Pres. in place of Russell L. Hall; Geo. F. Lockwood, Vice-Pres. in place of Thomas M. Fairty.

NEW HAVEN—Yale Nat. Bank; E. S. Greeley, Vice-Pres.——Merchants' Nat. Bank; J. English, Vice-Pres.

STONINGTON—First National Bank; Charles P. Williams, Pres. in place of F. B. Noyes.

SUFFIELD—First National Bank; Charles L. Spencer, Pres. in place of I. Luther Spencer, deceased.

WESTPORT—First National Bank; W. H. Saxton, Acting Pres. in place of Horace Staples.

DELAWARE.

NEWPORT—Newport National Bank; J. W. H. Watson, Pres. in place of David Eastburn; Daniel Green, Cas. in place of J. W. H. Watson.

DISTRICT OF COLUMBIA.

WASHINGTON—West End National Bank; John R. Carmody, Vice-Pres.——Second National Bank; W. W. Burdette, Vice-Pres. in place of M. W. Beveridge, deceased.

GEORGIA.

AMERICUS—People's National Bank; Henry C. Mitchell, Asst.-Cashier.

DEMOREST—Bank of Demorest; resumed.

NEWNAN—First National Bank; Wm. B. Berry, Vice-Pres.

ROME—Exchange Bank; F. F. Magruder, Cas. in place of T. J. Simpson.

SAVANNAH—Chatham Bank; Leopold Adler, Pres. in place of W. W. Chisholm.

IDAHO.

MOSCOW—First National Bank; Warren Truitt, Vice-Pres. in place of K. O. Skatteboe, deceased.

ILLINOIS.

BLOOMINGTON—First National Bank; no Asst. Cas. in place of C. B. Perrigo.

CANTON—First National Bank; Louisa McCalla, Vice-Pres. in place of W. J. Orendorff.

CHICAGO—American Exchange National Bank and National Bank of America; consolidated under title of America National Bank.——Union National Bank; David R. Forgan, Pres. in place of Jas. W. Ellsworth.——Corn Exchange National Bank; Ernest A. Hami l, Pres.; Jas. P. Hankey, Asst. Cas.——International Bank; consolidated with Continental National Bank.

DECATUR—Millikin National Bank; O. B. Gorin, Vice-Pres.; J. M. Brownback, Cas. in place of O. B. Gorin; S. E. Walker, Asst. Cas.

GALESBURG—Second National Bank; Parley M. Johnson, Vice-Pres. in place of Josiah Babcock, deceased.

JOLIET—First National Bank; E. C. Hagar, Vice-Pres.

MACOMB—Union National Bank; B. F. McLean, Vice-Pres.; J. W. Bailey, Cas. in place of B. F. McLean.

MARSEILLES—First National Bank; W. H. Rollo, Asst. Cas.

MEDORA—Bank of Medora; J. P. Roodhouse, Cas. in place of C. W. Tietsort; no Asst. Cas.

MORRIS—First National Bank; K. Cunnea, Asst. Cas. in place of J. G. McCambridge.

QUINCY—First National Bank; no Cas. in place of F. W. Meyer.

OREGON—First National Bank; Joseph L. Rice, Vice-Pres.

SHAWNEETOWN—First National Bank; Wm. A. Peoples, Pres. in place of Thomas S. Ridgway, deceased; B. M. Hair, Vice-Pres. in place of Wm. A. Peoples.

INDIANA.

FRANKLIN—Citizens' National Bank; capital increased to $75,000; John Ragsdale, Pres. in place of Thos. W. Woollen.

INDIANAPOLIS—Merchants' National Bank; O. F. Frenzel, Cas. in place of O. N. Frenzel; no Asst. Cas. in place of O. F. Frenzel; Albert Lieber elected director. —— National State Bank; Wm. E. Donaghoe no longer Cas.

LOGANSPORT—State National Bank; W. H. Snider, Pres. in place of S. W. Ullery; G. W. Bishop, Vice-Pres.: Henry S. Elliott, Cas.

MICHIGAN CITY—First National Bank; Wm. Blinks, 2d Vice-Pres.

MORRISTOWN—Union State Bank; C. T. Williams, Cas.

NEW CASTLE—First National Bank; P. G. Phillips, Asst. Cas.

NEW ALBANY—Merchants' National Bank; J. K. Woodward, Pres. in place of N. T. Depauw.

PERU—Citizens' National Bank; N. W. Miller, Vice-Pres. in place of F. I. Deibert.

TERRE HAUTE—Vigo Co. National Bank; F. T. Borgstrom, Asst. Cas.

WABASH—First National Bank: L. L. Daugherty. Asst. Cas. in place of Neil Lumare.

WINCHESTER—Farmers & Merchants' Bank; Wm. D. Kizer, Pres.; Jesse Canady, Cas.

IOWA.

ELKADER—First National Bank; no Asst. Cas. in place of G. M. Gifford.

ESTHERVILLE—First National Bank; no Vice-Pres. in place of Webb Vincent.

GRINNELL—First National Bank; J. P. Lyman, Pres. in place of H. K. Edson; David Vanderveer, Vice-Pres. in place of G. M. C. Hatch.

INDIANOLA—First National Bank; Jno. A. Shuler, Pres. in place of J. G. Sandy, deceased; no Vice-Pres. in place of Jno. A. Shuler.

KEOKUK—Keokuk Savings Bank; Caleb F. Davis, Pres., deceased.

KNOXVILLE—Knoxville National Bank; J. J. Roberts, Asst. Cas. in place of C. C. Cunningham.

MAQUOKETA—First National Bank; Geo. L. Mitchell, Asst. Cas. in place of M. Dalzell.

MARNE—Exchange Bank; sold out to Bank of Marne.

WINTERSET—First Nat. Bank; no Asst. Cas.

KANSAS.

ARKANSAS CITY—Farmers' State Bank and Bank of Arkansas City; consolidated.

LEAVENWORTH—First National Bank; A. Caldwell, Pres. in place of E. N. Morrill.

SABETHA—National Bank of Sabetha; A. J. Collins, Asst. Cas.

KENTUCKY.

CENTRAL CITY—Central City Deposit Bank; Jesse S. Hill, Cas., deceased.

COVINGTON—First National Bank; T. B. Sellers, Asst. Cas. in place of Geo. E. Engel. —— German National Bank; Geo. E. Engel, Cas. in place of Jno. G. Metcalfe.

FULTON—First National Bank; W. P. Taylor, Pres. in place of L. B. Blacklock; Jno. W. Landrum, Vice-Pres. in place of W. P. Felts.

WICKLIFFE—Bank of Wickliffe; capital reduced from $20,000 to $16,000.

LOUISIANA.

BATON ROUGE—Bank of Baton Rouge; surplus increased to $115,000.

NEW IBERIA—People's National Bank; Jas. Gebert, Pres. in place of S. O. Thomas.

MAINE.

BATH—Lincoln National Bank; Chas. E. Patten, Vice-Pres.

DAMARISCOTTA—First National Bank; F. B. Tuckey, Pres. in place of Ezekiel Ross.

LIMERICK—Limerick National Bank; Frances E. Mason, Pres.; Wm. W. Mason, Vice-Pres. in place of S. O. Clark.

THOMASTON—Georges National Bank; Edwin Smith, Pres. in place of Edw. E. O'Brien; C. S. Smith, Vice-Pres.

WISCASSET—First National Bank; Wm. D. Patterson, Vice-Pres.

MARYLAND.

BALTIMORE—National Farmers and Planters' Bank; John A. Whitridge, Pres. in place of D. L. Bartlett; no Vice-Pres. in place of John A. Whitridge. —— Third National Bank: no Vice-Pres. in place of Thos. J. Shryock; Wm. J. Donnelly, elected director. —— Commercial and Farmers' National Bank; Robert Ramsay, elected director.

HAGERSTOWN—People's National Bank; no Cashier in place of A. B. Barnhart; Chas. Edw. Hillard, Asst. Cas.

MASSACHUSETTS.

BOSTON—Third National Bank; N. F. Perkins, Asst. Cas. —— North National Bank; no Asst. Chas.——Shoe and Leather National Bank; John E. Toulmin, Pres. in place of James C. Elms; no Vice-Pres. in place of John E. Toulmin. —— National Eagle Bank; no Vice-Pres. in place of Daniel Denny; Albert Smith, Asst. Cas. —— Metropolitan National Bank: A. W. Haines, Asst. Cas. —— Eliot National Bank; Geo. W. Grant, Asst. Cas. —— New England National Bank; A. C. Kollock, Asst. Cas. —— Everett National Bank; no Vice-Pres. in place of Benj. A. Stiles. —— Blackstone National Bank; Geo. F. Blake, elected director. —— National Exchange Bank; Jacob F. Brown, elected director. —— Faneuil Hall National Bank; Chas. E. Morrison, elected Vice-Pres. —— National Webster Bank; Jacob Laforme, Vice-Pres. —— National Eagle Bank; Chas. S. Hamlin and Herbert

G. Woodworth, elected directors.——National Union Bank; Wm. Farnsworth, elected director in place of E. H. Hooper, resigned. —— Charlestown Five Cents Savings Bank; Mark F. Burns, Pres., deceased; also director Monument National Bank. —— Atlantic National Bank; T. Quincy Browne, Pres. in place of Isaac Pratt, Jr.; Gerald Wyman and Wm. B. Dennison, elected directors. —— Atlas National Bank; Chas. B. Barnes, Jr., Wm. J. Ladd, and John Reed, elected directors. —— Central National Bank; Howard L. Porter and C. H. Frye, elected directors.

FRANKLIN—Franklin National Bank; Edward H. Rathbun, Vice-Pres.

GREAT BARRINGTON—National Mahaiwe Bank; G. W. Peters, Vice-Pres.

HAVERHILL—Essex National Bank; Jonathan Russ, Cas. in place of J. Russ, Jr.

HYANNIS—First National Bank; Samuel Pitcher, Vice-Pres. in place of Ferdinand G. Kelly.

LOWELL—Merchants' National Bank; Chas. F. Ayer, Vice-Pres.

LYNN—National City Bank; Frank E. Bruce, Asst. Cas.

MILLBURY—Millbury Nat'l Bank; Samuel E. Hull, Vice-Pres. in place of D. Atwood.

NATICK—Natick National Bank; Harrison Harwood, Pres. in place of Leonard Winch; Leonard Winch, Vice-Pres. in place of Harrison Harwood.

OXFORD—Oxford National Bank; no Asst. Cas. in place of Chas. F. Parkis.

SOUTHBRIDGE—Southbridge National Bank; Geo. W. Wells, Vice-Pres. in place of Robt. H. Cole.

SPRINGFIELD—Second National Bank; no Vice-Pres. in place of W. H. Wright.

WEYMOUTH—Union National Bank; Augustus J. Richards, Pres. in place of Geo. H. Bicknell.

WORCESTER—Quinsigamond National Bank; no Cas. in place of Jno. L. Chamberlin, deceased.

MICHIGAN.

ALLEGAN—First National Bank; Ira Chichester, Vice-Pres. in place of Nathan B. West.

CASSOPOLIS—First National Bank: M. L. Howell, Pres. in place of S. T. Read; A. M. Kingsbury, Vice-Pres. in place of M. L. Howell.

CHARLOTTE—First National Bank; Charles Bennett, Vice-Pres. in place of Frank A. Hooker.

DETROIT—Union Nat'l Bank; F. E. Farnsworth, Cas. in place of J. B. Padberg.—— First National Bank; Emory Wendell, Pres. *pro tem.*

GRAND RAPIDS—Grand Rapids Nat'l Bank; Edwin F. Uhl, Pres. in place of Enos Putnam, deceased.

HANCOCK—First National Bank; Samuel B. Harris, Pres. in place of Wm Harry; Archibald J. Scott, Vice-Pres. in place of Peter Ruppe.

HILLSDALE—First National Bank; William Prideaux, Asst. Cas.

MARSHALL—First National Bank; Chas. T. Gorman, Pres., resigned.

MARQUETTE—First National Bank; Edw. S. Bise, Asst. Cas.

MT. CLEMENS.—Ullrich Savings Bank; Ernst J. Olde, Pres. in place of Paul Ullrich.

NILES—Citizens' National Bank; Geo. W. Rough, Vice-Pres. in place of I. P. Hutton; no Asst. Cas. in place of W. M. Hutton.

WHITE PIGEON—First National Bank; no Asst. Cas. in place of D. S. Coleman.

YPSILANTI—First National Bank; Geo. C. Bradley, Cas., resigned.

MINNESOTA.

BRAINERD—First National Bank; no Vice-Pres. in place of Leon F. Lum.

ELBOW LAKE—First National Bank; O. T. Stromme, Asst. Cas. —— Bank of Elbow Lake; John Lysne, Asst. Cas.

MINNEAPOLIS—Security Bank of Minn.; Henry M. Knox, Vice-Pres. resigned.

NEW PAYNESVILLE—Bank of Paynesville; M. S. Elliott, Asst. Cas.

ST. PAUL—Second National Bank; A. M. P. Cowley, Vice-Pres. in place of A. S. Cowley; no Asst. Cas. in place of A. M. P. Cowley. ——Northern Exchange Bank; L. H. Iokler, Asst. Cas.

MISSISSIPPI.

BILOXI—Bank of Biloxi; John Carraway, Cas.; G. E. Park, Asst. Cas.

GREENWOOD—Delta Bank; J. R. Bew, Cas.

MACON—Merchants and Farmers' Bank; N. H. Harrison, Pres.; J. F. Ames, Cas.; E. V. Yates, Asst Cas.

McCOMB—McComb City Bank; capital increased to $50,000.

SUMMIT—Bank of Summit; W. W. Moore, Pres.

MISSOURI.

APPLETON CITY—First Nat'l Bank; James M. Burns, Pres. in place of F. Egger; J. S. House, Vice-Pres. in place of A. Buskirk.

ROLLA—National Bank of Rolla; D. W. Malcom, Pres. in place of A. S. Long; S. E. French, Cas. in place of D. W. Malcom.

ST. LOUIS—Third National Bank; C. H. Huttig, Pres. in place of Geo. T. Cram; W. B. Wells, Vice-Pres. in place of C. H. Huttig. ——Fourth National Bank; Chas. Schmieding, Vice-Pres. in place of L. J. Hotthaus, deceased; Henry L. Comet, Second Vice-Pres. in place of Chas. Schmieding.——Merchants'-Laclede National Bank; R. F. Sturgeon, Second Asst. Cashier.

TRENTON—Trenton Nat. Bank; G. W. Smith, Vice-Pres. in place of John J. Moore.

MONTANA.

BOZEMAN—Commercial National Bank; Joseph Kountz, Vice-Pres. in place of I. J. Kountz; Geo. Cox, Cas. in place of Geo. L. Ramsay; W. S. Davidson, Asst. Cas. in place of Geo. Cox.

BUTTE—State Savings Bank; P. A. Largey, Pres., deceased.

NEBRASKA.

ALBION—Albion National Bank; Willard Baker, Cas., deceased.

ALLIANCE—First National Bank; M. Brennan, Cas. in place of R. M. Hampton; no Asst. Cas. in place of M. Brennan.

BEATRICE—First National Bank; C. S. Black, Pres. in place of J. E. Smith; M. V. Nichols, Vice-Pres. in place of A. S. Paddock, deceased; L. B. Howey, Cas. in place of S. C. Smith; F. H Howey, Asst. Cas. in place of H. A. Lee.

FREMONT—Commercial Nat. Bank; Ernest Schurman, Pres., deceased.

HARTINGTON—First National Bank; F. A. McCormick, Vice-Pres.

LINCOLN—First National Bank; John L. Carson, Pres., deceased.

NEBRASKA CITY—Otoe County Nat. Bank; Geo. E. Lewis, Vice-Pres. in place of F. W. Lewis.

STERLING—Farmers and Merchants' Bank; John Boatsman, Cas.

TECUMSEH—Tecumseh National Bank; T. J. Pierson, Vice-Pres. in place of A. W. Buffum.

NEW HAMPSHIRE.

KEENE—Cheshire National Bank; R. H. Porter, Vice-Pres.; W. R. Porter, Cas. in place of R. H. Porter; no Asst. Cas. in place of W. R. Porter.

NEW MARKET—New Market National Bank; Frank H. Durgins, Vice-Pres. in place of B. F. Haley.

NEW JERSEY.

HOBOKEN—Hoboken Bank for Savings; John H. Rosenbaum, director, deceased.

NEWARK—Merchants' National Bank; F.L. Luff, Asst. Cas.——State Banking Co.: Gottfred Krueuger, Pres. in place of Edward Schickhaus; Wm. Scheerer, Cas. in place of Julius Stapff.

NEWTON—Merchants' Nat. Bank; J. C. Howell, Pres. in place of Sam'l H. Hunt; Henry W. Merriam, Vice-Pres. in place of J. C. Howell; G. A. Smith, Cas. in place of J. C. Howell.

WOODBURY—Farmers and Mechanics' Nat. Bank; Wm. S. Connor, Pres. in place of Jos. L. Reeves.

NEW YORK.

ALBANY—Albany City National Bank; Jonas H. Brooks, Third Vice-Pres. in place of S. E. Marvin, resigned; Chas. H. Sabin, Cas. ——First National Bank; C. S. Merrill, Vice-Pres. in place of W. M. Whitney.——Merchants' National Bank; Theo. T. Wilcox, Cas. instead of Acting Cas.

BROOKLYN—Manufacturers' National Bank; James F. Fountaine, Cas. in place of T. C. Disbrow.——Nassau National Bank; J. W. Leaman and D. V. B. Hegeman, Asst. Cashiers.——Williamsburg Savings Bank; Oliver P. Miller, Cas., deceased.——Kings Co. Savings Bank; Geo. B. Magrath, Vice-Pres. deceased.

BUFFALO—People's Bank; Lyman F. Gray, Asst. Cas. in place of Charles T. Lathrop, resigned.

CANANDAIGUA—Canandaigua Nat. Bank; H. A. Beeman, Asst. Cas.

CLAYTON—National Exchange Bank; L. S. Strough, Vice-Pres.; Robert D. Grant, Asst. Cas.

COBLESKILL—First Nat. Bank: Watson Lamont, Vice-Pres. in place of Orville Hodge.

CORTLAND—Second National Bank; H. L. Smith, Cas. in place of E. D. Barker.

FRANKLINVILLE—Farmers' National Bank; James A. Turnbull, Asst. Cas.

FULTON—First National Bank; A. Emerick, Pres. in place of D. W. Gardner, deceased; L. C. Seymour, Vice-Pres. in place of A. Emerick; H. C. Gardner, Asst. Cas.

GOSHEN—Goshen National Bank; Wm. D. Van Vliet, Vice-Pres. in place of B. F. Edsall, deceased.

GREENWICH—First National Bank; J. A. Burton, Vice-Pres. in place of Wm. D. Robertson.

LYONS—Lyons National Bank; F. M. Chamberlain, Asst. Cas.

MIDDLETOWN—Merchants & Manufacturers' National Bank; title changed to Merchants' National Bank; capital stock reduced from $160,000 to $100,000.

MILLERTON—Millerton National Bank; W. G. Denney, Asst. Cas.

NEW YORK CITY—Pacific Bank, Henry Weil, director, deceased.——State Trust Co.; Thos. F. Ryan and R. A. C. Smith, elected directors.——American Surety Co., Walter S. Johnson, Pres. in place of Wm. L. Trenholm.——German-American Bank; Casimir Tag, Pres. in place of H. Rocholl.——Colonial Bank; Wm. C. Duncan, Cas.——National Bank of the Republic; Chas. Parsons, elected director.——Western Nat. Bank; Charles L. Robinson, Asst. Cas.——Second National Bank; no Pres. in place of Chas. B. Fosdick.——Garfield National Bank; C. W. Morse, Vice-Pres. in place of James McCutcheon.——Merchants' National Bank; S. S. Campbell, Asst. Cas.——Manhattan Trust Co.; Grant B. Schley, elected director. ——German-Amer. Bank; J. C. T. Dreier, director, deceased. —— Tradesmen's National Bank and Clinton Bank; consolidated under former title; Chas. R. Flint, J. E. Bates, Frederick E. Pitkin, James Rowland and Augustus C. Bechstein elected directors. —— Colonial Trust Co.; Daniel O'Day, Perry Belmont and Seth M. Milliken, elected directors.——Liberty Nat. Bank; Chas. W. Reicks, Asst. Cas. —— National Union Bank: H. B. Fonda, Asst. Cas. in place of H. H. Swazey.——Leather Manufacturers' National Bank; Gates W. McGarrah, Cas. in place of Isaac H. Walker. ——Chemical Bank; Francis Halpin, Cas. in place of William J. Quinlan.——Howard Lapsley & Co.; J. W. Lapsley admitted to firm.——Colonial Bank; Wm. C. Duncan, Cas. in place of Isaac W. White, Actg.——Gallatin National Bank; Arthur W. Sherman, Cas., deceased.

ONEONTA—Wilber National Bank; S. H. Potter, Asst. Cas.

OSWEGO—First National Bank; L. W. Mott, Asst. Cas. in place of Elliott B. Mott.

RED HOOK—First Nat. Bank; B. B. Hoffman, Pres. in place of B. L. Massonneau; no Vice-Pres. in place of B. B. Hoffman.

ROCHESTER—Flour City Nat. Bank; Peter A. Vay, Cas. in place of Wm. Aug. Waters; no Asst. Cas. in place of Peter A. Vay.

SCHENECTADY—Union National Bank; F. W. McClellan, Second Vice-Pres.

SYRACUSE—Merchants' Nat. Bank; Hiram W. Plumb, Cas. in place of Edwin R. Plumb; Chas. A. Bridgman, Asst. Cas. in place of Hiram W. Plumb.

TROY—Union National Bank; W. F. Gurley, Pres. in place of L. E. Gurley; Edgar K. Betts, Vice-Pres. in place W. F. Gurley.

NORTH CAROLINA.

CHARLOTTE—Merchants and Farmers' National Bank; no Asst. Cas. in place of C. N. G. Butt.

NORTH DAKOTA.

BUFFALO—American Exchange State Bank; S. G. Guilford, Cas.

FARGO—First National Bank; W. H. Crosby, Pres. in place of G. Q. Erskine.——Merchants' State Bank; N. A. Lewis, Pres. in place of Jno. D. Benton.

GRAND FORKS—Merchants' National Bank; Geo. D. Lay, Pres. in place of S. W. McLaughlin; W. E. Fuller, Cas. in place of D. P. McLaurin; no Asst. Cas. in place of W. E. Fuller.

KULM—La Moure County Bank; capital $10,000; B. W. Schouweiler, Pres.; W. H. Cox, Vice-Pres.; M. O. Hausken, Cas.

OHIO.

AKRON—First National Bank; M. H. Crumrine, Vice-Pres. in place of Edward Oviatt. ——Second National Bank; Fred. E. Smith, Vice-Pres. in place of J. F. Sieberling; Geo. D. Bates, Cas. in place of Fred. E. Smith; no Asst. Cas. in place of Geo. D. Bates.

ARCANUM—Farmers and Merchants' Banking Co.; consolidated with First National Bank.

ASHTABULA—National Bank of Ashtabula; Chas. Walker, Pres.; A. L. Case, Vice-Pres.

CANTON—First National Bank; J. J. Sullivan, Pres. in place of Johnson Sherrick; Wm. H. Clark, Vice-Pres. in place of H. W. Harter; L. A. Loichot, Cas. in place of L. L. Miller.

CINCINNATI—Citizens' National Bank; Larz Anderson and H. H. Peck, elected directors. ——Market National Bank; David M. Wachman, elected director.

CLEVELAND—Commercial National Bank; Chas. A. Otis, Pres. in place of Dan. P. Eells. ——National City Bank; T. W. Burnham, Vice-Pres. in place of P. H. Babcock.

COSHOCTON — Coshocton National Bank; Henry C. Strong, Vice-Pres.

DAYTON—Dayton National Bank; C. L. Hubbard, Asst. Cas.

GERMANTOWN — First National Bank; no Asst. Cas. in place of Phil. Kemp.

HAMILTON—Second National Bank; Geo. P. Sohngen, Vice-Pres. in place of Wm. Anderson.

IRONTON — Second National Bank; Oscar Richey, Pres. in place of C. C. Clark; James Bull, Vice-Pres. in place of W. A. Murdock; Geo. Roetting, Cas. in place of R. Mather.

LEETONIA—First National Bank; W. Henry Schminck, Asst. Cas.

MASSILLON — First National Bank; John Jacobs, Vice-Pres. in place of Geo. Harsh.

RIPLEY—Citizens' National Bank; F. A. Stivers, Pres. in place of W. A. Gilliland; no Asst. Cas. in place of F. A. Stivers.

SANDUSKY — Second National Bank; John Whitworth, Vice-Pres. in place of W. S. Hubbard.

TOLEDO—First National Bank; S. C. Schenck, Pres. in place of S. C. Reynolds; F. J. Reynolds, Vice-Pres. in place of S. C. Schenck. ——Second National Bank; E. P. Hubbell, Asst. Cas.

URBANA—Champaign National Bank; Sam'l H. Hedges, Vice-Pres. in place of Geo. A. Weaver.

OKLAHOMA.

SHAWNEE—Oklahoma State Bank; capital, $17,000; A. J. Dunlap, Pres.; J. F. Bennett, Cas.

NORMAN—State Bank; T. J. J. Dwiggins, Asst. Cas., deceased.

OREGON.

UNION—First National Bank; W. J. Townley, Vice-Pres. in place of R. M. Steel.

PENNSYLVANIA.

ALLEGHENY—Enterprise National Bank; J. P. McKinney, Vice-Pres. in place of Chas. F. Stifel.

ALLENTOWN—Allentown National Bank; no Vice-Pres. in place of J. E. Balliet.

BEAVER—Beaver National Bank; no Asst. Cas. in place of Wm. P. Judd.

BELLEFONTE—First National Bank; Chas. M. McCurdy, Cas. in place of Jno. P. Harris.

BETHLEHEM—First National Bank; J. M. Leibert, Pres. in place of Geo. H. Myers; J. Fritz, Vice-Pres. in place of J. M. Liebert.

BLAIRSVILLE—First National Bank; no Asst. Cas. in place of Wilbur P. Graff.——Blairsville National Bank; Thomas H. Long, Pres. in place of Jno. H. Devers.

BRADDOCK—Braddock National Bank; Geo. A. Todd, Asst. Cas.

CALIFORNIA — First National Bank; O. J. Miller, Cas. in place of Jno. S. Eberman; W. H. Gregg, Asst. Cas.

CARBONDALE—First National Bank: James Stott, Vice-Pres.; R. A. Jadwin, Cas. in place of James Stott; no Asst. Cas.

COLUMBIA—Geo. W. Haldeman, Cas. in place of Solomon S. Detwiler, deceased.

CHRISTIANA—National Bank of Christiana; F. J. Phillips, Vice-Pres.

ERIE—Erie Dime Sav. and Trust Co.; J. F. Downing, Pres. in place of Wm. A. Galbraith, Pres., deceased.

GETTYSBURG—Gettysburg National Bank; no Asst. Cas.

HONESDALE—Wayne County Savings Bank; H. C. Hand, Pres. in place of L. Grambs; L. Grambs, Vice-Pres.; H. Scott Salmon, Cas. in place of H. C. Hand; Wm. J. Ward, Asst. Cas.

KITTANNING—National Bank of Kittanning; no Asst. Cas. in place of J. M. Painter.

LEBANON—People's National Bank; Elmer E. Hauer, Cas. in place of E. M. Woomer, deceased; no Asst. Cas. in place of Elmer E. Hauer.—Valley National Bank; Frank H. Reinoehl, Cas. in place of Jacob B. Karch.

LEWISBURG—Union Nat'l Bank; J. Thompson Baker, Pres. in place of W. D. Himmelreich; John F. Duncan, Vice-Pres. in place of J. Thompson Baker.

MAHONOY CITY—Union National Bank; Jno. J. Meyer, Actg. Cas. until April 16, 1898.

MCKEESPORT — National Bank of McKeesport; Horace Crosby, Pres.

MEDIA—First National Bank; W. W. Moss, in place of H. E. Hoopes.

NEW CASTLE—First National Bank; C. S. Clark, Vice-Pres. in place of John Taylor.

NORRISTOWN—Montgomery Co. Nat'l Bank; no Vice-Pres.

PHILADELPHIA—Fourth Street Nat'l Bank; no Cas. in place of R. H. Rushton; B. M. Faires and E. F. Shanbacker, Asst. Cashiers. ——Eighth National Bank; Charles Porter, Vice-Pres. in place of James Long.——National Security Bank; Jacob Rech, Pres. in place of Isaac A Sheppard; Philip Doerr, Vice-Pres. in place of Jacob Rech.——First National Bank; Andrew M. Moore, director, deceased.——Finance Co. of Penna; William Funk, Sec. in place of Geo. H. Stevenson.

PITTSBURG — Keystone Bank; H. S. Paul, elected director.——Columbia Nat'l Bank; no Vice-Pres. in place of H. W. Bishop.——State Bank; Jacob B. Negley, Cas., deceased.

PORT ALLEGANY—First National Bank; no Asst. Cas.

POTTSTOWN—National Bank of Pottstown; Horace Evans, Pres. in place of Daniel Price.

SUSQUEHANNA DEPOT—First National Bank; Geo. T. Frazier, Vice-Pres. in place of J. H. Cook.

WAYNESBURG—People's National Bank; Jno. M. Dunn, Vice-Pres.

YORK—Western National Bank; H. L. Motter, Cas. in place of C. E. Lewis, deceased.

RHODE ISLAND.

PROVIDENCE—Globe National Bank; Chas. S. Bush, Vice-Pres. in place of Gardiner P. Sims.——Mechanics' National Bank; H. E. Thurston, Cas. in place of S. H. Tingley; no Asst. Cas. in place of H. E. Thurston—— First National Bank; Edwin Barrows, Vice-Pres. in place of Geo. H. Dart, deceased.

WESTERLY—Washington Nat. Bank: Albert L. Chester, Pres. in place of Nathan F. Dixon; B. Court Bentley, Vice-Pres. in place of Albert L. Chester.

WOONSOCKET—Producers' Savings Bank; Reuben O. Cook, Pres., deceased; also director Producers' National Bank.

SOUTH CAROLINA.

COLUMBIA—Canal Bank and Loan and Exchange Bank; reported consolidated.—— Central National Bank; James Woodrow, Pres. in place of Wm. C. Wright; Julius H. Walker, Vice-Pres.——Carolina National Bank; no Vice-Pres. in place of R. S. Desportes, deceased.

GREENVILLE—National Bank of Greenville; H. C. Mackley, Vice-Pres. in place of Alex. McBee, deceased.

LAURENS—National Bank of Laurens; Robert W. Davis, Asst. Cas.

SOUTH DAKOTA.

MITCHELL—First National Bank; D. T. Gilman, Pres. in place of John O. Walrath; I. W. Seaman, Vice-Pres. in place of Geo. E. Logan.

PIERRE—First Nat. Bank; B. J. Binford, Asst. Cas.

RAPID CITY—First National Bank; James Halley, Pres. in place of Richard C. Lake; Charlotte Gardner, Vice-Pres. in place of John R. Brennan; H. W. Somers, Cashier in place of James Halley.

TENNESSEE.

JONESBORO—First National Bank; R. M. May, Vice-Pres.; no Asst. Cas. in place of A. N. Hocker.

JACKSON—Second Nat. Bank; John C. Dancy, Vice-Pres., deceased.

MCMINNVILLE—National Bank of McMinnville; H. R. Walling, Asst. Cas.

MEMPHIS—Memphis National Bank; E. B. McHenry, Cas. in place of T. J. Latham.

PARIS—Commercial Bank; J. L. Lemonds, Pres. in place of W. H. Hudson, deceased.

TEXAS.

EL PASO—Sucursal Banco Commercial; Enrique C. Creel, Pres.; Adolph Krakauer, Manager.

HEARNE—First National Bank; S. W. Carr, Pres.; Wm. Crenan, Asst. Cas.

MONTAGUE—First National Bank; succeeded by Bank of Montague; capital, $15,000; J. J. Barrett, Pres.; W. L. Ponder, Cas,

MANSFIELD—Bank of Mansfield; J. H. Wright, Pres.; Joe Edwards, Cas.

WHITT—Cranfill Bank; Isom Cranfill, Pres.; I. B. Cranfill, Cas.

UTAH.

PARK City—First National Bank; Thomas Kearns, Vice-Pres. in place of O. J. Salisbury.

VERMONT.

BRANDON—Brandon National Bank; E. J. Ormsbee, Pres. in place of E. D. Thayer; E. D. Thayer, Vice-Pres. in place of E. J. Ormsbee.

SPRINGFIELD—First Nat. Bank; Rufus O. Forbush, Pres. in place of C. E. Richardson.

ST. JOHNSBURY—First National Bank; no Asst. Cas. in place of H. A. Hawley.

VIRGINIA.

HOUSTON—Bank of Halifax; Walter W. Collins, Cas.

LYNCHBURG—National Exchange Bank; James T. Bowman, Cas. in place of T. D. Jennings; no Asst. Cas. in place of James T. Bowman.

RICHMOND—Savings Bank; G. F. U. O. T. R.; Richards Wells, Pres. in place of W. W. Browne, deceased.

WOODSTOCK—Shenandoah Co. Bank; E. D. Newman, Pres.

WASHINGTON.

NORTH YAKIMA—Yakima Nat. Bank; H. K. Sinclair, Vice-Pres. in place of L. L. Thorp.

WEST VIRGINIA.

CHARLESTON—Citizens' National Bank; W. Mollohan, Pres. in place of Neil Robinson; Neil Robinson, Vice-Pres. in place of J. H. Huling: J. N. Carnes, Asst. Cas.

PARKERSBURG—Second National Bank; W. Vrooman, Pres. in place of W. H. Wolfe.

WISCONSIN.

MARTINSBURG—People's National Bank; Henry J. Seibert, Pres. in place of A. J. Thomas, deceased; G. W. McKown, Vice-Pres. in place of Henry J. Seibert.

ANTIGO—Bank of Antigo; reported resumed.

EAU CLAIRE—Eau Claire National Bank; no Vice-Pres. in place of Wm. Carson, deceased.

MAYVILLE—Mayville Exchange Bank; sold out to State Bank.

NEW RICHMOND—Bank of New Richmond; M. Fisk, Pres. in place of F. M. Bartlett, resigned.

CANADA.

ONTARIO.

WYOMING—W. B. Collins & Co.; succeeded by A. Westland & Co.

QUEBEC.

MONTREAL—Quebec Bank; W. J. Whithall, Vice-Pres., deceased.

MANITOBA.

BOISSEVAIN—Union Bank of Canada; J. J. Millidge, Mgr.

N. W. TER.

INDIAN HEAD—Union Bank of Canada; H. B. Shaw, Mgr. in place of T. N. Christie.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

ARKANSAS.

LITTLE ROCK—Guaranty Trust Co.; closing.

NORTH LEWISVILLE—Citizens' Bank.

COLORADO.

MONTROSE—Bank of Montrose; James F. Kyle, Assignee.

PUEBLO—Central National Bank; in voluntary liquidation Jan. 15.

IDAHO.

MOSCOW—Moscow National Bank; Wm. P. Connaway, Receiver in place of W. H. Stufflebeam.

ILLINOIS.

ELMWOOD—State Bank.

NEWARK—Aufinson & Munson.

INDIANA.

ALEXANDRIA—Alexandria National Bank; in voluntary liquidation Jan. 22.

KANSAS.

MORAN—Moran Bank.

NESS CITY—Ness County State Bank; in voluntary liquidation.

OSAGE CITY—First National Bank; in voluntary liquidation.

PAOLA—National Bank of Paola.

WESTMORELAND—Westmoreland State Bank.

KENTUCKY.

LOUISVILLE—Kentucky Trust Co.; assigned to Col. Finance & Trust Co.

MARYLAND.

FREDERICK—William A. Mansfield.

MASSACHUSETTS.

SOUTH FRAMINGHAM—Framingham Savings Bank; enjoined from doing business.

MICHIGAN.

GRAND LEDGE—State Savings Bank; in voluntary liquidation.

MARQUETTE—J. M. Wilkinson; assigned.

MINNESOTA.

SAUK CENTRE—Citizens' Bank; assigned Jan. 25.

MISSOURI.

ODESSA—National Bank of Odessa; in voluntary liquidation Jan. 11.

NEBRASKA.

CRAWFORD—State Bank.

SUTTON—Sutton Exchange Bank; in voluntary liquidation.

NEW YORK.

BATH—First National Bank; in voluntary liquidation Jan. 10.

NEW YORK CITY—Macy & Pendleton; assigned.

NORTH DAKOTA.

LARIMORE—First National Bank.

PEMBINA—First National Bank; in hands of Wm. J. Kneeshaw, Receiver, Jan. 19.

PENNSYLVANIA.

PHILADELPHIA—Chestnut Street National Bank; in hands of Geo. H. Earle, Jr., Receiver, Jan. 29.——National Bank of the Republic; in voluntary liquidation Jan. 11.

PITTSBURG—Frank B. Pope & Co.; discontinued banking.

SOUTH CAROLINA.

ROCK HILL—Southern Loan and Investment Co.; in voluntary liquidation.

TEXAS.

ITASCA—Citizens' National Bank; in voluntary liquidation.

VERMONT.

BRADFORD— Bradford Savings Bank and Trust Co.; enjoined from doing business.

WASHINGTON.

GARFIELD—Bank of Garfield; gone out of business.

POMEROY—First National Bank; in voluntary liquidation.

CANADA.

ONTARIO.

PORT HOPE—Midland Trust Co,; assigned.

MANITOBA.

HOLLAND—John Hall; assigned.

United States Public Debt.—The disbursement of a part of the money received on account of the Union Pacific purchase has caused the net debt to increase again, the increase last month being about $11,600,000. The net debt is now about what it was on October 1st last, but there is four months deficit to be accounted for, which the unexpended balance of Union Pacific funds represents. The deficit last month was about $8,000,000, and it is probable that the debt will continue to grow for some months to come.

	Nov. 1, 1897.	*Dec. 1, 1897.*	*Jan. 1, 1898.*	*Feb. 1, 1898.*
Interest bearing debt:				
Funded loan of 1891, 2 per cent	$25,364,500	$25,364,500	$25,364,500	$25,364,500
" " 1907, 4 "	559,641,300	559,641,500	559,641,500	559,641,950
Refunding certificates, 4 per cent	44,360	44,220	44,220	43,960
Loan of 1904, 5 per cent	100,000,000	100,000,000	100,000,000	100,000,000
" 1925, 4 "	162,315,400	162,315,400	162,315,400	162,315,400
Total interest-bearing debt	$847,365,560	$847,365,620	$847,365,620	$847,365,810
Debt on which interest has ceased	1,331,540	1,331,280	1,330,270	1,328,540
Debt bearing no interest:				
Legal tender and old demand notes	346,735,363	346,735,863	346,735,863	346,735,363
National bank note redemption acct.	26,000,524	27,570,824	32,268,146	33,257,189
Fractional currency	6,887,702	6,886,987	6,886,987	6,886,272
Total non-interest bearing debt	$379,623,590	$381,193,125	$385,890,446	$386,878,774
Total interest and non-interest debt.	1,228,320,690	1,229,890,025	1,234,586,337	1,235,573,124
Certificates and notes offset by cash in the treasury:				
Gold certificates	38,348,169	38,274,149	38,128,149	38,062,149
Silver "	384,170,504	384,963,504	387,925,504	388,475,504
Certificates of deposit	48,625,000	48,890,000	44,555,000	49,145,000
Treasury notes of 1890	109,313,280	107,793,280	106,348,280	105,531,280
Total certificates and notes	$580,454,953	$579,920,933	$576,956,933	$581,213,933
Aggregate debt	1,808,777,643	1,809,810,958	1,811,543,270	1,816,787,057
Cash in the Treasury:				
Total cash assets	831,669,957	846,409,076	861,391,370	853,198,008
Demand liabilities	623,913,858	625,745,517	625,916,601	629,326,212
Balance	$207,756,099	$220,663,559	$235,474,769	$223,871,786
Gold reserve	100,000,000	100,000,000	100,000,000	100,000,000
Net cash balance	107,756,099	120,663,559	135,474,769	123,871,786
Total	$207,756,099	$220,663,559	$235,474,769	$223,871,786
Total debt, less cash in the Treasury.	1,020,564,591	1,009,226,466	999,111,568	1,011,701,338

Fraudulent Failures.—There are few sources more productive of losses to banks than fraudulent failures and assignments. The New York Credit Men's Association, which is auxiliary to the national organization, is carrying on an active campaign in securing the adoption of more stringent laws in regard to assignments and bankruptcy. This is a matter of vital interest to bankers, and the New York State Bankers' Association, as well as bankers individually, should co-operate in making the movement successful, as the purposes of the Credit Men's Association are wholly laudable, and their efforts calculated to make the granting of credit less hazardous.

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

New York, February 4, 1898.

The Gold Standard, Currency Reform, and the Public Credit were all subjects of discussion in financial circles during the past month.

That which excited the most interest was the Teller resolution declaring the Government bonds, principal and interest, payable in silver, which was introduced in the United States Senate by Senator Vest and passed by that body by a vote of 42 to 37. The House made short work of it, and defeated it by a vote of 182 to 132. The certainty that the resolution would not pass in the House prevented any check to confidence, but the fact that the Senate did pass it has strengthened the belief that nothing will be done by the present Congress in the direction of currency reform.

The Monetary Commission of the Indianapolis Convention reported a plan of reform, and the Convention adopted it on January 27. A bill based upon that plan is now before the House Committee on Banking and Currency, and it is probable that some measure intended to preserve the gold standard and change our currency system will get through the House, but the Senate cannot be depended upon to co-operate in such legislation.

President McKinley has again made public declaration of his position on the principal financial issue of the day. His address at the banquet of the National Association of Manufacturers, in New York on January 27, contained the most positive utterances of his purpose to maintain the credit of the Government in the honest payment of its obligations and to favor such legislation as will put the currency on a sound basis. The sole obstacle, therefore, is the Senate, and it is a serious one.

But for the doubt concerning our currency system, there would be little to discourage any one at the present time. The year has opened auspiciously, and in nearly all branches of business there is increased activity, while money is in so plentiful supply that no stringency can intervene for some time to come to impede industrial or commercial progress. There has been an extraordinary increase in the bank clearings of the country, the gain each week outside of New York having been from twenty to nearly thirty per cent. over last year, and in New York city from forty to over fifty per cent. In the first week of the year the clearings for the entire country were about $1,682,000,000, the largest ever recorded, the highest previous total being $1,501,000,000 in the first week of January, 1892. The exchanges in this city for the same week were about $1,043,000,000, the largest previous total being less than $994,000,000 in the week ended December 18, 1896.

The same evidence of increased business is shown in the earnings of the railroads, the gross for the year 1897 having increased $70,000,000 or more over that for 1896, while so far in January the weekly gains have averaged from fifteen to eighteen per cent. over 1897. Unfortunately for the railroads the unwise policy of cutting rates is still pursued, and in face of an enormous traffic movement profits have been small.

In the railroad world important operations have been progressing. The purchase of the control of the New York, Susquehanna & Western by Messrs. J. P. Morgan & Co. is of great advantage to the Erie Company. The proposed consolidation of the Lake Shore and New York Central system is a very important movement, and is believed to presage the consolidation of all the Vanderbilt properties. The placing of a large loan by the Illinois Central at a price netting three and eleven-sixteenths per cent. on the investment is another indication of the improvement in railroad credit and of the permanent reduction in the rate of interest.

Money is in such excessive supply that in all the principal money centres there is a large accumulation and loaning rates are at a minimum. Some of our local banks have reduced the rate allowed on country bank deposits from 2 to 1½ per cent. Call money is loaning in New York at 1½ per cent. and time money at 3 per cent. In Chicago a large loan has been made at 2½ per cent., the lowest rate ever charged in that city, and the interest rate has fallen to 5@6 per cent. in various parts of the west. Some of the eastern Savings banks are reducing the rate of interest paid to depositors from 4 per cent. to 3½ per cent. and even to 3 per cent.

The deposits of the New York Clearing-House banks have reached the highest total ever known, and now exceed $722,000,000, an increase over a year ago of $160,000,000, and as compared with two years ago of $230,000,000. Loans are also the largest ever reported, aggregating nearly $626,000,000, an increase over 1897 of $137,000,000. So great has been the accumulation of idle money that large loans are understood to have been made by banks in this and other large cities as sterling exchange and as Continental securities, and the low rates of interest prevailing here have alone prevented imports of gold on account of our large trade balances.

Wall street, which for so long was the dullest place in the country has now become one of the liveliest. The sales of bonds (railroad and miscellaneous) in January aggregated about $93,000,000, exceeding all previous records. In May, 1895, the total sales were $78,600,000, and that has stood as the maximum record until now. In January last year the total was less than $39,000,000. The transactions in stocks amounted to 9,209,000 shares compared with 3,370,000 shares a year ago.

In our foreign trade all previous records have also been broken. The latest published figures are for December and the calendar year 1897. Last year's total exports of merchandise were nearly $1,100,000,000; imports $743,000,000, and net exports $356,000,000. Gold exports and imports nearly balanced, while silver exports were more than $25,000,000. The total net exports of merchandise and specie were in excess of $382,000,000. The large balances of the past few years suggest a comparison with the period 1876 to 1881, when our exports of merchandise were exceptionally large. The balances for two six year periods are shown as follows:

FOREIGN TRADE BALANCES 1876–1881.

YEAR.	*Merchandise.*		*Gold.*		*Silver.*	
1876....................	Exports,	$163,819,464	Exports,	$7,558,448	Exports,	$14,324,693
1877....................	"	139,856,112	"	7,352,963	"	17,195,369
1878....................	"	305,479,590	Imports,	1,821,911	Imports,	180,632
1879....................	"	251,557,029	"	74,652,495	Exports,	7,276,585
1880....................	"	192,876,246	"	70,582,239	"	1,352,417
1881....................	"	163,339,679	"	57,795,077	"	8,467,629
Six years.........	Exports,	$1,216,428,120	Imports,	$189,940,291	Exports,	$48,436,011

FOREIGN TRADE BALANCES 1892–1897.

YEAR.	*Merchandise.*		*Gold.*		*Silver.*	
1892....................	Exports,	$97,489,705	Exports,	$59,081,110	Exports,	$14,249,582
1893....................	"	99,859,857	"	6,703,151	"	18,592,052
1894....................	"	148,789,307	"	80,628,082	"	29,483,259
1895....................	"	23,190,789	"	70,571,010	"	29,837,739
1896....................	"	324,257,685	Imports,	46,474,369	"	33,777,001
1897....................	"	356,498,664	Exports,	256,529	"	25,585,310
Six years.........	Exports,	$1,050,086,007	Exports,	$170,765,518	Exports,	$151,524,943

The net exports of merchandise in the six years 1876 to 1881 were $1,216,428,120, and of silver $48,436,011, making a total of $1,264,864,131 of merchandise and silver. Against this there were imports of gold to the amount of $189,940,291, leaving the total net exports of merchandise and specie $1,074,923,840. In the last seven years the net exports of merchandise were $1,050,086,007, and of silver $151,524,943, total $1,201,610,950; but we also exported $170,765,513 of gold, making the total for all $1,372,376,463, or nearly $300,000,000 more than in the period 1876 to 1881. For six years past our net balance of exports has averaged $200,000,000 a year, and in the last two years nearly $350,000,000 a year, a sum far in excess of any balance accruing against the country on account of freight, insurance, interest, etc., and the difference must have been applied to the settlement of former indebtedness or it is still an account unliquidated, which still remains to be paid to us in cash, securities or commodities.

While we have imported no gold since March last, except about $20,000,000 last autumn which we had exported in the previous spring and summer, although during that period of nine months we exported $300,000,000 of merchandise and silver, our stock of gold has been largely increased by the domestic supply. The estimate of the gold production of the United States as prepared by Wells, Fargo & Co. makes the total for 1897 $63,655,597, an increase over that of 1896 of $10,640,000. The yield of gold in the United States has nearly doubled since 1892, and if Alaska is to develop the vast wealth expected of it, the supply of gold will increase even more rapidly than in the past five years. One notable fact in connection with the statement of last year's gold output is the taking of the lead in the list of gold-producing States by Colorado, which heretofore has been considered a silver State, and politically assumed that position itself. In value Colorado produced nearly fifty per cent. more gold than silver last year.

The final estimates of the crops of 1897, as reported by the Department of Agriculture, show the yield of wheat as 530,149,168 bushels, an increase of 102,000,000 bushels over 1896; of corn, 1,902,967,933 bushels, a decrease of 380,000,000 bushels, and of oats, 698,767,809 bushels, a decrease of 8,000,000 bushels. The total farm values of these three crops was $1,077,000,000.

The completed statistics of iron production in 1897, as reported by the American Iron and Steel Association, are highly encouraging. Except for a slight set-back during the spring months, production has increased steadily since October 1, 1896, during which time the output has more than doubled. From an annual average of less than 6,000,000 tons the capacity of the furnaces in blast has increased to 12,000,000 tons. The total yield last year was 9,652,680 tons, which exceeds all previous records, the largest previous total having been 9,446,308 tons in 1895. The output in the last half of the year was 5,249,204 tons, an increase of nearly 846,000 tons over the first half. In the last half of 1895 the production was 5,358,750 tons, but

YEARS.	*First six months.*	*Second six months.*	*Year.*
	Tons.	Tons.	Tons.
1885	1,920,371	2,124,154	4,044,525
1886	2,637,682	3,045,642	5,683,324
1887	3,049,294	3,367,854	6,417,148
1888	3,020,092	3,469,646	6,489,738
1889	3,661,603	3,942,039	7,603,642
1890	4,560,513	4,642,190	9,202,703
1891	3,368,107	4,911,763	8,279,870
1892	4,769,683	4,387,317	9,157,000
1893	4,562,918	2,561,584	7,124,502
1894	2,717,983	3,939,405	6,657,388
1895	4,087,558	5,358,750	9,446,308
1896	4,976,236	3,646,891	8,623,127
1897	4,403,476	5,249,204	9,652,680

with that exception the last six months of 1897 recorded the largest total. The semi-annual and annual production in the past thirteen years are shown in the preceding table.

While the production of iron recently has been at a maximum rate, consumption has been keeping pace with production and the total stocks of unsold pig iron on December 31 were only 874,978 tons as compared with 973,678 tons on June 30, 1897. The stocks a year ago aggregated 847,686 tons, or slightly below the present total. The improvement of 1897 over 1896 is best shown by a comparison of the amounts of pig iron which went into consumption during the two years. In 1896 with a production of 8,623,127 tons there was an increase in stocks unsold of 341,-554 tons, making the net amount of consumption 8,281,573 tons. In 1897 the production was 9,652,688 tons and increase in stocks 27,292 tons, making the consumption 9,625,388 tons, an increase over 1896 of more than 1,300,000 tons, or 13½ per cent.

Prices, however, have failed to move upward to any extent. Bessemer pig is ruling at about $10 a ton, against $9.25 last summer and $17 in 1895. Steel billets, which sold at $26.25 in 1891 and at $24 in 1895, fell to $14 in 1897 and sold at $15 at the close of the year. Steel rails ruled at $19 during the last half of the year, an advance of $3 from the low price touched in 1897, but still $1 below the previous low price which was recorded in 1898. The price was maintained at $28 during the entire year 1896, or $9 above the quotation at the close of 1897. In the past month the price has fallen to $18. The demand for steel rails has not increased to any great extent although the Pennsylvania Railroad has placed an order for 100,000 tons.

The year's anthracite coal trade shows a decrease in production as compared with that of 1896 of nearly 2,000,000 tons, and as compared with 1895 of more than 5,000,000 tons, the shipments being 41,204,000 tons in 1897 as against 43,177,000 tons in 1896 and 46,511,000 tons in 1895. Prices ruled from 25 to 50 cents per ton higher during most of the year than in 1896, but late in the year fell below, and the average for the year was about the same as for 1896, or about $3.50 per ton. The trade has long been suffering from ruinous competition and overproduction, but there are visible signs of improvement now.

The wonderful growth in the tin plate industry in the past six years is shown in the report of Col. Ira Ayer, Special Agent of the Treasury, for the year ended June 30, 1897. The production of tin and terne plate for each of the past six years has been as follows:

YEAR ENDED JUNE 30.	*From American block plate.*	*From foreign block plate.*	*Total.*
	Pounds.	Pounds.	Pounds.
1892	9,296,553	4,350,166	13,646,719
1893	43,599,724	56,219,478	99,819,202
1894	85,968,202	53,255,265	139,223,467
1895	160,576,984	33,224,139	193,801,078
1896	303,002,098	4,226,523	307,228,621
1897	446,924,855	57,208	446,982,063

Since 1892 the production of tin and terne plate in the United States has increased nearly thirty-four fold, while the foreign block plate used, which in 1893 comprised more than 56 per cent. of the total, last year was only .01 of 1 per cent. Practically the entire output was made from sheets rolled in the United States.

In the plans formulated for reforming the currency provision has also been made for increasing the note circulation of the National banks. Whether the device will result in giving the National banking system a new lease of life the future will have to determine, but the fact is plainly apparent that there are some influences at work to check its growth. During the year ended December 31, 1897, only fifty-six National banks were organized in the United States, and their aggregate capital was only $9,420,000. During the twelve years from 1881 to 1893 the number of banks organized in a single year never fell below 100 and has been as high as 300, while the aggregate capital invested in new banks ranged from $11,000,000 to $36,000,000 a year. Three of the banks organized last year had a combined capital of $5,000,000, leaving only $4,420,000 for the remaining fifty-three banks. In more than one-half of the States no National bank was organized during the year, while in only eleven States was there more than one bank organized. The number of National banks organized, with their capital, in each State, during the calendar year, 1897, is shown as follows:

	Banks.	Capital.		Banks.	Capital.
California	3	$3,550,000	New Jersey	1	$50,000
Illinois	6	1,450,000	New York	4	200,000
Indiana	3	300,000	North Carolina	1	125,000
Indian Territory	2	100,000	North Dakota	1	50,000
Iowa	3	165,000	Ohio	7	1,000,000
Kansas	2	100,000	Oklahoma	1	50,000
Maryland	1	50,000	Pennsylvania	10	560,000
Massachusetts	1	50,000	South Carolina	1	50,000
Minnesota	1	50,000	Tennessee	1	1,000,000
Missouri	2	150,000	Texas	4	320,000
New Hampshire	1	50,000			
			Total	56	$9,420,000

While only 56 National banks began business in 1897 there were 81 banks which went into voluntary liquidation and 28 others which were put into the hands of Receivers, one of the latter, however, subsequently resuming. There were, therefore, 108 banks closed up last year, or nearly twice the number organized. Of the number closed 11 were in Nebraska, 10 in Kansas, 8 in Texas, 6 each in Illinois and Michigan, and 5 each in Minnesota and Missouri. In thirty-three States and territories there were bank suspensions, and although the number of banks which went into the hands of Receivers was considerably less than in some recent years, it was larger than for any year prior to 1891. The number of banks which have voluntarily closed their doors is exceptionally large and shows that banking facilities at least in some localities have been in excess of what was needed.

THE MONEY MARKET.—The situation in the local money market reflects that of a year ago but in an accentuated form. Then a two months accumulation of idle funds in the banks caused a conference on the question how to maintain the rate for call money at 2 per cent., and also to reduce the rate of interest on deposits. After 14 months of almost a continuous inflow of money into the banks it is not surprising that some of those institutions object to paying 2 per cent. on deposits which they cannot use. A steady volume of money is flowing into New York, and although there has been an active speculation in some of the markets, rates for money are abnormally low. Money loans on call at 1½ @ 2 per cent. and time money commands only 2½ @ 3 per cent. the demand being small and the offerings liberal. The supply of commercial paper is good but the demand prevents any accumulation. At the close of the month call money ruled at 1½ to 2 per cent. the average rate being about 1¾ per cent. Bank and trust companies quote 1½ @ 2 per cent. as the minimum on Stock Exchange collateral. Time money on Stock Exchange collateral was quoted at 2½ per cent. for 30 days to 90 days, and 3 per cent. for 4 to 7 months. For commercial paper the rates are 3 per cent., for 60 to 90 days endorsed bills receivable, 3½ @ 4 per cent. for first-class four to six months single names, and 4 @ 5 per cent. for good paper having the same length of time to run. The rates for money in this city on or about the first of the month for the past six months are shown in the following table:

Money Rates in New York City.

	Sept. 1.	Oct. 1.	Nov. 1.	Dec. 1.	Jan. 1.	Feb. 1.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Call loans, bankers' balances	1 – 1½	3 – 3½	1½ – 2½	1¾ – 2	2½ – 4	1½ – 2
Call loans, banks and trust companies	1½ –	3½ –	2½ –	2 –	3½ – 4	1½ – 2
Brokers' loans on collateral, 30 to 60 days	2½ –	3 –	2½	2½ –	3½ –	2½ –
Brokers' loans on collateral, 90 days to 4 months	3 –	3½ – 4	3½ –	2½ – 3	3½ – 4	2½ – 3
Brokers' loans on collateral, 5 to 7 months	3½ –	4½ – 5	3½ – 4	3 – 3½	3½ – 4	3 –
Commercial paper, endorsed bills receivable, 60 to 90 days	3¾ – 4	4¼ – 4½	3¾ – 4	3 –	3½ – 4	3 –
Commercial paper prime single names, 4 to 6 months	4 – 4½	4½ – 5	4 – 4½	3½ – 4	4 – 5	3¼ – 4
Commercial paper, good single names, 4 to 6 months	4¾ – 5	5 – 6	4½ – 5	4 – 5	5 – 6	4 – 5

European Banks.—The gold holdings of the Bank of England were increased in January about $10,000,000 which represents an amount lost in December, but still are $23,000,000 below the amount held a year ago. The Bank of France lost about $5,000,000 and now has about $4,000,000 more than it held last year. The Bank of Germany gained $4,000,000 and it holds $7,000,000 more than on February 1, 1897. The gold reserves of the Bank of Austro-Hunga y were not changed to any extent during the month but they have increased in the past twelve months $30,000,000.

Gold and Silver in the European Banks.

	December 1, 1897.		January 1, 1898.		February 1, 1898.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
England	£32,377,370	....	£30,453,493	....	£32,563,736	....
France	78,387,504	£48,388,907	78,114,972	£48,230,367	77,180,142	£48,356,057
Germany	28,711,000	14,791,000	29,316,000	15,102,000	30,187,000	15,551,000
Austro-Hungary	38,196,000	12,391,000	36,475,000	12,334,000	36,425,000	12,398,000
Spain	9,233,000	11,060,000	9,431,000	10,300,000	9,431,000	10,480,000
Netherlands	2,629,000	6,736,000	2,629,000	6,820,000	2,629,000	6,829,000
Nat. Belgium	2,741,333	1,370,667	2,824,000	1,412,000	2,857,000	1,429,000
Totals	£192,275,207	£94,727,574	£189,243,465	£94,198,367	£191,272,878	£95,043,057

Foreign Exchange.—By investing in long sterling foreign bankers have succeeded in preventing any important decline in the rates even while commercial drafts were coming forward freely. Long bills are being bought for investment and running off bills have been exchanged for new 60 day sterling thus preventing their coming upon the market. The easy money market here makes the speculative operations in sterling possible and with the probable advance by the time the long bills mature there is a chance of profit.

RATES FOR STERLING AT CLOSE OF EACH WEEK.

Week ended	Bankers' Sterling. 60 days.	Bankers' Sterling. Sight.	Cable transfers.	Prime commercial. Long.	Documentary Sterling. 60 days.
Dec. 31	4.82¼ @ 4.82½	4.84¾ @ 4.85	4.85¼ @ 4.85½	4.81¾ @ 4.82	4.81¼ @ 4.81½
Jan. 7	4.82¾ @ 4.83	4.85 @ 4.85¼	4.85½ @ 4.85¾	4.82¼ @ 4.82½	4.81¾ @ 4.82
" 14	4.82½ @ 4.82¾	4.85 @ 4.85¼	4.85¼ @ 4.85½	4.81¾ @ 4.82	4.81¼ @ 4.81½
" 21	4.82½ @ 4.82¾	4.84½ @ 4.84¾	4.85 @ 4.85¼	4.81¾ @ 4.82	4.81½ @ 4.82
" 28	4.82¼ @ 4.82½	4.84½ @ 4.84¾	4.84¾ @ 4.85	4.81½ @ 4.82	4.81½ @ 4.82

FOREIGN EXCHANGE—ACTUAL RATES ON OR ABOUT THE FIRST OF EACH MONTH.

	Oct. 1.	Nov. 1.	Dec. 1.	Jan. 1.	Feb. 1.
Sterling Bankers—60 days	4.82½— ¾	4.82¼— 2½	4.83¼— ½	4.82¼— ½	4.82¼— ½
" " Sight	4.84¾— 5	4.85¼— 5½	4.86 — ¼	4.84¾— 5	4.84½— ¾
" " Cables	4.85 — ¼	4.85¾— 6	4.86¼— ½	4.85¼— ½	4.84¾— 5
" Commercial long	4.82 — ¼	4.81¾— 2	4.82¾— 3	4.81¾— 2	4.81½— 2
" Docu'tary for paym't.	4.81½— ¾	4.81¼— 1½	4.82¼— ½	4.81¼— ½	4.81½— 2
Paris—Cable transfers	5.18¾—	5.18⅛—	5.18⅛—	5.19⅜—	5.20 — 19⅜
" Bankers' 60 days	5.21¼—	5.20⅝—	5.20⅝—	5.21⅞—	5.21⅞— 21¼
" Bankers' sight	5.19⅜— 8¾	5.18¾—	5.18¾— ⅛	5.20⅝— 1-16	5.20 1-16—20
Antwerp—Commercial 60 days.	5.23⅛—	5.22½— 1⅞	5.22½— 1⅞	5.24⅜— 3¾	5.24⅜— 3¾
Swiss—Bankers' sight	5.20 —19⅜	5.19⅜—	5.20⅝—	5.22½— 1⅞	5.22½— 1⅞
Berlin—Bankers' 60 days	94½— 9-16	94⅝— 11-16	94¾— 13-16	94 7-16— ½	94 7-16— ½
" Bankers' sight	95⅛— 3-16	95 5-16— ⅜	95 7-16— ½	95⅛— 3-16	94 15-16— 5
Brussels—Bankers' sight	5.20 —19⅜	5.19⅜—	5.18¾—	5.21¼—20⅝	5.20⅝—
Amsterdam—Bankers' sight	40⅛— 3-16	40 3-16— ¼	40¼— 5-16	40⅛— 3-16	40 3-16— ¼
Kronors—Bankers' sight	26⅞— 15-16	26⅞— 15-16	26⅞— 15-16	26 13-16— ⅞	26 13-16— ⅞
Italian lire—sight	5.46¼ — 3¾	5.46½— 3½	5.45 — 2	5.45¼— 2¼	5.47¾—44

BANK OF ENGLAND STATEMENT AND LONDON MARKETS.

	Oct. 13, 1897.	Nov. 17, 1897.	Dec. 8, 1897.	Jan. 12, 1898.
Circulation (exc. b'k post bills)	£27,872,765	£27,205,140	£27,122,695	£27,502,890
Public deposits	7,178,852	7,201,055	7,623,919	9,391,449
Other deposits	40,532,067	37,149,557	35,917,994	40,370,457
Government securities	15,258,728	12,876,416	12,726,315	14,023,086
Other securities	29,381,214	27,883,742	26,798,215	33,169,652
Reserve of notes and coin	20,924,263	21,511,893	21,854,419	20,684,878
Coin and bullion	31,997,028	31,917,033	32,177,114	31,387,268
Reserve to liabilities	43 11-16%	48¾%	50%	41 7-16%
Bank rate of discount	3%	3%	3%	3%
Market rate, 3 months' bills	2½%	2⅞%	2 15-16%	2 9-16%
Price of Consols (2¾ per cents.)	111 11-16	113 5-16	112 13-16	112 11-16
Price of silver per ounce	26⅜d.	27 d.	27⅜d.	26 1-16d.
Average price of wheat	32s. 1d.	34s. 0d.	33s. 9d.	34s. 11d.

MONEY RATES ABROAD.—While there has been no change in the rate of discount of the leading banks of Europe. the open market rates are generally lower than they were a month ago. The Bank of England still maintains the rate at 3 per cent., and the Bank of France and Germany 2 per cent. Discounts of 60 to 90 day bills in London at the close of the month were 2¾ @ 2⅞ per cent. against 3 per cent. a month ago. The open market rate at Paris was 2 per cent., the same as a month ago; at Berlin 2¾ @ 2⅞ per cent., a decline of ⅞ @ 1 per cent., and Frankfort 3 per cent., a decline of ¾ per cent.

SILVER.—The market for silver in London grew stronger early in the month, but subsequently became weak, and the price closed at 26⅛d. per ounce, a net decline for the month of ½d. The quotations ranged between 26 1-16 and 26¾ as compared with 29 13-16 @ 29 11-16 in January, 1896.

MONTHLY RANGE OF SILVER IN LONDON—1895, 1896. 1897.

MONTH.	1896.		1897.		1898.		MONTH.	1896.		1897.		1898.	
	High	Low.	High	Low.	High	Low.		High	Low.	High	Low.	High	Low.
January	30½	30⅞	29 13-16	29 11-16	26¾	26 1-16	July	31⅝	31⅜	27 11-16	26⅝		
February	31 3-16	30¾	29¾	29 11-16			August	31⅝	30⅝	26½	23¾		
March	31 11-16	31⅛	29⅝	28 5-16			Septemb'r	30 13-16	30	27¼	23¾		
April	31 3-16	30 13-16	28½	28 3-16			October	30 5-16	29¾	27½	26		
May	31 3-16	30 15-16	28 3-16	27⅝			Novemb'r	30 3-16	29¾	27½	26⅝		
June	31 9-16	31 9-16	27¾	27½			Decemb'r	30	29 13-16	27¾	25 5-16		

GOLD AND SILVER COINAGE.—The coinage at the United States mints in January aggregated $5,129,010, consisting of gold $3,420,000, silver $1,624,000, of which $1,250,000 was in standard dollars, and minor coin $85,010.

Coinage of the United States.

	1897.		1898.	
	Gold.	*Silver.*	*Gold.*	*Silver.*
January	$7,803,420	$1,964,800	$3,420,000	$1,624,000
February	10,152,000	1,519,794		
March	13,770,900	1,617,654		
April	8,800,400	1,535,000		
May	4,489,950	1,600,000		
June	2,100,547	1,856,754		
July	377,000	260,000		
August	8,756,250	701,436		
September	8,762,375	1,050,092		
October	3,845,000	2,301,000		
November	3,544,000	2,103,000		
December	3,626,642	1,977,167		
Year	$76,028,484	$18,486,697	$3,420,000	$1,624,000

National Bank Circulation.—There were nearly $2,500,000 of National bank notes retired and destroyed during the past month, while the deposit of lawful money to retire circulation was increased over $900,000 making about $3,400,000 of a reduction in circulation for the month, about $9,000,000 in the past two months and nearly $13,000,000 since October 1, last. There were $4,000,000 of Government bonds withdrawn as security for circulation and there is only about $215,500,000 now on deposit for this purpose securing $192,724,299 of notes outstanding.

National Bank Circulation.

	Oct. 31, 1897.	*Nov. 30, 1897.*	*Dec. 31, 1897.*	*Jan. 31, 1898*
Total amount outstanding	$230,047,635	$229,549,707	$228,930,281	$226,444,906
Circulation based on U. S. bonds	203,926,950	201,735,572	196,146,093	192,724,299
Circulation secured by lawful money	26,120,685	27,814,135	32,784,188	33,720,607
U. S. bonds to secure circulation:				
Four per cents. of 1895	30,474,150	28,996,650	27,256,150	26,406,150
Pacific RR. bonds, 6 per cent	9,030,000	8,778,000	3,730,000	2,751,000
Funded loan of 1891, 2 per cent	22,039,650	22,066,400	22,096,250	22,240,750
" " 1907, 4 per cent	150,288,100	149,419,600	149,581,400	148,140,100
Five per cents. of 1894	15,910,650	16,098,650	16,329,150	15,949,650
Total	$227,742,550	$225,359,300	$218,992,950	$215,487,650

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1895, $6,360,000; Pacific Railroad 6 per cents., $338,000; 2 per cents of 1891, $1,462,500; 4 per cents of 1907, $19,492,000; 5 per cents. of 1894, $5,880,000; District of Columbia 3.65s.-1924, $300,000, a total of $33,832,500.

The circulation of National gold banks, not included in the above statement, is $84,310.

Government Revenues and Disbursements.—The January receipts of the Government were again swollen by the payments made to the Treasury on account of the Pacific Railroad purchase and these alone prevented another deficit. With

United States Treasury Receipts and Expenditures.

Receipts. *Source.*	*January, 1898.*	*Since July 1, 1897.*	Expenditures. *Source.*	*January, 1898.*	*Since July 1, 1897.*
Customs	$14,269,492	$77,094,513	Civil and mis	$8,934,000	$64,430,942
Internal revenue	12,443,200	97,941,403	War	4,942,000	39,953,738
Miscellaneous	10,620,936	70,058,286	Navy	3,227,000	20,392,645
			Indians	1,040,000	5,985,737
			Pensions	12,375,000	88,858,319
Total	$37,333,628	$245,094,202	Interest	5,834,000	24,934,830
Excess of receipts	$981,628	$537,990	Total	$36,352,000	$244,556,211

these payments a surplus for the month is shown of $981,628, and for the seven months of the fiscal year of $537,990. The most encouraging feature of the statement is the large increase in customs revenues, the total in January being $14,269,-492, the largest for any month since January, 1896, except during the period in 1897, when the imports of merchandise were exceptionally large because of the impending tariff legislation.

UNITED STATES TREASURY CASH RESOURCES.

	Oct. 31.	*Nov. 30.*	*Dec. 31.*	*Jan. 31.*
Net gold	$153,551,811	$157,113,988	$160,726,563	$164,061,350
Net silver	15,578,985	15,753,187	13,229,565	19,971,716
U. S. notes	39,875,497	35,884,800	41,786,210	25,898,914
Miscellaneous assets (less current liabilities)	*15,097,480	*23,743,591	*16,677,113	*13,261,177
Deposits in National banks	17,638,555	31,759,884	50,262,596	45,194,962
Available cash balance	$211,547,369	$216,768,220	$251,327,822	$241,865,766

* Excess of liabilities.

UNITED STATES GOVERNMENT RECEIPTS AND EXPENDITURES AND NET GOLD IN THE TREASURY.

MONTH.	1897.			1898.		
	Receipts.	*Expenditures.*	*Net Gold in Treasury.*	*Receipts.*	*Expenditures.*	*Net Gold in Treasury.*
January	$24,316,994	$30,269,389	$144,800,493	$37,333,628	$36,352,000	*$164,061,350
February	24,400,997	28,796,056	148,661,209			
March	36,217,662	27,212,998	152,786,464			
April	37,812,135	32,072,097	153,340,889			
May	29,797,390	29,109,259	144,319,562			
June	36,584,708	22,934,694	140,790,738			
July	39,027,364	50,100,909	140,817,699			
August	19,023,615	33,588,047	144,216,377			
September	21,963,098	25,368,815	147,663,105			
October	24,391,415	33,701,512	153,573,147			
November	43,363,605	37,810,839	155,815,111			
December	59,646,698	27,634,092	159,341,087			

* This balance as reported in the Treasury sheet on the last day of the month.

NEW YORK CITY BANKS.—The past month has witnessed an extraordinary accumulation of money in the clearing-house banks of the city. In four weeks the specie in the banks increased nearly $8,400,000 and legal tenders $23,300,000, making an increase in the total reserve of $31,700,000, which is now in excess of $216,000,000. Under the 25 per cent. rule that reserve would be sufficient for deposits aggregating $864,000,000 or $142,000,000 more than now reported. The surplus reserve is $35,609,000, an increase of nearly $20,000,000 in the past month. The deposits are $722,484.000, the largest amount ever recorded and nearly $100,000,000 in excess of the loans, which are also the largest on record. The transactions of the banks have been very large in volume, the clearings in the first week of the month exceeding $1,000,000,000 and in each subsequent week in excess of $800,000,000.

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
Dec. 31	$607,781,600	$104,730,700	$79,824,100	$675,064,200	$15,788,750	$15,507,200	$739,857,300
Jan. 8	609,776,900	106,588,500	87,074,200	685,592,500	22,264,575	15,571,000	1,042,897,400
" 15	610,992,600	108,639,000	90,233,000	691,612,900	25,968,775	15,091,300	891,167,300
" 22	623,470,100	110,647,600	99,245,800	714,472,800	31,275,200	14,598,600	852,827,100
" 29	625,865,700	113,092,800	108,137,700	722,484,200	35,609,450	14,468,700	825,018,100

NON-MEMBER BANKS—NEW YORK CLEARING-HOUSE.

	Loans and Investments.	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Surplus.*
Dec. 31.....	$61,199,400	$66,800,900	$3,342,100	$4,317,400	$8,706,000	$2,494,900	$2,160,175
Jan. 8.....	61,352,300	68,518,800	3,406,700	4,446,100	9,912,300	2,740,100	3,377,750
" 15.....	61,909,700	67,115,900	3,364,000	4,485,400	8,578,400	2,949,000	2,597,825
" 22.....	59,998,400	65,568,800	3,303,100	4,175,700	8,438,700	3,142,100	2,667,400
" 29.....	59,295,500	65,085,300	3,323,600	4,034,100	9,018,200	3,242,800	3,342,375

COIN AND BULLION QUOTATIONS.—Following are the ruling quotations in New York for foreign and domestic coin and bullion:

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	*Asked.*		*Bid.*	*Asked.*
Trade dollars..................	$ .60	......	Twenty marks..................	$4.74	$4.78
Mexican dollars................	.45⅛	$ .46¾	Spanish doubloons.............	15.50	15.70
Peruvian soles, Chilian pesos..	.40	.42	Spanish 25 pesos..............	4.78	4.83
English silver.................	4.82	4.85	Mexican doubloons.............	15.50	15.70
Victoria sovereigns............	4.84	4.87	Mexican 20 pesos..............	19.50	19.60
Five francs....................	.93	.95	Ten guilders..................	3.95	3.99
Twenty francs..................	3.83	3.87			

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 26⅛d. per ounce. New York market for large commercial silver bars, 56⅝ @ 57¾c. Fine silver (Government assay), 56¾ @ 58c.

MONEY IN CIRCULATION IN THE UNITED STATES.—There was an increase in the volume of money in circulation last month of more than $8,800,000. The increases were in gold coin $4,016,564, United States notes $11,241,483, and currency certificates $5,760,000. There was a decrease in silver dollars of $2,012,780, in silver certificates of $3,179,652, in Treasury notes of 1890 of $2,646,270, and in National bank notes of $3,461,462.

MONEY IN CIRCULATION IN THE UNITED STATES.

	Nov. 1, 1897.	*Dec. 1, 1897.*	*Jan. 1, 1898.*	*Feb. 1, 1898.*
Gold coin..................................	$539,273,953	$544,494,748	$547,568,360	$551,584,924
Silver dollars.............................	60,196,778	61,280,761	61,491,078	59,478,298
Subsidiary silver..........................	63,432,929	64,829,045	65,720,308	64,955,943
Gold certificates..........................	36,814,109	36,725,409	36,557,689	36,494,759
Silver certificates........................	372,838,919	373,298,667	376,695,592	373,515,940
Treasury notes, Act July 14, 1890.........	101,759,955	104,676,898	103,443,936	100,797,666
United States notes........................	258,996,998	262,183,000	262,480,927	273,722,410
Currency certificates, Act June 8, 1872..	43,285,000	43,640,000	43,315,000	49,075,000
National bank notes........................	225,134,263	224,956,210	223,827,755	220,366,293
Total......................................	$1,706,732,904	1,721,084,538	$1,721,100,640	$1,729,991,228
Population of United States................	73,461,000	73,596,000	73,725,000	73,857,000
Circulation per capita.....................	$23.23	$23.39	$23.34	$23.42

BOSTON AND PHILADELPHIA BANKS.—The changes in the condition of the clearing-house banks of Boston and Philadelphia are shown in the following tables:

BOSTON BANKS.

Dates.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
Dec. 31........	$181,764,000	$183,767,000	$11,754,000	$8,698,000	$5,597,000	$108,449,980
Jan. 8........	182,927,000	187,394,000	11,969,000	8,810,000	5,504,000	135,036,300
" 15........	181,271,000	186,284,000	12,139,000	8,144,000	5,351,000	113,519,400
" 22........	180,026,000	186,400,000	12,307,000	8,065,000	5,364,000	124,786,900
" 29........	179,986,000	182,486,000	12,143,000	8,027,000	5,334,000	100,210,800

PHILADELPHIA BANKS.

Dates.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
Dec. 31	$113,558,000	$125,418,000	$38,311,000	$6,021,000	$60,852,400
Jan. 8	114,706,000	127,988,000	39,949,000	6,019,000	92,618,900
" 15	114,551,000	129,309,000	41,339,000	6,025,000	74,841,600
" 22	114,607,000	129,225,000	42,232,000	6,002,000	77,924,400
" 29	115,226,000	130,041,000	42,802,000	5,947,000	72,819,400

MONEY IN THE UNITED STATES TREASURY.—The Treasury now holds $200,000,000 of gold with less than $36,500,000 of gold certificates outstanding, making $163,500,000 absolutely owned by the Government. The gold holdings increased about $4,000,000 in January, silver $3,400,000 and National bank notes $1,000,000, while United States notes decreased $11,000,000. The net cash decreased about $3,500,000.

MONEY IN THE UNITED STATES TREASURY.

	Nov. 1, 1897.	*Dec. 1, 1897.*	*Jan. 1, 1898.*	*Feb. 1, 1898.*
Gold coin	$153,417,732	$151,965,892	$151,910,176	$151,266,475
Gold bullion	36,969,525	42,123,368	45,559,060	49,465,077
Silver Dollars	392,517,014	392,938,031	394,327,049	397,589,829
Silver bullion	104,853,852	103,531,722	102,284,736	101,379,158
Subsidiary silver	11,981,078	11,191,630	10,679,899	11,707,173
United States notes	87,684,018	84,498,016	84,200,089	72,958,606
National bank notes	4,998,012	4,678,007	5,186,886	6,162,923
Total	$792,421,231	$790,921,666	$794,147,895	$790,529,241
Certificates and Treasury notes, 1890, outstanding	559,697,983	563,340,774	560,012,217	559,883,365
Net cash in Treasury	$232,723,248	$227,580,892	$234,135,678	$230,645,876

FOREIGN TRADE.—The report of the Bureau of Statistics for December shows the trade movements for the calendar year 1897, and the aggregates presented exceed those, for any previous year. The exports for merchandise reached nearly $1,100,000,000 exceeding those of 1896 by $93,000,000, and those of the next highest year, 1891, by $128,000,000. The imports were nearly $743,000,000, exceeding 1896 by $32,000,000, but still below either of the years 1889 to 1893 inclusive. The exports exceeded the imports by $356,000,000, a balance never before equalled. In 1896 the highest previous record was made, $324,000,000, and the next high record was made twenty years ago, in 1878, when the net exports reached $305,000,000. The exports and imports of gold nearly balanced, the imports being the larger by only $256,529, which compares with net imports in 1896 of $46,000,000. The net exports of silver were $25,585,310, or $8,000,000 less than in 1896, and the smallest since 1893. The net exports of merchandise and specie amounted to $382,000,000, and in 1896 to $312,000,000, a total of $694,000,000 in two years.

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF DECEMBER.	MERCHANDISE.			Gold Balance.	Silver Balance.
	Exports.	*Imports.*	*Balance.*		
1892	$87,545,818	$65,126,356	Exp., $22,419,462	Exp., $11,339,189	Exp., $2,885,668
1893	93,551,729	49,924,867	" 43,626,862	" 1,861,897	" 3,564,199
1894	84,876,846	62,135,431	" 22,741,415	" 9,370,533	" 1,974,270
1895	92,529,117	62,201,047	" 30,328,070	" 14,067,838	" 2,694,376
1896	117,185,926	58,980,660	" 58,205,266	Imp., 2,369,216	" 3,935,137
1897	124,474,435	51,514,733	" 73,959,702	" 2,003,689	" 3,088,064
TWELVE MONTHS.					
1892	938,420,660	840,930,955	Exp., 97,489,705	Exp., 59,081,110	Exp., 14,249,583
1893	876,108,781	776,248,924	" 99,859,857	" 6,708,151	" 18,592,052
1894	825,102,248	676,312,941	" 148,789,307	" 80,628,082	" 29,483,259
1895	824,860,136	801,669,347	" 23,190,789	" 70,571,010	" 29,837,739
1896	1,005,837,241	681,579,556	" 324,257,685	Imp., 46,474,369	" 33,777,001
1897	1,099,129,519	742,630,855	" 356,498,664	Exp., 256,529	" 25,585,310

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of January, and the highest and lowest during the year 1898, by dates, and also, for comparison, the range of prices in 1897:

	Year 1897.		Highest and Lowest in 1898.		January, 1898.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	17	9⅛	13⅝—Jan. 7	12⅝ - Jan. 7	13⅝	12⅝	13⅝
" preferred	35⅛	17	31⅞—Jan. 12	28⅝—Jan. 24	31⅞	28⅝	31⅛
Baltimore & Ohio	21⅛	9	16⅝—Jan. 31	12⅝—Jan. 25	16⅝	12⅝	15⅛
Bay State Gas	16¾	3⅞	5⅛—Jan. 21	3½—Jan. 4	5⅛	3½	3⅞
Brooklyn Rapid Transit	37⅝	18⅝	41¼—Jan. 14	36½—Jan. 5	41¼	36½	40¼
Canadian Pacific	82	46⅛	90⅛—Jan. 20	84 —Jan. 6	90⅛	84	88⅛
Canada Southern	62⅛	44½	55¾—Jan. 31	51⅛—Jan. 3	55¾	51⅛	55½
Central of New Jersey	103¼	68¼	98¼—Jan. 7	91¼—Jan. 24	98¼	91¼	95½
Central Pacific	18	7⅛	13½—Jan. 21	11⅝—Jan. 4	13½	11⅝	13⅛
Ches. & Ohio vtg. ctfs	27⅛	15⅝	24½—Jan. 31	21 —Jan. 24	24½	21	24⅝
Chicago & Alton	170	140	166½—Jan. 14	163 —Jan. 7	166½	163	165
Chicago, Burl. & Quincy	102¼	69⅝	102⅛—Jan. 12	97 —Jan. 24	102⅛	97	100⅛
Chicago & E. Illinois	61	37¼	60 —Jan. 29	55 —Jan. 8	60	55	59
" preferred	103	95	111 —Jan. 29	102 —Jan. 7	111	102	110¼
Chicago Gas	108¾	73¼	....	....	....	....	....
Chicago, Great Western	20⅝	8⅝	16¼—Jan. 8	13¾—Jan. 24	16¼	13¾	14¼
Chic., Indianapolis & Lou'ville	13	8	10¼—Jan. 14	8⅛—Jan. 5	10¼	8⅛	9½
" preferred	38¼	26	33¼—Jan. 14	30 —Jan. 5	33¼	30	32¾
Chic., Milwaukee & St. Paul	102	69¼	97⅛—Jan. 12	92⅞—Jan. 4	97⅛	92⅞	96⅛
" preferred	146	130⅛	146 - Jan. 14	142½—Jan. 3	146	142½	144⅞
Chicago & Northwestern	132⅛	101¾	127 —Jan. 31	119⅛—Jan. 4	127	119⅛	126
" preferred	165⅛	153	165¼—Jan. 14	163 —Jan. 3	165¼	163	165
Chicago, Rock I. & Pacific	97¼	60¼	94⅛—Jan. 28	88 —Jan. 5	94⅛	88	93⅛
Chic., St. Paul, Minn. & Om.	89⅛	47	78⅛-Jan. 31	72 —Jan. 24	78⅛	72	77¼
" preferred	150⅝	133	151⅛—Jan. 22	148 —Jan. 5	151⅛	148	151½
Clev., Cin., Chic. & St. Louis	41½	21⅛	38¼—Jan. 31	33¼—Jan. 24	38¼	33¼	37½
" preferred	86⅛	63	85 —Jan. 31	80 —Jan. 7	85	80	85
Col. Coal & Iron Devel. Co	2	⅜	⅞—Jan. 28	¾- Jan. 10	⅞	¾	⅞
Col. Fuel & Iron Co	27⅞	15¾	26⅝—Jan. 11	23 —Jan. 24	26⅝	23	25
Col. Hocking Val. & Tol	18	1½	7⅞—Jan. 10	5¼—Jan. 8	7⅞	5¼	7
" preferred	46	14	23 —Jan. 10	17 —Jan. 7	23	17	21
Consolidated Gas Co	241½	136⅛	195¼—Jan. 25	176 —Jan. 3	195¼	176	192
Delaware & Hud. Canal Co	123	99⅝	114 —Jan. 8	110¾—Jan. 21	114	110¾	113⅝
Delaware, Lack. & Western	164	146⅛	156⅛—Jan. 31	150¼—Jan. 21	156⅛	150¼	156⅛
Denver & Rio Grande	14¾	9¼	13 —Jan. 12	12 —Jan. 12	13	12	13
" preferred	50½	36	51⅝—Jan. 28	46 —Jan. 3	51⅝	46	51
Edison Elec. Illum. Co., N. Y.	132½	101¾	135 —Jan. 20	127 —Jan. 4	135	127	133
Erie	19	11⅛	15¼—Jan. 7	14 —Jan. 24	15¼	14	15⅛
" 1st pref	46⅝	27	39¾—Jan. 7	37 —Jan, 4	39¾	37	39½
" 2d pref	25⅝	15⅛	20¼—Jan. 8	18¼—Jan. 22	20¼	18¼	19¾
Evansville & Terre Haute	34	20	25 —Jan. 7	23 —Jan. 7	25	23	24
Express Adams	165	147¼	162 —Jan. 14	157 —Jan. 3	162	157	160⅛
" American	119⅛	109½	120 —Jan. 14	116 —Jan. 5	120	116	119¾
" United States	48	37	42 —Jan. 12	40 —Jan. 5	42	40	41½
" Wells, Fargo	120	97	116 —Jan. 5	113 —Jan. 10	116	113	116
Great Northern, preferred	141	120	140 —Jan. 31	130 —Jan. 12	140	130	140
Illinois Central	110¾	91⅛	106⅞—Jan. 31	102½—Jan. 5	106⅞	102½	106⅞
Iowa Central	13¾	6	9½—Jan. 13	8¾—Jan. 22	9½	8¾	9
" preferred	41¾	23	35 —Jan. 8	33 —Jan. 6	35	33	33
Laclede Gas	49¾	22	48 —Jan. 19	44 —Jan. 3	48	44	44
" preferred	96	70¼	94⅛—Jan. 14	93 —Jan. 4	94⅛	93	94
Lake Erie & Western	22½	13	17⅞—Jan. 12	16⅞—Jan. 7	17⅞	16⅞	17¼
" preferred	79⅞	58¼	73⅞—Jan. 12	70½—Jan. 3	73⅞	70½	72
Lake Shore	181	152	194½—Jan. 29	170¾—Jan. 4	194½	170¾	192
Long Island	55	38	41½—Jan. 26	40 —Jan. 20	41½	40	41⅛
Louisville & Nashville	63⅝	40⅛	60½—Jan. 31	54⅝—Jan. 5	60½	54⅝	59⅞
Manhattan consol	118	81¾	120¼—Jan. 14	110 —Jan. 4	120¼	110	118¼
Metropolitan Street	133⅛	99¾	147⅝—Jan. 31	128⅛—Jan. 4	147⅝	128⅛	147⅝
Michigan Central	111⅞	90	107¾—Jan. 31	100 —Jan. 4	107¾	100	107⅝
Minneapolis & St. Louis	31½	16	26⅝—Jan. 7	25 - Jan. 5	26⅝	25	25½
" 1st pref	90	77¾	86 —Jan. 13	85½—Jan. 13	86	85½	86
" 2d pref	62¾	46	56⅝—Jan. 7	53½—Jan. 24	56⅝	53½	55½
Missouri, Kan. & Tex	16⅞	10	14¼—Jan. 26	12¼—Jan. 5	14¼	12¼	13¾
" preferred	42	24¾	41 —Jan. 28	32½—Jan. 5	41	33½	40

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1897.		Highest and Lowest in 1898.		January, 1898.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Missouri Pacific	40¼	10	35⅝—Jan. 28	32½—Jan. 24	35⅝	32¼	34⅞
Mobile & Ohio	32	18	31½—Jan. 20	28¾—Jan. 18	31½	28¾	30½
N. Y. Cent. & Hudson River	115½	92½	119¾—Jan. 28	105⅝—Jan. 8	119¾	105⅝	118⅝
N. Y. Chicago & St. Louis	17⅞	11	15⅝—Jan. 31	13 —Jan. 3	15⅝	13	14¼
" 1st preferred	81½	67⅝	76 —Jan. 31	75 —Jan. 29	76	75	76
" 2d preferred	43½	24	40¼—Jan. 29	35 —Jan. 7	40¼	35	39½
N. Y., New Haven & Hartf'd.	186	160	193½—Jan. 31	178¼—Jan. 7	193½	178¼	193½
N. Y., Ontario & Western	20½	12¾	18¼—Jan. 26	15⅝—Jan. 8	18¼	15⅝	17⅞
N. Y., Sus. & Western	20	6½	18 —Jan. 5	8 —Jan. 8	18	8	11
" preferred	45	18¼	34 —Jan. 6	23 —Jan. 10	34	23	28½
Norfolk & Western	17¼	9	15¾—Jan. 12	14¼—Jan. 25	15¾	14¼	14⅞
" preferred	48½	17	48½—Jan. 27	46 —Jan. 24	48½	46	48½
North American Co	6⅛	3⅝	6⅛—Jan. 27	4¼—Jan. 15	6⅛	4¼	5¾
Northern Pacific tr. receipts.	22⅞	11	25⅝—Jan. 31	20¼—Jan. 4	25⅝	20¼	25½
" pref tr. receipts	61⅝	32⅛	69 —Jan. 31	58 —Jan. 5	69	58	68½
Oregon Railway & Nav	41	10	53¾—Jan. 31	35½—Jan. 7	53¾	35½	53¾
" preferred	73½	37⅞	72½—Jan. 20	68 —Jan. 5	72½	68	71
Oregon Short Line	23¾	10⅞	25 —Jan. 31	19⅝—Jan. 3	25	19⅝	25
Pacific Mail	39¼	24	32 —Jan. 12	29¾—Jan. 3	32	29¾	31
Pennsylvania R. R.	119	108½	119½—Jan. 31	114 —Jan. 22	119½	114	118¾
Pitts., Cin. Chic. & St. Louis	39½	11½	43½—Jan. 19	38⅞—Jan. 5	43½	38⅞	42¾
" preferred	70½	44½	70 —Jan. 27	64½—Jan. 18	70	64½	69⅞
Pullman Palace Car Co	185	152	179 —Jan. 28	173 —Jan. 4	179	173	178½
Reading Voting Tr. ctfs	29¼	16¼	23⅝—Jan. 6	21¼—Jan. 24	23⅝	21¼	22½
" 1st prefered	57¾	38½	53 —Jan. 7	48⅞—Jan. 24	53	48⅞	51⅞
" 2d preferred	35⅞	22½	29 —Jan. 6	26½—Jan. 19	29	26½	28
Rome, Wat. Ogdens' g	122½	117	123 —Jan. 4	120⅞—Jan. 31	123	120⅞	121½
St. Louis & San Francisco	9	4	7¾—Jan. 8	7 —Jan. 24	7¾	7	7⅝
" 1st preferred	59⅝	37	58 —Jan. 8	53½—Jan. 24	58	53½	56¼
" 2d preferred	27½	12	27¼—Jan. 7	25 —Jan. 19	27¼	25	26⅝
St. Louis & Southwestern	7	1	4¾—Jan. 27	3¾—Jan. 24	4¾	3¾	4½
" preferred	14⅝	3½	11 —Jan. 27	9 —Jan. 24	11	9	10¼
St. Paul & Duluth	30	20	25 —Jan. 8	20½—Jan. 6	25	20½	23
" preferred	87½	75	85 —Jan. 28	84 —Jan. 27	85	84	85
St. Paul, Minn. & Manitoba	125	114	125 —Jan. 31	123⅞—Jan. 12	125	123⅞	124½
Southern Pacific Co	23½	13½	22 —Jan. 12	19¼—Jan. 24	22	19¼	20
Southern Railway	12¾	7	9⅝—Jan. 12	8½—Jan. 24	9⅝	8½	9⅝
" preferred	33⅝	22⅞	32⅝—Jan. 12	29¾—Jan. 4	32⅝	29¾	32½
Tennessee Coal & Iron Co	35⅛	17	28½—Jan. 11	23⅝—Jan. 24	28½	23⅝	25½
Texas & Pacific	15	8	12⅝—Jan. 27	10¾—Jan. 5	12⅝	10¾	12¼
Union Pacific trust receipts	27¾	4½	35¼—Jan. 31	25½—Jan. 3	35¼	25½	35¼
Union Pac., Denver & Gulf	11⅝	1	10⅛—Jan. 8	6¾—Jan. 5	10⅛	6¾	9
Wabash R. R.	9¾	4⅝	7⅞—Jan. 12	6¾—Jan. 24	7⅞	6¾	7⅞
" preferred	24⅞	11½	19⅞—Jan. 13	17½—Jan. 24	19⅞	17½	19
Western Union	96¾	77¼	93⅝—Jan. 10	89½—Jan. 4	93⅝	89½	92
Wheeling & Lake Erie	6½	½	3¾—Jan. 11	2 —Jan. 5	3¾	2	3⅝
" preferred	29	2⅝	16 —Jan. 12	9¾—Jan. 4	16	9¾	13½
Wisconsin Central	4⅝	1	3⅞—Jan. 17	⅞—Jan. 6	3⅞	⅞	3
"Industrial"	Stocks:						
American Co. Oil Co	26⅞	9½	23½—Jan. 10	20 —Jan. 25	23½	20	22½
" preferred	80½	52¼	77½—Jan. 31	74½—Jan. 24	77½	74½	77½
American Spirits Mfg Co	15⅞	6½	9½—Jan. 26	6½—Jan. 20	9½	6½	9
" preferred	36	15	22⅞—Jan. 31	18 —Jan. 3	22⅞	18	22⅞
American Sugar Ref. Co	159½	109⅛	145 —Jan. 7	135¼—Jan. 17	145	135¼	138⅝
" preferred	121½	100¼	116 —Jan. 6	112 —Jan. 15	116	112	114
American Tobacco Co	96⅝	67½	91½—Jan. 7	88¾—Jan. 24	91½	88¾	89⅞
" preferred	115	100	117⅝—Jan. 10	113½—Jan. 14	117⅝	113½	114
General Electric Co	41⅝	28⅝	37¼—Jan. 8	33½—Jan. 4	37¼	33½	36½
National Lead Co	44	21⅞	37⅞—Jan. 7	34 —Jan. 24	37⅞	34	36¼
" preferred	109¾	88⅝	108¼—Jan. 31	106 —Jan. 3	108¼	106	106¼
National Linseed Oil Co	23½	10	19 —Jan. 14	17 —Jan. 4	19	17	18⅛
National Starch Manfg. Co	13	3	....	....	....	....	....
Standard Rope & Twine Co	11¾	2¾	4⅝—Jan. 11	3¼—Jan. 3	4⅝	3¼	3¾
U. S. Leather Co	10¼	6¼	7⅝—Jan. 31	6¾—Jan. 13	7⅝	6¾	7½
" preferred	72	50½	67 —Jan. 31	63 —Jan. 24	67	63	66
U. S. Rubber Co	25¼	10	17¼—Jan. 28	15 —Jan. 18	17¼	15	17¼
" preferred	76⅞	50	66¼—Jan. 28	63½—Jan. 11	66¼	63½	65½

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

Last Sale, Price and Date and Highest and Lowest Prices and Total Sales for the Month.

Note.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	January Sales. High.	January Sales. Low.	January Sales. Total.
Ala. Midland 1st gold 6s	1928	2,800,000	M & N	91	Jan. 20,'98	91	91	10,000
Ann Arbor 1st g 4's	1995	7,000,000	Q J	84	Jan. 31,'98	84	82	185,000
Atch., Top. & S. F.								
Atch Top & Santa Fe gen g 4's	1995	110,020,000	A & O	98	Jan. 31,'98	98	89¾	4,984,000
• registered		....	A & O	....		....	....	....
• adjustment, g. 4's	1995	51,728,000	NOV	60⅝	Jan. 31,'98	61	57⅝	5,085,000
• registered		....	NOV	....		....	....	....
• Equip. tr. ser. A. g. 5's	1902	1,000,000	J & J	....		....	....	....
• Chic. & St. L. 1st 6's	1915	1,500,000	M & S	....		....	....	....
Atlan. av. of Brook'n imp. g. 5's	1984	1,500,000	J & J	82½	Feb. 8,'96	....	....	....
Atlanta & Danville 1st g. 5's	1950	1,238,000	J & J	96½	Jan. 31,'98	96½	95	117,000
B. & O. 1st 6's (Parkersburg br.)	1919	3,000,000	A & O	112½	Jan. 20,'98	112½	112½	15,000
• 5's, gold	1885–1925	3,021,000	F & A	90	Jan. 28,'98	90	80	43,000
• coupons off			F & A	....		....	....	....
• registered				78	Dec. 16,'97	....	....	....
• eng. ctfs of deposit		6,979,000	......	73	Nov. 22,'97	....	....	....
B. & O. con. mtge. gold 5's	1988	5,265,000	F & A	90	May 27,'97	....	....	....
• registered			F & A	107½	Mar. 7,'94	....	....	....
• J.P.M. & Co. cfs. dep'it		6,713,000	......	....		....	....	....
Balti. Belt, 1st g. 5's int. gtd.	1990	6,000,000	M & N	84	Jan. 11,'98	84	84	2,000
W. Virginia & Pitts. 1st g. 5's	1990	4,000,000	A & O	111	Dec. 12,'95	....	....	....
Monongahela River 1st g. g., 5's	1919	700,000	F & A	104½	July 1,'92	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s	1930	2,500,000	M & S	99	Jan. 27,'98	99	99	2,000
Colo. & Cin. Midl'd 1st ext 4½'s	1939	2,000,000	J & J	92½	Aug. 30,'92	....	....	....
Ak. & Chic. Junc. 1st g. s. g. 5's	1930	1,500,000	M & N	102½	Nov. 21,'95	....	....	....
• coupons off		....	......	80	Nov. 1,'97	....	....	....
Pittsb. & Connellsville 1st g. 4's	1946	2,536,000	J & J	103½	Oct. 8,'97	....	....	....
B & O. Southwest'n 1st g. 4½'s	1990	10,667,000	J & J	98½	Jan. 17,'98	100	98½	8,000
• 1st c. g. 4½'s	1990	10,511,000	J & J	60	June 9,'97	....	....	....
• 1st inc. g. 5's "A"	2043	8,651,000	NOV	25	Aug. 18,'94	....	....	....
• "B"	2043	9,655,000	DEC	11	Feb. 8,'96	....	....	....
B. & O. Sw. Term Co. gtd g 5's	1942	1,200,000	M & N	....		....	....	....
Ohio & Miss. 1st con. 4's	1947	2,615,000	J & J	105½	Jan. 31,'98	105½	104	26,000
• 2d con. 7's	1911	2,952,000	A & O	106⅝	Jan. 8,'98	106⅝	106⅝	4,000
• 1st Spr'gfield div. 7's	1905	1,984,000	M & N	106	Jan. 27,'98	107	105⅝	48,000
• 1st gen. 5's	1932	405,000	J & D	98	Apl. 2,'92	....	....	....
Brooklyn City 1st con. 5's	1941	4,373,000	J & J	115	Sept. 13,'97	....	....	....
Brooklyn E. Tr. Co. cfs 1st g. 6s's	1924	3,464,000	......	85⅝	Jan. 31,'98	86¼	83	123,000
• Tr. Co. ctfs. 2d g. 5's	1915	1,246,000	......	....		....	....	....
Seas. & B. B. Tr. Co. cfs. 1st g. g. 5's	1942	1,857,000	......	70½	Dec. 14,'97	....	....	....
Union Ele. Tr. Co. ctfs. 1st g. g. 6's	1937	6,124,000	......	86½	Jan. 28,'98	86½	83	245,000
Brooklyn Rapid Transit g. 5's	1945	6,398,000	A & O	94⅝	Jan. 29,'98	95½	94	751,000
Brunswick & Western 1s g. 4's	1938	3,000,000	J & J	74	Sept. 1,'96	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's	1937	4,407,000	M & S	104¾	Jan. 31,'98	104¾	104⅛	6,000
Rochester & Pittsburg. 1st 6's	1921	1,300,000	F & A	127	Jan. 26,'98	127	127	1,000
• cons. 1st 6's	1922	3,920,000	J & D	122	Dec. 13,'97	....	....	....
Clearfield & Mah. 1st g. g. 5's	1943	650,000	J & J	121¼	May 26,'96	....	....	....
Buffalo & Susquehanna 1st g. 5's	1913	1,289,000	A & O	100	Feb. 27,'96	....	....	....
• registered			A & O	....		....	....	....
Burlington, Cedar R. & N. 1st 5's	1906	6,500,000	J & D	107¾	Jan. 31,'98	108	107½	25,500
• con. 1st & col. tst 5's	1934	6,425,000	A & O	109	Jan. 24,'98	109	107⅝	90,000
• registered			A & O	97	Feb. 9,'98	....	....	....
Minneap's & St. Louis 1st 7's, g.	1927	150,000	J & D	140	Aug. 24,'95	....	....	....
Ced. Rap Ia. Falls & Nor. 1st 6's	1920	825,000	A & O	108	Dec. 10,'97	....	....	....
• 1st 5's	1921	1,905,000	A & O	105	Jan. 4,'98	105	105	3,000

BOND QUOTATIONS.—Last sale, price and date; highest and lowest price and total sales for the month.

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Name.	Principal Due	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	January Sales. High.	January Sales. Low.	January Sales. Total.
Canada Southern 1st int. gtd 5's,	1908	13,920,000	J & J	110⅞	Jan. 28,'98	111	109¾	144,000
" 2d mortg. 5's,	1913	5,100,000	M & S	109½	Jan. 29,'98	109½	108½	82,000
" registered			M & S	106½	May 22,'97	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's,	1937	4,880,000	M & N	91½	Dec. 13,'97	....	....	....
Central R'y of Georgia, 1st g. 5's.	1945	7,000,000	F & A	119½	Jan. 13,'98	119½	118¼	26,000
" registered $1,000 & $5,000			F & A	....		....	....	....
" con. g. 5's	1945	16,500,600	M & N	91¾	Jan. 28,'98	92½	91	393,000
" con. g. 5's, reg. $1,000 & $5,000			M & N	....		....	....	....
" 1st. pref. inc. g. 5's,	1945	4,000,000	OCT 1	42½	Jan. 31,'98	44½	42½	126,000
" 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	14	Jan. 31,'98	15¼	14	63,500
" 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	8½	Jan. 21,'98	8½	8½	1,000
" Macon & Nor. Div. 1st g. 5's	1946	840,000	J & J	92	Jan. 6,'98	92	92	2,000
" Mobile div. 1st g. 5's	1946	1,000,000	J & J	95⅝	Jan. 19,'98	95⅝	95⅝	20,000
" Mid. Ga. & Atl. div. g 5s.	1947	413,000	J & J	....		....	....	....
Central Railroad of New Jersey,								
" 1st consolidated 7's	1899	3,836,000	Q J	104⅝	Jan. 29,'98	104⅝	104⅜	30,000
" convertible 7's	1902	1,167,000	M & N	112½	Dec. 3,'97	....	....	....
" deb. 6's	1908	466,000	M & N	110	Mar. 23,'97	....	....	....
" gen. g. 5's	1987	43,924,000	J & J	113	Jan. 28,'98	113	110	363,000
" registered			Q J	112	Jan. 28,'98	112	110	65,500
Lehigh & W.-B. con. assd. 7's	1900	5,500,000	Q M	102½	Jan. 31,'98	102½	100	116,000
" mortgage 5's	1912	2,887,000	M & N	90	Jan. 5,'98	90	90	5,000
Am. Dock & Improvm't Co. 5's,	1921	4,987,000	J & J	115	Jan. 25,'98	115	114½	2,000
N. J. Southern int. gtd 6's	1899	411,000	J & J	104	Nov. 13,'96	....	....	....
Cen. Pac. Speyer & Co. cfs. dep. A.	1898	3,210,000	......	....		....	....	....
" " " B C D.	1899		......	....		....	....	....
" ext g 5's series E	1898		J & J	103	Jan. 18,'98	103	103	10,000
" Speyer & Co. cfs. dep. E.	1900		......	....		....	....	....
" " " F G H I.	1901		......	....		....	....	....
" San Joaquin br. g 6's	1900	6,080,000	A & O	101¼	Dec. 14,'97	....	....	....
" gtd. g 5's	1939	4,279,000	A & O	84½	Sept. 16,'96	....	....	....
" Speyer & Co. eng. ctfs		8,004,000	......	....		....	....	....
" land grant g 5's	1900	2,479,000	A & O	100½	Dec. 27,'97	....	....	....
" Cal. & O. div. ex. g. 7's,	1918	4,358,000	J & J	101½	Dec. 6,'97	....	....	....
Western Pacific bonds 6's	1899	2,735,000	J & J	101	Jan. 18,'98	101⅜	101	22,000
North. Ry. (Cal.) 1st g. 6's, gtd.	1907	3,964,000	J & J	94	Nov. 30,'97	....	....	....
" gtd. g. 5's	1938	4,800,000	A & O	102	Jan. 29,'98	102¼	100	92,000
Cent. Wash. Tr. Co. cts. 1st g. 6's.	1938	1,497,000	......	30	Nov. 30,'97	....	....	....
Charleston & Sav. 1st g. 7's	1936	1,500,000	J & J	108¾	Dec. 13,'96	....	....	....
Ches. & Ohio pur. money fd	1898	2,287,000	J & J	101⅛	Jan. 7,'98	101⅛	101⅛	32,000
" 6's, g., Series A	1908	2,000,000	A & O	120¼	Jan. 26,'98	120¼	120	20,000
" Mortgage gold 6's	1911	2,000,000	A & O	120¼	Jan. 21,'98	120¼	120¼	1,000
" 1st con. g. 5's	1939	23,571,000	M & N	116	Jan. 31,'98	116	114	209,000
" registered			M & N	114½	Jan. 31,'98	114½	113	20,000
" Gen. m. g. 4½'s	1992	22,751,000	M & S	83½	Jan. 31,'98	83⅝	81⅞	1,714,000
" registered			M & S	85	Dec. 30,'93	....	....	....
" (R. & A. d.) 1st c. g. 4's,	1989	6,000,000	J & J	105	Jan. 31,'98	105	103⅞	92,500
" 2d con. g. 4's	1989	1,000,000	J & J	93⅞	Jan. 24,'98	94	93⅞	10,000
" Craig Val. 1st g. 5's	1940	650,000	J & J	95½	Jan. 13,'98	95½	95½	2,000
" Warm S. Val. 1st g. 5's,	1941	400,000	M & S	98	Dec. 21,'93	....	....	....
" Elz. Lex. & B. S. g. g. 5's,	1902	3,007,000	M & S	103¼	Jan. 31,'90	104	102	32,000
Chicago & Alton s'king fund 6's.	1903	1,722,000	J & J	112	Dec. 9,'97	....	....	....
Louisiana & Mo. Riv. 1st 7's	1900	1,785,000	F & A	111	Jan. 7,'98	111	110⅛	5,000
" 2d 7's	1900	300,000	M & N	112	June 17,'96	....	....	....
St. Louis, J. & C. 2d gtd 7's	1898	188,000	J & J	104¾	Apr. 25,'97	....	....	....
Miss. Riv. Bdge 1st s. f'd g. 6's	1912	512,000	A & O	105½	Oct. 30,'95	....	....	....
Chicago, Burl. & Quincy con. 7's.	1903	28,924,000	J & J	116	Jan. 31,'98	116	115¼	108,000
" 5's, sinking fund	1901	2,315,000	A & O	103¾	Dec. 21,'97	....	....	....
" 5's, debentures	1913	9,000,000	M & N	107½	Jan. 31,'98	107½	106	90,000
" convertible 5's	1903	15,263,900	M & S	110¾	Jan. 31,'98	112	110½	151,500
" (Iowa div.) sink. f'd 5's,	1919	2,818,000	A & O	109	June 9,'97	....	....	....
" 4's	1919	9,050,000	A & O	102¼	Jan. 19,'98	102¼	102	7,000
" Denver div. 4's	1922	6,141,000	F & A	100½	Jan. 28,'98	101½	100½	13,000
" 4's	1921	3,300,000	M & S	93¾	Dec. 3,'93	....	....	....
" Chic. & Iowa div. 5's	1905	2,320,000	F & A	107½	Jan. 18,'96	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due.	Amount.	Int's paid.	Last Sale. Price.	Last Sale. Date.	January High.	January Low.	Sales. Total.
" Nebraska extensi'n 4's,	1927	26,411,000	M & N	99¾	Jan. 31,'98	100	98½	302,000
" registered			M & N	91	July 10,'97	....	....	....
" Han. & St. Jos. con. 6's,	1911	8,000,000	M & S	123	Jan. 31,'98	123	122⅛	21,000
Chic. Burl. & Northern, 1st 5's.	1926	8,241,000	A & O	110⅛	Jan. 15,'98	110¼	110	12,000
Chicago & E. Ill. 1st s. f'd c'y. 6's.	1907	2,989,000	J & D	116¼	Jan. 14,'98	116¼	116¼	3,000
" small bonds			J & D	112	Apr. 2,'96	....	....	....
" 1st con. 6's, gold	1934	2,653,000	A & O	129	Jan. 14,'98	130	129	4,000
" gen. con. 1st 5's	1937	9,767,000	M & N	106⅛	Jan. 29,'98	107½	101¼	292,000
" registered			M & N	101	Jan. 4,'98	101	101	2,000
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	104½	Jan. 28,'98	104½	100¼	30,000
Chicago, Indianapolis & Louisville.								
Louisv. N. Alb. & Chic. 1st 6's.	1910	3,000,000	J & J	115	Dec. 13,'97	....	....	....
Chic. Ind. & Louisv. ref. g. 5's.	1947	2,909,000	J & J	85	Jan. 27,'98	85	83	94,000
" refunding g. 6's	1947	4,700,000	J & J	102	Jan. 27,'98	102	97	52,000
Chicago, Milwaukee & St. Paul.								
Mil. & St. Paul 1st m. 8's P. D.	1898	1,671,000	F & A	103½	Jan. 11,'98	103½	103½	12,000
" 1st 7's $ gold, R. div.	1902	3,175,000	J&J	140	Jan. 29,'98	140¼	140	41,000
" 1st 7's £	1902		J&J	120	Feb. 8,'94	....	....	....
" 1st m. Iowa & D. 7's.	1899	340,000	J & J	137½	Jan. 3,'98	137½	137½	3,000
" 1st m. C. & M. 7's	1903	2,188,000	J & J	140½	Jan. 28,'98	140½	140½	6,000
Chicago Mil. & St. Paul con. 7's,	1905	10,768,000	J & J	140½	Jan. 28,'98	140½	138	140,000
" 1st 7's, Iowa & D, ex,	1908	3,417,000	J & J	141	Jan. 10,'98	141	139¼	12,000
" 1st 6's, Southw'n div.,	1909	4,000,000	J & J	119¾	Jan. 19,'98	119¾	118¼	5,000
" 1st 5's, La. C. & Dav.	1919	2,500,000	J & J	114¼	Sept. 15,'97	....	....	....
" 1st So. Min. div. 6's.	1910	7,432,000	J & J	120½	Jan. 31,'98	120½	118¼	72,000
" 1st H'st & Dk. div. 7's,	1910	5,680,000	J & J	130¼	Jan. 13,'98	130¼	130¼	2,000
" 5's	1910	990,000	J & J	109	Oct. 5,'97	....	....	....
" Chic. & Pac. div. 6's,	1910	3,000,000	J & J	120	Jan. 31,'98	121	119	29,000
" 1st Chic. & P. W. 5's,	1921	25,340,000	J & J	116¼	Jan. 31,'98	117	115¾	122,000
" Chic. & M. R. div. 5's,	1926	3,083,000	J & J	114½	Jan. 6,'98	114½	114½	10,000
" Mineral Point div. 5's,	1910	2,840,000	J & J	110	Jan. 17,'98	110	107	23,000
" Chic. & Lake Sup. 5's,	1921	1,360,000	J & J	117	Dec. 28,'97	....	....	....
" Wis. & Min. div. 5's.	1921	4,755,000	J & J	114½	Jan. 5,'98	114½	114½	11,000
" terminal 5's	1914	4,748,000	J & J	114½	Jan. 20,'98	114½	114	6,000
" Far. & So. 6's assu	1924	1,250,000	J & J	127¼	Jan. 27,'98	127¼	127⅛	3,000
" cont. si'k. f'd 5's	1916	1,291,000	J & J	106½	July 9,'97	....	....	....
" Dakota & Gt. S. 5's.	1916	2,856,000	J & J	113	Jan. 29,'98	113½	113	8,000
" g. m. g. 4's, series A.	1989	21,117,000	J & J	105¾	Jan. 29,'98	105¾	104⅝	96,000
" registered		....	Q J	94½	Dec. 11,'95	....	....	....
" Mil. & N. 1st M. L. 6's,	1910	2,155,000	J & D	122½	Jan. 24,'98	122½	122½	6,000
" 1st convt. 6's	1913	5,092,000	J & D	122	Dec. 27,'97	...	....	....
Chic. & Northwestern cons. 7's.	1915	12,771,000	Q F	144	Jan. 25,'98	145	144½	16,000
" coupon gold 7's	1902	12,336,000	J & D	116¼	Jan. 31,'98	116¼	116⅛	14,000
" registered d. gold 7's	1902		J & D	116⅛	Jan. 25,'98	116½	116	42,000
" sinking fund 6's.	1879–1929	5,591,000	A & O	117	Jan. 19,'98	117½	116½	17,000
" registered			A & O	115	Nov. 17,'97	....	....	....
" 5's	1879–1929	7,237,000	A & O	111¼	Jan. 5,'98	111¼	111¼	10,000
" registered			A & O	109½	Dec. 30,'97	....	....	....
" debenture 5's	1933	9,800,000	M & N	118	Jan. 24,'98	118	117⅛	19,000
" registered			M & N	118	Jan. 22,'98	118	118	11,000
" 25 year deben. 5's	1909	6,000,000	M & N	110¼	Jan. 27,'98	110¼	110¼	6,000
" registered			M & N	108¾	July 13,'97	....	....	....
" 30 year deben. 5's	1921	9,800,000	A & O	115	Dec. 13,'97	....	....	....
" registered			A & O	107	Nov. 20,'95	....	....	....
" extension 4's	1886–1926	18,632,000	F A 15	105⅞	Dec. 6,'97	....	....	....
" registered			F A 15	100	Nov. 10,'96	....	....	....
Escanaba & L. Superior 1st 6's.	1901	720,000	J & J	107½	Nov. 28,'96	....	....	....
Des Moines & Minn. 1st 7's	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Iowa Midland 1st mortg. 8's	1900	1,350,000	A & O	116	July 9,'96	....	....	....
Chic. & Milwaukee 1st mtg. 7's.	1898	1,700,000	J & J	102	Jan. 31,'98	102	101½	10,000
Winona & St. Peters 2d 7's	1907	1,592,000	M & N	127	Apr. 17,'96	....	....	....
Milwaukee & Madison 1st 6's.	1905	1,600,000	M & S	117	Jan. 12,'98	117	117	5,000
Ottumwa C. F. & St. P. 1st 5's.	1909	1,600,000	M & S	109	Oct. 4,'97	....	....	....
Northern Illinois 1st 5's	1910	1,500,000	M & S	108	Sept. 30,'97	....	....	....
Mil., Lake Shore & We'n 1st 6's,	1921	5,000,000	M & N	136½	Jan. 15,'98	137	136½	11,000
" con. deb. 5's	1907	436,000	F & A	105½	Feb. 24,'97	....	....	....
" ext. & impt. s.f'd g. 5's	1929	4,148,000	F & A	118	Dec. 10,'97	....	....	....
" Michigan div. 1st 6's.	1924	1,281,000	J & J	131½	Aug. 30,'97	....	....	....
" Ashland div. 1st 6's.	1925	1,000,000	M & S	134	July 22,'97	....	....	....
" income		500,000	M & N	110¼	July 2,'96	....	....	....
Chic., Rock Is. & Pac. 6's coup.	1917	12,100,000	J & J	134⅛	Dec. 18,'97	....	....	....
" 6's registered	1917		J & J	131¼	Jan. 29,'98	131¼	131¼	10,000

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JANUARY SALES. *High.*	JANUARY SALES. *Low.*	JANUARY SALES. *Total.*
〃 exten. and collat. 5's..1934	40,381,000	J & J	105⅞	Jan. 31,'98	106⅛	105⅛	1,270,000
〃 registered..................		J & J	105¾	Jan. 31,'98	106	105⅛	275,000
〃 debenture 5's..........1921	4,500,000	M & S	107¼	Jan. 25,'98	107⅛	106¾	165,000
〃 registered..................	....	M & S	....	....	....	....	....
Des Moines & Ft. Dodge 1st 4's.1905	1,200,000	J & J	85	Jan. 15,'98	85	85	1,000
〃 1st 2½'s................1905	1,200,000	J & J	69¼	Jan. 10,'98	69¼	69¼	30,000
〃 extension 4 s..............	672,000	J & J	83	Mar. 15,'97	....	....	....
Keokuk & Des M. 1st mor. 5's..1923	2,750,000	A & O	105⅛	Jan. 11,'98	106⅛	105⅛	11,500
〃 small bond............1923	....	A & O	100	Apr. 15,'97	....	....	....
Chic., St.P., Minn.& Oma.con.6's.1930	13,413,000	J & D	137	Jan. 31,'98	138	136⅛	13,000
Chic., St. Paul & Minn. 1st 6's..1918	3,000,000	M & N	132	Jan. 20,'98	133	131¼	4,000
North Wisconsin 1st mort. 6's..1930	800,000	J & J	125	May 4,'88	....	....	....
St. Paul & Sioux City 1st 6's....1919	6,070,000	A & O	133¾	Jan. 28,'98	133¾	132	9,000
Chic., Term. Trans. R. R. g. 4's..1947	13,000,000	J & J	85⅛	Jan. 31,'98	86	83⅝	1,757,000
Chic. & Wn. Ind. 1st s'k. f'd g. 6's.1919	1,062,000	M & N	106	June 22,'97	....	....	....
〃 gen'l mortg. g. 6's......1932	9,652,666	Q M	121	Jan. 11,'98	121	121	1,000
Chic. & West Michigan R'y 5's...1921	5,753,000	J & D	98½	Mar. 18,'96	....	....	....
〃 coupons off..................	....	......	....	....	....	....	....
Cin., Ham. & Day. con. s'k. f'd 7's.1905	996,000	A & O	119	Oct. 26,'96	....	....	....
〃 2d g. 4½'s..............1937	2,000,000	J & J	103½	Mar. 18,'97	....	....	....
Cin., Day. & Ir'n 1st gtd. g. 5's..1941	3,500,000	M & N	110½	Jan. 31,'98	111	110½	6,000
City Sub. R'y, Balto. 1st g. 5's....1922	2,430,000	J & D	105⅝	Apr. 17,'96	....	....	....
Clev., Ak'n & Col. eq. and 2d g.6's.1930	730,000	F & A	....	....	....	....	....
Clev. & Can.Tr.Co.ctfs. 1st 5's for.1917	2,000,000	......	71	Jan. 28,'98	71	70	40,000
Clev.,Cin.,Chic.& St.L. gen.m. 4's.1993	7,574,000	J & D	84	Oct. 14,'95	....	....	....
〃 do Cairo div. 1st g. 4's..1939	5,000,000	J & J	90	Jan. 12,'98	90	89	9,000
St. Louis div. 1st col. trust g.4's.1990	9,750,000	M & N	97	Jan. 29,'98	97	96½	30,000
〃 registered..................			93¾	Dec. 16,'97	....	....	....
Sp'gfield & Col. div. 1st g. 4's...1940	1,035,000	M & S	87	Oct. 22,'95	....	....	....
White W. Val. div. 1st g. 4's....1940	650,000	J & J	88½	Jan. 13,'98	88½	87½	10,000
Cin.,Wab. & Mich. div. 1st g. 4's.1991	4,000,000	J & J	88½	Nov. 23,'97	....	....	....
Cin.,Ind., St. L. & Chic. 1st g.4's.1936	7,685,000	Q F	101	Jan. 20,'98	101	101	1,000
〃 registered..................			95	Nov. 15,'94	....	....	....
〃 con. 6's................1920	731,000	M & N	104	Mar. 29,'96	....	....	....
Cin.,S'dusky&Clev.con.1st g.5's1928	2,571,000	J & J	114	Oct. 7,'97	....	....	....
Ind. Bloom. & W., 1st pfd. 7's..1900	1,000,000	J & J	107¼	Feb. 19,'97	....	....	....
Ohio, Ind. & W., 1st pfd. 5's....1938	500,000	Q J	....	....	....	....	....
Peoria & Eastern 1st con. 4's...1940	8,103,000	A & O	74½	Jan. 31,'98	76	73	7,000
〃 income 4's............1990	4,000,000	A	21	Aug. 26,'97	....	....	....
Clev., C., C. & Ind. 1st 7's s'k. f'd.1899	3,000,000	M & N	105⅝	Jan. 25,'98	105⅝	104⅞	12,000
〃 consol mortg. 7's......1914	3,991,000	J & D	136	Jan. 12,'98	136	135	13,000
〃 sink. fund 7's.........1914		J & D	119⅝	Nov. 19,'89	....	....	....
〃 gen. consol 6's........1934	3,205,000	J & J	128	Nov. 26,'97	....	....	....
〃 registered..................		J & J	....	....	....	....	....
Cin., Sp. 1st m. C.,C.,C.&Ind. 7's.1901	1,000,000	A & O	107½	Oct. 16,'97	....	....	....
Clev.,Lorain & Wheel'g con.1st 5's1933	4,300,000	A & O	102½	Jan. 19,'98	102½	102½	15,000
Clev., & Mahoning Val. gold 5's..1938	2,936,000	J & J	108	Apr. 14,'97	....	....	....
〃 registered..................		Q J	....	....	....	....	....
Col.Midld Tr.Co.ctfs.1st g.6's asst.1936	6,217,000	J & D	67¼	Jan. 31,'98	67½	64½	334,000
〃 Tr.Co. cfs. cn.g.4's stm gtd assented all inst. pd............1940	4,873,000	F & A	20¾	Jan. 31,'98	21¼	19½	178,000
Col., Hock. Val. & Tol. con. g. 5's.1931	406,000	M & S	74	Aug.10,'97	....	....	....
〃 J. P. M. & Co. eng ctf. $45 pd.	7,694,000	......	78⅝	Jan. 31,'98	78⅝	74	177,000
〃 gen. mort. g. 6's..........1904	2,000,000	J & D	55½	Jan. 31,'98	55½	54	5,000
〃 gen. lien g. 4's..........1996	852,000	J & J	....	....	....	....	....
〃 registered, $5,000............		J & J	....	....	....	....	....
Conn., Passumpsic Riv's 1st g. 4's.1943	1,900,000	A & O	102	Dec. 27,'96	....	....	....
Delaware, Lack. & W. mtge 7's..1907	3,067,000	M & S	128	Jan. 15,'98	128	128	2,000
Syracuse, Bing. & N. Y. 1st 7's..1906	1,966,000	A & O	125¼	Jan. 3,'98	125¼	125¼	3,000
Morris & Essex 1st m 7's........1914	5,000,000	M & N	141½	Jan. 31,'98	144	141½	2,000
〃 bonds, 7's..............1900	281,000	J & J	109	Nov. 23,'97	....	....	....
〃 7's..................1871-1901	4,991,000	A & O	112	Dec. 10,'97	....	....	....
〃 1st c. gtd 7's..........1915	12,151,000	J & D	141	Jan. 31,'98	141	141	1,000
〃 registered..................		J & D	136	June 4,'96	....	....	....
N. Y., Lack. & West'n. 1st 6's...1921	12,000,000	J & J	138⅝	Jan. 20,'98	138⅝	138½	3,000
〃 const. 5's..............1923	5,000,000	F & A	118½	Nov. 17,'97	....	....	....
Warren 2d 7's..................1900	750,000	A & O	113¼	Nov. 6,'95	....	....	....

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Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	January Sales. High.	January Sales. Low.	January Sales. Total.
Delaware & Hudson Canal.								
" 1st Penn. Div. c. 7's	1917	5,000,000	M & S	147⅛	Aug. 31, '97	....	....	....
" reg.	1917		M & S	143	May 4, '96	....	....	....
Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	125⅛	Jan. 25, '98	125⅛	125⅛	3,000
" registered			A & O	128⅝	Feb. 12, '94	....	....	....
" 6's	1906	7,000,000	A & O	118⅛	Jan. 27, '98	118⅛	118⅛	3,000
" registered			A & O	116½	Mar. 22, '97	....	....	....
Rens. & Saratoga 1st c. 7's	1921	2,000,000	M & N	148¾	Aug. 18, '97	....	....	....
" 1st r 7's	1921		M & N	143	Nov. 18, '96	....	....	....
Denver Con. T'way Co. 1st g. 5's	1933	780,000	A & O	....		....	....	....
Denver T'way Co. con. g. 6's	1910	1,219,000	J & J	....		....	....	....
Metropol'n Ry Co. 1st g. g. 6's	1911	913,000	J & J	....		....	....	....
Denver & Rio G. 1st con. g. 4's	1936	28,465,000	J & J	93	Jan. 31, '98	95⅛	89⅛	286,000
" 1st mortg. g. 7's	1900	6,382,500	M & N	108½	Dec. 16, '97	....	....	....
" impt. m. g. 5's	1928	8,103,500	J & D	85⅛	Jan. 3, '98	85⅛	85⅛	4,000
Des Moines Union Ry 1st g. 5's	1917	628,000	M & N	97⅛	Jan. 13, '98	97⅛	97	17,000
Detroit, Mac. & Ma. ld gt. 3½ S A.	1911	3,024,000	A & O	17⅛	Jan. 20, '98	17⅛	17¼	25,000
Detroit & Mack. 1st lien g. 4s	1995	900,000	J & D	67	Mar. 24, '95	....	....	....
" g. 4s	1995	1,250,000	J & D	....		....	....	....
Duluth & Iron Range 1st 5's	1937	6,332,000	A & O	105¾	Jan. 31, '98	105¾	104	81,000
" registered			A & O	101½	July 23, '89	....	....	....
" 2d l m 6s	1916	1,000,000	J & J	....		....	....	....
Duluth, Red Wing & S'n 1st g. 5's	1928	500,000	J & J	....		....	....	....
Duluth So. Shore & At. gold 5's	1937	4,000,000	J & J	105	Jan. 17, '98	105	105	1,000
Erie, 1st mortgage ex. 7's	1897	2,482,000	M & S	114¾	Jan. 24, '98	115	112⅛	27,000
" 2d extended 5's	1919	2,149,000	M & N	116½	Dec. 3, '97	....	....	....
" 3d extended 4½'s	1923	4,618,000	M & S	114⅝	Dec. 22, '97	....	....	....
" 4th extended 5's	1920	2,926,000	A & O	120½	Oct. 29, '97	....	....	....
" 5th extended 4's	1928	709,500	J & D	105¾	Oct. 29, '96	....	....	....
" 1st cons gold 7's	1920	16,890,000	M & S	146⅝	Jan. 25, '98	146½	146	15,000
" 1st cons. fund c. 7's	1920	3,705,977	M & S	143	Jan. 13, '98	143	142½	17,000
Long Dock consol. 6's	1953	7,500,000	A & O	137½	Dec. 20, '97	....	....	....
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	141	Sept. 10, '97	....	....	....
Buffalo & Southwestern m 6's	1908	1,500,000	J&J	....		....	....	....
" small			J&J	....		....	....	....
Jefferson R. R. 1st gtd g 5's	1909	2,800,000	A & O	106	Dec. 27, '97	....	....	....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	112½	Jan. 31, '98	112½	111¾	55,000
N. Y. L. E. & W. Coal & R. R. Co. 1st g currency 6's	1922	1,100,000	M&N	....		....	....	....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	102	Aug. 31, '96	....	....	....
N. Y. & Greenw'd Lake gt g 5's	1946	1,452,000	M&N	105½	Oct. 2, '97	....	....	....
" small								
Erie R.R. 1st con. g-4s prior bds	1996	30,000,000	J&J	91¼	Jan. 31, '98	91⅝	90	1,191,000
" " registered			J&J	....		....	....	....
" " gen. lien 3-4s	1996	30,927,000	J&J	71	Jan. 31, '98	71⅞	70	851,000
" " registered			J&J	....		....	....	....
Eureka Springs R'y 1st 6's, g	1933	500,000	F & A	65	Nov. 10, '97	....	....	....
Evans. & Terre Haute 1st con. 6's	1921	3,000,000	J & J	117	Jan. 26, '98	117	116½	10,000
" 1st General g 5's	1942	2,223,000	A & O	76	Dec. 10, '97	....	....	....
" Mount Vernon 1st 6's	1923	375,000	A & O	110	May 10, '93	....	....	....
" Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	95	Sep. 15, '91	....	....	....
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	114	Dec. 24, '97	....	....	....
Flint & Pere Marquette m 6's	1920	3,999,000	A & O	116½	Jan. 29, '98	116½	113½	137,000
" 1st con. gold 5's	1939	2,100,000	M & N	92¾	Jan. 29, '98	92¾	89¼	81,000
" Port Huron d 1st g 5's	1939	3,083,000	A & O	88½	Jan. 31, '98	88¾	88	91,000
Florida Cen. & Penins. 1st g 5's	1918	3,000,000	J & J	103	Aug. 14, '96	....	....	....
" 1st land grant ex. g 5's	1930	423,000	J & J	....		....	....	....
" 1st con. g 5's	1943	4,370,000	J & J	80½	May 14, '96	....	....	....
Ft. Smith U'n Dep. Co. 1st g 4½'s	1941	1,000,000	J & J	105¾	July 31, '97	....	....	....
Ft. Worth & D. C. ctfs. dep. 1st 6's	1921	8,176,000	......	74	Jan. 31, '98	75	70¼	434,000
Ft. Worth & Rio Grande 1st g 5's	1928	2,863,000	J & J	59	Jan. 31, '98	59	54½	211,000
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	89¼	Jan. 26, '98	90	88¾	123,000
Geo. & Ala. Ry. 1st pref. g. 5's	1945	2,230,000	A & O	103	Aug. 11, '97	....	....	....
Ga. Car. & N. Ry. 1st gtd. g. 5's	1927	5,360,000	J & J	83	June 23, '97	....	....	....

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Illinois Central 1st g. 4's	1951	1,500,000	J&J	113	Nov. 23,'97	....	....	....
" registered			J&J	112¾	July 13,'97	....	....	....
" gold 3½'s	1951	2,499,000	J&J	101	Nov. 4,'97	....	....	....
" registered			J&J	102⅛	Jan. 29,'98	102⅛	102⅛	25,000
" gold 4's	1952	15,000,000	A & O	108½	Dec. 15,'97	....	....	....
" gold 4's regist'd			A & O	103	Jan. 25,'98	103	103	1,000
" gold 4's	1953	24,679,000	M & N	102	Jan. 31,'98	102	101¼	47,000
" gold 4's registered			M & N	....		....	....	....
" 2-10 g. 4's	1904	4,806,000	J & J	99	Sept. 29,'97	....	....	....
" 2-10 g. 4's registered			J & J	....		....	....	....
" 1st g 3s sterl. £500,000	1951	2,500,000	M & S	92¾	July 13,'96	....	....	....
" registered			M & S	....		....	....	....
" West'n Line 1st g. 4's	1951	3,550,000	F & A	105	Jan. 28,'98	105	105	3,000
" registered			F & A	....		....	....	....
" Cairo Bridge 4's g	1950	3,000,000	J & D	101¼	Sept. 10,'95	....	....	....
" registered			......	....		....	....	....
Middle div. registered 5's	1921	600,000	F & A	116¼	Aug. 16,'95	....	....	....
Chic., St. L. & N. O. gold 5's	1951	16,526,000	J D 15	123	Jan. 19,'98	123	123	8,000
" gold 5's, registered			J D 15	118¼	Apr. 1,'97	....	....	....
" Memph. div. 1st g. 4's	1951	3,500,000	J & D	103½	Jan. 24,'98	103½	103½	1,000
" registered			J & D	....		....	....	....
St. Louis, A. & T. H. 1st 2T. g. 5's	1914	2,200,000	J & D	105	Dec. 28,'97	....	....	....
" registered			J & D	....		....	....	....
Belleville & Carodt 1st 6's	1923	485,000	J & D	115	June 22,'96	....	....	....
St. Louis, South. 1st gtd. g. 4's	1931	550,000	M & S	90	Nov. 12,'97	....	....	....
" 2d inc. 5's	1931	126,000	M & S	72½	Nov. 25,'91	....	....	....
" 1st con. g. 5's	1939	399,000	M & S	....		....	....	....
Carbond'e & Shawt'n 1st g. 4's	1932	250,000	M & S			....	....	....
Ind., Dec. & West. 1st g. 5's	1935	1,824,000	J & J	104	Jan. 31,'98	104	103½	31,000
Indiana, Ill. & Iowa 1st g. 4's	1939	800,000	J & D	86	Jan. 22,'98	88	86	5,000
" 1st ext. g. 5's	1943	500,000	M & S	94¼	Nov. 21,'95	....	....	....
Internat. & Gt. N'n 1st. 6's, gold	1919	7,954,000	M & N	121¾	Jan. 24,'98	123¼	121¾	54,000
" 2d g. 5's	1909	6,593,000	M & S	88½	Jan. 31,'98	89	85	101,000
" 3d g. 4's	1921	2,714,000	M & S	52	Jan. 27,'98	52	44	36,500
Iowa Central 1st gold 5's	1938	6,322,000	J & D	100	Jan. 28,'98	100	99	145,000
Kansas C. & M. R. & B. Co. 1st gtd g. 5's	1929	3,000,000	A & O	....		....	....	....
Kan. C. Pitt. & Gulf 1st & col. g. 5's	1923	19,708,000	A & O	80½	Jan. 31,'98	80⅛	78¼	443,000
Kings Co. El. series A. 1st g. 5's	1925	3,177,000	J & J	50	Jan. 27,'98	50	46	23,000
Fulton El. 1st m. g. 5's series A	1929	1,979,000	M & S	37	Jan. 29,'98	38	37	6,000
Lake Erie & Western 1st g. 5's	1937	7,250,000	J & J	117	Jan. 29,'98	117	115½	20,000
" 2d mtge. g. 5's	1941	2,600,000	J & J	103	Jan. 26,'98	103½	103	10,000
Northern Ohio 1st gtd g 5's	1945	2,500,000	A & O	100⅛	Jan. 6,'98	100⅛	100⅛	10,000
Lake Shore & Mich. Southern.								
Buffalo & Erie new b. 7's	1898	1,829,000	A & O	102¼	Jan. 7,'98	102½	102¼	5,000
Detroit, Mon. & Toledo 1st 7's	1906	924,000	F & A	120½	Oct. 22,'97	....	....	....
Lake Shore division b. 7's	1899	1,063,500	A & O	106¼	Jan. 26,'98	106¼	106	4,500
" con. co. 1st 7's	1900	9,825,000	J&J	109½	Jan. 27,'98	109½	107¾	9,000
" con. 1st registered	1900		Q J	109¾	Dec. 13,'97	....	....	....
" con. co. 2d 7's	1903	9,081,000	J&D	119⅝	Jan. 19,'98	119⅝	119	15,000
" con. 2d registered	1903		J&D	119	Jan. 7,'98	119	119	3,000
" g 3½s	1997	25,125,000	J & D	106¼	Jan. 31,'98	106¾	104¾	266,000
" " registered			J & D	105½	Jan. 24,'98	105½	105	18,000
Cin. Sp. 1st gtd L. S. & M. S. 7's	1901	1,000,000	A & O	108¾	Dec. 1,'97	....	....	....
Kal., A. & G. R. 1st gtd g. 5's	1938	840,000	J & J	....		....	....	....
Mahoning Coal R. R. 1st 5's	1934	1,500,000	J & J	125	Dec. 9,'97	....	....	....
Lehigh Val. (Pa.) coll. g. 5's	1997	5,000,000	M & N	....		....	....	....
" registered			M & N	....		....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s	1940	15,000,000	J&J	103¾	Jan. 27,'98	103¾	102¼	11,000
" registered		....	J&J	....		....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's	1941	10,000,000	A & O	111	Jan. 26,'98	111	111	1,000
" registered			A & O	109¼	July 1,'97	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's	1933	10,280,000	J & J	96¼	Oct. 28,'97	....	....	....
" registered	1933		J & J	....		....	....	....
Lehigh & N. Y., 1st gtd g. 4's	1945	2,000,000	M&S	91	Dec. 17,'97	....	....	....
" registered			M&S	....		....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	....		....	....	....
" " g. gtd 5's	1914	1,250,000	A & O	101	Sept. 16,'97	....	....	....
Litchfield Car'n & W. 1st g. 5's	1916	400,000	J & J	95	Feb. 25,'93	....	....	....
Lit. Rock & M., tr. co. ctfs. for 1st g. 5's	1937	3,145,000	......	25	Apr. 29,'96	....	....	....

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JANUARY SALES. *High.*	JANUARY SALES. *Low.*	JANUARY SALES. *Total.*
Long Island R. 1st mtg. 7's	1898	1,121,000	M & N	101⅝	Nov. 26,'97	....	....	....
Long Island 1st cons. 5's	1931	3,610,000	Q J	118⅛	Jan. 24,'98	118⅛	117¾	38,000
Long Island gen. m. 4's	1938	3,000,000	J & D	88	Jan. 28,'98	88	85¼	18,000
• Ferry 1st g. 4½'s	1922	1,500,000	M & S	90	Jan. 31,'98	90	89	5,000
• g. 4's	1932	325,000	J & D	91	Sept. 27,'97	....	....	....
• deb. g. 5's	1934	1,500,000	J & D	100	May 25,'97	....	....	....
N. Y. & Rock'y Beach 1st g. 5's,	1927	984,000	M & S	40	Mar. 23,'96	....	....	....
• 2d m. inc	1927	1,000,000	S	106½	July 9,'97	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's,	1935	1,726,000	A & O	107½	Dec. 15,'97	....	....	....
Brooklyn & Montauk 1st 6's	1911	250,000	M & S	....	....	....	....	....
• 1st 5's	1911	750,000	M & S	107½	July 16,'96	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's,	1932	1,075,000	Q JAN	103½	June 17,'95	....	....	....
N. Y. B. Ex. R. 1st g. g'd 5's	1943	200,000	J & J	....	....	....	....	....
Montauk Extens. gtd. g. 5's	1945	300,000	J & J	....	....	....	....	....
Louisv'e Ev. & St. Louis		3,406,000	J & J	32	Jan. 12,'98	32	32	10,000
• 1st con. TrCo. ct. gold 5's.	1939	2,432,000	M & S	9½	Aug. 21,'97	....	....	....
• Gen. mtg. g. 4's	1943							
Louisville & Nashville cons. 7's	1898	7,070,000	A & O	103⅛	Jan. 31,'98	103⅛	102¼	91,000
• Cecilian branch 7's	1907	545,000	M & S	106	Nov. 11,'97	....	....	....
• N. O. & Mobile 1st 6's,	1930	5,000,000	J & J	120⅝	Jan. 6,'98	120⅝	120⅝	3,000
• 2d 6's	1930	1,000,000	J & J	107	Oct. 8,'97	....	....	....
• E., Hend. & N. 1st 6's	1919	2,080,000	J & D	113	Dec. 6,'97	....	....	....
• general mort. 6's	1930	10,248,000	J & D	117⅞	Jan. 28,'98	118	117	14,000
• Pensacola div. 6's	1920	580,000	M & S	103½	Sept. 24,'97	....	....	....
• St. Louis div. 1st 6's	1921	3,500,000	M & S	121	July 12,'97	....	....	....
• 2d 3's	1980	3,000,000	M & S	67	May 25,'95	....	....	....
• Nash. & Dec. 1st 7's	1900	1,900,000	J & J	110	Dec. 23,'97	....	....	....
• So. N. Ala. si'g fd. 6s,	1910	1,942,000	A & O	92¼	Sept. 30,'96	....	....	....
• gold 5's	1937	1,764,000	M & N	101¾	Jan. 15,'98	102	101¼	18,000
• Unified gold 4's	1940	14,994,000	J & J	86¾	Jan. 31,'98	86¾	85⅛	263,000
• registered	1940		J & J	83	Feb. 27,'93	....	....	....
• Pen. & At. 1st 6's, g. g.	1921	2,794,000	F & A	105½	Jan. 18,'98	109	105½	6,000
• collateral trust g. 5's,	1931	5,129,000	M & N	103½	Jan. 28,'98	103½	102⅝	7,000
• L. & N. & Mob. & Montg 1st. g. 4½s	1945	4,000,000	M & S	106⅛	Sept. 10,'97	....	....	....
• N. Fla. & S. 1st g. g. 5's,	1937	2,096,000	F & A	88⅛	Dec. 10,'97	....	....	....
South & N. Ala. con. gtd. g. 5's,	1936	3,678,000	F & A	96	Jan. 27,'98	96½	96	11,000
Kentucky Cent. g. 4's	1987	6,742,000	J & J	87	Jan. 28,'98	87	87	5,000
L. & N. Louv. Cin. & Lex. g. 4½'s,	1931	3,258,000	M & N	103	Jan. 18,'98	103	103	2,000
Lo. & Jefferson Bdg. Co. gtd. g. 4's.	1945	3,000,000	M & S	....	....	....	....	....
Louisville Railw'y Co. 1st c. g. 5's,	1930	4,600,000	J & J	100⅝	Sept. 9,'92	....	....	....
Manhattan Railway Con. 4's	1990	24,065,000	A & O	97¾	Jan. 31,'98	98½	95¼	436,000
Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	118¾	Jan. 31,'98	118¾	118⅛	62,000
• 2d 6's	1899	4,000,000	M & N	105	Jan. 28,'98	105	104¼	24,000
Manitoba Swn. Coloniza'n g. 5's,	1934	2,544,000	J & D	....	....	....	....	....
Market St. Cable Railway 1st 6's,	1913	3,000,000	J & J	....	....	....	....	....
Metro. St. Ry. gen. col. tr. g. 5's	1997	12,500,000	F & A	116¼	Jan. 31,'98	116¼	118⅛	817,000
B'way & 7th ave. 1st con. g. 5's,	1997	7,650,000	J & D	122¼	Jan. 28,'98	122½	122	65,000
• registered			J & D	112½	May 29,'95	....	....	....
Columb. & 9th ave. 1st gtd g 5's,	1993	3,000,000	M & S	123	Jan. 28,'98	123¼	121⅛	97,000
• registered			M & S	....	....	....	....	....
Lex ave & Pav Fer 1st gtd g 5's,	1993	5,000,000	M & S	123	Jan. 28,'98	123¼	121¾	131,000
• registered			M & S	....	....	....	....	....
Mexican Central.								
• con. mtge. 4's	1911	58,906,000	J & J	66	Aug. 14,'97	....	....	....
• 1st con. inc. 3's	1939	17,072,000	JULY	19	Jan. 20,'98	....	....	....
• 2d 3's	1939	11,724,000	JULY	9	Jan. 30,'98	....	....	....
Mexican International 1st g. 4's,	1942	14,000,000	M & S	69	Mar. 10,'97	....	....	....
Mexican Nat. 1st gold 6's	1927	11,416,000	J & D	90	Mar. 6,'95	....	....	....
• 2d inc. 6's "A"	1917	12,265,000	M & S	42⅝	Nov. 12,'96	....	....	....
• coup. stamped		....	......	....	....	....	....	....
• 2d inc. 6's "B"	1917	12,265,000	A	13	July 9,'97	....	....	....
Mexican Northern 1st g. 6's	1910	1,336,000	J & D	97	Feb. 11,'97	....	....	....
• registered			J & D	....	....	....	....	....
Michigan Cent. 1st con. 7's	1902	8,000,000	M & N	123	Jan. 28,'98	123	114¾	50,000
• 1st con. 5's	1902	2,000,000	M & N	106¼	Jan. 26,'98	106¼	106¼	11,000

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" 6's	1909	1,500,000	M & S	120	Dec. 10,'87	....	....	....
" coup. 5's	1931	3,576,000	M & S	125½	Jan. 20,'98	127	125½	2,000
" reg. 5's	1931		Q M	121	Dec. 6,'97	....	....	....
" mort. 4's	1940	2,600,000	J & J	106	Sept.10,'97	....	....	....
" mtge. 4's reg.			J & J	108	Jan. 7,'98	108	108	1,000
Battle C. Sturgis 1st g. g. 6's	1989	476,000	J & D	....	....	....	....	....
Mil.Elec.R.&Light con.30yr.g.5's	1926	5,500,000	F & A	....	....	....	....	....
Minneapolis & St. Louis 1st g. 7's	1927	950,000	J & D	135½	Aug. 4,'97	....	....	....
" 1st con. g. 5's	1934	5,000,000	M & N	108	Jan. 31,'98	108	106¼	112,000
" Iowa ext. 1st g. 7's	1909	1,015,000	J & D	127	Nov. 22,'97	....	....	....
" Southw. ext. 1st g. 7's	1910	636,000	J & D	129	May 16,'96	....	....	....
" Pacific ext. 1st g. 6's	1921	1,382,000	J & A	121¼	Aug. 31,'97	....	....	....
Minneapolis & Pacific 1st m. 5's	1936	3,208,000	J & J	102	Mar. 26,'87	....	....	....
" stamped 4's pay. of int. gtd.				....	....	....	....	....
Minn., S. S. M. & Atlan. 1st g. 4's	1926	8,280,000	J & J	94	Apl. 2,'95	....	....	....
" stamped pay. of int. gtd.				89¾	June 18,'91	....	....	....
Minn., S. P. & S. S. M., 1st c. g. 4's	1938	6,710,000	J & J	....	....	....	....	....
" stamped pay. of int. gtd.				....	....	....	....	....
Minn. St. R'y 1st con. g. 5's	1919	4,050,000	J & J	97	Dec. 18,'95	....	....	....
Missouri, K. & T. 1st mtge g. 4's	1990	39,718,000	J & D	89¾	Jan. 31,'98	90¼	85⅞	1,213,500
" 2d mtge. g. 4's	1990	20,000,000	F & A	67	Jan. 31,'98	67½	63	1,846,500
" 1st ext gold 5's	1944	998,000	M & N	83	Jan. 31,'98	83¾	83	31,000
" of Texas 1st gtd g. 5's	1942	2,685,000	M & S	83½	Jan. 29,'98	83¾	81½	84,000
" Kan. C. & P. 1st g. 4's	1990	2,500,000	F & A	73	Jan. 24,'98	73	61	7,000
" Dal. & Waco 1st g.g. 5's	1940	1,840,000	M & N	82¾	Jan. 27,'98	82¾	80	35,000
Booneville Bdg. Co. gtd. 7's	1906	599,000	M & N	....	....	....	....	....
Tebo. & Neosho 1st 7's	1906	187,000	J & D	....	....	....	....	....
Mo Kan. & East'n 1st gtd. g. 5's	1942	4,000,000	A & O	97	Jan. 31,'98	97	94	92,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	97¾	Jan. 31,'98	98	94	392,000
" 3d mortgage 7's	1906	3,828,000	M & N	109	Jan. 29,'98	109	107¼	20,000
" trusts gold 5's	1917	14,376,000	M & S	72	Jan. 31,'98	72	65½	181,000
" registered			M & S	....	....	....	....	....
" 1st collateral gold 5's	1920	7,000,000	F & A	71⅝	Jan. 31,'98	71⅝	65	228,000
" registered			F & A	....	....	....	....	....
Pacific R. of Mo. 1st m. ex. 4's	1938	7,000,000	M & S	106	Jan. 31,'98	106	104½	40,000
" 2d extended g. 5's	1938	2,573,000	F & A	109	Dec. 30,'97	....	....	....
Verdigris V'y Ind. & W. 1st 5's	1926	750,000	M & S	....	....	....	....	....
Leroy & Caney Val. A. L. 1st 5's	1926	520,000	J & J	....	....	....	....	....
St. L. & I'rn. Mt. 1st ex. 4½'s	1897	4,000,000	F & A	109⅛	Jan. 20,'98	110½	109⅛	10,000
" Ark'nsas b'nch ext 5's	1895	2,500,000	J & D	107	Jan. 12,'98	107	106¾	13,000
" g. con. R.R. & l. gr. 5's	1931	18,345,000	A & O	92	Jan. 31,'98	92	88	584,000
" stamped gtd gold 5's	1931	6,945,000	A & O	89	Jan. 22,'98	89	87	46,000
Mob. & Birm., prior lien, g. 5's	1945	374,000	J & J	....	....	....	....	....
" small		226,000	J & J	....	....	....	....	....
" inc. g. 4's	1945	700,000	J & J	....	....	....	....	....
" small		500,000	......	....	....	....	....	....
Mobile & Ohio new mort. g. 6's	1927	7,000,000	J & J	121¾	Jan. 24,'98	122	121	19,000
" 1st entension 6's	1927	974,000	J & D	119	Dec. 6,'97	....	....	....
" gen. g. 4's	1938	9,450,500	Q J	80	Jan. 31,'98	80	77	410,000
St. Louis & Cairo gtd g. 4's	1931	4,000,000	M & S	86	Dec. 17,'95	....	....	....
Nashville, Chat. & St. L. 1st 7's	1913	6,300,000	J & J	131	Jan. 28,'98	131	130½	10,000
" 2d 6's	1901	1,000,000	J & J	105¾	Nov. 9,'97	....	....	....
" 1st cons. g. 5's	1928	5,594,000	A & O	103⅝	Jan. 31,'98	103⅝	103	44,000
" 1st 6's T. & Pb.	1917	300,000	J & J	....	....	....	....	....
" 1st 6's McM. M.W. & Al.	1917	750,000	J & J	108	Mar. 24,'96	....	....	....
" 1st g. 6's Jasper Branch	1923	371,000	J & J	....	....	....	....	....
O. & N. East. prior lien g. 6's	1915	1,320,000	A & O	108½	Aug. 18,'94	....	....	....
N. Y. Cent. & Hud. R. 1st c. 7's	1903	30,000,000	J & J	116⅝	Jan. 27,'97	116⅝	116	47,000
" 1st registered	1903		J & J	116¾	Jan. 31,'98	116¾	116½	40,000
" debenture 5's	1904	10,000,000	M & S	111¼	Jan. 31,'98	111¼	110½	25,000
" debenture 5's reg.			M & S	110¼	Jan. 5,'98	110¼	110¼	5,000
" reg. deben. 5's	1889-1904	1,000,000	M & S	109½	Sept. 24,'97	....	....	....
" debenture g. 4's	1905	15,000,000	J & D	104¼	Jan. 27,'98	104¼	103¾	11,000
" registered			J & D	103½	Oct. 19,'97	....	....	....

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″ deb. cert. ext. g. 4's...1905	6,450,000	M & N	104⅝	Jan. 27,'98	104⅝	103⅛	12,500
″ registered..................		M & N	104½	Aug. 3,'97	....	....	....
Harlem 1st mortgage 7's c......1900	12,000,000	M & N	107⅞	Nov. 15,'97	....	....	....
″ 7's registered..........1900		M & N	109⅛	Jan. 27,'98	109⅛	109⅛	3,000
N. Jersey Junc. R. R. g. 1st 4's.1986	1,650,000	F & A	103	May 7,'97	....	....	....
″ reg. certificates...........		F & A	....		....	....	....
West Shore 1st guaranteed 4's.....	50,000,000	J & J	109¾	Jan. 31,'98	110	109	256,000
″ registered..................		J & J	109⅛	Jan. 31,'98	109⅛	108⅛	392,500
Beech Creek 1st. g. gtd. 4's.....1936	5,000,000	J & J	108⅛	Nov. 16,'97	....	....	....
″ registered..................		J & J	105½	June 12,'96	....	....	....
″ 2d gtd. 5's..............1936	500,000	J & J	....		....	....	....
″ registered..................	....	J & J	....		....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd g. 4's ser. A. 1940	770,000	J & J	86	Nov. 15,'97	....	....	....
″ small bonds series B......	33,100	J & J	....		....	....	....
Gouv. & Oswega. 1st gtd g. 5's.1942	300,000	J & D	....		....	....	....
R. W. & Og. con. 1st ext. 5's...1922	9,081,000	A & O	122½	Jan. 28,'98	123	121¾	51,000
coup. g. bond currency..........		A & O	....		....	....	....
Nor. & Montreal 1st g. gtd 5's..1916	130,000	A & O	....		....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's.1918	375,000	M & N	....		....	....	....
Oswego & Rome 2d gtd gold 5's.1915	400,000	F & A	110	Oct. 16,'94	....	....	....
Utica & Black River gtd g. 4's..1922	1,800,000	J & J	107⅛	Oct. 14,'97	....	....	....
Mohawk & Malone 1st gtd g. 4's.1991	2,500,000	M & S	100	Mar. 14,'94	....	....	....
Carthage & Adiron 1st gtd g. 4's1981	1,100,000	J & D	....		....	....	....
N. Y. & Putnam 1st gtd g. 4's..1993	4,000,000	A & O	103	May 22,'96	....	....	....
N. Y. & Northern 1st g. 5's.....1927	1,200,000	A & O	122½	Sept. 24,'97	....	....	....
N.Y., Chic. & St. Louis 1st g. 4's.1937	19,425,000	A & O	107	Jan. 27,'98	107⅛	106⅝	224,000
″ registered..................		A & O	103	Nov. 4,'97	....	....	....
N. Y., N. Haven & H. 1st reg. 4's.1903	2,000,000	J & D	104½	Oct. 7,'97	....	....	....
″ con. deb. receipts.....$1,000	15,007,500	A & O	149¾	Jan. 25,'98	150	145	37,000
″ small certifs.............$100	1,430,000	......	146	Jan. 14,'98	146½	145	2,500
Housatonic R. con. g. 5's.........1937	2,838,000	M & N	125¼	Feb. 6,'97	....	....	....
New Haven and Derby con. 5's..1918	575 000	M & N	115½	Oct. 15,'94	....	....	....
N. Y. & New England 1st 7's......1905	6,000,000	J & J	123	June 16,'97	....	....	....
″ 1st 6's....................1905	4,000,000	J & J	114	May 27,'97	....	....	....
N.Y., Ontario & W'n con. 1st g. 5's1939	5,600,000	J & D	107¾	Jan. 28,'98	108⅛	107½	110,000
″ Refunding 1st g. 4's.....1992	8,375,000	M & S	99⅞	Jan. 27,'98	100	97⅞	196,000
″ Registered......$5,000 only.	....	M & S	83⅝	Aug. 25,'92	....	....	....
N. Y., Sus. & W. 1st refunded 5's.1937	3,750,000	J & J	107	Jan. 27,'98	108	103	274,000
″ 2d mortg. 4½'s........1937	453,000	F & A	88	Jan. 10,'98	88	84¾	73,000
″ gen. g. 5's..............1940	2,547,000	F & A	96½	Jan. 31,'98	96½	87	309,000
″ term. 1st mtg. g. 5's...1843	2,000,000	M & N	111½	Jan. 28,'98	111½	111½	5,000
″ registered...........$5,000		M & N	....		....	....	....
Wilkesb. & East. 1st gtd g. 5's..1942	3,000,000	J & D	100	Jan. 31,'98	100	93¼	653,000
Midland R. of N. Jersey 1st 6's.1910	3,500,000	A & O	120½	Jan. 26,'98	121	120	9,500
N.P. 1st m.R.R.&L.G.S.F.g.c.6's..1921	11,505,000	J & J	117½	Jan. 31,'98	117⅞	116	103,000
″ registered..................		J & J	117	Jan. 28,'98	117½	116⅝	100,000
St. Paul & N. Pacific gen 6's....1923	7,985,000	F & A	128	Dec. 8,'97	....	....	....
″ registered certificates....		Q F	126	Nov. 3,'97	....	....	....
N. P. Ry prior ln reg.&ld.gt.g.4's.1997	81,426,500	Q J	97½	Jan. 31,'98	97½	95	2,115,500
″ registered..................		Q J	95½	Jan. 3,'98	95½	95½	3,000
″ gen. lien g. 3's..........2047	56,000,000	Q F	63½	Jan. 31,'98	63½	60¾	2,699,000
″ registered..................		Q F	....		....	....	....
Nor. Pacific Term. Co. 1st g. 6's..1933	3,910,000	J & J	106	Jan. 28,'98	107	104	123,000
Norfolk & Southern 1st g. 5's....1941	750,000	M & N	108	June 26,'97	....	....	....
Norfolk & Western gen. mtg. 6's.1931	7,283,000	M & N	125½	Jan. 17,'98	125½	125½	5,000
″ New River 1st 6's........1932	2,000,000	A & O	120¾	Dec. 7,'97	....	....	....
″ imp'ment and ext. 6's...1934	5,000,000	F & A	119½	Jan. 29,'98	119¾	117¾	40,000
″ Sci'o Val & N.E. 1st g.4's.1989	5,000,000	J & N	85	Jan. 27,'98	85	83½	32,000
″ C. C. & T. 1st g. t. g g 5's1922	600,000	J & J	101	Feb. 23,'97	....	....	....
Norfolk & West. Ry 1st con. g. 4s.1996	23,199,400	A & O	81½	Jan. 31,'98	81½	79	517,500
″ registered.........		A & O	....		....	....	....
″ small bonds.................		A & O	....		....	....	....

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Ogdb'g & L. Chapl. 1st con. 6's	1920	3,500,000	A & O	49	Apr. 13,'96	....	....	....
Ogdensburg & Lake Chapl. inc.	1920	800,000	O	....	....	....	....	....
" inc.	small	200,000	O	62	Feb. 26,'87	....	....	....
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	102¼	Jan. 26,'98	102¼	102	15,000
" gen. mortg. g 6's	1937	2,428,000	A & O	85	Dec. 16,'96	....	....	....
Ohio Southern 1st mortg. 6's	1921	3,924,000	J & D	83	Jan. 18,'98	83	80	30,000
" gen. mortg. g 4's	1921	1,543,000	M & N	14½	Jan. 25,'98	15	10½	186,000
" gen. eng. Trust Co. certs.		1,255,000	......	14½	Jan. 22,'98	14¾	14½	8,000
Omaha & St. Lo. 1st g 4's	1901	2,376,000	J & J	79⅝	Jan. 21,'98	82	79	8,000
Oregon Improvement Co. 1st 6's	1910	254,000	J & D	108	Sept. 21,'97	....	....	....
" eng. Tr. Co. ctfs. of dep.		3,717,000	......	111	Jan. 29,'98	111	103½	246,000
" " std. int. pd. to Dec. 1,'97		....	......	....	....	....	....	....
" con. mortg. g 5's	1939	652,000	A & O	32½	Aug. 24,'97	....	....	....
" Trust Co. reor cts 5th ins pd		5,897,000	......	59	Jan. 31,'98	60⅞	52½	1.509,000
Oregon Ry. & Nav. 1st s. f. g. 6's	1909	1,939,000	J & J	115	Jan. 31,'98	115	112⅝	81,000
Oregon R. R. & Nav. Co. con. g 4's	1946	18,152,000	J & D	95⅞	Jan. 31,'98	96	93⅝	682,000
Oregon Short Line 1st g. 6's	1922	13,651,000	F & A	127½	Jan. 29,'98	127½	124	192,000
Utah & Northern 1st 7's	1908	1,031,000	J & J	120	Dec. 13,'97	....	....	....
" g. 5's	1926	1,877,000	J & J	102	May 24,'94	....	....	....
Oreg. Short Line 1st con. g. 5's	1946	10,369,500	J & J	99½	Jan. 31,'98	100	96½	870,500
" non-cum. inc. A 5's	1946	7,336,000	SEPT.	66½	Jan. 31,'98	67	58	727,500
" non-cum. inc. B. & col. trust		14,018,000	OCT.	45	Jan. 25,'98	46	39	445,000
Panama s. f. subsidy g 6's	1910	1,732,000	M & N	101½	Dec. 21,'91	....	....	....
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	113½	Jan. 31,'98	114	113	50,000
" reg	1921		J & J	112¼	Dec. 21,'97	....	....	....
" gtd. 3½ col. tr. reg. cts.	1937	5,000,000	M & S	....	....	....	....	....
Pitts., C. C. & St. Louis con. g 4½'s								
" Series A	1940	10,000,000	A & O	112¼	Jan. 31,'98	112½	111⅝	10,000
" Series B	1942	10,000,000	A & O	113	Jan. 21,'98	113	111¾	15,000
" Series C	1942	2,000,000	M & N	105	Jan. 16,'97	....	....	....
" Series D gtd. 4's	1945	4,863,000	M & N	102	Oct. 9,'97	....	....	....
Pitts., C. & St. Louis 1st c. 7's	1900	6,863,000	F & A	111¼	July 2,'97	....	....	....
" 1st reg. 7's	1900		F & A	109¼	Apr. 23,'97	....	....	....
Pitts., Ft. Wayne & C. 1st 7's	1912	2,917,000	J & J	140¼	Jan. 25,'98	140¼	140	8,500
" 2d 7's	1912	2,546,000	J & J	140	Jan. 4,'98	140	140	12,000
" 3d 7's	1912	2,000,000	A & O	128	Aug. 26,'95	....	....	....
Chic., St. Louis, & P. 1st c. 5's	1932	1,506,000	A & O	113	May 14,'96	....	....	....
" registered		....	A & O	110	May 3,'92	....	....	....
Cleve. & Pitts. con. s. fund 7's	1900	1,310,000	M & N	109	Nov. 6,'97	....	....	....
" gen. gtd. g. 4½'s Ser. A.	1942	3,000,000	J & J	113	Apr. 18,'95	....	....	....
" Series B.	1942	1,628,000	A & O	....	....	....	....	....
St. Louis, V. & T. H. 2d 7's	1898	1,000,000	M & N	102	Jan. 24,'98	102	102	2,000
" 2d gtd. 7's	1898	1,600,000	M & N	100	Nov. 25,'96	....	....	....
G. R. & Ind. Ex. 1st gtd. g 4½ g	1941	4,405,000	J & J	107	May 18,'96	....	....	....
Allegh. Valley gen. gtd. g. 4's	1942	5,389,000	M & S	102	Nov. 10,'97	....	....	....
Newp. & Cin. Bge Co. gtd g. 4's	1945	1,400,000	J & J	....	....	....	....	....
Penn. RR. Co. 1st Rl Est. g 4's	1923	1,675,000	......	108	May 12,'97	....	....	....
con. sterling gold 6 per cent	1905	22,762,000	J & D	....	....	....	....	....
con. currency, 6's registered	1905	4,718,000	Q M 15	....	....	....	....	....
con. gold 5 per cent	1919	4,998,000	M & S	....	....	....	....	....
" registered			Q Mch	....	....	....	....	....
con. gold 4 per cent	1943	3,000,000	M & N	....	....	....	....	....
con. Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	111	July 8,'97	....	....	....
U'd N. J. RR. & Can Co. g 4's	1944	5,646,000	M & S	114¼	Oct. 22,'97	....	....	....
Del. R. RR. & Bge Co 1st gtd g. 4's	1936	1,300,000	F & A	....	....	....	....	....
Peo., Dec. & Ev. Tr. Co. ctf. 1st g. 6's	1920	1,140,000	J & J	99½	Jan. 24,'98	99½	99½	8,000
" Ev. div. Tr. Co. cf 1st g. 6's	1920	1,499,000	M & S	95¾	Nov. 29,'97	....	....	....
" Tr. Co. ctfs. 2d mort 5's	1926	1,851,000	M & N	14½	Dec. 30,'97	....	....	....
" " 1st instal. paid		....	......	....	....	....	....	....
Peoria & Pekin Union 1st 6's	1921	1,500,000	Q F	112	Mar. 8,'97	....	....	....
" 2d m 4½'s	1921	1,499,000	M & N	85	Nov. 24,'97	....	....	....
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov. 17,'93	....	....	....

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NAME.	*Principal Due.*	*Amount.*	*Int's. Paid*	LAST SALE. *Price*	LAST SALE. *Date.*	JANUARY SALES. *High.*	JANUARY SALES. *Low.*	JANUARY SALES. *Total.*
Pittsburg, Clev. & Toledo 1st 6's	1922	2,400,000	A & O	108⅛	Apr. 5,'93	....	....	....
Pittsburg, Junction 1st 6's	1922	1,440,000	J & J	124	Mar. 12,'96	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A	1928	2,000,000	A & O	112	Mar. 25,'93	....	....	....
Pittsburg, McK'port & Y. 1st 6's	1932	2,250,000	J & J	117	May 31,'89	....	....	....
" 2d g. 6's	1934	900,000	J & J	....	....	....	....	....
McKspt & Bell. V. 1st g. 6's	1918	600,000	J & J	....	....	....	....	....
Pittsburg, Pains. & Fpt. 1st g. 5's	1916	1,000,000	J & J	95½	Apr. 2,'95	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's	1940	3,000,000	A & O	108¼	Jan. 27,'98	108¼	106¾	77,000
" 1st cons. 5's	1943	523,000	J & J	98	July 14,'97	....	....	....
Pittsburg & West'n 1st gold 4's	1917	9,700,000	J & J	81¾	Jan. 29,'98	81¾	77	204,000
" Mort. g. 5's	1891-1941	3,500,000	M & N	83½	Mar. 1,'97	....	....	....
Pittsburg, Y & Ash. 1st cons. 5's	1927	1,562,000	M & N	....	....	....	....	....
Reading Co. gen. g. 4's	1997	58,668,000	J & J	84⅝	Jan. 31,'98	84¾	83⅛	2,078,000
" registered			J & J	....	....	....	....	....
Rio Grande West'n 1st g. 4's	1939	15,200,000	J & J	84⅝	Jan. 31,'98	84¾	81⅞	625,000
Rio Grande Junc'n 1st gtd. g. 5's	1939	1,850,000	J & D	90	Oct. 21,'97	....	....	....
Rio Grande Southern 1st g. 3-4	1940	4,510,000	J & J	63½	Jan. 15,'97	....	....	....
Salt Lake City 1st g. sink fu'd 6's	1913	297,000	J & J	....	....	....	....	....
St. Jo. & Gr. Isl. 1st g. 2.3.4.2	1947	3,500,000	J & J	71½	Jan. 21,'98	72	70	73,500
St. Louis & San F. 2d 6's, Class A	1906	500,000	M & N	114½	Dec. 24,'97	....	....	....
" 2d g. 6's, Class B	1906	2,726,500	M & N	115⅛	Jan. 28,'98	115¼	115	14,000
" 2d g. 6's, Class C	1906	2,400,000	M & N	115	Jan. 14,'98	115	115	15,000
" 1st g. 6's P. C. & O.	1919	1,035,000	F & A	118	May 23,'92	....	....	....
" gen. g. 6's	1931	7,807,000	J & J	117⅛	Jan. 31,'98	117⅛	116¼	127,000
" gen. g. 5's	1931	12,293,000	J & J	104¼	Jan. 31,'98	104¼	103¼	253,000
" 1st Trust g. 5's	1987	1,099,000	A & O	96	Jan. 31,'98	96	93	8,000
Ft. Smith & Van B. Bdg. 1st 6's	1910	319,000	A & O	105	Oct. 4,'96	....	....	....
Kansas, Midland 1st g. 4's	1937	1,608,000	J & D	....	....	....	....	....
St. Louis & San F. R. R. g. 4's	1996	6,388,000	J & D	75	Jan. 31,'98	75	74	297,000
" South'n div. 1st g. 5's	1947	1,500,000	A & O	95	Jan. 29,'98	95	94	42,000
St. Louis S. W. 1st g. 4's Bd. ctfs.	1989	20,000,000	M & N	74½	Jan. 31,'98	74½	72	198,000
" 2d g. 4's inc. Bd. ctfs.	1989	8,000,000	J & J	28¼	Jan. 28,'98	28¼	27⅝	17,000
St. Paul City Ry. Cable con. g. 5's	1937	2,480,000	J&J15	90	Nov. 8.27	....	....	....
" gtd. gold 5's	1937	1,138,000	J & J	90	Mar. 20,'96	....	....	....
St. Paul & Duluth 1st 5's	1913	1,000,000	F & A	114	Aug. 24,'94	....	....	....
" 2d 5's	1917	2,000 000	A & O	108	Jan. 21,'98	108	107¾	13,000
St. Paul, Minn. & Manito'a 2d 6's	1909	8,000,000	A & O	122¾	Jan. 29,'98	122¾	122⅝	20,000
" Dakota ext'n 6's	1910	5,676,000	M & N	122	Jan. 29,'98	122	121¾	10,000
" 1st con. 6's	1933	13,344,000	J & J	128¼	Jan. 28,'98	128½	127	23,000
" 1st con. 6's, registered			J & J	120	Aug. 19,'95	....	....	....
" 1st c. 6's, red'd to 4½'s		21,196,000	J & J	107¾	Jan. 25,'98	107¾	106¼	88,000
" 1st cons. 6's register'd			J & J	105	Nov. 4,'95	....	....	....
" Mont. ext'n 1st g. 4's	1937	7,805,000	J & D	97	Jan. 20,'98	97½	93½	61,000
" registered			J & D	89½	Apr. 23,'97	....	....	....
Minneapolis Union 1st 6's	1922	2,150,000	J & J	122½	Jan. 13,'98	122½	122½	2,000
Montana Cent. 1st 6's int. gtd.	1937	6,000,000	J & J	127	Jan. 13,'98	127	127	3,000
" 1st 6's, registered			J & J	115	Apr. 24,'97	....	....	....
" 1st g. g. 5's	1937	2,700,000	J & J	108	Jan. 29,'98	108½	108	18,000
" registered			J & J	....	....	....	....	....
Eastern Minn, 1st d. 1st g. 5's	1908	4,700,000	A & O	108½	Jan. 14,'98	108½	108½	5,000
" registered			A & O	....	....	....	....	....
Willmar & Sioux Falls 1st g. 5's	1938	3,625,000	J & D	111	Nov. 23,'97	....	....	....
" registered			J & J	....	....	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's	1919	3,872,000	J & J	100½	Oct. 20,'97	....	....	....
Sav. Florida & Wn. 1st c. g. 6's	1934	4,056,000	A & O	106⅝	Aug. 2,'97	....	....	....
" 1st g. 5's	1934	1,780,000	A & O	104½	Oct. 18,'97	....	....	....
Seaboard & Roanoke 1st 5's	1926	2,500,000	J & J	98	Apr. 18,'96	....	....	....
Seat L.S.&.E.Tr.Co.cts.1st gtg.6's	1931	4,991,000	F & A	80	Jan. 25,'98	80	42	1,819,000
" assessment paid			F & A	43½	Apr. 28,'96	....	....	....
Sodus Bay & Sout'n 1st 5's, gold	1924	500,000	J & J	105	Sept. 4,'86	....	....	....
South Caro'a & Georgia 1st g. 5's	1919	5,250,000	M & N	97	Jan. 28,'98	97	95	201,000

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Name. Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	January Sales. High.	January Sales. Low.	January Sales. Total.
Southern Pacific Co.	....	.....	....	....	....	....	....
Gal. Harrisb'gh & S.A. 1st g 6's..1910	4,756,000	F & A	107	Jan. 20,'98	107	107	3,000
" 2d g 7's.......... 1905	1,000,000	J & D	104	Jan. 28,'98	104	100	25,000
" Mex. & P. div 1st g 5's.1931	13,418,000	M & N	94¼	Jan. 31,'98	94¼	92	120,000
Houst. & T C 1st Waco & N 7's..1903	1,140,000	J & J	125	June29,'92	....	....	....
" 1st g 5's int. gtd.......1937	7,107,000	J & J	109⅞	Jan. 27,'98	110⅝	109⅛	80,000
" con. g 6 s int. gtd......1912	3,455,000	A & O	106	Dec. 28,'97	....	....	....
" gen. g 4's int. gtd......1921	4,297,000	A & O	79¾	Jan. 31,'98	80	78¼	184,000
Morgan's La & Tex. 1st g 6's....1920	1,494,000	J & J	114	Nov. 17,'97	....	....	....
" 1st 7's..........1918	5,000,000	A & O	129	Dec. 18,'97	....	....	....
N. Y. Tex. & Mex. gtd. 1st g 4's..1912	1,442,500	A & O	....	....	....	....	....
Oreg. & Cal. 1st gtd. g 5's........1927	18,842,000	J & J	75	Jan. 6,'98	75	75	2,000
San Ant. & Aran Pass 1st gtd g 4's.1943	18,886,000	J & J	61⅞	Jan. 31,'98	62⅛	59⅝	718,000
Tex. & New Orleans 1st 7's......1905	1,620,000	F & A	111	Mar. 1,'97	....	....	....
" Sabine div. 1st g 6's...1912	2,575,000	M & S	106¼	Nov. 17,'97	....	....	....
" con. g 5's..............1943	1,620,000	J & J	98½	Jan. 31,'98	98½	96½	139,000
South'n Pac. of Ariz. 1st 6's 1909-1910	10,000,000	J & J	103¾	Jan. 21,'98	103¾	100¼	128,000
South. Pac. of Cal. 1st g 6's.1905-12	30,577,500	A & O	110	Jan. 24,'98	110	110	1,000
" 1st con. gtd. g 5's...1937	19,671,000	M & N	96¼	Jan. 31,'98	96¼	92½	219,000
Austin & Northw'n 1st g 5's...1941	1,920,000	J & J	87¼	Jan. 15,'98	87¼	85½	57,000
So. Pacific Coast 1st gtd. g. 4's...1937	5,500,000	J & J	....	....	....	....	....
So. Pacific of N. Mex. c. 1st 6's....1911	4,180,000	J & J	107¼	Jan. 29,'98	107¼	105¼	116,000
Southern Railway 1st con. g 5's.1994	26,962,000	J & J	93	Jan. 31,'98	93	92	849,000
" registered..............		J & J	....	....	....	....	....
East Tenn. reorg. lien g 4's....1938	4,500,000	M & S	96	Jan. 19,'98	96	96	1,000
" registered..............		M & S	....	....	....	....	....
Alabama Central, 1st 6's.......1918	1,000,000	J & J	112¼	Aug. 17,'97	....	....	....
Atl. & Char. Air Line, income..1900	750,000	A & O	104	May 24,'95	....	....	....
Col. & Greenville, 1st 5-6's.....1916	2,000,000	J & J	119	Dec. 22,'97	....	....	....
East Tenn., Va. & Ga. 1st 7's...1900	3,123,000	J & J	107	Jan. 31,'98	107	106½	20,000
" divisional g 5's........1930	3,106,000	J & J	115	Nov. 12,'97	....	....	....
" con. 1st g 5's...........1956	12,770,000	M & N	110¾	Jan. 31,'98	110¾	110¼	156,000
Ga. Pacific Ry. 1st g 5-6's......1922	5,660,000	J & J	118½	Jan. 4,'98	118½	118½	3,000
Knoxville & Ohio, 1st g 6's.....1925	2,000,000	J & J	117	Jan. 29,'98	117	117	2,000
Rich. & Danville, con. g 6's....1915	5,597,000	J & J	123	Jan. 24,'98	123	122	7,000
" equip. sink. f'd g 5's, 1909	897,000	M & S	101	Nov. 2,'97	....	....	....
" deb. 5's stamped......1927	3,368,000	A & O	100	Nov. 4,'97	....	....	....
Vir. Midland serial ser. A 6's..1906	600,000	M & S	....	....	....	....	....
" small....................		M & S	....	....	....	....	....
" ser. B 6's..............1911	1,900,000	M & S	....	....	....	....	....
" small....................		M & S	....	....	....	....	....
" ser. C 6's..............1916	1,100,000	M & S	....	....	....	....	....
" small....................		M & S	....	....	....	....	....
" ser. D 4-5's............1921	950,000	M & S	....	....	....	....	....
" small....................		M & S	....	....	....	....	....
" ser. E 5's..............1926	1,775,000	M & S	....	....	....	....	....
" small....................		M & S	....	....	....	....	....
" ser. F 5's..............1931	1,310,000	M & S	....	....	....	....	....
Virginia Midland gen. 5's......1936	2,392,000	M & N	104½	Jan. 28,'98	105	103½	28,000
" gen. 5's. gtd. stamped.1926	2,466,000	M & N	105¼	Jan. 31,'98	105¼	104½	5,000
W. O. & W. 1st cy. gtd. 4's.....1924	1,025,000	F & A	84	Aug. 10,'97	....	....	....
W. Nor. C. 1st con. g 6's........1914	2,531,000	J & J	115⅞	Jan. 21,'98	116½	112¾	18,000
Staten Island Ry 1st gtd. g 4½s..1943	500,000	J & D	....	....	....	....	....
Sunbury & Lewiston 1st g. 4's...1936	500,000	J & J	....	....	....	....	....
Ter. R. R. Assn. St. Louis 1g 4½'s.1939	7,000,000	A & O	110⅝	Jan. 12,'98	110⅝	110⅝	1,000
" 1st con. g. 5's.....1894-1944	4,500,000	F & A	109	Jan. 25,'98	109¼	109	11,000
St. L. Mers. bdg. Ter. gtd g. 5's.1930	3,500,000	A & O	103	Oct. 27,'96	....	....	....
Terre Haute Elec. Ry. gen. g 6's.1914	444,000	Q JAN	105⅝	Dec. 18,'95	....	....	....
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th 1905	3,784,000	M & S	110	Jan. 28,'98	110	109	15,000
" 1st gold 5's.............2000	21,049,000	J & D	101	Jan. 31,'98	101	97⅝	545,000
" 2d gold income, 5's......2000	23,227,000	MAR.	34⅛	Jan. 31,'98	34⅛	28	7,464,000
Third Avenue 1st g 5's...........1937	5,000,000	J & J	123½	Jan. 24,'98	123½	122	46,000
Toledo & Ohio Cent. 1st g 5's....1935	3,000,000	J & J	106½	Jan. 21,'98	108½	102½	15,000
" 1st M. g 5's West. div...1935	2,500,000	A & O	103½	Jan. 6,'98	103½	103½	6,000
" gen. g. 5's.... 1935	1,500,000	J & D	....	....	....	....	....
" Kanaw & M. 1st g. g. 4's.1990	2,340,000	A & O	80½	Jan. 26,'98	80½	79	37,000
Toledo, Peoria & W. 1st g 4's....1917	4,900,000	J & D	72½	Jan. 12,'98	72½	72½	5,000
Tol., St.L.&K.C. Tr. Rec. 1st g 6's.1916	8,234,000	M & N	87	Jan. 31,'98	90	86	78,000

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Ulster & Delaware 1st c. g 5's....1928	1,852,000	J & D	103½	Jan. 28,'98	104	103½	13,000
Union Elevated (Chic.) 1st g.5's.1945	3,925,000	A & O	....	....	....	....	....
Union Pac. g.6's Tr.Co.cfs.ex mat cps 1896......................	15,685,000	......	125½	Jan. 31,'98	125½	125½	239,000
" g.6's Tr.Co. cfs.ex mat cps 1897......................		......	125¾	Jan. 31,'98	125¾	113½	65,000
" g.6's Tr.Co. cfs. ex mat cps 1898......................		......	124	Jan. 29,'98	124	115	277,000
" g. 6's Tr.Co. cfs.ex mat cps 1899......................		......	124½	Jan. 20,'98	124½	116½	26,000
" collat. trust 6's...........	3,983,000	J & J	103	Dec. 31,'97	....	....	....
" col. trust g. 5's........1907	4,970,000	J & D	83	Aug.31,'97	....	....	....
" col. Tr.Co. cts.g. 4½'s.1918	2,000,000	M & N	45	Dec. 17,'97	....	....	....
" collat. Tr. 6's g. notes.1902	8,150,000	F & A	103	Sept.15,'97	....	....	....
" col.Tr. 6's g.nts. 62½ p.pd.	....	......	47¾	Jan. 31,'98	47¾	43	1,035,000
Tr. Co. ctfs.Ext. sink'g f'd g 8's.1899	1,391,000	M & S	125½	Jan. 28,'98	125½	113¾	286,000
" eng. purchase money ctfs	44,000,000	......	124¼	Jan. 31,'98	124¼	111⅞	9,590,000
Kansas Pacific 1st 6's...........1895	1,436,000	F & A	111¼	June 7,'97	....	....	....
" eng.Tr.Co. cfs. ex mat cps	805,000	......	118	Jan. 24,'98	118	118	54,000
" 1st 6's.................1896	1,990,000	J & D	114	Sept.29,'97	....	....	....
" eng.Tr.Co. cfs. ex mat cps	2,073,000	......	118	Jan. 21,'98	118	112	48,000
" Denver div. assd. 6's..1899	2,836,000	M & N	120	Jan. 24,'98	120	120	55,000
" eng.Tr.Co. cfs. ex mat cps	3,051,000	......	120	Jan. 25,'98	120	117	127,000
" Tr.Co. ctfs. 1st con. 6's1919	11,474,000	......	102½	Jan. 31,'98	102¾	84½	2,986,000
Cent. Br. Un. Pac. f'd cpns 7's.1895	630,000	M & N	96	June 22,'93	....	....	....
Atch., Colo. & Pac., 1st 6's......1905	4,070,000	Q F	36½	Jan. 28,'98	37	34½	57,000
U. P., Lin. & Colo. 1st gtd g. 5's.1918	4,480,000	A & O	33	Jan. 10,'98	33	33	11,000
U.P. Den.&GT.Co.cf.1st c.g.5's.1939	15,288,000	J & D	55	Jan. 31,'98	57½	48½	3,531,000
Wabash R.R. Co., 1st gold 5's....1939	31,664,000	M & N	108⅝	Jan. 31,'98	108¾	107⅞	712,000
" 2d mortgage gold 5's..1939	14,000,000	F & A	82½	Jan. 31,'98	83⅝	80¼	636,000
" deben. mtg series A..1939	3,500,000	J & J	....	....	....	....	....
" series B................1939	25,740,000	J & J	28	Jan. 27,'98	29⅞	27	48,000
" 1st g.5's Det.& Chi.ex.1940	3,500,000	J & J	100	Jan. 31,'98	100½	99	58,000
St. L., Kan. C. & N. St. Chas. B. " 1st 6's..................1908	1,000,000	A & O	110	Jan. 5,'98	110	110	3,000
Western N.Y. & Penn. 1st g. 5's..1937	10,000,000	J & J	109	Jan. 29,'98	109	106	23,000
" gen g. 2-3-4's............1943	10,000,000	A & O	51	Jan. 31,'98	51⅝	48	431,000
" inc. 5's..................1943	10,000,000	Nov.	15	Jan. 31,'98	15	10	404,000
West Chic. St. 40 yr. 1st cur. 5's. 1928	3,969,000	M & N	....	....	....	....	....
" 40 years con. g. 5's......1936	6,031,000	M & N	99	Dec. 28,'97	....	....	....
West Va. Cent'l & Pac. 1st g. 6's.1911	3,000,000	J & J	108	Feb. 18,'96	....	....	....
Wheeling & Lake Erie 1st 5's....1926	1,265,000	A & O	92½	Nov. 16,'97	....	....	....
" Trust Co. certificates......	1,735,000	......	100¾	Jan. 31,'98	101	100¾	5,000
" Wheeling div. 1st g. 5's.1928	1,500,000	J & J	77	Nov. 1,'97	....	....	....
" exten. and imp. g. 5's...1930	1,624,000	F & A	70	Feb. 3,'97	....	....	....
" consol mortgage 4's....1992	1,600,000	J & J	62¼	July 20,'96	....	....	....
Wisconsin Cent.Co. 1st trust g.5's1937	1,987,000	J & J	34	Nov. 16,'97	....	....	....
" eng. Trust Co. certificates.	10,013,000	......	44	Jan. 31,'98	47½	33½	8,126,000
" income mortgage 5's...1937	7,775,000	A & O	6½	Jan. 19,'98	7½	5	78,000

UNITED STATES GOVERNMENT SECURITIES.

NAME *Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1898 *High.*	*Low.*	JANUARY SALES. *High.*	*Low.*	*Total.*
United States 2's registered........Opt'l	25,364,500	Q M	....	....	....	....	......
" 4's registered...............1907	559,634,000	J A J&O	113⅛	112⅝	113⅛	112⅝	258,000
" 4's coupon..................1907		J A J&O	114⅝	113⅞	114⅝	113⅞	177,500
" 4's registered...............1925	162,315,400	Q F	129½	127½	129½	127½	30,000
" 4's coupon..................1925		Q F	129¾	128	129¾	128	225,000
" 5's registered...............1904	100,000,000	Q F	115	113½	115	113½	60,000
" 5's coupon..................1904		Q F	115	114	115	114	91,000
" 6's currency..................1899	14,004,560	J & J	104	104	104	104	25,000
" 4's reg. cer. ind. (Cherokee)1898	1,660,000	MAR	....	....	....	....	......
" " 1899	1,660,000	MAR	....	....	....	....	......
District of Columbia 3-65's...........1924	14,033,600	F & A	....	....	....	....	......
" small bonds......................		F & A	....	....	....	....	......
" registered......................		F & A	....	....	....	....	......
" funding 5's..................1899	800,400	J & J	....	....	....	....	......
" " small....................		J & J	....	....	....	....	......
" " registered		J & J	....	....	....	....	......

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS.

NAME. Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	JANUARY SALES. High.	Low.	Total.
American Cotton Oil deb. g. 8's..1900	3,068,000	Q F	109	Jan. 25,'98	109	108	37,000
Am. Spirit Mfg. Co. 1st g. 6's....1915	2,000,000	M & S	74	Jan. 25,'98	75	74	16,000
Atlanta Gas Light Co. 1st g. 5's..1947	1,150,000	J & D	....	....	....	....	....
Barney & Smith Car Co. 1st g. 6's.1942	1,000,000	J & J	....	....	....	....	....
Bost. Un. Gas tst ctfs s'k f'd g. 5's.1939	7,000,000	J & J	90¼	Jan. 26,'98	91	90¼	10,000
B'klyn Union Gas Co. 1st con. g. 5's.1945	18,061,000	M & N	113⅞	Jan. 31,'98	114	112¼	209,000
B'klyn Wharf & Wh. Co. 1st g. 5's.1945	17,500,000	F & A	100⅛	Jan. 31,'98	100⅛	98¾	104,000
Chic. Junc. & St'k Y'ds col. g. 5's.1915	10,000,000	J & J	109¼	Feb. 9,'97	....	....	....
Colo. Coal & Iron 1st con. g. 6's..1900	2,954,000	F & A	100⅛	Jan. 26,'98	100⅛	95	11,000
Colo. C'l & I'n Devel. Co. gtd g. 5's.1909	700,000	J & J	93	July 12,'97	....	....	....
" Coupon off..................	....	....	....	....	....	....	....
Colo. Fuel Co. gen. g. 6's..........1919	1,043,000	M & N	104	Jan. 13,'98	104	100	14,000
Col. Fuel & Iron Co. gen. sf g 5's..1943	2,021,000	F & A	83¼	Jan. 18,'98	84	81	145,000
Columbus Gas Co., 1st g. 5's......1932	1,175,000	J & J	104⅛	Jan. 28,'98	104⅛	104⅛	2,000
Commercial Cable Co. 1st g. 4's.2397. }	13,000,000	Q & J	105¼	Jan. 14,'98	105¼	104	16,000
" registered.................... }		Q & J	105⅝	Nov. 30,'97	....	....	....
Detroit Gas Co. 1st con. g. 5's....1918	2,000,000	F & A	96	Jan. 10,'98	96	96	2,000
Edison Elec. Illu. 1st conv. g. 5's.1910	4,312,000	M & S	112½	Jan. 24,'98	112½	112	12,000
" 1st con. g. 5's............1995	2,156,000	J & J	117	Jan. 25,'98	117	115⅛	23,000
" Brooklyn 1st g. 5's......1940 }	1,500,000	A & O	110⅛	Feb. 4,'97	....	....	....
" registered.................. }		A & O	....	....	....	....	....
Equitable Gas Light Co. of N. Y. " 1st con. g. 5's...........1932	2,500,000	M & S	114	Dec. 14,'96	....	....	....
Erie Teleg. & Tel. col. tr. g s fd 5's.1926	1,960,000	J & J	....	....	....	....	....
General Electric Co. deb. g. 5's...1922	8,000,000	J & D	101	Jan. 29,'98	101¼	100¼	38,000
Grand Riv. Coal & Coke 1st g. 6's.1919	780,000	A & O	90	Nov. 26,'95	....	....	....
Grand Rapids Gas Light Co. 1st " g. 5's....................1915	1,225,000	F & A	92½	Mar. 11,'95	....	....	....
Hackensack Wtr Reorg. 1st g. 5's.1926	1,090,000	J & J	107⅛	June 3,'92	....	....	....
Hend'n Bdg Co. 1st s'k. f'd g. 6's.1931	1,728,000	M & S	111	Aug. 23,'97	....	....	....
Hoboken Land & Imp. g. 5's.....1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Illinois Steel Co. debenture 5's...1910	6,200,000	J & J	86	May 8,'96	....	....	....
" non. conv. deb. 5's......1910	7,000,000	A & O	70	Apl. 23,'97	....	....	....
Iron Steamboat Co. 6's...........1901	500,000	J & J	75½	Dec. 4,'95	....	....	....
Jefferson & Clearfield Coal & Ir. " 1st g. 5's..................1926	1,975,000	J & D	107	May 27,'97	....	....	....
" 2d g. 5's..................1926	1,000,000	J & D	80	May 4,'97	....	....	....
Kansas City Mo. Gas Co. 1st g 5's.1922	3,750,000	A & O	....	....	....	....	....
Lac. Gas L't Co. of St. L. 1st g. 5's.1919 }	10,000,000	Q F	105¼	Jan. 31,'98	105¼	103	81,000
" small bonds................. }			97½	Nov. 1,'95	....	....	....
Madison Sq. Garden 1st g. 5's....1919	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim. gen. g. 4's.1940	1,300,000	M & N	55	Aug. 27,'95	....	....	....
Metrop. Tel & Tel. 1st s'k f'd g. 5's.1918 }	2,000,000	M & N	103¼	Jan. 5,'92	....	....	....
" registered.................. }		M & N					
Mich. Penins. Car Co. 1st g 5's...1942	2,000,000	M & S	85	June 5,'97	....	....	....
Nat. Starch Mfg. Co., 1st g 6's...1920	3,837,000	J & J	106	Jan. 19,'98	106	105	7,000
Newport News Shipbuilding & Dry Dock 5's............1890-1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. & N. J. Tel. gen. g 5's cnv..1920	1,261,000	M & N	100	June 4,'95	....	....	....
N. Y. & Ontario Land 1st g 6's...1910	443,000	F & A	92¼	May 5,'96	....	....	....
Peop's Gas & C. Co. C. 1st g. g 6's.1904	2,100,000	M & N	114¾	Dec. 18,'97	....	....	....
{ " 2d gtd. g. 6's............1904	2,500,000	J & D	108	Jan. 26,'98	108	108	12,000
{ " 1st con. g 6's............1943	4,900,000	A & O	119½	Jan. 22,'98	120	116⅛	30,000
{ Chic. Gas Lt & Coke 1st gtd g. 5's.1937	10,000,000	J & J	106	Jan. 28,'98	106¼	105	15,000
{ Con. Gas Co. Chic. 1st gtd. g. 5's.1936	4,346,000	J & D	103¾	Jan. 20,'98	104	103	23,000
{ Eq. Gas & Fuel, Chic. 1st gtd. g. 6's.1905	2,000,000	J & J	107	Dec. 24,'97	....	....	....
Peoria Water Co. g 6's......1889-1919	1,254,000	M & N	100	June 23,'93	....	....	....
Pleasant Valley Coal 1st g 6's....1920	590,000	M & N	106⅞	Oct. 14,'95	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JANUARY SALES. *High.*	JANUARY SALES. *Low.*	JANUARY SALES. *Total.*
Procter & Gamble, 1st g 6's......1940	2,000,000	J & J	117	Dec. 12,'95	....	....	....
St. Louis Terml. Cupples Station. & Property Co. 1st g 4½'s 5-20..1917	2,000,000	J & D	....	....	....	....	....
So. Y. Water Co. N. Y. con. g 6's..1923	478,000	J & J	101	Feb. 19,'97	....	....	....
Spring Valley W. Wks. 1st 6's....1906	4,975,000	M & S	....	....	....	....	....
Standard Rope & Twine 1st g. 6's.1946	2,955,000	F & A	61	Jan. 31,'98	61¾	57	91,000
" " inc. g. 5's.1946	7,500,000	......	12	Jan. 28,'98	18	11¾	59,000
Sun. Creek Coal 1st sk. fund 6's..1912	400,000	J & D	....	....	....	....	....
Ten. Coal, I. & R. T. d. 1st g 6's...1917	1,244,000	A & O	82	Dec. 23,'97	....	....	....
{ " Bir. div. 1st con. 6's...1917	3,399,000	J & J	87	Jan. 31,'98	87	84	24,000
{ Cah. Coal M. Co. 1st gtd. g 6's..1922	1,000,000	J & D	84	May 2,'95	....	....	....
{ De Bard. C & I Co. gtd. g 6's...1910	2,428,000	F & A	83	Jan. 26,'98	83	83	1,000
U. S. Leather Co. 6% g s. fd deb..1915	6,000,000	M & N	115	Jan. 19,'98	115	114¾	20,000
Vermont Marble, 1st s. fund 5's..1910	640,000	J & D	....	....	....	....	....
Western Gas Co. col. tr. g. 5's....1933	3,805,500	M & N	103	Sept. 28,'97	....	....	....
Western Union deb. 7's.....1875-1900	} 3,680,000	M & N	107	June 26,'96	....	....	....
{ " 7's, registered...........1900	}	M & N	105½	Jan. 14,'98	105½	105½	4,000
{ " debenture, 7's......1884-1900	} 1,000,000	M & N	105½	July 7,'97	....	....	....
{ " registered..................	}	M & N	104½	Nov. 12,'97	....	....	....
{ " col. trust cur. 5's.......1938	8,502,000	J & J	110¾	Jan. 29,'98	111	109	41,000
{ Mutual Union Tel. s. fd. 6's....1911	1,957,000	J & J	112	Dec. 29,'97	....	....	....
{ Northwestern Telegraph 7's...1904	1,250,000	J & J	....	....	....	....	....
Wheel L. E. & P. Cl Co. 1st g 5's.1919	846,000	J & J	68	Dec. 23,'96	....	....	....
Whitebrst Fuel gen. s. fund 6's..1908	570,000	J & D	....	....	....	....	....

Prices of United States Bonds to Realize Three Per Cent.

Table showing prices at which United States bonds must sell, March 1, 1898, in order to realize to the purchaser three per cent. interest per annum.

CLASS OF BONDS—COUPONS.	*Flat price (including accrued interest).*	*Net price (not including accrued interest).*	*Rate of interest realized to investors.* Per cent.
Fours of 1925......................	113.7295	113.4227	3.000
Fours of 1907......................	108.7608	108.1142	3.000
Fives of 1904......................	111.1892	110.8056	3.000

Money Rates in Foreign Markets.

	Aug. 13.	*Sept. 17.*	*Oct. 16.*	*Nov. 12.*	*Dec. 10.*	*Jan. 14.*
London—Bank rate of discount.....	2	2	3	3	3	3
Market rates of discount:						
60 days bankers' drafts......	1⅛	2	2⅝—2½	2⅞	2⅞	2½
6 months bankers' drafts....	2¼	2⅛	2⅝—¾	2¾—	2¾—	2⅝
Loans—Day to day...........	½	1	1¼	1½	2	1½
Paris, open market rates...........	1¾	1⅞	2	2	2	2
Berlin, "	2¾	3½	4	4⅛	4⅛	3¼
Hamburg, "	2⅞	3½	4⅛	4½	4⅝	3½
Frankfort, "	2⅝	3½	4¼	4¼	4¾	3½
Amsterdam, "	2¼	2½	3	3	2½	2⅝
Vienna, "	3 1/16	4	3⅞	3¾	3⅞	3½
St. Petersburg, "	4½	5	5	5	5	5
Madrid, "	4	4	4	4	4	4
Copenhagen, "	4	4½	5	5	5	5

BANKERS' OBITUARY RECORD.

Burns.—Hon. Mark F. Burns, President of the Charlestown Five Cents Savings Bank, and a director of the Monument National Bank, Boston, died Jan. 16. He was born at Milford, N. H.. in 1841. Mr. Burns was identified with numerous business enterprises and had held a number of important official positions.

Carson.—John L. Carson, President of the First National Bank, Lincoln, Nebr., and one of the pioneer bankers of the State, died Dec. 30.

Cook.—Reuben O. Cook, President of the Producers' Savings Bank, Woonsocket, R. I., died Jan. 6, in his seventy-sixth year.

Chamberlin.—John L. Chamberlin, for seventeen years Cashier of the Quinsigamond National Bank, Worcester, Mass., died Jan. 24. He was born in Connecticut in 1858, and was for many years engaged in the banking business.

Dewey.—David B. Dewey, Vice-President of the Bankers National Bank and a partner in the private banking firm of W. T. Rickards & Co., and also a director in the Union National Bank, Chicago, died at Pasadena, Cal., Jan. 3. Mr. Dewey was born at Pittsfield, Mass., in 1849, removing to the West at the age of fifteen. He enlisted in the late war and was wounded during his first year's service. In 1876 he became associated with ex-Gov. Beveridge in the private banking business, and ten years later organized the American Exchange National Bank, of which he became Vice-President and afterwards President, resigning in 1891. Subsequently he became Vice-President of the Bankers National, holding this position at the time of his death.

Davis.—Caleb F. Davis, a pioneer merchant of Keokuk, Iowa, and for twenty-nine years President of the Keokuk Savings Bank, died Jan. 6.

Galbraith.—Hon. Wm. A. Galbraith, President of the Erie (Pa.) Dime Savings and Loan Co., died Jan. 13. He was born at Franklin in 1823, of distinguished ancestry. He had filled several important judicial and other offices.

Largey.—Patrick A. Largey, President of the State Savings Bank, Butte, Mont., died Jan. 11.

Mansur.—Alvah Mansur, Vice-President of the American Exchange Bank, St. Louis, Mo., and a director of the St. Louis Trust Co., died at Los Angeles, Cal., Jan. 8. Mr. Mansur was born at Lowell, Mass., in 1833. He had lived in St. Louis about seventeen years. Mr. Mansur was largely interested in the manufacture of agricultural implements and also in many other important business enterprises.

Magrath.—Geo. B. Magrath, Vice-President of the Kings County Savings Bank, Brooklyn, N. Y., died Jan. 18.

Negley.—Jacob B. Negley, Cashier of the State Bank, Pittsburg, Pa., died at Thomasville, Ga., Jan. 15, aged fifty years.

Putnam.—Enos Putnam, President of the Grand Rapids (Mich.) National Bank, and a resident of that city since 1858, died Jan. 11, aged sixty-five years.

Schurman.—Ernest Schurman, President of the Commercial National Bank, Fremont, Nebr., died Jan. 6, aged fifty-three years.

Scully.—John D. Scully, who was formerly Cashier of the First National Bank, Pittsburg, Pa., with which he was connected forty-four years, died Jan. 9, aged seventy-three years. Mr. Scully was instrumental in securing the passage of the National Banking Act, and his bank was one of the first to apply for a charter.

Sherman.—Arthur W. Sherman, for many years Cashier of the Gallatin National Bank, New York, died Feb. 8. Mr. Sherman was born in New Haven, Conn., about fifty-eight years ago. In 1850 he came to New York, where he secured employment as a clerk in the Bank of New York. When the war began, he obtained leave of absence from his employers, and served with the Thirteenth Regiment of Brooklyn. On his return to New York he opened independently as a broker on Wall Street. Some time later he entered the employ of the Gallatin National Bank as an accountant. Seventeen years ago he became Cashier, and held that position until his death.

Thomas.—Andrew J. Thomas, President of the People's National Bank, Martinsburg, W. Va., died Jan. 7, in his seventy-ninth year.

Withall.—W. J. Withall, Vice-President of the Quebec Bank, Montreal, died Jan. 25.

THE

BANKERS' MAGAZINE.

RHODES' JOURNAL OF BANKING and THE BANKERS' MAGAZINE Consolidated.

FIFTY-SECOND YEAR. MARCH, 1898. VOLUME LVI, No. 3.

THE ATTITUDE OF CONGRESS in regard to the reform of the currency is not encouraging. Although this question is really of the first importance, lying at the foundation of all others that affect the greatness and prosperity of the country, Congress seems to be willing to permit almost every other issue to push it aside or overslaugh it. Foreign relations, the strained conditions with Spain in regard to Cuba, the national bankruptcy bill, pension legislation—in fact, everything else, is taken up more willingly than the most necessary measure of all, to put the finances in a sound condition to meet emergencies.

And yet the country will not be fully prepared to meet war or even the increased expenditures in other directions without great changes in the present monetary laws.

In any event, the Treasury must in some way be kept in a position to respond to the demands made upon it.

It is the fashion to talk enthusiastically of the great resources and illimitable wealth of the United States, but there is a right and a wrong way of using these.

Resources are never without limit; conditions may possibly arise under modern methods of warfare which will strain any resources.

The monetary system of a nation is the machinery by which it calls its resources into play. If this system is imperfect and out of date, the country is more badly handicapped in case of war than would be the fact if the army is imperfectly organized, armed with weapons long since discarded by its opponents, and its navy and defensive fortifications of obsolete construction and armament.

With an imperfect monetary system, the use of the resources of the richest country is clumsy and wasteful. They can neither be thoroughly realized, nor can those that are brought into play be economically expended.

It has been calculated that the Civil War cost at least one-third more than it would have done if the financial methods of that period had been based on a coin standard.

The financial lessons of the Civil War seem to have been learned badly. Because the Union was preserved notwithstanding the faulty financiering of that epoch, the impression is left on the minds of the present generation that the same hit or miss policy will always be adequate to preserve the integrity and prosperity of the nation.

The general sentiment in Congress now seems to be that enough has been done for currency reform by the defeat in the House of the TELLER resolution. No doubt this is good as far as it goes. It is an assurance that the present representatives of the people will not countenance any attempt to depreciate the securities and obligations of the United States by making them payable in silver. But this is merely a declaration by part of one Congress. The question is left entirely without settlement, just as open for discussion as it was during the campaign of 1896. It is a declaration in favor of the gold standard, but leaves this standard in a position to be overturned either temporarily or permanently at almost any time when an emergency arises. If, for instance, there should be war with Spain or any other foreign power, whether offensively carried on or conducted simply on the defensive, the expenses may under the conditions of modern warfare become enormous. The cost of war since 1861 has increased in almost geometrical progression.

In case of a war with Spain the United States might have to transport its armaments and men across the ocean to Spain, unless it preferred to make the unhealthy island of Cuba the battle ground. This if the war is to be conducted offensively. On the other hand, there is a strong probability that our sea coast would be attacked at various points by the Spanish fleets. Nor should the danger from this source be looked upon as contemptible. The isolation of the United States from other great powers has always been regarded as her greatest source of safety. But with modern fleets and means of communication the protection afforded by this isolation is growing less and less. The ocean itself is no longer such an impregnable frontier as it was once. The invasion of China by Japan shows how a nation of immense population and great resources may be badgered and conquered by a power inferior in both of these respects but superior in organization both financially and physically. There might be several parallels drawn between the condition of China at the time of the Japanese invasion and the United States at the present time, which perhaps are now being studied by Spain and perhaps other foreign powers. China like the United States had a very small army and navy, in proportion to her wealth and population. Her leading men were disunited and at variance with each other, looking each more or less to their private aggrandizement or the advantage of the particular locality in which they exercised authority. The central government in China was weak, and dependent upon the chiefs of the several provinces. In the United States the central government is weakened somewhat in the same way by sectional rivalries and by the clashing ambitions of the political leaders in the several States and sections. The policy of the administrations of both countries is deeply tinged with opportunism. We will cross that stream when we come to it, seems to be the maxim most in the mouths of the leaders in both countries. There is little wise exploration of future probabilities and wise preparation for encountering these probabilities. The people of the United States also seem to be indifferent to those who may be capable of leading, equally with the people of China.

This indifference in each case arises from a different source. In China it is the indifference of a people who have been so long living under oppressive and unjust laws that they care little for a change of dynasty or local rulers. In the United States people are indifferent because of the frequent changes in leaders, growing out of political contentions. The people of the United States are more easily roused to a state of excitement, because they have been the pupils or the victims of trained agitators on all subjects ever since the foundation of the Government. The average citizen really cares very little which party furnishes its temporary rulers, so long as they are free to earn their living by their daily avocations.

During the Civil War the North was never seriously invaded and the horrors of war were never brought directly before the senses of the victorious section, and yet at various periods during the war the cries for peace at any price were very loud, and there was at times danger that those opposed to the war would gain the ascendancy. If the South had possessed a powerful navy or the means of building or acquiring one; as, if her belligerent rights had been fully recognized, she might have done, successful attacks on Northern seaports might easily have altered the whole sentiment of the country. Many still recollect the terror spread through the cities of the East by the ephemeral success of the Merrimac.

Spain possesses a navy and there is no bar to her increasing it indefinitely in case of war. The damage that can be done to peaceful cities and harbors by modern ships of war and cannon and explosives is still an unknown quantity. The effect of a successful attack upon the seaports of the country upon public sentiment is also involved in uncertainty. That it would be immense were the means of defense unorganized, is very far from being an uncertainty. How long would it be before the voices of those who are in favor of peace would begin to be heard, when all the ordinary industries are prostrated by apprehensions and actual realities of war. Under our present monetary laws, how long would it be possible to maintain the gold standard ?

The expenses attendant upon the transformation of the country from a peace to a war organization would soon throw doubt upon the ability of the Treasury to maintain its enormous paper circulation at par in gold coin. If these expenditures were met by borrowing on gold bonds, there might be some hope; but with so many statesmen who even in times of peace cry out for silver and the maintenance of a paper currency, there is little doubt that the plea of necessity would result in the renewed issue of legal-tender notes and that the war would be carried on on a paper basis.

This method of financiering, just as it did during the Civil War, would increase both the expenses and the difficulties of meeting them.

The complications with Spain growing out of the rebellion in Cuba are only the advancing signs of the difficulties the United States may be led into with other foreign powers. The rage for colonizing, the extension of foreign trade, and the improvements in means of communication, removing ancient barriers, will more and more deprive the United States of the protection afforded by mere distance.

It behooves the nation therefore to improve the time by preparation for meeting difficulties, which will go far to prevent their occurrence.

The first and most important step is to place the finances of the country on a sound basis, by which the development of resources will be advanced, the sources of taxation will be augmented, the revenues increased. The country will not only be a rich and populous country, but the wealth will be ready for employment and the population organized. In case of war the nation will not be in danger of being prostrated by the first paltry blow. Congress can settle this currency question now and will find itself supported in this attempt by a strong popular opinion, which is coming to the front more and more.

FINANCIAL REFORMS IN RUSSIA are most ably treated in the report of the Finance Minister on the Budget of the Empire for the year 1898, the official text of which will be found in another part of this number.

In December, 1896, the MAGAZINE referred to the plans for resumption of specie payments and the establishment of the gold standard in Russia under the direction of M. WITTE, the able Finance Minister of that country. At that time the matter was in progress, but the crucial step of recoining the ten rouble gold piece and reducing the market value of the gold therein to an equivalency with the bullion value of the silver in the silver roubles, had been temporarily postponed by the suggestion of the Czar. The reason for this postponement appears to have been that the gold accumulated for resumption purposes was not considered sufficient.

The Russian Government in resuming specie payments on the gold standard has taken advantage of the fall in the price of silver bullion. This is exactly the opposite of the course advocated by some in the United States, to restore parity of market value between the silver and gold dollars by putting more silver into the silver dollar. As specie payments were suspended in Russia all business was done and contracts usually made on the basis of paper roubles. When the price of silver was high, the silver rouble bore a premium compared with the paper rouble, but as the price of silver gradually fell and the Government continued to accumulate gold in preparation for specie payments, the trade value of silver and paper roubles approximated. At an opportune time the Government put silver roubles in circulation and they became equivalent with the paper rouble. When this was accomplished all that remained to be done before making the paper roubles redeemable in gold was to make the gold rouble the equivalent of the silver rouble. Thus at last four conditions of the rouble were made finally equivalent. The rouble of account, that is as it appeared in all contracts, the paper rouble, the silver rouble, the gold rouble, have now become alike, without any appreciable disturbance of pre-existing contracts and specie payments have now in Russia been resumed on the gold standard.

The question at once suggests itself, why could not this have been done in the United States? The answer is, because conditions in this country before the resumption of specie payments in 1879 were just the opposite of those in Russia. Until 1878 there had been no silver dollars in circulation, and the appreciation of the paper dollar was toward the gold dollar, which was practically the only specie money in the form of coin that then existed. The standard dollar authorized in 1878 was coined to be equal to the gold dollar and by the force of Government credit has been always kept to that equivalency. All contracts since 1879, therefore, have been on a gold basis, represented by the gold dollar of 25.8 grains of standard gold. To put the Russian plan in operation now might satisfy three conditions of the problem. The gold dollar, the paper dollar and the silver dollar might, it is true, be reduced to an equivalent of the market value of the silver contained in the silver dollar, but the condition of the dollar of account, as it stands in all contracts, representing 25.8 grains of gold, could not be changed without violating all these contracts.

The announcement was made last month by the Russian Minister of Finance that the resumption of specie payments on the gold standard had been completed, with a subsidiary silver coinage. The gold on hand in the Imperial Bank exceeds its note issues by 236,000,000 roubles. The Minister warns the country against extravagant expenditures as the greatest danger in the way of the continuance of prosperity. In regard to bimetallism, he says: "Certainly it is useless here to touch upon the theoretical question as to what is preferable, gold monometallism or bimetallism, the more so as with us at least that must be considered a question irrevocably solved." This does not look as if Russia could be induced on any terms to join in an international conference to establish bimetallism.

The report of M. WITTE is a most admirable financial paper, and much that he says is applicable to existing conditions in this country, and may be studied with interest and profit by American bankers and financiers.

A NATIONAL ORGANIZATION has been completed by the Executive Committee of the Monetary Convention which is said to be as complete and thorough as that of the organization of either of the great political parties. There is a national committee consisting of a member from each State, and in each State there is a separate State organization consisting of an executive committee and a member from each district. In some States the organization has already been carried into each county.

The MAGAZINE has always held that this was the only way in which a sound money campaign could be conducted with any prospect of success. In February, 1897, a wide-spreading and far-reaching campaign was suggested to be carried on by the same methods as those adopted by the national committees of the great political parties. The necessity of the contribution of money to meet the legitimate expenses of such a campaign was especially dwelt on. In October, after Mr. WM. C. CORNWELL had made a similar suggestion in an address before the convention of the American Bankers' Association in Detroit, the comment of the MAGAZINE was, referring to the work of the Monetary Convention at Indianapolis: "That body must take in hand the task of educating and persuading and organizing the voters of the United States in the cause of sound finance in the same manner as the national committees of the political parties of the country seek to win the majority of the people to their side."

The sound money party must make itself felt throughout the length and breadth of the land, and not be diverted from its purpose.

In order to do this funds must be collected from all those who wish for the permanent and settled prosperity of the country. The opponents of currency reform, with a bad and illogical case, have by ceaseless activity and the money support of the silver mining interests, stirred up an immense cloud of prejudiced and fallacious public opinion. They have succeeded in this because there has been no organized opposition. But with the organization of the monetary conference in complete activity, the presentation of the truth to the people will be so persistent and strong that the defences of their opponents, resting chiefly as they do on a false foundation, must fall before the attack.

SOME EXCELLENT SUGGESTIONS for currency reform are made by Mr. J. A. AYERS in a communication printed in this number of the MAGAZINE.

The gist of this gentleman's proposition is to replace the legal-tender and Treasury notes with National bank notes. He would do this first by refunding all existing Government bonds into gold bonds bearing a rate of interest not exceeding two and one-half per cent. per annum. There is no doubt of the wisdom of this suggestion. By making the whole bonded debt specifically payable in gold coin, the credit of the United States would at once become higher than that of any nation in the world. Good as this credit is now, the uncertainty as to the gold standard exposes the country to difficulties when any emergency compels it to borrow. It is in just such emergencies that the depressing effect of the indefiniteness of the word coin in our monetary laws bears its worst fruit.

To refund the bonded debt at something near the realized rate of interest, as shown by the market price of bonds, has been a favorite plan with financiers. It was suggested by Mr. JOHN JAY KNOX, Comptroller of the Currency in 1883 and 1884, although at that time the further advantage of making the bonds specifically payable in gold coin was not dwelt upon. Secretary GAGE in his plan for monetary reform recommends the refunding of the debt into gold bonds at a lower rate, near the realized market rate. The main objection that has been made to refunding operations of this kind has been that the rate of interest assumed for the new bonds has involved an increase of the principal of the debt. This objection is, however, more imaginary than real. The increase in the principal is compensated for by the reduction of the annual interest charge, and the rate on the new bonds may be so adjusted as to make this compensation practically exact. The fact that the new bonds proposed are to be gold bonds will have a tendency to reduce the increase in principal to the lowest point.

With new bonds bearing a nominal rate nearly corresponding to the borrowing power of the Government, the market price of the bonds would not vary much from par, and banks using them as security for circulation would not be tempted to retire circulation to realize premiums. The repeal of the law taxing circulation, and the increase of circulation issued to the par value of the bonds, would insure such a profit on circulation that the banks would no doubt issue to the full proportion of capital allowed by law. In this way a full supply of bank notes to take the place of legal-tender and Treasury notes as retired would be provided.

MR. AYERS does not suggest in his plan how the legal-tender notes and Treasury notes are to be retired, but it is presumed that he means to retire them gradually by the issue of two and one-half per cent. gold bonds, as National bank notes increase in the channels of circulation.

The suggestions of Mr. AYERS are in line with the most approved plans for replacing Government notes by bank notes. Coming from a private banker it gives support to the opinion that if a fair profit were obtainable on National bank circulation, that not only National banks would avail themselves of the circulation privilege to the fullest extent, but that a large proportion of the capital now invested in State and private banks would seek investment under the national banking system.

THE ANSWER OF GOVERNOR ALVA ADAMS OF COLORADO, who it seems is also President of a Savings bank at Pueblo, to circulars about postal Savings banks sent out by the MAGAZINE, was published in the February number, and the comment was then made that the Governor appeared to have no conception of what a Savings bank is. The so-called Savings banks in many parts of the country differ very little from the ordinary commercial bank, as they are in reality commercial banks to which a department for savings is annexed. They are founded and managed in the interest of their stockholders and all surplus profits after interest on deposits is paid are used for the benefit of these stockholders.

The prejudice against banks arises from the fact that they use the money of their depositors for their own benefit without returning an adequate benefit to those who desire to borrow. The bank is popularly looked upon as a mysterious aggregation of money, which by some process has been taken away from places where it might be obtained by the impecunious and locked up for the special benefit of the owners and managers of the bank. The ignorant seem to think that if there were no banks, and all money were left in the pockets of the community, that it would in some way be easier to obtain. They think the man without security cannot get money, because banks enforce a rule that the individual holder of money might not be so particular about. The storehouses of wealth are supposed to make money more inaccessible.

This prejudice against existing banks has much to do with the popularity of the proposed postal Savings banks. As Government notes are more popular than bank notes, so Government Savings banks are more popular than Savings banks managed by private enterprise. The Savings banks run in the interest of their stockholders as attachments to commercial banks are excellent institutions. They have done much to encourage the habit of saving throughout the country, and yet they are liable to being confused in the public mind with the ordinary bank. Therefore in a community where the prejudice against banks generally is strong, there would grow up a strong bias in favor of postal Savings banks, although all the facilities for saving were already in operation in the form of a Savings bank there. Governor ADAMS' Savings bank is no doubt an excellent institution, and it is probable that if any one in Pueblo has money to save, they know where they can deposit it. The money deposited is doubtless loaned in Pueblo, and conduces to the growth and prosperity of the town and neighborhood. Were a postal Savings bank established in Governor ADAMS' home, if his present customers acted on his advice, they would draw their money from his bank and place it in the post office. This money would no longer be loaned in the neighborhood. It may be drawn off for investment at distant points where the Government can find the necessary securities prescribed by law. The Colorado farmer can no longer get a loan on his land in the home market. He can't get it from the post office, because the postal Savings bank does not take that kind of security. He cannot get it at the old Savings bank, because the postal bank has absorbed all its resources.

But on careful reflection Governor ADAMS' self-denying answer to the MAGAZINE's circular does not amount to so much as might appear. It is highly probable, with his knowledge of interest rates in Colorado, that he understands that a postal Savings bank could be no competitor of his bank. The postal banks confined to a certain class of investments could not very well offer different rates of interest to depositors in different localities. If in Colorado a postal bank offered a higher rate than a local Savings bank could afford to offer, it would soon be overwhelmed with money from sections where the postal banks offered less rates. A rate of interest nearly uniform throughout the whole country is a necessary precedent to the successful establishment of a postal savings system. And it is to be presumed that Governor ADAMS would bitterly oppose any changes in the national banking laws, by which rates of interest throughout the entire country might be equalized.

In countries where postal banks have been established successfully, the rate of interest is nearly uniform. In Canada, for instance, the system of branch banking and the free issue of circulation on commercial assets has this effect. Where the normal rates of interest are the lowest in the United States there is already established a complete system of Savings institutions managed on the mutual plan, not owned by stockholders but by the depositors themselves. In these places there is no necessity for further facilities for saving. Where the normal rate of interest is high, there are fewer Savings banks, not because more are not needed, but because there is little capital as yet seeking investment. A postal Savings bank could not do business there at moderate rates of interest, and such deposits as it did receive would tend to diminish the loanable money in that section.

THE PLAN OF THE MONETARY COMMISSION is objected to on the ground that it gives the banks too great a profit on the issue of circulation. The compensation for turning over to the banks the privilege of issuing notes, which will be received by the nation and the people, is not considered by these objectors.

Since 1862 the country has been doing its business with Government legal-tender notes, which, while perfectly safe and receivable at par in all parts of the country alike, have not in thirty-six years had any effect in equalizing interest rates. They have also been absolutely inelastic. Accumulating in the money centres when business was dull, they have loaded the vaults of the financial institutions with so-called surplus reserves, which have had a tendency to stimulate unhealthy speculation, from which, when the unexpected withdrawal of these surplus reserves has occurred, have resulted losses and financial panics.

The losses to the business men of the country from plethora of the money markets followed by stringency, have been repeated and great, even when the ability of the Treasury was undoubted; but when the suspicion of possible default through the continued purchase and coinage of silver arose, then the losses of the business public became almost beyond calculation. The panic of 1893 was the direct result of the distrust of Government notes so aroused.

In its report the Monetary Commission said :

"It cannot be doubted that the fact that the entire paper currency of the country consisted of or rested upon notes of the Government, and that there was great uncertainty as to the redemption of those notes, was the chief cause of that disaster."

Nor can future disasters of this kind be averted, so long as Government notes are retained as the basis of all business transactions, by simply enacting again that greenbacks and Treasury notes shall be paid in gold coin of the United States, or that silver dollars shall be exchangable for gold coin. If such a statute were enacted there would always be the same doubt as to the ability of the Government in times of emergency. On this point the Commission very justly argues : "Any one of a number of circumstances might cause a suspension of gold payments of its notes by the Government. A war, a failure of revenue, a commercial revulsion, an election, a weak President—any one of these unfavorable conditions, exciting alarm and then panic, might cause the Treasury to be depleted of its gold and its notes to be dishonored."

The cost to the public of placing the burden of maintaining specie payments on the banks will in the long run be infinitely less than the losses the public suffers periodically by using Government notes.

There is an air of envy in refusing to adopt a better system and one cheaper to the public simply because it will be profitable to the banks. There is no service that does not justly claim its suitable reward, and the real question is not whether some one may have a chance of profit for performing a service, but whether the service is necessary to the employer and how this service can be secured at the least cost. Now, the function of furnishing of a currency which shall be safe and elastic is a necessary one. The Government cannot, as has been proved by experience, perform it satisfactorily. The price paid by the public in the attendant losses is too great. A properly organized banking system can perform it. This has been proved in many civilized countries. But to induce the banks to perform it they must have a suitable profit. This is the price of their service. The price paid for Government notes in inconvenience and loss to the people and the public Treasury does not, it is true, excite envy, because it benefits no one ; and moreover it falls as an unjust tax both on those who handle the money and those who do not. The profits of the banks are paid only by those who use the banks as a source of loans. It is a known and definite rate, and can be determined by calculation.

A properly organized banking system issuing notes promptly redeemed furnishes a safe and elastic currency, and in time will tend to equalize the rates of interest in all parts of the country, thus distributing fairly among all the people the cost of their paper currency. Whether the profit which the banks will receive if the plan of the Commission shall go into operation is too great, is another question. With the object of inducing all banks, State, National and private, to harmonize their business under one uniform system, the profit offered by this plan does not seem too great. But this is a matter of detail which may be adjusted.

THE BANKING AND CURRENCY COMMITTEE of the House does not seem to be able to agree upon any particular measure of currency reform. Even the course recommended by the President does not command sufficient support. No doubt the changes suggested in the message would greatly relieve the Treasury and afford some relief to the banks. But there is danger that with so slight a provision for the increase of bank circulation, the retirement of legal-tender notes under the President's plan might cause a contraction of the currency. Secretary GAGE's bill and that proposed by the Monetary Commission also lack the necessary support in the committee. The pet measures of individual members of the committee, the WALKER and FOWLER bills, whatever their merits, also seem to lack the necessary support.

The opposition to any of the measures in the committee is an epitome of the opposition in the House itself. It comes from those who wish to force the free coinage of silver, and from the weak-kneed members who, although now opposed to any further use of silver, have records which will lay them open to the charge of inconsistency if they now come out squarely in favor of the gold standard.

To an unprejudiced observer the Republican platform seemed to promise the inviolable establishment of the gold standard. But it is contended by some that there was an implicit promise to obtain international bimetallism. The President has certainly endeavored to redeem whatever promise may have been implied by the platform in regard to bimetallism by appointing commissioners to negotiate with foreign powers. His commissioners have found it impossible to accomplish anything by their negotiations. For many years the international settlement of the silver question has been regarded by well informed observers as an impossibility. It is now no more or less an impossibility than it always has been. But as this ghostly project has served politicians in their efforts to mislead people in the past, so it seems the purpose to hold it among other political properties for future use. There may come a time when this political pretext will be relegated to the limbo of other ancient delusions, and this time does not now seem to be very far distant.

Reports are coming from different sections of the country showing that the people are in advance of the politicians on the monetary question. The effect of the agitation of the subject by the Executive Committee of the Indianapolis Monetary Conference, by the sound money leagues and good Government clubs, is beginning to have some effect. These centres of agitation are sneered at by the regular politicians as self-constituted. If by this is meant formed without especial authority of law, they are in precisely the same category as the ordinary nominating machinery of the great political parties.

The success of the agitation in favor of sound money so far is reason for the encouragement of further efforts. These efforts should be continued in every Congressional district and in every Legislature so as to bring influence to bear from the true source of power upon every member of the House and Senate. Such efforts require both energy and money. The same means which are legitimately used to secure the victory for a political party may be successfully used to direct the servants of the people. It will be found that the enterprising people of the country, all those whether poor or rich, who are striving to maintain or better their conditions, will rally without hesitation to the support of a cause which promises them a steady prosperity. This element that, as long as the United States continues a great nation, must comprise a majority of the voters, will eagerly follow proper leadership.

THE SUBJECT OF POSTAL SAVINGS BANKS is ably considered elsewhere in this number of the MAGAZINE by Mr. J. H. THIRY, who has made a life-long study of Savings banks. His investigations have proceeded from philanthropic motives purely, the greater part of his labors having been directed toward the encouragement of thrifty habits amongst children by the establishment of school Savings banks, a field in which he has been a pioneer in this country, working always with unflagging energy and with great success.

Mr. THIRY shows most conclusively that the proposal to establish Government Savings banks is unsound and wholly unwarranted, as the Savings institutions already existing in the Eastern and Middle States furnish safe depositories for caring for the small savings of the people, and there is no reason why this system should not be extended wherever there is a demand for additional Savings banks.

The Bank Examiner of Maine, Hon. FREMONT E. TIMBERLAKE, also condemns the postal Savings bank scheme in his last Annual Report. His views are presented on another page, and it will be seen that he gives good reasons for upholding the system of mutual Savings banks, and protecting them from unjust Government competition.

It has been suggested that the deposits of the postal Savings banks might be invested in public buildings, such as post offices, custom houses, etc. No one has explained how such assets could be realized on in time of panic when depositors were clamoring for their money, and the panic of 1893 illustrated the fact that even the Government is distrusted in such times, as shown by the heavy demand for the redemption of legal-tender and Treasury notes.

In Great Britain the expenses of the postal Savings banks for the past year exceeded the income, after paying two and one-half per cent. interest to depositors. Canada, according to a well-informed writer, is also having a very unsatisfactory experience with these banks.

There does not seem to be a single sound reason why the Government of the United States should enter upon the doubtful experiment of managing the surplus savings of the people, for it would only be a usurpation of a function which is now being satisfactorily performed by private enterprise.

THE STRAINED RELATIONS WITH SPAIN have been subjected to still greater tension by the recent blowing up of the United States steamship Maine in the harbor of Havana. Considerable excitement has been caused in the stock market, there being a sharp decline, which has been followed by a substantial recovery of prices. There have also been some withdrawals of country bank deposits from New York, and a consequent rise in interest rates, which has had the effect of bringing gold to this market from Europe. Although discount rates are high in London, and gold is closely held by the Bank of England, any further rise in interest rates here will undoubtedly result in continued imports of gold, and perhaps on a large scale, owing to the heavy balance to our credit in Europe.

While Congress has unwisely refused to correct some of the patent defects in our currency system, and has not been disposed to substitute the word gold for the equivocal term "coin" in our bonded debt, there is no doubt that the means will be ample for meeting any emergency that may arise should the difficulties with Spain not yield to peaceable means of settlement.

It is to be hoped, however, that a resort to force may be avoided. Heavy as has been the loss inflicted upon the commerce of the United States by the long-continued Cuban insurrection, and though the misery caused by the cruel methods of warfare has been very great, a war between Spain and the United States would incalculably increase the loss to business interests, while the destructive possibilities of modern naval warfare are so great as to be almost inconceivable.

Aside from purely humanitarian considerations, which are certainly weighty enough to restrain any nation from engaging in war without the greatest provocation, the business of the country, now just recovering from the prolonged strain of a tremendous commercial convulsion, can ill afford to stand the ruin and disaster which are the inevitable concomitants of armed conflicts.

THE REFUNDING OF THE NATIONAL DEBT INTO A UNIFORM GOLD BOND.

The proposition to refund the present interest-bearing debt of the United States into a gold bond bearing a lower rate of interest forms a part of many of the plans for the reform of the monetary system.

The present outstanding bonds are payable principal and interest in coin, but although the custom has been invariably to pay in gold coin, there is nothing in the laws under which these bonds were issued which specifically confines payments to this kind of coin. The defeat of the Teller resolution has no doubt strengthened the belief that no other coin will be used; but nothing short of a new enactment in favor of gold coin can place the status of these bonds beyond the peradventure of a doubt.

It is however so plain as to admit of no dispute that if these bonds were veritable gold bonds, their market value would be enhanced and that the borrowing power of the Government would be greater.

There are plausible arguments against changing the status of existing bonds, and if the United States is to secure the advantage of having it determined that her obligations are to be paid in gold, it will be better on all accounts to make it certain by refunding operations.

What, then, may be gained by the conversion of all outstanding interest-bearing bonds, except perhaps the two per cents, into a gold bond bearing a lower rate of interest?

The four per cents of 1902 now command a market price of about 112.5, the fives of 1904 a market price of about 113.5, and the fours of 1924, 128.5. A person who buys a four per cent. bond of 1907 at 112.5 and holds it to maturity will have realized about 2.5 per cent. on his investment. If the Government should in exchange for the $100 four per cent. bond held by him give a bond for $112.50 running the same time and bearing interest at 2.5 per cent., all other conditions remaining the same, it would be an equivalent exchange of no special advantage to either party. But if the Government strengthens its credit by issuing a two and one-half per cent. bond, payable principal and interest in gold coin after say thirty years, great advantage may be obtained.

Assuming that the four per cent. bond was written payable in gold coin instead of indefinitely in coin, this change would probably make its market value at least three per cent. higher, that is about 115, instead of 112.5, and the realized rate to an investor would be reduced by the greater security afforded, from 2.5 to 2.2 per cent. This new rate of 2.2 per cent. indicates the gain the Government would make in borrowing power by the positive recognition of the gold standard. If therefore a thirty-year gold two and one-half per cent bond be issued, and if the borrowing power of the Government was indicated by 2.2 per cent., the value of such a bond in the market would be 106.19. A bond of this character bearing the face value of 106.31

would be the equivalent of a $100 four per cent. bond of 1907 at a market price of 112.5.

To fund the $559,641,500 of fours of 1907 now outstanding would require the issue of $594,954,878 new two and a half per cents running thirty years, an increase of $35,313,378 in the principal of the debt. But the interest saved quarterly for the thirty-eight quarters the fours of 1907 have to run would be $1,877,948. This quarterly saving calculated as a sinking fund at 2.2 per cent. for the thirty-eight quarters will at the time the fours mature amount to $79,117,949. This sum invested at 2.2 per cent. for the eighty-two quarters the new bonds still have to run to maturity will at the end of this period amount to $124,215,180.

Similar calculations may be made as to the exchange of the fives of 1904, now bearing a market price of 113.5, and the fours of 1924, now selling for 128.5. The following table shows the result of these calculations in regard to the three classes of bonds:

Fours of 1907.

Principal now outstanding	$559,641,500	
Principal after exchange for 2.5 per cents	594,954,878	
Increase in principal	35,313,378	
Saving in quarterly interest	1,877,948	
This quarterly saving invested at 2.2 per cent. for thirty-eight quarters will then amount to $79,117,949, which sum compounded quarterly at 2.2 per cent. will after the eighty-two quarters elapsing before the new bonds mature amount to		$124,215,180

Fives of 1904.

Principal now outstanding	$100,000,000	
Principal after exchange for 2.5 per cents	107,310,000	
Increase in principal	7,310,000	
Saving in quarterly interest	579,313	
This quarterly interest saving invested at 2.2 per cent. for twenty-four quarters will amount to $14,818,826, which sum compounded quarterly at 2.2 per cent. will after the ninety six quarters elapsing before the new bonds mature amount to		25,080,754

Fours of 1924.

Principal now outstanding	$162,315,400	
Principal after exchange for 2.5 per cents	198,527,965	
Increase in principal	36,212,565	
Saving in quarterly interest	382,355	
This quarterly saving invested at 2.2 per cent. for 108 quarters will amount to $56,190,890, which sum compounded quarterly at 2.2 per cent. after the twelve quarters elapsing before the new bonds mature, will amount to		60,124,252
Total accumulation of sinking fund at maturity of 2.5 per cent. thirty-year gold bonds		$209,420,186
Total increase of principal by refunding present bonds into new 2.5 per cents		78,835,943
Gain to Treasury by refunding		$130,584,243

The most plausible objection to the issue of bonds which cannot be called for payment for many years is that if the Government has a large surplus revenue it is prevented from using it in reducing the debt. But when the

Government is in a position to reduce its debt, it can always do so by paying the market price. The calculations above made imply the purchase of bonds at 106.19, which is their price when the realized rate of interest is 2.2 per cent. It is not probable that this rate will fall much, if any, because the premium on the bonds will tend to lower as they approach maturity. At times the Goverment may have to pay more than 106.19 for them, and perhaps at times they may be had for less. In fact it is highly probable that for the whole period this figure will correspond very closely to the average market price of the bonds.

Whether the saving in interest is invested or not as assumed in this calculation, and if the necessities of the Government prevent the reduction of the debt or even require an increase, the interest saved by the exchange will amount during the time to $125,559,876, which, compared with the increase of principal, shows a gain of $46,723,933. The other advantages of the exchange are the uniformity of the form of debt, and the recognition of the gold standard.

SAFETY OF AMERICAN INVESTMENTS.—Mr. S. F. Van Oss, who has been traveling in this country recently, contributes a long article to the London "Journal of Finance," of which he is editor, on the subject, "Are American Investments Safe?" Incidentally he endeavors to point out the failings in our political system. He says:

> "As a general rule, the spoils system permeates all strata of political life. Posts are freely given to the unworthy, with the result that the best men steer clear of politics; and, moreover, the frequency of elections, as well as the ruthless conduct of the victor, militates against the retention of independently honest and experienced public servants. The 'snowing under' of the party in control means a total change in the *personnel* of all the services, Army and Navy excepted."

The writer has overlooked the letter carriers, and many thousands of employees in various Government departments who are not changed; but a still more absurd notion of the American system of Government is found in the following:

> "President Cleveland had the courage to retain some useful public servants, though they were Republicans; and President McKinley, although a weak character, has endeavored to emulate his example. * * * The Americans are a practical, business-like people; and whilst many of them are already struck in the absurdity of present conditions, a majority of them will sooner or later refuse to tolerate a system which sends every judge and clerk away as soon as another Administration comes in."

We suspect that it will be news to Americans to be told that the Federal judges are changed whenever a new Administration comes in; however, it is sometimes necessary to go away from home to learn the news.

But our case is not altogether hopeless, since so many of our citizens are of British ancestry. Mr. Van Oss gives us the following encouragement:

> "After all, there is too much Anglo-Saxon blood in the American to admit of serious doubts in respect of his ability to govern his country ably and honestly."

If the editor of the "Journal of Finance" did not know any more about American securities than he does about our Government system, his views on the subject would not be worth much; fortunately this is not the case.

RUSSIAN CURRENCY REFORM.

[From the official Report to His Majesty the Emperor, on the Budget of the Empire for 1898, furnished the BANKERS' MAGAZINE by the Minister of Finance.]

In 1897 the reform in the currency was completed in its chief points. From the very beginning of Your Majesty's happy reign the fluctuations in the price of the rouble ceased, and bank notes became a steady circulating medium, exchangeable for gold. During the current year this practically established state of our monetary system was confirmed by Your Majesty's Imperial Decrees of January 3 and August 29. The first of these fixed by law the circulation of bank notes on a par with gold, while the second decree gave a firm basis to the issue of bank notes by the State Bank, guaranteed by a gold covering fund.

These laws were further developed by Your Majesty's Decree of November 14, ordering the issue of five-rouble gold pieces, one-third of an imperial in value, and declaring bank notes to be payable in gold. According to these decrees, the value of the new gold coin, and of its monetary equivalents—bank notes, was fixed in roubles of 1–15 of an imperial, and thereby the rouble, containing 17.424 doli of pure gold, was declared to be the monetary unit of Russia.

Thus the rouble, from an indefinite, fluctuating quantity, has become an accurate measure of value, like the English pound sterling and the monetary units of other countries, possessing a normal currency. The completion of the reform in all its details will doubtless demand some more time and legislation, but all farther efforts in this direction will only be a fulfilment of the plan laid down by Your Majesty's Decrees, the pillars of the currency reform in Russia.

The reform in the currency is an event of the greatest importance. Regularity in the currency, one of the chief conditions of a country's development in finance, political economy and even politics, is likewise an obvious indicator of the real condition of affairs in a country. The preservation of this regularity, in its turn, depends on the state of affairs in the other departments of the State management. With a currency fluctuating in value, the bond between the events in the national life and the currency is broken. But with the renewal of regularity in the currency, the mutual dependence of the above-mentioned phenomena in the life of the national organism becomes obvious.

Therefore, in the present report, the Minister of Finance considers it his duty: (1) to present to Your Majesty a detailed account of the state of the currency in the Empire, which, in conjunction with the data contained in the budget for 1898, clearly illustrates the present economic condition of the Russian Empire, and (2) to call attention to several points in the State management (principally financial), which are of the greatest importance for the preservation of the currency from future fluctuation.

The stability of the price of the rouble, founded on the uninterrupted cashing of bank notes in gold, is beyond doubt. The balance sheet of the State Bank for December 23 shows that 999 mill. r. worth of bank notes have been issued; of these 69 mill. r. are in the treasuries of the Bank; therefore, 930 mill. r. are in in circulation among the population. At the same time the gold in the State Bank, in Russia and foreign specie, bullion, etc.,* amounts to 1,166 mill. r., *i. e.*, an excess of 236 mill. r., or 25 per cent. more than the total amount of bank notes in circulation.

The state of the currency, which was quite firm, as the Minister of Finance had the honor of representing to Your Majesty in his preceding report on the budget, has grown still firmer during the current year, as will be seen from the following table:

	Bank notes issued.	*Gold in State Bank and Treasury.*	*Percentage of gold to notes issued.*
By the end of 1896........	1,121.3 mill. r.	1,206 mill. r.	107.5
By the end of 1897...... ..	999 "	1,315 "	131.6

It follows, therefore, that for the current year the amount of notes issued has been decreased by 122.3 mill. r., while the amount of gold has increased by 109 mill. r., i. e., the balance in favor of gold has in a single year increased by 231.3 mill. r.

Together with the growth of the covering fund for bank notes, in 1897 the relations between the Treasury and the State Bank with regard to the issue of bank notes have been to a considerable degree better regulated. The non-interest-bearing debt of the Government for these notes has been decreased to175 mill. r. Moreover, in 1897, the unconsolidated national debt has been decreased by 33 mill. r., in consequence of the payment of matured Exchequer bills, of which 182.3 mill. r. are now left in circulation.

It is worth noting, that at the present time all the unfunded national debt is guaranteed in full by cash in hand or by short-termed investments, viz., (1) the bank notes in circulation (930 mill. r.) and exchequer bills (182.3 mill. r.) are covered by the greater amount of the gold reserve (1,315 mill. r.); (2) the amount of the non-interest-bearing debt of the Government to the State Bank for notes issued (175 mill. r.) is 91.5 mill. r. less than the account current of the Treasury in the State Bank (266.5 mill. r.), and finally (3) deposits to the amount of 134 mill. r. are among the liabilities of the State Bank, but the bill discounting alone (147.5 mill. r.) exceeds that amount, without including other short-termed investments.

The above-mentioned increase of the general reserve of gold was made in 1897 simultaneously with the actual issue of 117.5 mill. r. worth of gold coin for circulation, and the purchase of 28 mill. r. worth of silver, which can be coined into 39 mill. r. of silver coin. In estimating the condition of our currency, our general metallic reserve should be increased by this amount. The state of our currency for 1897, as compared with that of the preceding year, will be seen from the table following. (Page 364.)

These figures demonstrate more clearly than any arguments can, that the exchange of bank notes for gold is fully guaranteed, and that the stability of the reform effected is beyond doubt. How to preserve the results of the success attained in this most important branch of State and national econ-

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* Exclusive of 8 mill. r., covering drafts of the State Bank on foreign houses.

omy, is the affair of the future. Fully confident of the constant development of Russia's productive forces, the Minister of Finance hopes that the reform in the currency of the Empire will not be endangered, even should the country at any time be fated to pass through a heavy trial. This hope is based on the conviction that under the wise rule of Russia's Imperial Leaders the measures of the Government will ever be guided by those true and sound principles that are suggested by our own experience and taught us by the history of national and State economy.

	*Gold.**		*Standard silver.**		*Bank notes.**	
	In State Bank and Treasury.	*In circulation.*	*In State Bank and Treasury.*	*In circulation.*	*In State Bank and Treasury.*	*In circulation.*
By the end of 1896.......	1,206	37.5	73	50	139.7	981.6
	1,243.5		123		1,121.3	
By the end of 1897.......	1,315	155	63	99	69	930
	1,470		162		999	
In 1897						
More................	226.5		39		——	
Less.................	——		——		122.3	

* In millions of roubles.

The security against the derangement of the currency depends not only on the financial policy of the Government, but likewise on the conjunction of measures taken for the development of the national prosperity, the preservation of law and order, and for the restraint of dangerous impulses. Such a line of action, instilling on the world at large both a firm conviction of the political and economic powers of the country, as well as a firm belief that it will fulfil its engagements, strengthens the country's credit, the stability of which is one of the chief foundations of a regular currency. Of these measures, the most important to the economy of the State and to the currency are those which have reference to foreign policy. In this respect the chief stay of Russia's economic and financial progress is the long-standing peaceable and equitable policy of its Emperors. The bequests of the late Emperor Alexander III, and Your Majesty's true love of peace, are guarantees that, for the good of the country, the foreign policy of Russia will ever be averse to aggression with regard to other States, and that in this respect no danger threatens our economic and financial position.

In acknowledging that the chief foundation of order in the currency is the stability of the national credit, it must be observed that the latter depends greatly on the regular and really conscientious fulfilment of one's engagements. The importance of this last condition has not always and everywhere been equally understood. At the same time, even excluding primary moral considerations, it is beyond doubt more profitable for a country to deny itself in its very necessities, than in any way to break its engagements and thus lower its credit. In Russia there has never been any misunderstanding on this subject. There is no doubt that in the future also no exception to this rule will be met with, and that, in dependence on a strict fulfilment of its engagements, Russia's credit will increase from year to year.

In first referring to the preservation of the national credit, the Minister of Finance is far from the thought of disparaging the importance of the other principles of State policy, which are no less essential to the national economy and the currency. Among such principles the resolute preservation of the balance between revenue and expenditure is of special importance. The problem is not an easy one. Central administrations, local institutions, public men—all are anxious to lighten the burden of taxation as much as possible, and at the same time strive to supply to the utmost the constantly expanding requirements and the new wants that are constantly arising; all are apt to consider the Treasury as an inexhaustible source, or to prove irrefragably that this expenditure or that is productive, and must not be retrenched, as a great deal of profit is expected from it in the future. The desire to extend the activity of the Government for the good of the population is of course deserving of sympathy, and is in some degree excusable, owing to the state of affairs in our native land—a country comparatively young in culture and rapid in development. But if the wants are innumerable, the means of satisfying them are limited. Hence arises the necessity for the State to regulate its requirements by its resources, for a State, as well as a private individual, prospers only when it lives within its means. In regard to this, one cannot help recollecting the rules bequeathed us by Count Speransky, who, dividing expenditure into "necessary, useful, luxurious and superfluous," pointed out decidedly that "the principal cause of financial disorder is the disproportion of expenditure to revenue," and considered that "the most useful enterprises, if undertaken without funds or with a great effort and with financial derangement, are essentially an evil to the states."

It is impossible to deny the justness of this view. But the fulfillment of the budget without deficit for a considerable period of years sometimes causes one to forget that an omnifarious economy of expenditure has no merely abstract significance, but is a necessary and practical obligation laid on the state, and that the present favorable condition of Russian finance is the consequence, not only of an increase of revenue, but likewise of the inculcation of sound politico-economical principles into the economy of our country—one of the most memorable deeds of the late Emperor Alexander III. Thanks to his Imperial care Russia is rid of that evil—a deficit. A deficit, especially if this deplorable state of things recurs during several years, strikes at every part of the state organism, at first imperceptibly, then more and more violently. From a financial point of view, a deficit leads to heavy loans incurred to cover it, destroys all regularity of settlement and undermines the confidence in the national credit. Then the evil spreads to the whole of the national economy, by lowering the value of Government papers, raising the interest on money borrowed, and diminishing the flow of capital to productive investments. Finally, as showing an absence of proper order in business, and a financial weakness, a deficit diminishes the political power of a country. All these circumstances, in conjunction, cannot but influence the currency; but the evil is increased if the Government, for want of other resources, has recourse to an issue of paper money.

The Minister of Finance, in taking the liberty of calling Your Majesty's attention to the importance of an equilibrium between expenditure and revenue in a state, in the present report, where it is shown that in the budget of the Empire for 1898, there is a surplus of ordinary revenue of 14.3 mill. r., while even all the extraordinary expenditure, as in previous years, is covered not by new loans, but by a free balance, cannot more clearly prove to Your Majesty that he sincerely believes in the possibility of Russia's continuing to preserve the order established in her financial economy. The directions given by Your Majesty with regard to this, and the constant and particularly careful consideration by the Council of State of all estimates and assignments, are a proof that this order will really be preserved, and that in this respect the currency is guaranteed.

Furthermore, it is necessary to point out the serious importance of a steady tariff policy, for the attainment of this object.

The Minister of Finance is inclined to the opinion that the balance of trade is far from being the sole factor of the flow of gold into a country or out of it, and it is not from this point of view that he touches on the question of custom-house tariff. But this question is of great importance in other respects. Having entered on a course of protection of home industries, we ought to wait for some stable results of this policy. Abrupt changes in the established conditions of international barter would be exceedingly pernicious and unjust, they would cause undeserved loss to many investors in industrial undertakings, and would draw capital away from established branches of industry. The interference in the commercial and industrial operations thus caused would react unfavorably on all monetary transactions, which would create great difficulties in the preservation of the monetary standard.

Passing on to banking policy and its importance in respect to the currency, it is first of all necessary to remark, that by the Imperial decree of August 29, 1897, which imposed the task of issuing bank notes upon the State Bank, the operations of this issue are restricted within very narrow limits, viz., notes only to the amount of 600 mill. r. are to be guaranteed by half their value in gold, while any issue over that amount must be covered by gold, rouble for rouble. Practically the Bank (without including the gold in the Treasury) has at its disposal considerably more gold than there are notes in circulation. With such regulations for the issue of notes, when the other assets of the State Bank (exclusive of gold) do not serve as a direct guarantee for bank notes issued, the commercial operations of the Bank are of no immediate importance to the uninterrupted cashing of notes in gold. Still less is there any practical foundation for the doubts expressed in reference to certain operations, which tie up the resources of the Bank for periods longer than those of the usual bill-discounting and money-lending on easily realized securities; the total amount of the Bank's expenditure on such operations (loans to land-owners and industrial undertakings, loans repayable by instalments, etc.) does not exceed 35 mill. r., *i. e.*, does not amount even to the Bank's own capital (53 mill. r.), without counting its other resources invested for a longer term.

Nevertheless, the soundness of banking policy is one of the foundation stones of a stable currency. The State Bank is the point in which the cash of the country is concentrated, it is its distributor, the regulator of the rate of discount and interest on money lent. By impeding the use and raising the price of credit, or by developing and lowering it, the Bank can influence all branches of the national economy, in some measure counteracting, in case of necessity, the flow of specie out of the country, and to a certain extent it can restrain industry at a time of over-production, and help it by its credit at critical moments. These important functions of the central banking institution, of such consequence to the currency, are regulated by the charter granted in 1894, that defines such necessities, as the Bank may satisfy, if its means allow of its doing so. But it is impossible for the law to foresee all the multifarious circumstances, on the combination of which one's line of action depends. Therefore the guarantee of prosperity in this sphere is founded on the keeping to a sound banking policy; the latter being secured by the discussion of all important matters by the Council of the Bank, which is placed in a sufficiently independent position, and numbers among its members the representatives of the State Control, the nobility and merchants, and likewise by the guidance, in the more important affairs, of the person to whom Your Imperial Majesty has intrusted the financial affairs of the Empire, and by the examination of the Bank reports by a higher institution of the Empire—the Council of State. Over and above this, a sound guarantee of the proper conducting of business is the wide circulation of information concerning the operations of the Bank, published for general information in the form of weekly returns of that institution, which compare favorably in clearness and detail with the returns of other banks of circulation. From these returns it is seen that our banking policy stands on a firm basis; furthermore, there is no reason to suppose that affairs will not go on improving in favor of trade and industry, and of the stability of our currency.

Apart from the observance of all the above-mentioned principles for the preservation of the monetary standard, the Minister of Finance considers it very important that specie should be practically in circulation. If this does not take place, and almost all the gold is concentrated in the Bank and the Treasury, then, should the time come when specie flows out of the country, only the Bank and the Treasury would feel this practically. The population, which has satisfied its requirements with the bank notes it has been used to, will scarcely be quick at paying attention to the change in the condition of monetary affairs, and, as has been proved by experience, will look distrustfully, and even inimicably, on the extra carefulness in bill-discounting and money-lending, which becomes necessary under such circumstances. On the contrary, if gold coin forms an essential part of the currency, the flow of gold out of the country is not only from the safes of the Bank, but from the specie in circulation. The scarcity of money is first of all felt by the population itself: it takes its own measures against this, of necessity trying to retrench its expenses, or to increase the productiveness of labor, and thus takes the first step towards restoring the equilibrium of the monetary balance. This essentially lightens the task of the Government in preserving order on the monetary affairs of the country.

The measures for putting gold into circulation, already taken in 1895 and 1896, were continued during the current year. Imperials and half-imperials were coined to the amount of 305 mill. r., and the new five-rouble pieces to the amount of 23 mill. r. The total amount of gold in circulation reaches 155 mill. r., being 117.5 mill. r. more than the amount remaining in circulation in December, 1896 (37.5 mill. r.). It is worth noting that most of the old coinage (with the inscription "10 roubles" on the imperials, and "5 roubles" on the half-imperials) is withdrawn from circulation. In 1897 standard silver was coined to the amount of 67.8 mill. r., and issued to the amount of 49 mill. r., the sum total in circulation, counting the issues of previous years, being 99 mill. r.

The above figures show that the use of specie is gradually spreading among us. But the experience of 1896–1897 shows, that in consequence of being so used to paper money, the population, in its payments to Government treasuries, tries to return specie chiefly. Therefore, in order to make coin circulate, without at the same time increasing the total amount of money more than is necessary, there is, in the opinion of the Minister of Finance, only one method: with the issue of specie into circulation, the amount of notes (especially those of the lower denominations) must be decreased. The practice of foreign countries, possessing a normal currency, may serve as an example of this. In all such countries small notes are either entirely done away with, or their number is exceedingly limited, in order to avoid the disappearance of specie from circulation. And if, in exceptional cases, such as, for instance, in France in the early seventies, this rule has been departed from, it has been only for a time, and as soon as the sharpness of the crisis is over, and order has been restored in the currency, the first care of the Government has been to withdraw small notes.

Of course at first, while the population is yet unused to specie, the diminution in the amount of small notes leads to some inconvenience in daily life. But one must neither exaggerate the importance of such inconveniences, nor forget that specie likewise possesses great advantages: it has some real value, and is less liable to various accidents (it does not burn, or spoil from damp, etc.); in short, while being, the same as notes exchangeable for gold, legal tender and a standard of value, it possesses certain advantages, especially for the lower classes, in the accumulation of savings. As a medium of exchange, specie is less convenient, being heavier and bulkier than paper money. This circumstance, however, would be a real difficulty only in large payments; but for these, notes of higher value will still continue to be used. With regard to the transfer of money, proper measures are being taken for working ont a system of Post Office orders, as well as for making monetary correspondence easier and cheaper. In any case, in an affair of national importance, slight inconveniences resulting from the use of specie and from the want of habit in the use of it, cannot change the line of action taken by the Minister of Finance.

In conclusion, the Minister of Finance thinks it his duty to call attention to the question of the position held by silver in our monetary system. Of course, there is no necessity to touch on the theoretical question as to the relative value of a gold monometallism and of bimetallism, the more so as in our case the matter must be considered as irrevocably settled. The fall in the price of silver during the last thirty years, the adoption by many countries of a gold currency, and the cessation of the coining of silver for private persons in other countries—all these events of international importance long ago induced the Russian Government to limit the part played by silver in its monetary system. Since January 1, 1877, the custom house duties have been paid in gold; since 1883 our metallic loans have been made out in gold roubles; the covering fund is increased exclusively by supplies of gold, and the small amount of silver included in this fund was already withdrawn in 1895. Finally, by the Imperial Order of July 16, 1893, the free coining of silver for private persons was put an end to in Russia. Thus, long before the decisive measures taken for the reform in the currency, silver ceased to be an independent standard of value. By Your Majesty's Decree of November 14, 1897, all reference to silver coinage was removed from the inscriptions on bank notes, which were then declared to be exchangeable for gold alone, and

№№	REVENUE.	Estimates for 1898.
		Roubles.
	I.	
	ORDINARY REVENUE.	
1	Direct taxes	100,577,816
2	Indirect taxes	543,469,200
3	Duties	70,210,674
4	Royalties	183,990,100
5	Property and funds belonging to the State	370,127,108
6	Expropriation of State property	593,339
7	Payments in redemption of land	80,558,300
8	Reimbursement of Treasury expenses	59,768,227
9	Miscellaneous revenues	5,163,453
	Total ordinary revenue	1,364,458,217
	II.	
	EXTRAORDINARY RESOURCES.	
10	Perpetual deposits in the State Bank	3,300,000
		1,367,758,217
	From free balance of Treasury	106,291,706
	General total	1,474,049,923

№№	EXPENDITURE.	Estimates for 1898.
		Roubles.
	I.	
	ORDINARY EXPENDITURE.	
1	Public debt	272,092,732
2	Higher Administration of the Empire	2,612,842
3	Jurisdiction of the Holy Synod	20,374,941
4	Ministry of the Imperial Household	12,597,492
5	» of Foreign Affairs	4,802,176
6	» of War	288,808,664
7	» of Marine	67,050,000
8	» of Finance	211,188,038
9	» of Agriculture and State Domains	35,737,983
10	» of the Interior	80,175,211
11	» of Public Instruction	26,440,843
12	» of Ways of Communication	264,677,232
13	» of Justice	42,733,274
14	Department of Control	7,178,935
15	Administration of Studs	1,614,850
		1,338,085,213
16	Unforeseen expenses, resulting from extraordinary necessities arising in the course of the year	12,000,000
	Total ordinary expenditure	1,350,085,213
	Surplus of ordinary revenue . . . . **14,373,004 r.**	
	II.	
	EXTRAORDINARY EXPENDITURE.	
17	Construction of Siberian railway, without rolling stock	37,447,020
18	Auxiliary undertakings connected with the construction of the Siberian railway	8,718,363
19	Construction of other railways for general purposes	13,565,182
20	Construction of local railways of an inexpensive type	10,000,000
21	Purchase of rolling stock for the Siberian railway and increase of rolling stock of other railways	49,234,145
22	Indemnities to private persons and institutions for repeal of the exclusive right to sell liquor in retail	10,000,000
	Total extraordinary expenditure	123,964,710
	General total	1,474,049,923

Signed: Minister of Finance, S. Witte Secretary of State.

to be in circulation on an equal footing with it. In consequence of this, silver has taken the position of a subsidiary coinage. The next step in this direction will doubtless be the limiting of the coinage of silver and of the amount for which it can be legal tender, while, of course, as heretofore, it will be received by Government treasuries to an unlimited amount. The supplies of silver at our disposal, both in ingots and in coin, will probably last a considerable time, though at present it is difficult to say definitely what amount of silver is required for circulation. In any case, silver coins, counting both the standard (roubles, 50 copecks and 25 copecks) and the token coinage (20, 15, 10 and 5 cops.) will hardly be required to an amount greater than 2 r. 50 cops. or 3 r. per inhabitant, *i. e.*, about 320—380 mill. r. As our general supply of silver already amounts to 240 mill. r., and small notes will be withdrawn from circulation gradually, it is clear that the subsequent purchases and coinage of silver will be far below that of the last few years. The position of silver in our currency, in the opinion of the Minister of Finance, fully answers to the requirements of a well-ordered monetary system.

A detailed examination of the principal conditions, on which the stability of the lately completed monetary reform depends, enables the Minister of Finance, with the most lively satisfaction, to announce to Your Majesty, that our currency is firmly established. Like pure air, which revives the strength of living creatures, a well-ordered currency will doubtless be a mighty factor in our country's development in culture, and in the increase of prosperity among the millions of Your Imperial Majesty's faithful subjects.

[We also present on pages 369 and 370 tables giving the official estimates of the receipts and expenditures of the Russian Empire for the year 1898.]

THE MONETARY COMMISSION'S PLAN.—In the February number of the "North American Review," Hon. Charles S. Fairchild, a member of the Monetary Commission, defends the proposal to issue circulation without bond security as favored by the Commission in its report. He says :

"Now, permitting a bank to issue its obligations without the deposit of bonds is following the natural and simple course which such transactions would take. A deposit of bonds is obviously artificial and unnatural and less conducive to the convenience of the community than the former method; and if the former method can be so safeguarded as to make the notes issued thereunder fully as safe as they would be if the bonds had been deposited in trust against them, then obviously the former method is better for all concerned. It is shown elsewhere that, under the system provided for binding the assets of all the issuing banks together, the notes would be as safe; so reason would seem to indicate that the course should be followed.

The principles under which bank notes should be issued and their safety insured having been satisfactorily shown, as it seems to the writer, the only consideration that remains is as to the attitude of the banks toward the whole matter. The report of the Commission shows that had all of the banks of the country issued and kept issued notes equal to 80 per cent. of their capital since the formation of the national banking system, thirty-five years ago, under a plan like that proposed, the annual assessment upon them to make up loss on failed banks would have been about one-fortieth of one per cent. per annum upon their circulation. Take the worst year in the whole history of the National Banking Act, viz., 1893, not counting collections yet to be made of the assets of the banks that failed in that year—and the Comptroller reports that there will be quite large collections from that source—the assessment for the loss of that year would have been only one-eighth of one per cent. upon the circulation. It seems, therefore, that the danger of loss to the banks entering into this mutual assurance system would be so small that its consideration may be neglected."

PRACTICAL BANKING DEPARTMENT.

HELPFUL HINTS DERIVED FROM EXPERIENCE.

LOST PASS BOOKS—A WORD TO SAVINGS BANKS.

There's a popular notion that the pathway of the ordinary banker is strewn with carnations. Little do people know of the annoyances that beset the banker at many a turn. And not least of these is the loss of Savings pass books, which is constantly going on.

To properly handle a customer who has lost his book isn't always an easy task; to do justice to the bank, and at the same time retain the good will of the depositor, is a thing which requires a little diplomacy. But a grain of tact and another of patience usually satisfies a customer and frequently finds for him his lost book.

Regarding the treatment of lost pass books, the following hints are offered:

(1) When a depositor has reported a lost book, turn at once to his ledger account and make a pencil notation thereon, thus placing the clerks on guard, for no money should ever be paid on any book without first having compared with ledger balance.

MEMORANDUM—NOT NEGOTIABLE.

THE CROGHAN BANK
AND SAVINGS CO.,
Fremont, Ohio.

JAN 26 1898

W. L. Brown,
London, Pa.

At this date, the amount standing to your credit on the books of the Savings Department of this bank, on account of pass-book number 3301, which has been reported lost, is Seventy five Dollars, $ 75.00

Interest will continue on above at Three per cent. per annum, and will be credited regularly in January and July.

In the event that your book should be found, please report the fact to the bank at once. Also return this slip.

Books are frequently lost or mislaid, but in about nine cases out of every ten are afterwards found. So DO NOT GIVE UP THE SEARCH, for you are likely to find the book in a place where least expected.

Whenever duplicate pass-books are called for, BONDS OF INDEMNITY are always required.

All deposits hereafter made should be entered in a new book, which the bank will cheerfully furnish.

(2) In courteous conversation bring your ingenuity to bear upon the customer concerning the manifold ways in which books are *often mislaid*, and

also your observation in finding them. But do not immediately issue a duplicate, for in so doing he is likely to lose further concern in the matter and give up the hunt. By insisting upon a continued search he is more than likely to find the book.

(3) It is essential that the customer may be made to feel easy respecting his deposits. Therefore, some sort of written evidence from you, giving exact condition of his account, would seem proper. For this purpose the preceding document has served well.

The above makeshift has proven so acceptable to depositors that they are usually content to hold same in lieu of the book itself. Of course no new deposits are to be received on the old account.

(4) In the event that the book cannot be found, and the issue of a duplicate can no longer be delayed, then it is desirable that a bond of indemnity (usually double amount of deposit) be required. The following brief form is offered, though this can doubtless be improved upon:

Know all Men by these Presents, *That I,* W. L. Brown *as principal, and* Smith W. Jones *as sureties, are held and firmly bound unto* THE CROGHAN BANK AND SAVINGS COMPANY, *of Fremont, Ohio, in the sum of* One hundred & fifty *Dollars, for the payment of which sum to the said bank we hereby bind ourselves, our heirs, executors and administrators.*

The condition of this bond is such that whereas the said W. L. Brown *claims to be entitled to receive from said bank* Seventy five *Dollars, for certain deposits and accrued interest thereon; and whereas the said depositor claims to have lost, and is unable to produce the pass book, numbered* 3301, *in which said bank has given credit for said sum; and whereas the said bank has this day paid to* him *the said sum of money, at the special request of the said sureties.*

Now, if the said obligors, or either, or legal representatives of all or either, shall fully indemnify against and save harmless the said bank from all claims and demands, damages, costs, charges and expenses, by reason of the said payment to the said W. L. Brown *or the loss of said pass book, or assignment or transfer thereof, or of the sum credited therein, and of said bank's refusal hereafter to pay said sum of money, or any part thereof, to any person or persons, then this obligation shall be void; otherwise, to remain in full force and effect in law.*

Witness our hands and seals this 10 th *day of* August, 1898

(Signed)
W. L. Brown
Smith W. Jones.

(5) Having accepted the bond and delivered the duplicate book, it might then be well to inform the depositor that if the orignal ever turns up he may return it to the bank and take up his bond. A. E. RICE.

FREMONT, Ohio, February 27, 1898.

A COUNTRY BANK'S CREDIT DEPARTMENT.

[FIRST ARTICLE.]

The changes which have occurred in the methods of doing business in the mercantile world in recent years have made obsolete, if not entirely useless, the means formerly employed of dispensing credit. For many years past mercantile concerns have found it necessary to maintain what has come to be called their credit departments, as well as their sales departments and their accounting departments.

Formerly, with business of much smaller volume than at present and with customers living for the most part within easy travelling distance of the merchant's store, a request for credit was decided by the merchant's personal interview with his customer. The merchant's knowledge of the affairs of his customers was far more intimate in those days than is possible at the present time. Then the buyer came to the seller; now the seller, represented by the travelling salesman, goes to the buyer. Then the merchant, meeting the buyer, decided in his own mind the desirability of the risk. Now questions of this sort must be settled in the light of the reports of the travelling salesman and the general reputation of the customer in his own locality, supported by such statements as the customer may be willing to submit. Then business was of such small volume comparatively that it was not difficult for the merchant, in a sense, to carry it all in his head; now business is so large and is spread over such an extensive territory that dependence must be placed upon other means than the mere personal factor. Then in a majority of cases business was conducted by houses with a single proprietor, or at most having two or three partners, all of whom were active in the business. Now the same operations are continued greatly extended in area and increased in volume by corporations employing veritable armies of officers and their subordinates. Manifestly the methods and appliances of credits must be changed in accordance with the changes that have been made in other directions.

Nor has the banking business been without changes of a corresponding character. The individual banker, as he was known a few years ago, has gradually disappeared from the scene of activity and his place is now occupied by banking firms and banking corporations whose transactions of necessity are conducted through officers and other salaried employees. The personal factor in banking has gradually diminished in force, and of necessity it has been replaced by system and method with more or less of mechanical appliances which were not in the least required under conditions formerly prevailing.

So well recognized is the necessity of a credit department, or at least a credit man in mercantile establishments, that in the smallest there is at the present time some one person who is charged with the responsibilities of this function and whose office or desk space is equipped with whatever is appropriate for the purpose and tends to increase his efficiency.

For some time past the large city banks have recognized the necessity of a credit department in their institutions and a considerable number has been established. Accordingly wherever a credit department in a bank has been put into operation the board of directors, or discount committee, or single officer who may be charged with the responsibility of deciding upon offerings for discount, no longer grants or refuses the favors asked, as a matter of course or upon impulse, or from bias, or upon private opinion, but instead in the light of an array of facts submitted by the credit department the case is most carefully considered. The credit department's report upon a merchant or other person applying for a discount gives his business history, indicates his general habit of paying, throws light upon his present worth and in various ways shows the man up far beyond what would at first be thought possible by those who are not acquainted with the work that a credit department can do.

If a credit department is useful in a large bank in the metropolis or other business center, then a credit department would be correspondingly useful in every bank in the land down to the smallest. Just as the expenses of a large city bank are enormous, compared with those of the small country bank, so is the allowance which can be made for a credit department in a city bank far more than could be afforded for like service by a small bank in the interior. At the same time it is quite possible for a small bank to improve upon the usual plan, and without unreasonable expense maintain a credit department that shall add greatly to its efficiency and conserve its profits. The principle is the same throughout. The two extremes differ only in degree.

The object in view in this series of articles is to show what it is possible for the country bank to do in organizing a credit department within an expenditure that can be readily afforded. And this brings us face to face with the question, What is a department, either of a bank or of some other business? Wherein does an organization with departments differ from one without departments?

It is possible to conceive of a one-man bank, wherein the single individual performs all the duties usually distributed among a number of persons. In the morning he opens the bank ; he attends to the heating and incidentally to other general duties ; he receives deposits and he pays out money ; he keeps the books ; he passes upon all applications for loans ; he makes his own estimates of valuations where collaterals or other securities are offered ; in short, he does everything. A bank conducted by one man would not be very much of a bank, and although some banks have started in this way, their development has been away from this primitive type in the direction of a higher form, the distinctive feature of which is departments.

From a bank with no departments let us turn to one with the ordinary departments in operation. It is not necessary to describe the departments. Mere allusion to some of them will be sufficient. There is the President's department, the Cashier's department, the receiving teller's department, the paying teller's department, the bookkeeper's department, and so on. Whenever we say "department," therefore, we mean a certain line of duties grouped about one man or one man made responsible for all that is done within certain well-defined limitations, whether performed by him individually or by others working under his direction.

Now, in the one-man bank above referred to, the Pooh Bah of the institution would of necessity pass on all the credits. He would attend to the duties which in more developed institutions are allotted to the credit man, in the same way that he would attend to the duties which usually fall to the Cashier. On the other hand, in a bank organized to meet modern requirements, some man attends to what may be called credit duties, in the same sense that some one attends to the Cashier's duties.

It is possible for the Cashier on occasion to serve also as paying teller or receiving teller. Various combinations of duties have before now been very satisfactorily arranged among the officers of banks as well as other institutions. A credit department, therefore, does not necessarily mean a special salaried man at the head of it, nor yet that a special room or office shall be assigned to it, but it does mean just what other departments above referred to mean, that the work and duties shall be centralized, that the investigations and the records shall be systematized, and that the department, whether presided over by a specialist with a corps of trained clerks, as is the case in the large city institutions, or cared for by a man otherwise partly employed in the bank and who gives but a fraction of his time to it, shall always be kept up to a state of high efficiency.

So much for the need of a credit department, the relationship which it bears to the other departments of the bank, and the general plans which may be employed for managing it at a comparatively small expense. Our next inquiry will be with respect to the proper organization of the credit department of a small institution, to the requirements in the way of equipment and to what must be done to keep it fully up-to-date. To introduce this part of our subject a brief description of the equipment and operations of the credit department of a large city bank will be given. This, for which another article will be necessary, will be submitted, not as something to copy, but rather as something of interest to bankers in general, and the details of which will furnish suggestions in various directions of appliances and plans appropriate to small concerns.

A. O. KITTREDGE, F. I. A.

NO SILVER AGITATION IN CANADA.—In the "Quarterly Journal of Economics" for January, Mr. John Davidson, of the University of New Brunswick, discusses the immunity of Canada from the agitation for the free coinage of silver, which he attributes to the excellence of the banking system of that country. On this point he says :

"The main reason why Canada has hitherto escaped is to be found in the almost perfect adaptation of her banking system to her needs, or, more accurately, in the adaptation of the issue of bank notes to her needs. The more purely banking part of the system has an excellence which is equalled in many other countries, and is perhaps not as good as the banking departments of the Scottish system ; but in her note issues, and in the aid which the banking departments, so to speak, give to the issue departments, there is a perfection of adjustment which cannot be found elsewhere. It may be doubted whether the system could be adopted elsewhere, and it is possible that, as the country develops industrially and commercially, the system may be found wanting, but at present no system could be devised which could more fully meet the requirements of a new country such as Canada.

Of the two essentials in a note issue—security and elasticity—the latter is perhaps of the greater importance when the banks must play a large part in the development of the resources of the country. Legislation dealing with banks has generally been enacted on the assumption that there was almost an incompatibility between the two essentials. Legislators have generally been impressed most strongly with the idea of their duty of safeguarding the public interests, and the public seemed to need security against that elasticity or fluctuations in the issues in which lay the banker's profit. The banking history of Canada is one long proof that there is no such incompatibility, and that stability and elasticity may be both secured; for by a series of happy compromises the maximum of stability has obtained without in the least impairing the elasticity of the issues. The need of a new country is elasticity, not to facilitate the management of the reserve in the time of a commercial crisis, but for the ordinary every-day work of developing the country. The interest of every new country, not merely of the banks, but of the people, is in having at all times plenty of money. The danger is that this interest will lead the country to demand soft money, and the banking legislation of the United States was designed to prevent the possibility of "wildcat" banking. But in Canada history there have been no soft money episodes.

Banking legislation in Canada has absolutely ceased to be, if indeed it ever was, subordinated to the exigencies of political parties, and is regarded as entirely a matter for experts. The money question is not in Canadian politics. Seeing the willingness of the banks to adopt necessary reforms, and aware in an obscure fashion that elasticity was at least as important as security, the public has come willingly to accept the decisions of the experts. The banks are not regarded with any suspicion, and there has been no cry for cheaper money, because these experts, in providing for the security of the issues, have not sacrificed their elasticity. So long as this opinion prevails, there is not much chance for a violent agitation for cheap money. The needs of the community are well supplied by the banks, there is no popular suspicion of the banks, tradition is against interference with the currency, and so, although the Canadian Government is perfectly competent to adopt free silver or free paper, there is not much likelihood that it will be asked to."

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No[illegible] ... Quarterly Journal of [illegible] ... Mr. John [illegible], of the University of N[illegible] ... discusses the [illegible] ... for the free [illegible] of silver [illegible] ... to the [illegible] ... of the country. On [illegible] he says:

[illegible]

Charles G. Dawes

[illegible]

HON. CHARLES G. DAWES.

THE NEW COMPTROLLER OF THE CURRENCY.

The branch of the Government service charged with supervising the National banks has been exceptionally fortunate in the high character and ability of those who have from time to time filled the office of Comptroller of the Currency. Aside from the dignity of the office itself, additional honor is conferred upon the new incumbent by the consciousness that he is following a line of distinguished predecessors, whose lives and public records are an incentive to the most strenuous exertions to maintain the honorable traditions of the past. The new Comptroller, like his predecessor, Mr. Eckels, is a young man, not being quite thirty-three years of age. He has had the advantages of a collegiate education, has practiced law, and his business enterprises have proven highly successful. His political sagacity was shown in the effective work done in the late presidential campaign. A brief biography of Comptroller Dawes follows. Charles G. Dawes, of Evanston, Ill., was born in Marietta, O., August 27, 1865. He was educated at Marietta, attending the public school and graduating at Marietta College with honors in 1884. He then attended the Cincinnati Law School, graduating in 1886.

During his vacations in college and law school and for a time after his final graduation he worked as a civil engineer, becoming chief engineer of a road now constituting a portion of the Toledo and Ohio Central Railroad.

In April, 1887, he went to Lincoln, Neb., where for seven years he practiced law and engaged successfully in business. While there he took an active part in public affairs, and was a recognized leader in the discussion of the freight rate schedules of Nebraska about the time of the passage of the Inter-State Commerce Law. He is a student of finance, and in 1894 published a book entitled "The Banking System of the United States."

He became interested in the gas business at Evanston, Ill., in 1894.

He was the executive head of the McKinley movement in the contest in Illinois which resulted in instructions for McKinley at the Springfield Convention in April, 1896. He was made the Member from Illinois of the Executive Committee of the Republican National Committee in the last campaign.

In 1889 he married Miss Caro D. Blymyer, of Cincinnati, and they have two children, a boy of seven and a girl of five years of age.

Mr. Dawes is a son of General R. R. Dawes, of Marietta, O., who is an ex-member of Congress from that State and was one of the commanders of the Old Iron Brigade of Wisconsin.

The National banks are among the most important business concerns in the country, affecting in their operations nearly every branch of trade and industry. Upon their skillful management and careful supervision the stability of our commercial fabric largely depends. There is every reason to believe that the new Comptroller fully realizes the responsibilities of the office.

Mr. Dawes has long enjoyed the confidence and personal friendship of President McKinley.

FOREIGN BANKING AND FINANCE.

The Spanish War Debt. The Bank of Spain continues to lend its support in a patriotic manner to the Spanish Government in putting down the insurrection in Cuba. The Finance Minister sounded foreign and home bankers without much success recently regarding the placement of a loan abroad, and decided to enter into an arrangement with the Bank which would provide the necessary advance for carrying out the programme of Marshal Blanco, the new Governor-General of Cuba. This officer intimated that he needed $8,000,000 a month to defray the war expenses and $4,000,000 to pay part of the arrears due to the army, navy, civil list and contractors. These arrears amount to nearly $80,000,000. The Minister for the Colonies had only about $20,000,000 at the beginning of 1898, out of the supplies previously voted by the Cortes for the Cuban war, and the new operation with the Bank of Spain is expected to secure $24,000,000 at once, and $9,000,000 later on, if it is needed. These sums are expected to meet necessary demands until the month of April, when the Cortes will reassemble. The Finance Minister has resorted to another issue of bonds, guaranteed by the proceeds of the Spanish customs, for the protection of the Bank of Spain in the above advances. The Minister points out that during the fiscal year 1898, the customs should yield 149,332,112 pesetas ($22,000,000 in gold), but admits that there may be a diminution of 20,000,000 pesetas on account of reduced importations of grain and cereals. He states that the annual interest required upon the big loan of 400,000,000 pesetas in 1896 is 60,972,640 pesetas, and the commission due the Bank upon this loan is 304,863 pesetas. The interest due upon the second issue of 200,000,000 pesetas is 30,486,320 pesetas, and the commission to the Bank is 152,431 pesetas. This makes a total interest charge against the customs of 91,916,254 pesetas, leaving more than 37,000,000 pesetas with which to pay the interest upon a new issue of 200,000,000 pesetas. It is declared, moreover, that in case the customs receipts should be insufficient, the Treasury would pay over to the Bank whatever sum was necessary to meet the deficit. Notwithstanding these favorable calculations, the London "Economist," of January 15, 1898, points out that the burdens imposed upon the Spanish people are rapidly becoming serious. It is declared by "The Economist:"

"The increasing liabilities thus incurred by the mother country are exciting much anxiety and impatience, especially in financial and commercial classes, as it stands to reason that the Spanish taxpayer will very soon be saddled with unprecedented burdens. In the financial year 1897-1898, the late Finance Minister devised more ingenious than practical schemes to obtain on paper the £3,676,650 for the interest and redemption of the first £24,000,000 of customs bonds issued in 1896 and 1897. He had to do this to avoid an aggravation of his deficit, if he took that amount from the customs revenue that had always been an indispensable part of the ways and means of the ordinary budgets of Spain. Unfortunately, most of the schemes elaborated by him failed, and the few that were carried through will not provide twenty per cent. of the sum required for the customs bonds in 1897-1898."

Negotiable Wealth of Russia.

A careful computation of negotiable securities issued in Russia has been prepared from official statistics and appears in the "*Bulletin Russe de Statistique*" for September, 1897. The statistics are substantially accurate, because they are obtained from the tax returns of the Imperial Government. They show that the par value of the bonds and similar obligations, exclusive of share capital, in existence in Russia is 24,205,600,834 francs ($4,750,000,000). This total consists to the extent of more than two-thirds of the obligations of the national debt, the funded debt amounting to 16,275.169,872 francs, and the floating debt to 1,380,366,667 francs. The mortgage obligations issued by private institutions amount to 3,915,522,788 francs ; railway bonds, 2,193,-981,739 francs ; commercial and industrial securities, 268,515,100 francs ; and city bonds, 172,044,668 francs. Turning to share capital, it appears that there are 294,103,984 francs in railway stock and 3,669,500,000 francs in commercial and industrial societies. These include mining and oil companies, 1,019,000,000 francs ; discount and mortgage banks, 452,000,000 francs ; textile mills, 753,500,000 francs ; sugar companies, 239,500,000 francs ; food and chemical products, 180,000,000 francs ; water, gas, electric and street railway companies, 118,000,000 francs ; insurance companies, 132,500,000 francs ; and land banks, 124,000,000 francs.

The aggregate par value of negotiable wealth thus stands at 28,169,204,818 francs, but this does not convey an exact idea of the market value of the securities. Some of the national securities issued from 1867 to 1869 were sold as low as sixty-two per cent., while the consolidated four per cents were issued at an average of ninety-one, and some of the more recent loans have been placed above par. The actual cash value of the entire mass of bonds is estimated at 20,500,000,000 francs, and the value of the share capital at 4,000,-000,000 francs. The most accurate presentation of the real value of these securities, however, is based upon their dividends, which are accurately ascertained. The national obligations yield a net revenue, after the deduction of the five per cent. income tax, of 638,893,351 francs. The floating debt yields a return to the holders of 59,015,194 francs, mortgage bonds and similar securieties pay 179,997,877 francs, railway bonds 84,760,000 francs, bonds of industrial and commercial societies 12,977,683 francs, and city loans 7,779,871 francs. These items can be ascertained more accurately than the dividends upon share capital, which are variable. The latter are estimated at 35,000,-000 francs for the railways and 240,000,000 francs for other societies. The aggregate income from all Russian securities, therefore, amounts to 1,258,-423,978 francs ($250,000,000). The attempt is not made to determine how many of these securities are held abroad nor what proportion of foreign securities are owned in Russia.

The Austro-Hungarian Bank.

The charter of the Austro-Hungarian Bank has been extended to the close of 1898 by decree of the Government, pending the inability of the Parliaments of the two monarchies to agree upon a new charter. The Bank made net profits during 1897 of 5,821,436 florins ($2,400,000). The shareholders received the five per cent. allowed by law without deductions, amounting to 4,500,000 florins ; the pension fund received 26,428 florins, and the remainder, 1,295,007 florins, was divided among the shareholders. The total dividend for 1897, therefore, is 38.60 florins, or 6.43 per cent. of the capital. The dividend for 1896 was 43.40 florins, or 7.23 per cent. The Government takes a share of the profits when they exceed seven per cent., but obtained nothing for 1897. The decline in the dividend is the natural result of the discord between the two branches of the monarchy during the past year, and the future of the Bank may be much imperiled if harmonious relations between Austria and Hungary are not restored.

The report of the Bank shows that there was a steady increase in the gold reserve until September, and a considerable net gain during the year. The total amount owned by the Bank on December 31, 1896, was 302,140,000 florins, and the total amount of bills was 33,890,000 florins, making a total of gold amounting to 336,030,000 florins ($135,000,000). On December 31, 1897, there were 363,790,000 florins gold, 32,180,000 florins bills—in all, 395,970,000 florins, so that the Bank's stock of gold increased by very nearly 60,000,000 florins during the year.

Notwithstanding the strong position of the Bank, the reform of the currency upon the gold basis has not yet been fully achieved. The report on the Budget presented on January 15 in the Hungarian Reichstag states :

> "The great work of the currency reform has, we are sorry to say, not been advanced during the past year. The Government has, notwithstanding adverse circumstances, worked hard at the reform, of which they fully value the importance, knowing that Hungary's credit and finances cannot become perfect before this reform is carried out successfully. The reform of the currency, it is again asserted, is an engagement taken by the two States forming the Monarchy jointly, not a duty undertaken by one cabinet which the succeeding one might neglect."

The last observation appears to be intended as a reminder to Austria that she should do her share in carrying out the original project of currency reform.

Reorganization of Greek Finances.

The International Commission representing the leading foreign powers, charged with preparing a plan of reorganization for Greek finances, have made their reports to their respective governments. The Commission will be a permanent body and will name the employees necessary to secure complete control of the receipts and disbursements of the Greek Treasury. Violation of the law by Greek subordinates obliges the Government to remove them upon the request of the Commission of Control. The society of monopolies, which has heretofore collected the revenue from such sources; is continued, but is subject to the absolute supervision of the International Commission of Control. This society will collect the customs duties as well as the tobacco tax. The Commission propose that the holders of securities based upon the monopolies shall receive 43 per cent. of the interest to which they have been entitled upon the face of their obligations, and that the holders of other obligations shall receive thirty-two per cent. The rate of exchange is fixed at 165 in place of 175, which was demanded by the creditors. The effect of this arrangement is to establish a rate of 1.72 per cent. upon the face of the four per cent. monopoly loan, a rate of 1.60 per cent. upon the five per cent. loan, and of 1.28 per cent. upon the four per cent. loan of 1889. The monopoly loan was 133,045,000 drachmas at four per cent., with a small funding loan of 9,572,000 drachmas at five per cent. The five per cent. loan issued in

1881, 1884 and 1890 amounts to 259,255,627,000 drachmas, while the loan of 1889 amounts to 155,000,000 drachmas, making a total funded debt of 653,244,000 drachmas ($110,000,000 at the old gold parity). The receipts of the Government are estimated for 1898 at 85,556,000 drachmas and the expenditures at 63,251,000 drachmas. This leaves apparently a sufficient margin to pay the interest charges on the debt at the proposed rate of exchange, but the Commission intend to guard against shrinkages by providing new sources of revenue, if necessary, and to provide for higher payments to the bondholders in the future. Excesses of revenue above a certain point will be applied to the extent of thirty per cent. to the increase of the sinking fund and forty per cent. to the maintenance of the Government. Benefits resulting from the fall of exchange will be divided in the same manner.

The Bank of France.

The annual meeting of the shareholders of the Bank of France took place on January 27 last, under the presidency of M. Renouard, the first Deputy Governor.

The annual reports showed that the whole volume of productive operations of the Bank in 1897 had been 15,308,125,000 francs ($3,000,000,000), an increase of 286,696,000 francs over 1896. The gold reserve increased during 1897 33,500,000 francs, while the silver reserve decreased 22,300,000 francs. The discounts in 1897 numbered 14,682,579 for a gross amount of 10,364,800,000 francs, as compared with 14,198,820 in 1896 for a total of 9,924,700,000 francs. The average amount of each piece of paper discounted increased from 678.98 francs in 1896 to 705 francs in 1897, the average period remaining a little above twenty-seven days. Among 5,688,300 pieces discounted at Paris, 1,858,416 were below 100 francs ($20). The advances on securities made during the year were 1,211,800,000 francs, which was 166,700,000 francs less than in 1896. The circulation of notes varied between a minimum of 3,542,000,000 francs and a maximum of 3,873,000,000 francs. The deposits in current accounts during the year reached a total of 54,859,000,000 francs, while the disbursements were 54,881,000,000 francs. The balance on deposit at the end of 1897 was 492,400,000 francs, as compared with 566,100,000 francs in 1896. Only six branches showed a net loss in 1897 upon the cost of management, in place of twelve in 1896. The net dividend distributed during the year was 109 francs, in place of 115 francs in 1896.

In concluding his report, the Deputy Governor declared that the Bank had entered upon a new phase of its career, in which it would gain in power by the security afforded for the future, and that it would continue to devote itself to the public interests, which it had always served, and would know how to preserve the traditions which for nearly a hundred years had been its strength and prosperity.

Cost of Abolishing Serfdom.

An interesting presentation of the financial side of the abolition of serfdom in Russia is made from official sources in the "*Bulletin Russe de Statistique*" for September, 1897.

It appears that the total purchases of land for the serfs have been 33,915,190 deciatines, the latter unit being equivalent to 1.092 hectares, or about 2.7 acres. The number of lots included in this surface is 9,239,752, or an average of about ten acres. The capital charges against the serfs for these purchases have been 886,340,871 rubles. The purchases have gone on steadily from year to year, but have not been so large since 1890 as prior to that date. The amounts thus collected from the serfs have been paid to the landholders as an indemnity according to a prescribed scale, part being paid directly and part being withheld to offset advances made to the landholders at the time of the liberation of the serfs. The principal credited to the proprietors was 892,139,163 rubles up to the close of 1891, of which 316,763,718 rubles was retained in settlement of advances and 575,375,445 rubles was issued in national bonds, bearing interest at five and five and a half per cent. to the proprietors. The amount retained on account of advances, which were made partly by the Government and partly by the land banks, included 279,417,094 rubles on account of principal, the remainder being matured interest. The total amount charged against the serfs from 1862 to 1891 (both inclusive) was 1,040,157,863 rubles, including principal and interest, of which 1,000,307,140 rubles was actually collected, leaving about four per cent. to be collected. This does not imply that the amount will not be collected, but simply that some of the payments have not yet matured, the returns showing charges for any one year not being directly related to the collections for that year.

Branch Banking in Great Britain.

The usual careful review of the development of British banking during the preceding year is printed in the London "Bankers' Magazine" for February. It appears that the whole number of banking offices in the United Kingdom at the close of 1897 was 5,807, as compared with 5,627 in 1896. The rapid extension of banking facilities is indicated by the fact that the number of banking offices was 2,008 in 1858, 2,588 in 1866, 2,924 in 1872, 3,554 in 1878 and 4,460 in 1886. The number of places in which bank offices were opened in 1897 in which no bank had previously existed was sixty. The number of places at which such offices were opened between 1877 and 1897 was 894, of which 704 were in England and Wales, sixty-five in Scotland, 124 in Ireland, and one in the Isle of Man.

An interesting suggestion is made in the "Bankers' Magazine" regarding the effect of the extension of branch banking upon the note circulation of the banks. The increase in number of branches has a tendency in the direction of economizing the number of notes in the hands of the public, through the substitution of checks and other forms of credit for notes, but results on the other hand in increasing the amount of notes in the tills of the bank offices. The Bank of England note circulation increased on the average £2,924,000 between 1886 and 1897, but it is suggested that it would not be by any means unreasonable to suppose that on the average almost every one of the increased number of offices, amounting to 1,142, would hold £2,000 in Bank of England notes. This would absorb in round numbers £2,200,000. The net result of these changes is discussed as follows:

"Thus a great part of the whole amount of the increase in the circulation of the Bank of England between 1886 and 1897 is held in the tills of the new bank offices in England and Wales, established within that period, and comparatively little of the increased amount issued has gone into circulation. While this has occurred, the country note circulation has undergone a great diminution, as the following figures show:

FIXED AMOUNT OF THE COUNTRY NOTE ISSUES LAPSED.

January 1, 1886	£3,019,968
December 31, 1897	5,494,310
Note issues lapsed in twelve years	£2,474,342

The country bank issues which have lapsed have not been fully replaced by notes of the Bank of England, and it appears to be certain that the circulating medium, so far as notes at least are concerned, is gradually diminishing."

The Rate of Discount in Europe.

A review of the history of banking discounts in Europe during 1897, which appears in "*L'Economiste Européen*," of January 21, 1898, shows that France has maintained her record for the lowest discount rate in Europe. The rate at the Bank of France remained throughout the year at two per cent., while the mean official rate in England was 2.78 per cent., in Germany 3.84 per cent., in Vienna four per cent., at Rome and Madrid five per cent., and at St. Petersburg 5.87 per cent. The rate in France was at two per cent. all through 1896, and averaged 2.20 per cent. in 1895 and 2.50 per cent. in each of the years 1893 and 1894. The London rate was as high as 3.05 in 1893, but was at 2.11 in 1894 and two per cent. all through 1895. The mean in 1896 was 2.48. The Berlin rate was 4.08 per cent. in 1893, 3.12 per cent. in 1894, 3.15 per cent. in 1895, and 3.65 per cent. in 1896.

The low rate in France is attributed by M. Edmond Théry, the editor of the French journal, to the small amount of new issues of securities, thereby restricting the demands for new capital, and to the improvement in the trade balance. Exchange upon England remained favorable during 1897, in spite of the difference of thirty-three per cent. between the rates of discount at the Bank of France and the Bank of England. If the Bank of France had raised its discount rate to the English level, gold exports from England to France would have become possible. M. Théry calls attention to the fact that it is the change in discount rates which attracts floating capital, and that this is why the banks of debtor countries are compelled to maintain a more elevated rate than those of creditor countries, and why the rise in exchanges is especially dangerous for the foreign creditors of debtor countries who suffer by it.

Agricultural Credit in France.

The proposals of the French Government for the organization of local agricultural banks for the distribution of the sum of 40,000,000 francs advanced without interest by the Bank of France under its new charter, have been laid before the Chambers. It is proposed that each of the new provincial banks shall act as a local co-operative agricultural credit association in the district in which it is situated, and discount bills of the local agricultural co-operative associations and banks outside the district, but within the region. The local co-operative societies and banks created under the law of 1894 will be by right members of the Regional Bank Council. They may take any number of shares in the capital of the central bank, but they will have only one vote in the general meetings. The statutes of each central bank, which must be approved by decree, will indicate the limits of the region, the nature and extent of the operations, the organization of the working committee, and the conditions of eligibility of its members. The statutes will fix the amount of the capital to which each local association may contribute, the rate of interest, which must not exceed five per cent. of the paid-up capital; the maximum sum that may be deposited on current account, and of the bonds that may be issued. The sum of 40,000,000 francs and the annual sum of 2,000,000 francs in taxes paid by the Bank of France will be advanced to the central banks without interest. Rules will be drawn up by the Council of State to fix the conditions and the bases of the allotment of the advances to be made by the Government with the Bank of France money, the duration of the advances, and the mode of reimbursement. The rules will also define the means of supervision over the central regional banks, and the relations between those banks and the local co-operative societies and banks.

A New Indian Currency Measure.

The British Government are endeavoring to relieve the monetary stringency in India, due to famine, the frontier war and the effects of the plague, by authorizing drafts upon the Indian Treasury upon the deposit of gold in London. The bill under discussion requires the Indian Treasury to pay out silver rupees at the rate of exchange fixed by the Secretary of State for India in Council—one shilling, 4 5-32 pence per rupee—the rupees to be taken out of the reserve held in the Indian Treasury against its note issue. This is, in effect, a suspension of the Indian Currency Act under the pressure of stringency similar to the suspension of the Bank Act of 1844 in England in the crises of 1847, 1857 and 1866, by the permission granted to issue notes in excess of the legal limit. It is declared by the London "Bankers' Magazine" that, "Two important difficulties are overcome by this new bill: (1) The banker can wait until the very moment the produce bills are offered, or dangerous stringency occurs, and then provide the funds in India. (2) The Indian Government increases its available reserve by the amount of the coined currency reserve." It does not appear to be regarded as certain that the new project will increase the supply of gold in India or relieve the pressure for currency. The "Bankers' Magazine" says regarding the general effect of the new plan:

"It is practically impossible to gauge the demand for remittance, because, though the crops may be large, the amount of capital likely to be withdrawn because the exchange is at its maximum is quite unknown. The demand for silver may also increase, for, with prosperity and good earnings, the worker will be in a position to purchase silver ornaments for his women, and bury some of his savings in rupees.

The situation does not, in fact, appear to be greatly altered by the new bill. Gold locked up at the Bank of England against an Indian note issue is practically gold exported, and practically no more gold is likely to be locked up than would have been exported under the old conditions. Perhaps the very existence of the new form of remittance may tend to prevent the accumulation of gold by the Indian Government, insomuch as those who would have been inclined to make shipments for future requirements will now wait until the last moment, feeling secure, and then after all find a cheaper means of providing the funds they want."

Joint Stock Companies in Great Britain.

The rapid extension of joint stock companies in Great Britain, as recorded at Somerset House, has been almost as striking during the past dozen years as during some of the "boom" years earlier in the century. The official statistics of all registered companies having a share capital, and believed to be carrying on business at the date of the returns, show that the number was 8,692 in 1894 with a paid-up capital of £475,551,294. The increase was gradual up to 1889, when the number of companies was 11,968 and the paid-up capital £671,870,184. The figures since that date have been: 1890, 13,323 companies with £775,139,553 in capital; 1891, 14,873 companies with £891,-504,112 in capital; 1892, 16,173 companies with £989,283,634 in capital; 1893, 17,555 companies with £1,013,119,350 in capital; 1894, 18,361 companies with £1,035,029,835 in capital; 1895, 19,430 companies with £1,062,738,821 in capital; 1896, 21,223 companies with £1,145,402,993 in capital; and 1897, 23,728 companies with £1,285,042,021 in capital. The years of greatest increase appear to have been 1890, 1891, and 1897. The companies registered in London in 1897 were 20,710 with a paid-up capital of £1,160,142,610; in Edinburgh, 2,032 with a paid-up capital of £93,393,989; in Dublin, 976 with a paid-up capital of £31,396,497; and in other parts of Great Britain 10, with a paid-up capital of £108,925.

The Russian Bank in Corea.

One of the important developments of the extension of Russian influence in Asia is the foundation of the Russian-Corean Bank upon a substantially similar basis with the Russo-Chinese Bank. The founders of the former are also the founders of the latter,—Prince Ukhtomski and M. M. Rothstein, Kerbedz, Koch and Nothafts, but in this case there is no representative of foreign capital. Most of these gentlemen belong to the Petersburg "*Haute Finance*," and are members of the Board of the International Bank of St. Petersburg, but M. de Witte, the Russian Finance Minister, has reserved for himself the control of all important transactions. The Bank's general object is defined as being "the promotion of commercial operations in Eastern Asia," and, in particular, "the support of commercial relations between Russia and Corea, as well as the kingdoms of Eastern Asia." Very extensive privileges, not to be found in the statutes of other Russian commercial banks, are given to the Russo-Corean Bank. Among them are the right of conducting the following operations in Asia:

Transport of goods by sea, river and land, as well as receiving goods on security, together with the issue of warrants.

The issue of its own notes in taels, dollars, pounds sterling and other local currencies—on conditions laid down by the Finance Minister—the bank being bound to have cash in reserve to cover these notes in the proportion of one-third.

The receipt—in the confines of Corea—of payment in respect of taxes.

An article in the "*Novoe Vremya*," of December 14, 1897, upon the field for the new bank points out that Corea offers a wide opportunity for Russian commercial enterprises. Although enjoying no special rights of monopoly, the Russo-Corean Bank will, with the sanction of the Corean Government, mint money and open credits, without security being lodged, for periods extending to one year. It will also study what articles Russia could with best advantage import to and export from Corea; moreover, it will seek to drive American mineral oil out of the market, and endeavor to obtain construction concessions, etc. One of the first railways must be between Seoul and Genzan (about 130 miles). The functions of the Bank will also be extended to the purchase of several steamers for the tea trade with China, which branch of commerce will likewise come within the sphere of operations of the Bank.

The Gold Standard in Chile.

The operation of the gold standard in Chile is set forth in a recent number of the "Chilean Times" in the following terms:

"In conformity with the Act of Congress of December 22, 1896, the Government notes have ceased to be legal tender. The provision of the Act depriving the notes in question of this character is as follows: From December 31, 1897, the state paper money shall become demonetized. The notes, however, will be paid in gold in the Government offices appointed for this purpose, and they will not be reissued, but incinerated. With respect to notes of the banks, of the total issue of nineteen millions about eight millions have been exchanged for gold, and the banks have the option of two methods of redeeming these notes. The one is to repay the Government, in gold, the value of these notes; and the other is to give in payment bills bearing interest at six per cent. per annum, and with a monthly amortisation of three per cent. The latter method will give the banks which may take advantage of it thirty-three and one-third months in which to discharge their indebtedness to the Government. Notes redeemed under the first method may be reissued; under the second they will be incinerated. The principal institution of credit in the country has provided itself with a sum of £300,000 for the ransom of its notes, and this circumstance, conjointly with other matters related to conversion, is quite sufficient to allay any apprehension with respect to the amount of circulating medium, or to the ability of the banks to fulfill their engagements. Conversion is at last an accomplished fact."

Banking and Financial Notes.

—The condition of Brazilian exchange is not favorable to the financial condition of that country. Advices from Rio state that the President of the Banco Nacional reports that the Bank has lost $5,117,000 on exchange operations, and has sustained other losses to the amount of $1,989,000. According to the statement by directors on March 27 last, the profits of the Bank from the date of its establishment up to December 31, 1896, were reported as $6,311,835, of which $3,450,000 have been absorbed by dividends paid to shareholders, $1,684,102 by the general expense account, and $650,000 by the reserve fund, the balance of $527,733 being carried forward.

—The Imperial Bank of Persia showed a fair profit for the six months ending September 20, 1897, but was able to report only £38,000 of notes in circulation. The deposits were £216,803 and bills payable £591,923. The assets were £1,584,847, of which the principal items were, discounts and loans, £1,020,733; cash, £205,344; and investments in Persian Government bonds, £125,730. The gross profits for the year were £81,554 and the net profits £38,233. A dividend of three shillings per share was paid June 28, and an additional dividend of four shillings per share on December 24, which absorbed £35,000 upon a share capital of £650,000.

—The returns of gold production in the Witwatersrandt region are now complete for December, which afforded a yield of 310,712 ounces of gold, or about fifty per cent. more than the yield for December, 1896. The aggregate production for the whole of 1897 was 3,034,674 ounces as compared with 2,281,874 ounces in 1896, 2,277,635 ounces in 1895, 2,024,159 ounces in 1894 and 1,478,473 ounces in 1893. The whole value of the output is thus about $55,000,000, as compared with $40,000,000 in 1896. Since the first results from the development of the district were announced in May, 1887, the total production of gold has reached 14,131,582 ounces, representing a value of about $245,010,000.

—The French Government, by decree of December 18, 1897, has extended the duration of the privilege of the Colonial banks of Martinique, Guadeloupe, Réunion, Guiana and Senegal until January 1, 1899. The provisions of the existing statutes, fixed by the law of June 24, 1874, are continued. This action was rendered necessary by the delay in the extension of the charter of the Bank of France, which it was thought desirable to act upon before the Colonial charters were extended.

—The net imports of gold into Russia during the ten years ending with 1896 are given officially at 1,322,385,660 francs ($260,000,000). The production of gold by the Russian mines has reached nearly the same amount, and the combined production and net imports during the ten years have increased the stock of gold in Russia by 2,530,572,400 francs ($500,000,000).

—The tax upon the transactions of the Bourse, which was levied in France by the Act of April 28, 1893, proved a trifle more productive in 1897 than in 1896, but did not yield the returns of the first two complete years. The collections in 1894 were 10,536,500 francs; in 1895, 10,082,000 francs; in 1896, 5,064,000 francs, and in 1897, 5,526,000 francs.

—The number of branches of the Bank of Russia of various classes at the close of 1897 was one hundred and twelve. C. A. C.

THE NATIONAL BANKS.—Returns from all the National banks at the close of business December 15 last show total resources of nearly four thousand millions ($3,829,213,776); individual deposits were on that date nearly two thousand millions ($1,916,630,252); capital, surplus and profits were nearly one thousand millions ($971,365,716). On the side of resources the loans and discounts amounted to more than two thousand millions ($2,082,608,324); the gold holdings, including gold coin, gold Treasury certificates and gold clearing-house certificates, amounted to $207,093,144, and the total lawful money reserve in bank was $410,568,427.

The number of banks on March 9 last was 3,634, and on December 15 the number was 3,607, a net decrease of 27.

MONEY AND PRICES.—I do not suppose anybody will deny the fact that the volume of legal-tender money controls prices.—*Speech of Senator Stewart, of Nevada, in the Senate, March 1.*

Why, of course not. Prices are controlled by the volume of legal-tender money just as the quantity of water in the rivers, rivulets, lakes and oceans is controlled by the number of buckets in existence. The more buckets the more water, and *vice versa*. The more legal-tender money, provided especially it be inconvertible paper or depreciated silver, the more price and consequently more happiness. No one will deny, we suppose, that the volume of wind is controlled by the number of Stewarts, Joneses, Peffers, Simpsons, *et al.*, who are allowed to weary the public with an exhibition of their ignorance of everything relating to the subject of money.

POSTAL SAVINGS BANKS.

OBJECTIONS TO THE SYSTEM—CONSIDERATIONS WHICH SHOW THE INNOVATION UNWARRANTED.

Since December 6, 1897, eleven bills have been introduced into Congress contemplating the establishment of a postal Savings bank system. These bills now pending have the recommendation of the Postmaster-General and purport to represent an economic social need.

It is not denied that postal Savings depositories would yield beneficent results were their institution wisely possible. It is claimed that there would be an improvement of citizenship ; that habits of thrift would make the people more contented because more comfortable ; that the toiling classes would feel a more direct interest in the Government ; that patriotism would be inculcated and that the people would be influenced toward a greater unity and solidarity by a universal system of savings.

While conceding the importance of educating people to save, I am convinced that the proposed system would not be productive of the advantages claimed. The policy actuating legislation of this character is at variance with the public welfare and the best interests not only of those corporate enterprises already in the field, but of the Government itself.

Adequacy of Existing Savings Bank System.

First, then, I assert that the postal Savings bank system is opposed to the public welfare. It is claimed that the nine hundred and eighty Savings banks of the United States do not afford adequate facilities to the people for husbanding their scanty resources ; and that the accumulation of such savings would be augmented under Governmental patronage. "If this be true," justly observes the Bank Examiner of Maine in his last Annual Report, "the proposed system would of course collect a much larger amount during the next few years. The surplus capital of our people would then be at the mercy of politics and under political control. One administration committed to the building of all kinds of public works and other more or less extravagant expenditures might bring financial ruin upon the country." (Report of the Comptroller of the Currency, December, 1897, p. 31.)

The facilities for savings admittedly abound in the Eastern and Middle States. As to the Western and Southern States particularly contemplated in the pending legislative measures, it may be asked why these sections present such a scarcity of Savings institutions ? Natural law impels capital into fields whose fertility of resources promises returns. Our query then finds answer in the fact that the people of these sections are borrowers. They are not people of wealth, but rather those whose energy and pluck have led them thither for the betterment of their condition. Though industrious and frugal as those of older States, they find a ready absorbent for surplus earnings in their farms and homes, which, as a rule, are unpaid for. This condition is always characteristic of a new country. If Savings banks were needed there, Western enterprise would not be slow in establishing and maintaining a system that would yield more gratifying benefit to the community in general than the proposed national system. Further, in new communities money proverbially commands a high rate of interest, while a falling tendency attends the progress of a people, both in years and social development; yet the West and South still pay six per cent. on good real estate security, and often far in excess of that rate. They would not be attracted to postal depositories offering but two per cent. The interior States of Wisconsin and Indiana pay four per cent. in their Savings institutions. It is statistically stated that ninety-two per cent. of all deposits in Savings banks earn from 3.4 to 4.5 per cent.; fifty per cent. earning 3.5 to 3.72, and forty-two per cent. earning four per cent. or over (see Comptroller's Report, December, 1897, p. 30).

But conceding for a moment the absorption of these local funds by the postal system, the capital of these sections, which is vitally requisite to the development of local industries and the transactions of business, would be withdrawn and applied to national uses at a sacrifice which cannot but be regarded as prohibitive But we need not speculate. Nearby States illustrate decisively the statement. In the Savings banks of Maine, deposits reach $68,905,996, an amount equal to one-fifth the entire assessed valuation of the State. Of this vast sum, fifty per cent. is applied to local uses, nearly $15,000,000 alone being invested in mortgages upon farms and homes (Bank Examiner's Report, December 31, 1897, p. 29). Were these funds collected by the Government, it is obvious that they could not be redistributed and be of the same advantage to the communities of that commonwealth as they are at present.

But further still, prolonged experiment has taught the British Government that the advantages of the postal Savings bank system do not accrue to the industrial classes so much as to those for whom it was not intended. Ten per cent. of the depositors own two-thirds of the deposits, the average deposit being $525; to ninety per cent. belong only one-third of the deposits, the average deposit being only about $80 (Report of the Comptroller of the Currency, 1897, Vol. I. p. 43). That Government is therefore conducting postal banks at a loss to the public, the banking accounts of a class of people who have no claim to the favor.

American capital and labor can safely be trusted with the custody and investment of the results of their earning power. The saving classes of the United States already are twice as frugal as the depositors in four of the leading European countries. The rapid strides of their social and economic development attest the dependence of the public welfare upon the uninterrupted permanency of long established conditions. These conditions would be radically disturbed, if not subverted, by the postal Savings bank system.

Savings Banks as Promoters of Local Enterprises.

A second consideration relates to the Savings banks. These institutions were originally inspired by philanthropic motives. While their mission was to lead the people to self-help by the cultivation of habits of frugality, that mission is now the larger one of financially promoting many public and private enterprises. They have husbanded the scanty earnings of industry into a sum reaching $2,000,000,000 and distributed this vast amount among the farms, factories and homes of their respective localities. A history reaching through four score years has demonstrated the fidelity of this great system to its trust. It now controls twenty-eight per cent. of the savings of the whole world.

Among the Savings institutions of the country must also be included the six thousand loan and building associations, with their $600,000,000 of assets. Scarcely less than half a million of people have secured comfortable homes through their agency —a notable illustration of a beneficent application of hard-earned capital.

Experience of Other Countries with Postal Savings Banks.

With these Savings institutions the proposed system of postal Savings banks would offer harmful competition; such has been the case in European States. From 1865 to 1881 postal banks were established in Belgium, France, Italy, Switzerland, Holland, Austria, Hungary, Sweden, Russia and England. It is, however, to the latter country that appeal is most frequently made in behalf of postal banks. Their introduction was opportunely coincident with the somewhat diminished popularity of Savings banks in general, thus being afforded special advantages for a successful career. Under the impetus of conditions as favorable as they were singular and *vice versa*, the system has drawn to itself marked, perhaps merited, attention, because of its remarkable operations. It claims forty-eight per cent. of the total deposits and forty per cent. of the total number of depositors in the postal Savings banks of the world. (Report of Comptroller of the Currency, 1897, Vol. 1, page 43.) To this statistical fact increased interest is attached when we learn that it has been established despite the low rate of two and one half per cent. interest—a rate which other countries exceed on savings deposits—and that Government securities furnish the only investment of the funds.

This advance has been at the considerable sacrifice of the Savings banks of the realm. In December, 1896, these banks had only 1,495,903 depositors as against 6,862,033 in the postal Savings banks.

The Government had entered the field of private enterprise and into competition with the corporate efforts of individuals, produced shrinkage in the volume of business by absorption of their resources and so was enabled to present the factitious appearance of operations signally successful, whereas it was measurably true that these results were but the diversion of the stream from its accustomed channels.

Germany from the outset has remained averse to the establishment of postal Savings banks through the well grounded fear of prejudicial effects upon the established Savings institutions.

Pastor Senckel, a high authority on political economy in Germany, in a personal communication, dated December 20, 1897, says:

"The question of postal Savings banks was ventilated with the greatest Teutonic thoroughness in the German Reichstag, where a bill in regard to Imperial postal Savings banks was laid before them for action. The result was refusal. Properly there was only one cause of this adverse decision, viz.: the public Savings banks already existing. City, town and county Savings banks feared that the competition of the postal Savings banks might injure them. Cities, towns, &c., possess a legal right to a certain part of the surplus money, for the benefit of public expenditures. All these interests of the public welfare would suffer if the State were to draw to itself a greater part of the money of the savers."

There is nothing in the conditions prevailing in this country to prevent the same injurious results. The postal system must draw its funds from the sources from which the local Savings banks have hitherto collected their deposits. While the present deposits of the Savings banks would not be transferred to the national system, the competition of the latter for future deposits if attended with a measure of success, would tend to force the former from the field. This opinion is shared by Hon. F. D. Kilburn, Superintendent of the Banking Department of the State of New York, who refers to it as a matter of serious moment. He says:

"At the beginning no hurt would be probable, for the private banks pay larger interest than the Government would offer, but with interest rates falling steadily, deposits might in time be attracted from the private enterprise to the public undertaking, and, in order to pay them, the former would be obliged to call in its loans. Borrowers would be compelled to pay their mortgages. Where would they replace them? Is it conceivable that the Government would undertake to deal in such securities? And would the benefits of the proposed system even begin to compensate for the destruction or even for the serious impairment of efficiency of the magnificent system of Savings banks, which New York in particular, and several other States in less degree, have developed?"

To which we also add that if the savings of the people became a part of the funds of the national Government by being diverted from the Savings banks, they would necessarily be exempt from taxation. The public would thus be deprived of an important portion of its just income. Compensation could only be had by higher rates upon other property.

In fact, the postal system of savings could rise to success only at the sacrifice of these vested interests, which have given strength and stability to the State. The whole truth obviously is that the proposed system, while inspired by benevolence, is a complete misinterpretation of popular needs. Doubtless, frugality is sorely needed throughout the land by the masses, but the agency of its establishment by educative processes is not a system of postal banks, but of regular Savings banks upon the plan adopted in the State of New York.

A wise suggestion is made by Hon. J. P. Townsend, President of the Bowery Savings Bank, New York city, in a contribution in "Gunton's Magazine," February, 1898. p. 75.

"If any community would like to benefit the working classes," says he, "they have only to have such a system adopted in the several States and go ahead."

Rather, therefore, than devise a new and untried means (in our country) of promoting economy and thrift among the people, a better judgment would suggest the extension of the present established order of Savings banks.

How Would the Government Invest the Deposits?

But a third and the most important consideration relates to the Government itself. Under a postal Savings bank system, the most serious question would be the disposition of the funds. It is in general provided that such funds shall be invested in United States bonds and realize a profit for the postal Savings banks fund. The Secretary of the Treasury is also directed to loan to National banks upon such security and under such rules and regulations as he may prescribe, at no less than three per cent. per annum. So various are the recommendations of friends of the measures that it is not clearly settled what would be the most advantageous use of the funds within legal limitations. "State, county and municipal bonds," say some. "Banks, individuals, associations or corporations," say others.

The application of the funds to the expenses of the Government would, in the opinion of not a few, be proper.

Assuming upon safe grounds that Government bonds will constitute the basis of investment, the utter inapplicability to national conditions of the postal system at once appears. From past and present history, the conclusion is reached that the States of Europe will never be able to pay their public debts; hence the complications which here must speedily follow the absorption of the debt by the funds of the postal banks are not involved in the premises at all.

Let us for a moment see to what financial end this system would straightway bring the nation.

Supt. F. D. Kilburn, of the New York Banking Department, expresses much concern at this point, and in a private communication to the writer says:

> "It is a problem giving anxious concern how the circulating notes of these institutions are to be assured safely in the not remote future. Surely it cannot be seriously considered that the bonds held by the banks should be taken from them to afford an investment for postal savings."

There are $830,000,000 in National bonds now outstanding—National banks hold $230 000,000. By a slight advance, all these bonds could be secured for the use of the postal savings funds. Assuming the fact, the public debt, or a large portion of it, falls due in 1907.

All could then be commanded by the postal banks if the Government so willed, in which event, it is clear that our broad national banking system would have to be changed. National bank circulation would be seriously interrupted by the advanced price of the bonds and the consequent reduction of profit to the holders, together with the difficulties of competition in obtaining them at all. Everything would then suffer by the contraction of the currency. The national debt would be a staggering load on the shoulders of the people, for they would be carrying it at a low rate of interest subject to all manner of political caprices from year to year; in the meantime the rich would be richer because of their advantageous investments in those securities which are entirely within their own control.

With reference to its effect upon the Government, the London "Economist" of March 27, 1897, says:

"The investment of these (postal Savings banks) millions has been the chief figure in raising the price of consols from 98¼ to 112—a price at which they yield to the investor a present annual return of only £2 9s. per cent. The Treasury finds itself obliged to accept millions of money repayable on demand for which it has no employment at 2½ per cent., a higher rate of interest than it could borrow at on perpetuities, and to the interest has to be added the expenses of management, so that the deposits are costing the Post Office Department £2 18s. 5½d. per cent., and can only be invested in securities to yield a return of £2 9s. per cent. at present prices of consols."

How is this depressed interest charge to be met? Only by adding it to the tax budget; and this in the face of the fact that our postal service deficit may be estimated already at $26,000,000. (Hon. E. F. Loud in December "Forum," p. 472.)

Turning to State, county and municipal securities, the Secretary of the Treasury would find them available only at a premium, because already absorbed by the corporate banks.

The questionable nature of many of these securities would require a painstaking discrimination not hitherto thought to be within the province of the general Government.

Government Usurpation of a Private Function.

On broader grounds still, the whole scheme may be said to be a radical innovation upon the powers, obligations and duties of the Government. The Government should not do for the people what they can do for themselves. Time was when a kind of paternalism was permissible. Great enterprises were too vast for individual, even corporate, effort. Subsidies, bounties or other guaranties could wisely be interposed in the public interests; but that time is past. The strength of the people lies in their gravitation toward individual independence. Philanthropy would weaken what it seeks to benefit.

The conclusion therefore at which I arrive, and which it seems to me is to be commended to all who duly and conscientiously consider the question at issue, is, that the postal Savings bank system is not applicable to our country. The conditions here are unfavorable to its introduction and successful operation. The field is already occupied not only by corporate banks and Savings associations, but by other agencies which have not been mentioned, such as the numerous provident and penny Savings organizations and the school Savings bank system—all successfully coöperating in achieving the end proposed by the postal system.

All of these agencies have been tried and have won their right to exist by their own merits and popularity.

I am persuaded that under a fuller examination of the subject than falls within the compass of this article, the policy of annexing a banking department to the postal service of the general Government would appear still more unwise and impracticable.

After all, are all these enterprises, established by the people and doing the greatest good to the greatest number, to be sacrificed to a system not congenial with American customs?

Are not the reasons which prompted our lawmakers, in 1877, 1881 and 1891, to reject postal Savings banks as numerous and as strong to-day? J. H. THIRY.

LONG ISLAND CITY, N. Y., February 19, 1898.

A BANK EXAMINER'S VIEWS.*

The Postmaster-General of the United States in a recent report urgently recommended the establishment by the National Government of a postal Savings system, and a bill for that purpose is now pending in Congress.

The people of Maine, after many years experience with Savings banks, fully agree with those in favor of a postal system, that it is well to encourage people to save, and that the lessons of economy taught by all kinds of Savings institutions are valuable alike to the individual and the public. They appreciate the fact that "If the masses of the people were thrifty and saving in their habits they would more likely be contented and happy." They know that "a man without property is frequently reckless and improvident," and often without respect for law and order, and that, the moment he has saved from his earnings a sum however small, and has those savings invested, he becomes desirous of increasing that sum, and interested in the enactment of wise and prudent laws to protect it. They understand that a man with property is in every respect a better citizen and better qualified to perform his duty as such under our form of government. These lessons of patriotism follow as well, however, if his savings are in local institutions as they would if deposited with the general Government. It is not necessary or important that the people of this country have a selfish motive in maintaining any particular government or party. It is sufficient if, from any motive, they come to have a higher regard for the rights of the individual and of property. While all appreciate the importance of educating people to save, we should not lose sight of the importance of educating them to look after their own interests and to manage to some extent their own affairs.

Savings banks originated, undoubtely, in a design to assist the industrious poor, and teach them lessons of economy useful to individuals and advantageous to the community in which they live. Their office now extends much beyond this. They are ministering to the wants of the public and promoting private enterprise by carrying a large portion of the municipal and private indebtedness of the country. The many small sums of money in the possession of individuals are of no special use or advantage to the public while thus held, but when accumulated in a Savings institution, the aggregation becomes to some extent the capital of the community in which such institution is located. It is this capital that has constructed railroads, built factories, and established various industries; in fact, is being used by business men and corporations in the transaction of all kinds of business. These institutions have become an important factor in our political economy, and to them is largely due the present financial standing of the East.

In this State there are $68,905,996 in savings, deposited in our various banking institutions. This is nearly one-fifth as much as the entire assessed valuation of the State. At least fifty per cent. of this amount is invested within the State and employed in developing local industries and in transacting local business—nearly $15,000,000 alone being used by individuals in carrying mortgages on their farms and homes and in their various business enterprises. The withdrawal even of the amount loaned to individuals would most seriously affect the business prosperity of our people.

In answer to inquiries by this department, one bank reports that its deposits

* From the Annual Report of Hon. Fremont E. Timberlake, Bank Examiner of Maine.

amount to $300,000; that the average deposit to each person is about $200; that its loans amount to $225,000; that of this amount $190,000 is loaned to individuals, business firms and corporations within the limits of the small town where it is located. Were these funds collected by the Government, it is evident that they could not be redistributed and be of the same advantage to that community as now. As another illustration of what is being done with such funds, attention is called to the fact that our Savings banks now hold $3,254,420 of the stocks and bonds of the Maine Central Railroad system alone. These are not exceptional cases, but ordinary examples of the service our local Savings institutions are to the people of the State.

Our Savings banks are *quasi* public institutions, created by the State, and are under its control and supervision. They are strictly mutual in character, and aside from salaries paid to Treasurers and other necessary employees, and the incidental expenses of management, all earnings are distributed among the depositors. This entire expense this year, including rents paid for banking rooms, was about two mills on each dollar of deposits. They have paid the State during the year, $382,-283 in taxes in addition to the municipal taxes. They furnish nearly twenty-five per cent. of the State revenues. During the twenty-five years in which they have paid taxes directly to the State, they have contributed $6,813,002 to its revenues. One-half of this amount is set apart for the maintenance of our public schools, from which source largely we have been able to build up and maintain a school system that has given our State high rank in educational matters. Never before has the national Government proposed to interfere with the inherent right of the States, and the municipalities therein, to levy taxes on the property of their citizens. Deposits in postal Savings banks, would, when received, become a part of the funds of the national Government and must, therefore, necessarily be exempt from taxation. If all or any portion of these deposits were diverted from our local institutions by the proposed postal system, our State would be deprived of a material portion of its just income. Moreover, to make up the deficiency for revenues thus lost, other property would be subjected to a higher rate of taxation. The injury to our State and the public would be measured by the success of the postal system.

The people of the State have received from our various banking institutions, during the year, $2,540,767 in interest and dividends on their accumulated savings. The difference between this and the amount the Government proposes to pay, if a postal system is established, would be more than $1,000,000 annually upon the same amount of deposits.

The Government system is urged as a matter of safety to depositors. While it is true that in some instances depositors have met with losses in local institutions, yet the aggregate of these for the past twenty-five years is trifling when compared with the amount of funds handled, and would be but a small sum compared with the $1,000,000 lost in dividends under the postal service for one year. The local institutions therefore serve the individual depositor as well as or even better than the Government would, and at the same time are much more beneficial to the State and public.

It is therefore clearly apparent that in considering this question the interests of the public generally—as affected by the disposition of these funds when collected—must be regarded, as well as the interests of the individual depositor. The policy of the Government should be to legislate for the people as a whole and not in the interest of the individual. So far as the public is concerned, the utility of Savings banks lies more in the future use to which their accumulations are to be applied, than to the habits of thrift taught individual depositors.

It is claimed that the Savings banks in this country, with deposits amounting to very nearly $2,000,000,000, do not afford sufficient opportunities for saving; that these accumulations would be greater under some additional or different system. If this be true, the proposed system would of course collect a much larger amount during the next few years. The surplus capital of our people would then be at the mercy of politics and under political control. One administration, committed to the building of all kinds of public works and other extravagant expenditures, might bring financial ruin upon the country. In any event these funds would be subject to the changing policy of every new administration coming into power. It would add to the danger of disturbances in financial and business affairs occasioned by national politics and national elections.

This country, with its immense territory and undeveloped resources, affords many opportunities for investment. Instead of centralizing our surplus capital, however, it is important that it be used in developing these resources. Sufficient capital can always be found in the large business centres for any legitimate enterprise, while it is often difficult in sparsely-settled communities to obtain even small sums for the most promising undertakings. If once centralized by the Government, it is difficult to understand how capital is to be obtained for use in the remote sections of our country. Instead of the proposed system, if a plan could be devised by which the unproductive and idle capital of the large business centres could be employed in the remote sections where needed, it would add materially to the wealth and prosperity of our country.

If a postal system be adopted, the disposition of the funds collected will be a most serious question to solve. It is hardly to be supposed that the investment of these funds would be extended beyond Government securities, and that the Government would enter into a general banking and investment business. But unless the Government should adopt this course, the natural result would be a large increase in the national debt.

Should the Government undertake to invest the accumulations of a postal system in general securities, the very nature and magnitude of the transactions would necessitate placing them with the larger municipalities and corporations. It could not be expected that the national Government, through a single department located at Washington, would loan the few hundred or thousand dollars needed by individuals and small corporations in local business. While the proposed system provides every facility for collecting the spare funds in the remote and sparsely-settled sections, it is at once evident that it does not and cannot provide means for furnishing the same classes of people with the small loans they may need. The funds, instead of being used as now in various industries in the communities where Savings institutions are located, would be added to the present capital of the large commercial centres, where all transactions are on a large scale. The money would therefore go farthest from the people in the sparsely-settled localities where collected. The result would be that the classes from which the savings are accumulated must pay still higher rates than now for money obtained for any purpose, while large operators would obtain capital at even a less rate. Much the same condition would obtain as would exist if all the Savings banks in the country were consolidated into one immense institution with headquarters at some central point. Such a system would necessarily be managed by the head of a single department, or by a board of managers created by law for that purpose. Would it be a wise policy for the Government or the people to leave the investment and distribution of such an amount of capital entirely at the disposal of any one individual or board of managers and dependent upon political influence and under party control?

There are about $830,000,000 in Government bonds now outstanding, of which about $230,000,000 are held by National banks to secure their circulation. It has been urged that, by advancing the price to a two and a half per cent. basis, the Government could secure from $250,000,000 to $300,000,000 of these bonds by purchase, and thus provide for the investment of postal savings during the next few years. It is also claimed that in 1907, when a large portion of the public debt falls due, "the Government would be in a position to throw them all into the hands of the postal Savings bank." If this is done, and the postal bank absorbs a large portion of the Government securities, it would soon become necessary to change entirely our present national banking system, thus adding another disturbing element to financial affairs. The advance in the price of Government bonds, the difficulty that National banks would have in obtaining them, and the reduction in the net income to the holder, would soon result in a material decrease in the amount of the National bank circulation. The currency of the country would be thus contracted, fully as much as it would be expanded by bringing into circulation the small sums, which, it is claimed, are now hidden away by people who lack confidence in banks.

At the present time a large portion of our municipal and industrial securities are held by Savings institutions, and the great mass of our people are thus the owners of the real mortgage upon the industries and income of the country. If the collection of the future savings of our people be transferred from local institutions to the Government, the ownership of those securities would be diverted to the capitalists, who would be only too glad to hold them at the prices they would then command. As a result, the great mass of people would be carrying the national debt at a low rate of interest, and be at the mercy of the general Government and any political party in power, while the wealthy would hold the municipal and industrial securities with the advantages that come from that ownership.

It is claimed that the proposed system would not interfere with the Savings banks and kindred institutions now used as depositories of the savings of our people. It has been stated that nearly eighty per cent. of these institutions are located in the New England and Middle States. Their accumulations amount to nearly $2,000,000,000, and their patrons are more than 6,000,000 in number. One in three of all the inhabitants of these States are therefore depositors in these institutions, and the average amount standing to the credit of each is less than $350. A large percentage of the depositors have much less than this average sum to their credit. In this State more than fifty per cent. of the 167,879 depositors in Savings banks are women and minors, and the same proportion would doubtless hold in the similar institutions of other States. These are not the funds of the wealthy but the savings of the industrious in the humble conditions of life. The amount that can be received from any one depositor is limited by law to $2,000, excepting from widows, orphans and trust estates. It can be seen that a postal system must draw its funds from much the same source as that from which local institutions collect their deposits. While the national system, if adopted, would not be likely to cause a transfer to the Government of the present deposits in our prosperous banks, it would, however, be a successful competitor for future deposits and by degrees occupy the whole field now covered by the various Savings institutions. The advantage to the Government of unlimited resources and credit, as well as the "unbounded faith" therein, on the part of the individual, would place the local institutions at so great a disadvantage that the difference in rates paid would not be sufficient to prevent their suffering from this competition. No private association or individual can successfully compete with the national Government in any kind of business, nor would it seem good policy for the Government to enter into competition with its own people.

SAVINGS BANKS IN THE SOUTH AND WEST.

It is also suggested that there are few Savings banks in the South and West, and that the people in those sections have so little confidence in banks that they would not patronize them if established. For these reasons, and because Savings institutions are a public benefit, the Government is urged to establish a postal system, thus to supply the people of those sections the banking facilities and confidence in which they are deficient. If there is such lack of confidence in the banks of the

South and West, the fault must lie in the management of those institutions and in the State laws under which they have been operating. Would it be good policy for the general Government to supplant a system that is in successful operation in one portion of the country, because of a popular and unreasonable prejudice that exists among the people in another section? The principal reason why there are comparatively few Savings banks in the West is that in the past the people in that section have been almost universally borrowers of money, and that the local demand has absorbed all their funds without the necessity of this class of banks. This condition always exists in a new country with undeveloped resources, its people as a rule having no surplus funds. If the time has come when institutions for saving are needed in the West, the people in that section should have sufficient enterprise to establish and maintain a system that, like curs, would be of much greater benefit to them than a national system. Quite a large portion of the accumulations of the Savings banks in the East being now invested in the central West, that section is, to-day, deriving more advantage from capital received from this source than it would be likely to derive from a national system. A postal system would absorb the local funds of the South and West, and take away the capital of those sections that would otherwise be used in developing local industries and transacting business.

Of the savings institutions in this country, the loan and building associations alone number nearly 6,000, with about 2,000,000 shareholders and at least $600,000,000 of assets. Their object is to accumulate funds to be loaned to their members, thereby enabling them to acquire and own their homes, and the associations are at the present time carrying nearly 500,000 loans for this purpose. The United States Labor Commissioner, Carroll D. Wright, in 1893, estimated that 314,755 people in this country had in this way secured homes since these institutions were established. In this connection he says, "A business represented by this great sum, conducted quietly, with little or no advertising, and, as stated, without the experienced banker in charge, shows that the common people, in their own ways, are quite competent to take care of their savings." The purpose to which these funds are applied is most worthy, and th benefits obtained must be apparent to all. Their accumulated capital is derived from monthly payments, rarely exceeding one dollar upon a share. The source of the accumulations and the small amount of the monthly deposits make it probable that this kind of savings institutions would first feel the effects of competition with a postal system. Would it be possible for the Government to apply its postal funds to any use so beneficial alike to the 6,000 communities in which these asssociations are located and their 2,000,000 patrons?

The great service that all classes of savings institutions are to our State, and the important factor they have been in its development, should not be lost sight of. We should bear in mind that one in every four of the inhabitants of the State are members of a great partnership that is furnishing $70,000,000 of capital to our people, corporations and municipalities; that promotes business enterprise, private industries and public improvement; and that also furnishes more than twenty-five per cent. of all revenues of the State. For these reasons, it is our duty to use every effort to protect these institutions from embarrassing competition.

So much for the methods suggested by the friends of a postal system, and the probable effect of the same upon the people of our State and our local institutions, as understood by this department. Though not especially within the province of your bank examiner, it may not be improper to mention briefly its broader bearing and effects as a question of national importance.

It might be suggested that the general Government has no right to assume powers and obligations not authorized by the Constitution, and that it should not attempt to do for the people what they can do for themselves.

The adoption of such a system would be a step towards the substitution of Government monopoly to the exclusion of private enterprise. It would be a radical innovation upon any power or obligation heretofore assumed by the national Government. Even when, by force of circumstances, the national banking system was established, there was no attempt on the part of the general Government to withdraw entirely the funds invested therein from State control and from the reach of local taxation and attachment on legal processes.

The only possible conditions under which this system could be advantageous to the general Government would be that the public debt not only become permanent, but that it increase in amount as fast, at least, as the deposits in the postal department accumulate. If established, the funds collected would be turned into the national Treasury and become an absolute liability on the part of the Government. The national debt would thus be increased to the amount of every dollar deposited. In every country now having a postal system, the accumulations thereof are needed to fortify their large and increasing public debts. Nothing of the kind is needed here, and the great majority of our people will not approve of any policy that must result in perpetuating and increasing our national debt, and in placing their future financial prosperity at the mercy and caprice of politics.

Our great danger at present is too much rather than too little legislation, as interference by the general Government in financial, private and business affairs is more likely to bring discord and disturbance than to increase our general prosperity.

WOULD ENCOURAGE EXTRAVAGANT APPROPRIATIONS.

It is true that postal Savings would relieve the established Savings institutions not only of the undesirable customers, if such there be, but also of a large majority of the desirable customers, and thus the greatest danger and most objectionable feature of the proposed new system is shown—the terrible contraction of currency which would occur. Of the billions now available for business uses through the medium of Savings banks, loans and discounts, a large proportion of it would be as absolutely wiped out of existence for business purposes as if it were sunk in the sea. When the present Government debt should be cared for there is no way in which the money could be used by the Government, and the expense of carrying on the banking system and the interest payments would be a heavy burden to be carried by the people, with no compensative feature.

"If such a system would inculcate habits of economy and thrift among the people," as is urged as the great desideratum, would it not also have exactly the contrary effect upon the national legislators, in order to provide some means of using the money thus at the disposal of the Government?—*Tacoma* (*Wash.*) *Ledger.*

POSTAL SAVINGS-BANK RETURNS, 1895.

[From the Report of the Comptroller of the Currency, 1897.]

COUNTRY.	*Number of depositors.*	*Deposits.*†	*Average deposit.*
United Kingdom	6,458,957	$489,344,875	$75.82
France*	2,488,075	150,691,705	60.56
Italy	2,896,768	89,724,465	30.97
Australasia	474,635	70,068,925	147.56
Belgium	882,370	63,693,274	72.18
Austria:			
Savings department	1,110,091	22,124,156	19.93
Banking department	28,363	27,270,964	961.50
Hungary:			
Savings department	276,565	5,429,098	19.63
Banking department	3,767	3,634,106	964.72
Canada	125,353	29,252,784	233.36
India	653,892	28,418,460	43.45
Netherlands	499,968	18,557,651	37.12
Sweden	406,288	10,696,745	26.20
Cape Colony	43,672	7,675,270	175.75
Total	16,345,759	$1,016,547,480	$62.19

* Including Algeria and Tunis.
† Returns in pounds and francs converted to dollars on the basis of £1=$5 and francs 5=$1.

SEVEN YEARS OF FEDERAL FINANCE.*

The past seven years of Federal finance are as instructive as any in our history. Within this mystic cycle several important economic policies have been tested and their relations to each other demonstrated. The relation of the tariff to currency, the relation of the various kinds of Government credit money to the standard as well as to each other, the relation of our monetary system to foreign exchange and to internal trade, the relation between the Treasury and the clearing-house, and many other relations have been vividly if not at times painfully demarked.

The people have hereby been educated to take more interest in, if not to see more clearly the importance of, the relations mentioned, and to demand, as their votes of 1896 seemed to indicate, that the nation's credit remain unharmed and that "well enough" must be let alone

During the past seven years the unreliability of Congress to improve our monetary affairs has been tested by the Sherman Act; the hampering limitations on the nation's banker, the Secretary of the Treasury, have been exposed by the bond sales; the uncertainties of tariff legislation to satisfy the demands of trade while meeting the nation's want of revenue have been manifest, and most of all the disastrous effect of politics on all kinds of industry has, at an enormous cost, been seen and felt. These are some of the greater scenes in the drama of American finance since 1890.

A retrospective glance over this period in order to show the operation of economic laws may not prove unprofitable for the time at our command. To point out a few of the relations mentioned and review a few of the scenes in the drama is the purpose of this paper.

Prior to 1890 the "crime of '73" had not been *invented*, but about that time a sentiment began to spring up bent on the rehabilitation of silver. The greenback was a harmless credit instrument because it had not fallen into the bad company of the Treasury note, and the gold reserve did not in any wise trouble us. The public debt was being reduced at a rapid rate; so much so that discussion arose as to the kind of security that would be best on which to continue the banking system. Railway reorganization schemes were commencing to command attention of investors and speculation was running high. A succession of good crops tended to start land values, and farmers became borrowers to increase the size of their farms. There was a stimulated feeling in all lines of trade. The seeds of a crisis were being sown.

Two movements seemed to develop out of and above all the rest; one brought about by the mining interest of the rapidly unfolding West, the other by a very large class of people who desired a revision of the tariff laws in the interest of new economic conditions. These two movements found their way into Congress, and both touched the subject of finance, ostensibly with a view to the securing of benefit, but with what actual result we shall see.

The former found expression in the Sherman Act of July, 1890, the latter in the McKinley Law of October 6, 1890.

The Sherman Act was passed, it is said, as a compromise measure. According to Mr. Foster (then Secretary of the Treasury) it was a step in the direction of the re-

*NOTE.—This paper was prepared for the Political Science Club of the Ohio State University. It was inspired by the editorials of the BANKERS' MAGAZINE and RHODES' JOURNAL OF BANKING, and I wish to confess my indebtedness to these sources without multiplying footnotes.—F. C. C.

monetization of silver as a full legal-tender money, and he (rightly, I think) bases the statement on the following reasons:

(1) Because the compulsory coinage and issue of silver dollars was repealed by it (to take effect after July 1, 1891).

(2) Because it provided for a much larger absorption of silver by the United States for currency purposes.

(3) Because it declared the policy of the United States to be to maintain the two metals at a parity to each other.

These and other reasons, as for example the turning of the National bank redemption fund into the general fund of the Treasury, thus subjecting it to the caprice of Congressional appropriation bills, all aroused consternation among the conservative financiers of this country, and at once started from their long and quiet resting places the American securities held in European coffers. Almost as if by magic gold began to start out at a time when normally it ought to have been coming in. The more the currency increased the more rapidly did gold disappear, according to the immutable law. The net gold export amounted to about thirty-eight millions more than this country's production of the metal in the same period. Foreign countries were beginning to carry out their long awaited policies of strengthening their reserves. The failure of the Barings added haste to speed.

Here at home the "new notes" having been declared by the Act of 1890 legal tender for all debts, public and private, except when otherwise stipulated in the contract, dealt a stunning blow to the understood and hitherto unquestioned standard.

What was the effect? The law introduced the indefinite word "coin," which formerly had meant only gold, and substituted a vague, uncertain meaning for it; it called attention to the contract idea in monetary affairs, as though it sounded a note of warning against its own stability. Furthermore, it called in question the soundness of all the paper credit of the nation, and put "a silver meaning on a golden promise." It had the effect of removing the limitation on the old United States notes (1862) hitherto respected, that they were not legal tender in payment of duties or interest on the public debt, and practically consigned them to the work for which they were declaredly not intended. The effect here was to cause the gold receipts from customs to fall to near zero, from which prostrate condition it has rallied but twice, only to fall to absolute zero since. This stopped all inflow of gold to the Treasury; caused on the contrary an outflow of the abundance we had, and left us high and dry with a *monstrous* piece of finance machinery on our hands.

On the heels of this came the McKinley Law, a so called high-tariff measure, which increased the free list eleven per cent. and reduced the total customs revenue the first year by $10,000,000 (largely due to sugar?). [The value of dutiable imports fell off $56,000,000 in nine months compared with the corresponding period of the previous year.] The enlarged free list was taken advantage of by foreign manufacturers, and in exchange cotton, provisions, refined sugar, cotton goods, copper, iron and steel were exported. In spite of this, the balance being against us, $68,-117,110 of gold were exported (net), the largest export in our history up to that time except once (1864) during the war.

In the face of this depletion came innumerable pensions, appropriations, and expenses each in their way a larger draft than ever before on the balance in the Treasury.

Here was a policy which foretold disaster. The silver-purchasing clause caused the price of silver to react for a moment, then in a madder rush fall more precipitately than ever right in the face of Government demand.

Congress was *pledged* by law to maintain the parity between the two metals (which meant only this, that the Secretary must issue bonds to replete the Treasury when necessary).

Thus the gordian knot was tied. The task was herculean. Most nations would have been plunged into bankruptcy almost at once. As it was our ship of state began to toss restlessly at her moorings. Secretary Foster began seeking a way out, and found it only in the authority of the Resumption Act of 1875, which permitted him to issue bonds.

In an address before the New York Chamber of Commerce, November 17, 1891, he courageously said:

"The Act of July 14, 1890, commands the Secretary of the Treasury to preserve the parity between gold and silver. It has always been the custom of this country to pay its obligations in gold. Therefore, should there be any trouble about this and the present $100,000,000 of gold, or reserve fund, as we call it, be intrenched upon, it was in his power under the law to issue bonds for gold, paying five per cent., and replace or increase the reserve fund" (RHODES' JOURNAL OF BANKING, p. 1217, December, 1891).

Action on this policy was left as a legacy to his successor, Mr. Carlisle.

Such was the dilemma into which our finances fell in 1890 and 1891. The Government kept on buying silver at the rate of 4,500,000 ounces per month, and paying for it in Treasury notes supposed to be redeemable in gold while it lasted.

The regular annual export of gold began in December, 1891, and rendered the Treasury daily more vulnerable. An International Commission was hit upon to diagnose the case and secure some relief. They met in Brussels, exchanged courtesies, presented their views, drew their salaries, and—accomplished nothing. To discuss the various propositions does not fall within the scope of this paper. Suffice it to say that the rejection of our demands—namely that Europe agree to buy silver as well as ourselves—threw us back against our own law and made it imperative that we go out of the market as a purchaser of silver. Thus began the agitation for the repeal of the purchase clause.

The national election came, bringing a tariff turmoil in a witches' cauldron of discontent. By this time domestic trade was thoroughly demoralized. The New York banks hastened (in March, 1892) to increase their reserves. The strain grew greater and greater on our gold. Silver kept on falling, and the cry of "parity, parity," went up from the upholders of the law. In 1890 silver dollars were worth 81 cents; in 1891, 76.4 cents; in 1892, 67.4 cents, and in 1893 they were 60 cent dollars (60.4 cents exactly).

The call for the repeal of the McKinley tariff was heard, not in order to improve the revenues, but to strike a blow at protection which was not protecting. The free list, which as we have seen was increased eleven per cent. from 1890 to 1891, increased eleven per cent. more from 1891 to 1892, then decreased four per cent. in 1893 and rose seven per cent. in 1894, making a net increase for four years of over twenty-five per cent., or a net loss in customs revenue of $97,000,000.

Meanwhile the gold reserve (April, 1893) fell below the one hundred million mark. Immediately twenty millions of notes were presented for redemption, adding insult to injury, as it were. Then came the news on June 26 that India had closed the mints to the free coinage of silver on private account; and thus all Europe's floating silver was turned westward toward our gates.

A crisis was upon us; the gordian knot had to be cut. From September, 1891, to September, 1893, there were one hundred and fifty one millions of Treasury notes outstanding or redeemable in gold, fifty-two millions in round numbers had been redeemed and all *reissued*, when according to law some might have been cancelled. During the same period sixty millions of greenbacks, more than half as many as had ever been redeemed in the thirty years since the war, were presented for redemption in gold within two years. These could not be cancelled ("crime" of May 31, 1878).

The "endless chain" was thus set in motion, and it has been revolving ever since.

The Treasury notes and greenbacks were used to pump the gold out of the Treasury. The parity clause and the honor of the nation compelled the Secretary to redeem in gold all notes presented. He even went so far as to reply to a private correspondent that he would redeem silver dollars in gold if it be found necessary. The silver dollar at the time was worth about sixty cents (bullion value). This was the REAL CRISIS OF 1893. This was the pass to which false finance had brought us. This was the fruit of sowing seeds of compromise in currency affairs in 1890.

The economic results were: Gold was exported to the unheard-of amount of eighty-seven and one-half million dollars during 1893. Europeans and Americans too began to doubt the nation's solvency. We were dangerously near the gulf of depreciation. No gold could be obtained by normal methods anywhere. The customs brought in none; internal revenues and miscellaneous income sources none.

A special session of Congress was called and the repeal of the purchasing clause of the Sherman Act almost forcibly demanded, such was the strength of resistance displayed by the Senate Finance Committee.

By Act of November 1, 1893, the repeal was effected and a telling blow struck at silver. The price of American dollars as bullion almost at one time dropped from 60.4 cents to 49.1 cents, the average price for 1894.

Business was depressed, mills were closed, wages began to be scaled in universities as well as in shops and factories. Confidence was at ebb tide. A beautiful picture of the ruin of a cyclone of inflation.

Hampered by restrictions more binding than those placed upon any financial officer public or private, at home or abroad, as ex-President Harrison has tellingly shown in his recent book, the Secretary of the Treasury, Mr. Carlisle, had only one recourse left, namely to buy gold with bonds. Thus ex-Secretary Foster's prophecy came true, as any close student of finance could have foretold.

On January 31, 1894, the Treasury reserve was down to about sixty-five and one-half millions. The Secretary bought fifty millions of gold, only one-half of which proved to be an increase of his stock, for the other half (twenty-six millions) was drawn directly from the Treasury by notes and paid back again almost the same day. But the measure was temporarily effective. The reserve rose to one hundred and six millions.

In the midst of this breath of relief Congress turned immediately to a revision of the tariff, already bad enough as a revenue measure. Gold kept on going abroad. In August, 1894, the reserve was down to fifty-five million dollars, and on the 27th of the same month the Wilson Tariff Bill became a law. It increased the customs revenue by lowering the free list by about seven per cent. relative to aggregate dutiable goods. It anticipated sufficient revenues from the income tax measure, but the decision of the Supreme Court relieved the framers of the law of eighty millions of "hope" on this score.

The Secretary was again obliged to sell bonds. Fifty-eight millions of gold were thus obtained, but could not be held any more than before. By December 31, 1894, the reserve was down to eighty-six millions, just at a time when the Treasury always expects a drain on foreign account. The usual thing happened, so that on January 31, 1895, we had the paltry sum of $44,700,000 of gold to back $346,000,000 of greenbacks, $146,000,000 of Treasury notes, $212,000,000 of National bank notes, and $329,000,000 of silver certificates which the Secretary of the Treasury affirmed he would redeem in gold if necessary. According to the Deputy Treasurer's Report, there were at this time (February 1, 1895) $1,012,000,000 in circulation, against which the Treasury held gold assets to the amount of about $90,000,000. The same date that shows the lowest gold reserve shows the redemption of notes (mostly greenbacks, forty-three millions) to the unheard-of amount of forty-five millions.

No other proof is necessary that the trouble lay with the redemption of notes.

Upon which notes, the United States notes or the Treasury notes, the blame must be laid, is shown by the further fact, as stated in the President's message of 1895, that only twenty-eight million dollars had been drawn from the reserve prior to July 14, 1890, *i. e.*, during a period of twenty-eight years, whereas "within less than five and one-half years there was withdrawn nearly $375,000,000."

The greenback had previously given us but little if any trouble, but when it fell into the bad company of a note that was of doubtful tenor and forced upon the people by a parity clause at a time when silver was tumbling down like a Miltonic Satan from high heaven, and our national revenues were fading like dew, and our expenses running ahead of our income at the rate of about fifty millions per annum, then and not until then was its threatening character displayed.

Had there been no Treasury notes the nation might have stood the pressure caused by the lack of sufficient revenue; but had there been sufficient revenue it is not at all certain that what did happen would not have happened.

One author asserts (Prof. Fetter, "Political Science Quarterly") that the Govern ment would have had to borrow an amount equal to that secured by the sale of bonds even had there been no reserve to maintain. But he does not say the Government would have had to borrow had there been no Treasury notes and no Sherman Act.

The whole affair shows that the financial policy of the Government was not sound during these years of which we have been speaking.

The plan adopted by the Secretary for securing gold was not well devised in the face of the shrinkage in customs revenue.

Two things seemed to be necessary: (1) That the gold bought should remain in the Treasury; (2) that exports of gold be checked and imports of merchandise reduced.

The Secretary was now forced to do what he might have done in the first place, buy gold in Europe. On February 8, 1895, such a purchase was effected, producing $65,000,000 of net gold, so that at the end of February the reserve crept up to near the safety point (the exact amount was $84,000,000).

When the Secretary struck his annual balance, June 30, 1895, he had $107,500,-000 of gold, but scarcely a dollar of it derived from customs revenue.

The Wilson Tariff, designed as a low-tariff measure, increased the dutiable list by eleven per cent. during its first two years of existence (1894–1896), while, as we have previously shown, the McKinley Law, designed as a high-tariff measure, diminished the dutiable list during the first two years of its existence twenty-two per cent. Such is the irony of fate in Federal finance. We have here presented a fine illustration of the distinction between a protective tariff and a revenue tariff as such.

The falling off in the total revenues for the two years 1893 to 1895, June 30, was seventy-two million, or eighteen per cent., while for the same period the total Government expenditure increased forty-six and one-half millions, making a total net weakening of our resources to the amount of one hundred and eighteen and one-half millions. This shows that both on the side of the currency and on the side of revenues we were in as sorry a plight in 1895 as we have ever been in, financially, with the exception of the last two years of the war. This trouble, however, was not born in war, but in peace, and consequently furnishes so much the sadder commentary on American legislation and finance.

All this time European banks and budgets were experiencing no such trouble as here outlined.

The Bank of England's reserve increased from eighty-four to one hundred and thirty-four millions between June 1, 1893, and June 1, 1895; the Bank of France increased her gold sixty-five millions; the Austro-Hungarian Bank, forty-eight millions; Imperial Bank of Germany, forty-seven millions; Bank of the Nether lands, seven millions; Bank of Spain, one and one-half millions; Bank of Italy, eighteen millions, and Russia, nine millions, to say nothing of private bank holdings. It was largely American gold which they were getting. In America the result of letting in silver at the door, under the guise of Treasury coin notes, caused gold to flow out at the window to these European countries.

Our paper house in 1895 was standing on a very narrow gold foundation, and the silver props placed under it for support were sinking in the sand. We might then and there have learned the lesson that "in finance as in architecture the weightiest and most enduring structures are reared on a basis more solid than expansive" (RHODES' JOURNAL OF BANKING, p. 691, July, 1893); which means that stability is more to be desired than elasticity when you are obliged to choose, as at this time, between the two. Stability and elasticity is a consummation devoutly to be wished.

But let us return to the Treasury. In July, 1895, gold was again going out, and more bonds were issued, this time one hundred millions. The people became aroused and rallied to the support of the nation's credit; $568,269,000 in gold were offered to the Secretary—a circumstance without a parallel, says Muhleman ("Monetary Systems," p. 221), in the history of the Treasury.

This was the first substantial ray of hope for the ship of State on that storm-tossed financial sea.

By the end of March the reserve reached about one hundred and twenty-nine millions. All went well until July and August, when the "endless chain" got in its deadly work again, and twenty-nine and one-half millions of notes were redeemed in gold and the one-hundred-million limit was reached; and had it not been for the banks of New York voluntarily offering twenty millions in gold, which the Treasury was impotent to hold, the history of the previous years would have been repeated.

The action of the banks was based on the economic and political outlook. The prospect of a change of parties, with pledges of restored revenues from customs and the maintenance of the gold standard, combined with the more substantial assurances of vast crop prospects and good markets, brought about a decided reaction.

People awoke from the financial nightmare into which they were plunged by the Sherman Act. Concerning this Act let me call attention to a communication recently received from Hon. Maurice Muhleman, Deputy Treasurer of the United States, and author of "Monetary Systems of the World." He says:

UNITED STATES TREASURY,
NEW YORK, December 13, 1897.

DEAR SIR:—The Act of July 14, 1890, is one of the most ingenious on our statute books. It provides that the Treasury notes "may be reissued." But in another clause is a provision that no *greater* or *less* amount of notes shall be outstanding at any one time than the cost of the bullion and dollars coined therefrom in the Treasury. Consequently the notes redeemed in gold must be preserved, since such redemption does not diminish the silver stock acquired under the law. On the other hand, if notes are redeemed in dollars coined in pursuance of that law the stock is diminished and the notes can be, and in a sense must be, cancelled. I called the attention of the Treasury to this provision long before 1893; but it was not until August of that year that the notes were retired.

It was a question in the Department whether the dollars of 1890 were used for such redemption, and again whether silver certificates could be issued upon them if returned. These points were finally decided in favor of the cancellation, and the silver certificate issue has thus been expanded. The amount of notes cancelled to December 1, 1897, is $48,137,722. The amount of notes cancelled is obtained by deducting from the maximum issue $155,931,002, the amount reported as outstanding at any given date. Thus December 1 the amount was $107,793,280.

Very truly, M. L. MUHLEMAN.

To illustrate the point made by Mr. Muhleman in the letter, I quote from his valuable work, page 32:

"If the bullion purchased cost $20,000,000, and $10,000,000 worth thereof were coined into dollars, producing, owing to the low price of silver, 13,000,000 of such dollars, $10,000,000 of the coin and the remaining $10,000,000 worth of bullion must be held for the notes issued, the balance of $3,000,000 being the profit or seigniorage accruing to the Treasury, and on such dollars when in the Treasury silver certificates were issued, under the Act of February 28, 1898."

The parity clause compelled gold redemption on demand of note holder, as referred to earlier in this paper; a refusal to pay in gold would have made the notes silver notes, and the parity clause would be nullified. Congress made no provision for a special gold fund, so the available gold in the Treasury was used. This put a double draft on the gold reserve at a time when it could least withstand it. The effects of this have been traced.

The maximum issue of Treasury notes has been $155,931,002; the amount redeemed in gold (all reissued) to November 1, 1897, was $90,680,879. The amount redeemed in silver and cancelled (all since August 1, 1893, to December 1, 1897) was $48,137,722; thus leaving the total amount of these notes outstanding December 1, 1897, $107,793,280. The endless chain is slowly but surely shortening.

Thus it is clear that while we have here a note in some respects like the United States note in that it is a demand obligation of the Government on the gold reserve; on the other hand, it represents silver, dollar for dollar, and is in reality a warehouse receipt like the silver certificate. In a word, it is NATIONAL BIMETALLIC MONEY, the effect of which is to make all our silver currency logically redeemable in gold.

We are now in the midst of suggested changes of our financial and currency affairs. While we may, many of us at least, heartily endorse the plan of the present Secretary of the Treasury and the Report of the Monetary Commission, yet there is the fear that under existing conditions in Congress so much change is called for that the whole of the well wrought out scheme will fail of being enacted into law.

Of all the changes which seem necessary to rectify our financial machinery the FIRST, to my mind, is to cancel the Treasury notes as rapidly as possible. This requires no, or at most but little, new legislation. The slight vacuum created would be filled automatically from the idle money in the Treasury or by the coinage of the seigniorage as the conditions of trade require. The SECOND step is to enforce a requirement that one-half the customs duties be paid in gold. These two steps are complementary. The one would give elasticity to the currency; the other, stability. The one would reduce the equivocal character of money to a minimum; the latter would protect this minimum by a sufficiently adequate reserve.

The Dingley Tariff, which, in spite of all the alarmists' prophecies, has already begun to reduce the deficit in the face of great odds; the sale of the Union Pacific and the announcement, if not the triumph, of sound financial policies, have all contributed to the flattering financial showing of the present hour.

In conclusion I would point not to what Congress ought to do in the days just before us, but rather let us point to the past seven "lean years" and say, whatever you do, don't do THAT again.

If my thesis has been proved by the facts presented; if you have seen the clear operation of Gresham's Law; if you have noticed the close connection between the revenue policy and the currency policy of our country; in fine, if you have learned the A, B, C lesson in finance—that *stability* WITH *elasticity* is the desideratum of sound finance for us and for all governments—the purpose of this paper has not been in vain.

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ORIGIN AND GROWTH OF THE LAW GOVERNING THE TRANSFER OF MONETARY SECURITIES.

In the history of the law there are a few romantic chapters, and one of them is the story of monetary securities and the law governing their transfer. I say the story is romantic, because it deals with a subject which has an unparalleled history.

We all know that until a comparatively recent period the bulk of the property of English-speaking people was locked up in land and private business enterprises, or hoarded in strong boxes. We know, too, that this same capital is now invested largely in personal property or its representatives, because, on account of the facility of transfer of such securities, their influence as money, or its equivalent, can be brought to bear almost at a moment's notice in any financial center.

Land must be sold or mortgaged; interests in mines, oil fields, sugar refineries and commercial business generally, no matter how valuable they may be, must be carefully investigated; titles must be searched and balance sheets examined before one can raise money upon such property; and in hard times it is almost impossible to do so except by the medium of monetary securities. But when the wealth invested in such property is represented by securities which have an ascertained market value, it is possible to realize upon them and utilize them at almost any time. It is a surprising statement, but nevertheless a true one, that most of these monetary securities were practically unknown and unimportant fifty or seventy-five years ago. Railroad, telegraph and mining stocks and bonds, Government, State, town, county and city bonds, securities representing cotton, wheat, petroleum and, so-called, industrial securities, are household words now and pass from hand to hand almost like money. But our grandfathers knew little, if anything, of them in their early business life. And after these securities came into existence and were recognized, some way had to be devised to make them efficient from a business point of view, so that they could pass from seller to buyer with practical immunity from hidden equities. That is, so that the innocent purchaser could take them with the least possible danger from undisclosed frauds, and irregularities which might have occurred and raised equities between the former owners. They do pass like money, practically speaking; and yet not one of the possessors of these great fortunes can, with the aid of the most learned counsel, know just what his rights are. If his safe is broken open and the thief steals his stock certificates, endorsed in blank, he need have no fear before a California, an Alabama, a Nevada, or even a New York court, for the thief cannot give good title to them; and the original owner can reclaim them from any one in whose hands he may find them. But in Pennsylvania it has been said that a jury must say whether he was negligent in leaving them endorsed in blank. If he carelessly dropped them out of his pocket his negligence would still further complicate the question. Now, if the lost or stolen property had been coupon bonds, payable to bearer and not yet due, the innocent purchaser from the finder or the thief would own them, in New York; but if this occurred in London, the Lord Chancellor himself could not say what the rights of the parties were.

Now, when we consider that all these securities are choses in action and that a chose in action is not even assignable, at common law, and when we realize that this mass of securities, aggregating millions of millions, have come into existence so recently and in sufficient quantity to absorb the available capital of the commercial world, and that they have not only come into existence but have found for themselves, through the exigencies of commerce, a means of passing safely from hand to hand, in opposition to and in spite of the existing common law, we see the importance of the securities themselves and the vital necessity of studying the modified laws governing their transfer.

Transfer of Securities—Varying State Laws.

The law governing monetary securities and their transfer is, therefore, in an un settled state as yet. Each State of this Union has rules of its own, often in conflict with the rules of other States and those of the Federal Government; and all of these are often opposed to the English rules governing the same subject. The reason of this unfortunate condition is that the law, as it now exists, is the result of a new growth, as yet incomplete, and yielding in its development to the exigencies and demands of circumstances as they arise.

Commercial necessity is the germ from which the law of the transfer of monetary securities has sprung. In fact, we might almost say, keep in mind always what commerce peremptorily demands, and sooner or later the law will find a way to reach the end. The necessities of commerce have called these securities into life; and the same power has successfully invoked the courts and the legislatures to facilitate their transfer. Sometimes by the recognition and approval of well-established customs, sometimes by the application of well-settled principles, sometimes by creating new ones, and sometimes unwillingly and only when the legislature has come to the aid of the commercial world and enacted new laws, the courts have steadily extended the doctrine that these securities must, so far as prudence will allow, pass from hand to hand like money or like a promissory note, and that the present holder should have good title in spite of any rights which might have existed between prior holders. In other words, the tendency has been to admit new classes of securities to the category of negotiable instruments; and when a security could not properly be classed as negotiable, to apply other doctrines which made it, in facility and safety of transfer, approximate to a negotiable instrument.

The common law is and always has been proverbially formal, conservative and often bigoted. It has grown out of customs and usages to the contrary of which the memory of man doth not run; but occasionally some urgent necessity has arisen which could not await this slow growth, and instead of a growth we find a rapid change, more like a revolution. It is only when some such grave necessity arises that we see "the Justice, with beard of formal cut; full of wise saws and modern instances," driven from his stronghold of ancient precedents by an overruling legislative power, or yielding from sheer necessity to some new element in society, morals or commerce.

The necessities of commerce, assisted at times by legislative powers, have successfully inaugurated such a revolution in the law of monetary securities; and to this revolution the world owes its present commercial prosperity and its great enterprises, founded, as they are, on securities which the rules of the old common law would render practically worthless.

Thus far I have been speaking of the modern securities with which we are familiar. There had been bonds and stocks and shares long before, and to understand the present situation we must briefly consider the history of the securities which were their predecessors.

Origin of Great Britain's Public Debt.

A little more than two hundred years ago, in 1693, the British Parliament passed an Act granting to their majesties William and Mary certain excises or duties on malt liquors. These excises or duties were to be held as security for loans to their majesties of a million pounds sterling; and it was hoped, in this way, to raise a million pounds to carry on the war with France. Each subscriber to an amount of one hundred pounds was entitled to name a life which should receive an annuity during its continuance—that is, to name some individual who should, as long as he lived, receive a certain percentage on the loan every year. As the number of lives diminished, the annuities or dividends were to be divided between the survivors until the number decreased to seven. The loan was speedily taken; and thus, only two hundred years ago, by a system akin to tontine life insurance, which the Italian, Tonti, had brought to Cardinal Mazarin forty years before, a million pounds was raised for the Government, and the present national debt of Great Britain was inaugurated. That debt was afterward increased to about four thousand millions of dollars, and yet, when William and Mary raised their million pounds, Louis looked across the channel with amazement and exclaimed, "My little cousin, the Prince of Orange, is fixed in the saddle."

I may be criticised for agreeing with Mr. Knight, that this loan of 1693 was the foundation of the national debt of England. I am aware that an eminent English Judge has bestowed the honor on an Act of 1697; but I do not see how he can ignore the Act of '93. And I am aware, too, that Mr. Macaulay says:

"There can be no greater error than to imagine the device of meeting the exigencies of the State by loans was imported into our island by William Third. From a period of immemorial antiquity it had been the practice of every English Government to contract debts. What the revolution introduced was the practice of honestly paying them."

But it seems to me that Mr. Macaulay must have been swayed by a feeling of insular pride when he made this statement. He admits that the previous practice of the Government had been not to pay, and it seems to me that the previous, so-called, debts were nothing but extortions and robberies.

For instance, the wife of Hugh de Neville paid two hundred hens for a visit to her husband in prison. Richard the First forced his subjects to give up money in proportion to their wealth for the deliverence of the Holy Sepulcher, and said he would sell London itself rather than give up the crusade. He sold the property of the Kingdom, and, on his return, took it all back, on the ground that he had no right to alienate it. John imprisoned the mistresses of the priests to extort money from them. Henry the Third seized property and borrowed largely, promising high rates of interest; promises which Parliament refused to ratify. Edward the First took the money and plate of the monasteries and churches, feigning a voyage to the Holy Land, and when he had collected the funds, refused to go. Richard the Second pawned the crown jewels Edward the Fourth, who was called the handsomest tax gatherer, kissed a widow who gave more than was expected; whereupon she doubled the gift, in expectation of a second kiss. Henry the Eighth was a noted robber. Elizabeth exacted large sums for New Years' gifts and loans; and when she had more than she needed, reloaned it to the lenders at seven per cent., although she paid them no interest. It is true that Charles, in 1672, having raised about thirteen hundred thousand pounds for the Dutch war, was practically compelled to leave one-half of this sum at interest. And this has been called the origin of the English debt. But the King appropriated one-half of the amount he owed and promised to pay the other half only under compulsion. "Thus it would seem," Mr. Francis says, "the exchequer of the earlier monarchs was in the pockets of the people; that of Henry the Eighth in the suppressed monasteries; Elizabeth in the corporations, and Charles the Second wherever he could find it."

In 1717, about twenty-five years after the million pounds loan of William and Mary, the father of Alexander Pope, the poet, died, leaving the remnant of his diminished savings hoarded in a chest; because, in his day, there was no convenient security in which a prudent man could invest his money. The old man had retired many years before with twenty thousand pounds, in a strong box; and he had been spending his hoard while deriving no profit from it, for years, because he could not get an income from his money and at the same time have it available.* Money had been scarce, and no large amount of it had been seeking investment. A little while before the death of Mr. Pope the income of an eminent merchant was quoted at four hundred pounds per annum, and that of another, not quite so distinguished, was estimated at two hundred pounds. True, a good deal was locked up in the strong boxes of the goldsmiths, on which a sort of check could be drawn, but living on the income of personal property was then practically unknown. The necessity, however, had now arisen. A great deal of money had accumulated in the money chests, and the little Government loan, which was soon increased, was a small channel through which to empty the strong boxes of England into the current of remunerative investment.

Many Government loans followed this, in quick succession, and were eagerly taken. And then came a period of speculation such as never had been known before. It is true that, earlier in the century, the citizens of Holland had become afflicted with the tulip mania and, for a few months, they complacently smoked their pipes and sold tulips for two thousand and twenty-five hundred florins apiece. One tulip was worth two gray horses and complete harness, and another brought twelve acres of land. One man made sixty thousand florins in a few weeks; and, for a short time, they dreamed that poverty was forever banished from Holland. Then came the crash, of course, as in all such speculations. Everybody was tulip-poor, and they went back to their legitimate business, to retrieve their losses. But this was a strange, unaccountable mania, of short duration, not to be compared to the years of wild speculation in England in "bubble" days.

Rise of the Speculative Mania.

From the time of this first Government loan down through the first twenty years of the last century the craze for speculation so possessed England that the people were almost bankrupted, and the possibility of return for the use of money, though now legitimate, stimulated the gambling spirit which, I suppose, must be admitted to exist in all men's minds.

Many causes combined to bring about the disasters of "bubble" days. The revocation of the Edict of Nantes sent thousands of refugees to England, skilled artificers in all trades; and as the Bill of Rights in 1689 guaranteed to them liberty and property rights, their immigration stimulated business and trade to a tremendous degree. The Royal Exchange was crowded with brokers, dealing in wonderful French silks, satins, clocks and cutlery, and a great commercial revival followed. Immediately after this came the new solid Government loans in such abundance that in 1697—at the time of the peace of Ryswick—they reached the sum of twenty-one and a half million pounds. Speculation in the Government funds became general. The brokers, in 1689, had moved from the Royal Exchange to Change Alley, a large unoccupied space, and made Johnson's coffee house their headquarters, where they could have more room for their increasing business, and here they dealt in Government stocks and in corporation shares. It is amusing to read into what disrepute the brokers fell in carrying on this new business. A contemporary writer, in 1701, says: "They can ruin men silently, undermine and impoverish, diddle them out of their money by the strange, unheard-of engines of interest, discount, transfers, tallies, debentures, shares, projects and the devil and all of figures and hard names." Another author, writing some years later, says of the Stock Exchange,

* The constantly increasing national debt was open to him, of course, but as a loyal Papist he could not conscientiously loan his money to what he considered a usurping government.

then established: "This destructive hydra, this new corporation of hell." And another: "The villainy of stock jobbing is called a mystery or machine of trade." From which I gather that our chroniclers must have been on the wrong side of the market.

Soon the Government stocks and the existing company shares were insufficient for the speculations of the people. For in 1698 there were only three of the great joint stock companies in existence—the East India, the Royal African and the Hudson Bay. New companies were formed to do almost everything. Many of those first established were worthy business enterprises, but they were followed by a rare collection of fraudulent schemes to swindle the people, now delirious with the new speculative fever. Companies were formed without any foundation or charter, and lotteries were conducted in tradesmen's shops. It was necessary only to issue a prospectus of a Spanish jackass company, or a periwig, or quicksilver fixation company, or to advertise a lottery at Mrs. Low's, the milliner's, and every share of stock was taken and every chance was bought. Corporations were formed for any and every project which might tempt the speculator. One to raise wrecks on the Irish coast, another to extract oil from sunflower seeds, another for the desalification of salt water, to ameliorate children's fortunes, to make malleable metal from quicksilver, to curtain all the houses in London, the rich with elaborate fabrics, and the cottages with inexpensive draperies, to suppress all diseases, to fatten hogs, "for a wheel for a perpetual motion," and one "for subscribing two millions to a certain promising or profitable design which will hereafter be promulgated." Prices rose to fabulous premiums on nothing. The value of the shares of these companies at the market price was five hundred million pounds sterling, which was five times as much as the circulating medium of all Europe and twice as much as the value of the fee simple of all the land in the Kingdom of Great Britain.

These companies were, some of them, nothing but paper; some not even that; only a subscription book. A shilling would get a receipt for a share in the morning, and in the afternoon the shilling and the man with the receipt book were gone, as likely as not, with a million or two subscribed, as Mr. Anderson says he well remembers. Every one was involved. The Prince of Wales, afterwards George the Second, was the Governor of a Welsh copper company, and infatuated, like every one else, refused to retire from the management until the ministers threatened to prosecute the company, and gave him a bonus of forty thousand pounds. And the prudent Walpole, who opposed the craze, nevertheless thought it wise to profit by it, and bought some of the South Sea Company's stock, which he easily sold at a thousand per cent. profit, and remarked that this was very satisfactory to him. Poor Gay had twenty thousand pounds profit, and Dr. Arbuthnot advised him to sell. Gay did not do so, and was ruined. Arbuthnot did not have the courage to take his own advice, and lost two thousand pounds, and remarked philosophically, "I have only two thousand more stairs to ascend."

When Sir Isaac Newton was asked about the bubble he said he "could calculate the motions of erratic bodies, but not the madness of a multitude." And a historian remarks that if Sir Isaac did not speculate he was, perhaps, the only person not seized with that mania.

All this was the legitimate result of natural causes. It was the rush of the pent-up money in the strong boxes, which had found an outlet; and the people lost their heads over the chance of remuneration, and threw their money away as fast as they could. The stock of the Welsh Copper Company, in which the Prince of Wales was interested, was absolutely worthless. Only £4, 2s., 6d., per cent. had been paid in, and it went to ninety-five per cent. The Lusting Company, with a capital valued at one million two hundred thousand pounds on which only £5, 2s., 6d. per cent. had been paid in, went to one hundred and twenty. The York Building Company, with the same capital, on which ten pounds was paid in, went to three hundred and five; and the South Sea stock rose from one hundred to one thousand pounds per share. But this wild mania for speculation, of course, ended in disaster. The "Bubble Act" was passed in 1720, ostensibly to check the evil, but it gave a practical monopoly to the South Sea Company, which absorbed the Government's funds. Although debentures were paying from seven to nine per cent. at this time, the whole issue of seven and one-half million pounds of South Sea stock was taken, and the rush for it was so great that the Bank of England had to set tables in the streets to make the transfers. This company prosecuted its fraudulent rivals, and in exposing them ruined itself. In August, 1720, its stock sold at a thousand pounds a share, on a par of a hundred pounds. On the 18th it had fallen to eight hundred and fifty pounds, a month later to four hundred pounds, and before September was over to one hundred and seventy pounds, and the bubble had burst. So at last speculation ruined every one.

About the same time France was passing through a similar ordeal. John Law, a Scotchman, who "left his country for his country's good," after he had been condemned to death for killing his antagonist in a duel, had wandered over Europe, seeking royal favor to carry out his financial schemes. The King of Sicily seemed to favor them at first, but finally rejected them, saying "I am not powerful enough to ruin myself." Louis the Fourteenth also refused his support, but after his death Law found favor with the Regent, and established the Mississippi Company, which was to import the wealth of Louisana. It was, in effect, the same fairy tale that was told in England Shares rose in a day to fabulous prices, and people were crushed to death in the mad crowd that surged through the Rue Quincampoix, where the transactions were carried on. Fortunes were made, on paper, by everyone who dealt in the shares. Even a poor old cripple, who loaned his hump back for a table, was said to have made a fortune from the wild speculators who wrote their transfers on his back. A footman who suddenly amassed a fortune, purchased a beautiful equipage for himself, and, in the excitement of the moment, when it drove up to his door, forgot his changed position and mounted behind as usual. Of course this could not last long. Panic and ruin soon came, and all Paris was singing:

"On Monday I bought share on share;
On Tuesday I was a millionaire;
On Wednesday took a grand abode;
On Thursday in my carriage rode;
On Friday drove to the opera ball;
On Saturday came to the pauper's hall."

The existence of this era of "bubbles," so-called, may seem to conflict with the statement made as to the recent origin of monetary securities. But most of the so-called companies in England were illegal, and I have been unable to find any positive proof that they issued tangible securities of any kind. A receipt was given for a small payment on account, for a share, and then passed from hand to hand, each man buying at a higher price and seeking to find some other speculator more hopeful than himself. One company issued what were called "Club Permits," which sold as high as sixty guineas apiece. But they were nothing but pieces of playing cards, stamped with the seal of the Club Tavern, in wax, but unsigned and the purchaser was told that he would have permission to subscribe when the company was formed for stock in a company to manufacture sail cloth. Many of the companies were lotteries, like the "Royal Academy's Company," for instance, which issued 20,000 tickets at twenty shillings each. Two thousand prizes were to be drawn, and the holders of these tickets were to be educated in every branch of learning. But such lottery tickets and receipts for shares in impossible and fraudulent schemes could hardly be called securities. And I can find no authentic record of certificates of stock until many years after this period. Certainly they were not known to the courts, for, in 1770, Lord Mansfield says of stock certificates: "It is a new species of property arisen within the compass of a few years."

Perhaps the best illustration of the recent innovation of paper securities is afforded by the ownership of the corporate debt of England, which is not represented by bonds, but by what is called Government stock. Almost all the debt of England consists of the funded debt, so-called, and the greater part of this is made up of "consols," which is an abbreviation of "consolidated stocks," of which we read every day in the papers, and the price of consols is the financial pulse of England. Consols were created in 1752, by the Statute 25 of George the Second, Chapter 27. But no scrap of paper ever represented a consol, until, to facilitate commerce, in 1870, a statute was passed allowing the Government to issue certificates to represent them. The property that all the world asked the price of every day was unrepresented by any monetary securities until 1870, and even now very few certificates have been issued.

History of the British Consols.

Now, this is a consol, and this is its history:

Originally, someone had loaned the Government a hundred pounds, and the Government had caused his name to be enrolled on its books as a creditor, from whom it had received that amount, and to whom some day it might, if it chose, repay it. It need never do so; but until it did, it must pay him an annuity of three pounds. That is, he received three per cent. on his money as long as the Government chose to keep it, but the Government could pay it back at any time it chose to do so. This creditor then owned a consol. That is he owned such a debt from the Government as I have just described. If he wished to transfer what rights he had—that is, his three per cent. per annum—and the right to his one hundred pounds when, if ever, the Government chose to return it, he could go to the Bank of England with his transferee and receive the purchase price from him and the stock would be transferred to the man paying the consideration, and that man's name would be placed on the Government book in the place of the former owner, and thereafter the transferee would receive the three pounds a year, and the hundred pounds if it was ever paid back. But no paper passed except the receipt for the purchase money which was given by the seller to the buyer, and which the bank official checked with a red mark. These receipts were not certificates of ownership, and were seldom preserved; never except for purposes of identification when the new owner went to draw his first dividend. After that they were destroyed. It is true that, in old times, the owner of a consol was given a tally, which was nothing but a block of wood with notches on it, split in two so that a portion of each notch should be on each half, and the Government kept one-half and the owner of the stock the other half. These showed the state of the account between the Government and its creditor, but this was an antiquated system of keeping accounts, brought down from the days when writing was little known, and at last they were abolished by Act ot Parliament and burned. There were so many of them that when they were thrown into the furnaces these became superheated, and the Parliament Houses burned down, which perhaps served the authorities right for keeping up the antiquated system so long.

Early Method of Dealing in Stocks.

In reading the history of these old days we realize the truth of the saying that there is nothing new except that which has been forgotten. Although they had no such paper representatives of their interests and choses in action as we have now, we find they had many of the customs, practices and expedients which we are accustomed to think are the outgrowth of the present financial conditions. They had their long and short sales, and did all they could to suppress them, and we read of them. "Moreover, great numbers of contracts were made for taking many of them at a future time, and also for puts and refusals of them, at very high prices." We find one authority of the time saying that "the sale of stock for future delivery, when you do not have the stock, is nothing else than a wager." So true in many cases, but now ingeniously avoided by the courts. They rigged the market by false rumors, as in the case of the report of Queen Anne's death. They had their emissaries on the the battle field to send back the latest news by couriers, for stock jobbing purposes. And it is said that "the wealthy Hebrew, Medina, who accompanied Marlborough in all his campaigns, administered to the avarice of the great captain by an annuity of six thousand pounds per annum, and repaid himself by expresses containing intelligence of these great battles which fire the English blood to hear them named. And Ramillies, Oudenarde and Blenheim administered as much to the purse of the Hebrew as they did to the glory of England." And a wise counselor, in the last century, says: "The jobbing brokers and their principals, the whole body of jobbers, must live, and as their subsistence depends on your false hopes and fears, they must form interested schemes to deceive you, or starve, for frequent variations in the prices of the funds are their aliment."

We find again in regard to their mining shares that, "First they pretend a mighty fund of gold, silver or copper to have been discovered in a piece of ground, of their knowledge." And then the historian tells us how the company would buy this for its lucky subscribers. And we find an interesting question of law decided, not by the courts, but by a vote of the shareholders of the South Sea Company, of 1457, against 150, that "Every proprietor who has had or shall have stock transferred to him in the company's transfer book be entitled to the sum so transferred upon producing a receipt for the same, witnessed by the clerk attending the transfer books, providing there appears no fraud on the part of the purchaser."

In this case the power of attorney on which the stock was transferred was forged, and it is true that to-day a certificate issued on such forged power of attorney would give no rights to the holder, but only to his transferee. But when we remember the method of transfer in those days (which was the same as that I have described in the case of consols) we see that the stockholders adopted the view which is held by our courts to-day; that the company, by its representation, had induced the transferee to pay money. And as there were no certificates in those days, but the money was paid at the time the transfer was made under the forged power, it was the representation of the company, by the transfer, which induced the payment of the money. Whereas, to-day the company's certificate would induce no payment until the second transferee took the stock, because the first transfer had taken place and the money had been paid upon the delivery of the old certificate and before the company issued its new certificate.

We find also a moneyed aristocracy created by this sudden accession of wealth. And, says the historian, "Then came first a money aristocracy. And one Quare, a Quaker and watchmaker, after speculating successfully in Change Alley, was of sufficient importance to invite to the marriage feast of his daughter, Sarah Jennings, Duchess of Marlborough, who with three hundred guests of distinction graced the wedding entertainment."

Let me give one more instructive illustration, although I do not wish to meddle with politics. The money had been clipped to such an extent that it was found necessary, early in the reign of William, to recoin it. And in 1692 a law was passed imposing a fine of five pounds upon any one refusing to take clipped or cracked money. But, says the commentator, "the evil was not to be cured in this way.

No Act of Parliament could make a piece of silver intrinsically worth, for instance, less than twelve pence, pass for a shilling. If dealers could not have the price for their goods in money of sufficient weight, they raised the price, and the law which compelled them to take the clipped money did not and could not prevent them from allowing discount to those who brought them shillings, six-pences or half crowns of the full weight, or from receiving gold coin for more than its legal value in silver. So that, except that it occasioned some inconvenience, this enactment proved quite ineffectual.'

In France a similar thing happened. And the same commentator says:

"In May, 1718, new Louis d'Ors and new silver coins were coined in France, which were to pass for considerably more than their intrinsic value, much to the detriment of the commerce of France, and all the old moneys heavier than this new coin were called in. And to make this foolish and wicked scheme appear somewhat uniform, the prices of gold and silver bullion were hereby to be accommodated to it. Foolish it was, because the moneyed part of the world were too wise not to take advantage thereof to the detriment of the State; and wicked, as it brought great misery upon many thousands of individuals."

And an edict of that year recites, "that by thus stamping a higher value on the gold and silver coins of France gold and silver from other countries would be brought thither in great abundance."

This was written by a man who remembered those days, but it might have done service on the stump, in our last presidential campaign.

Introduction of Legitimate Monetary Securities.

The rise of legitimate monetary securities came long after "bubble days." Increased wealth, a progressive spirit, and the great inventions of this century have called into existence the millions of millions of these securities now in circulation, and the necessities of business activity have forced the conservative spirit of the law to invoke new principles, and sometimes to override time-honored rules to facilitate their transfer.

Modern inventions have done more than anything else to bring about these results. Sixty years ago railroads were little known; now the securities of these roads in this country alone amount to over nine thousand millions, or many times the national debt; and in England there are about four thousand millions, or half as many more. Telegraph lines are new, too; and now this country is covered by a network of nearly a million miles of wires, over which about a hundred millions of messages have been sent in a year. Telephones are a very recent invention; steamships are not old; and following in their wake comes the great mass of commercial, mining and industrial corporations.

The money invested in all these is represented by stocks and bonds, and these stocks and bonds, founded on great and valuable inventions and enterprises, are true securities, in marked contrast to the tontines, receipts and lottery tickets of "bubble" days, founded by the cupidity of knaves upon the credulity of an ignorant but prosperous people.

Property is generally unwieldy, and money was formerly used to exchange it. Now, in the larger growth of great enterprises, monetary securities represent aggregations of property in the commercial world; and natural products, with the labor expended on them, become entities passing from hand to hand in fractions on bits of paper.

Now, monetary securities are generally choses in action, and choses in action, as we have seen, are not even assignable at common law. Bills of exchange became negotiable at an early day, but promissory notes were not until made so by statute of the Third and Fourth of Anne, in 1705. Coupon bonds were not negotiable until recently in this country, and it is a question whether they are or not, now, in England. Certificates of stock are not negotiable, to-day, in England or here.

How is it that this great mass of monetary securities passes safely from hand to hand, almost like gold dollars, under the protection of the law? How is it that thousands of millions of these securities, more than the combined national debts of Russia, England, Germany and the United States, more than half of the national debts of the world, have recently been transferred in one of the exchanges alone—the New York Stock Exchange—in a single year; and it is a question whether or not the transactions made at the exchange are, on their face, binding at law. But the broker who, in this hubbub of the exchange, where his voice cannot be heard, holds up his fingers and receives in reply a nod, knows he has bought fifty or one-hundred thousand dollars' worth of property, and the existence of the Statute of Frauds does not disturb his well-founded confidence that the property will be delivered.

These are interesting questions, but they are answered in two words: commercial necessity.

The increase of capital, modern invention, the progressive spirit of to-day, appalled by the magnitude of no enterprise, have burst the bonds of the common law, and one by one, have, by liberal decisions or by legislative enactment, forced new classes of property within the sacred limits of negotiability; or, failing to obtain admission for them, have invoked other principles to aid their transfer and remove restrictions from commerce. But failing sometimes to accomplish the end by these means, and finding the law inadequate to the necessities, or supposed necessities, of business, they have, as in the case of the transfers at the New York Stock Exchange, simply disregarded it.

The law has often yielded to necessity, and when it has not, then "necessity knows no law."

Results Evolved by Commercial Necessity.

By studying the history of these securities we find that commercial necessity is, and always has been, the fundamental principle on which the law governing the transfer of all monetary securities rests and is building. I mean *that* commercial necessity which demands for a security facility of transfer, greater or less according to its nature and use, out of which grows the custom or usage generally adopted.

This principle has been made effective in several ways.

What the merchants have found convenient and necessary they have adopted as a custom; and the result has been,

(*a*) The courts have accepted the custom, and it has become a part of the law merchant.

As an illustration of this we have the recognition of foreign bills of exchange as negotiable.

From a very early day it had been the custom of merchants to treat foreign bills of exchange as negotiable. This was the first step sanctioned by the courts. The reason for the rule is obvious. There were no telegraphs, railroads or steamships in those days, and such bills, traveling from one country to another, or even from one county to another, when traveling and communication were so difficult, became clouded by innumerable disabilities and equities; and if these might be urged against a *bona fide* holder for value, no one would have dared to advance money on them or to purchase them. So foreign bills of exchange were made negotiable in 1604. (1st of James First.) Next came inland bills of exchange, which were recognized as negotiable in 1636, for the same reason. Being used as money, it was necessary that they should approximate as nearly as possible to money in their attributes and functions. Now, money of itself would be of little use as a universal medium of exchange if a lost or stolen gold dollar or a bank bill could be taken by the former owner wherever he might find it. If this were so, men could mark their money or make a note of the numbers of the bills in their pocketbooks, and they could then take these dollars or bills out of another man's pocket, no matter how innocently he might have acquired them in the course of his business. If they were not negotiable you never would know when you might have to give up the money in your pocket to some one who, long ago, had had his pocket picked of the same coins or bills. Money and securities representing money, to be practically useful, must be negotiable, or as nearly so as possible, for the protection of business men who use them in the place of money.

(b) The courts have rejected the custom and the legislature has interposed in behalf of commerce by enactment. To illustrate this, we will take the case of promissory notes. The merchants had treated them as negotiable, probably, for a very long time, when, in 1703, in the case of *Clarke* vs. *Martine* (2nd of Lord Raymond, 757), Lord Holt, in a somewhat unjudicial burst of temper, declared that they were not negotiable, and that the attempt to make them so "proceeded," as he said, "from the obstinancy and ungovernableness of the merchants, who were endeavoring to set the law of Lombard street above the law of Westminster Hall." This disastrous decision was followed by the statute in the 3rd and 4th of Anne, in 1705, by which it was declared that promissory notes should be "endorsable over in the same manner as inland bills of exchange are or may be, according to the custom of merchants." Again, in 1811, in *Glyn* vs. *Baker* (13 East, 509), the court intimated that the East India Company's bonds, which were a receipt for money and an obligation to repay the same and to pay interest, were not negotiable. This caused great alarm in the business world, and Parliament passed a law making these securities negotiable.

(c) The courts have extended the application of other rules to legalize and justify established customs and facilitate the transfer of securities. The denial of the right of stoppage *in transitu*, as against a *bona fide* transferee of a bill of lading, in the great case of *Lickbarrow* vs. *Mason*, is an illustration of this. But, perhaps, the best—and we cannot consider them all—is the quasi negotiability, so-called, given to certificates of stock. The English case of *Swan* vs. the *N. B. A. Company* (7 Hurlst & Noam, 603), the case of the *New York and New Haven Railroad* vs. *Schuyler* (34 N. Y. 53) and the case of *McNeil* vs. the *Tenth National Bank* (46 N. Y.) are high authorities for the proposition that a security by nature non-negotiable and representing rights but not money, may, on the principle of estoppel, be held by the innocent holder for value against the owner. It was left for that splendid judge, Rapallo, to state the proposition better than it ever has been stated before or since; and I quote from his opinion in the McNeil case:

"There is another well-known principle of law which applies to this case, viz: Of two innocent parties, he who by his act has caused the damage shall suffer. The man who endorses upon this certificate not only a transfer of the stock which it represents but an unlimited power of disposition of it and then delivers this certificate to a trusted agent, is an innocent party; so is the purchaser from the dishonest agent. But he who delivered the certificate so endorsed in blank, and gave the wrongdoer the opportunity to cause loss to innocent third parties, shall be deemed estopped, as against an innocent purchaser for value, from denying that he delivered this security for the purpose for which it has been used. And so, on the principle of estoppel, the certificate of stock becomes, for the most part, practically negotiable; not from any quality of negotiability that the certificate possesses, but on the ground of estoppel. The mere possession of chattels by whatever means acquired, if there be no other evidence of property or authority to sell, from the true owner, will not enable the possessor to give a good title. (Per Denio, J. In *Colville* vs. *Hill*, 4 Den. 323.) But if the owner intrust to another not merely possession of the property but also written evidence, over his own signature, of title thereto and of an unconditional power of disposition over it, the case is vastly different. This document was signed by the plaintiff, and its effect must now be considered. The holder of such a certificate and power possesses all the external indicia of title to the stock and, apparently, unlimited power of disposition over it. Such then being the nature and effect of the documents with which the plaintiff intrusted his brokers, what position does he occupy towards persons who, in reliance upon those documents, have in good faith advanced money to the brokers or their assigns on a pledge of the shares? When he asserts his title and claims, as against them, that he could not be deprived of his property without his consent, cannot he be truly answered that, by leaving the certificate in the hands of his brokers, accompanied by an instrument bearing his own signature, which purported to be executed for a consideration and to convey the title away from him and to empower the bearer of it irrevocably to dispose of the stock, he in fact substituted his trust in the honesty of his brokers for the control which the law gives over his own property; and that the consequence of a betrayal of the trust should fall upon him who reposed it rather than upon innocent strangers from whom the brokers were thereby enabled to obtain their money?"

I have quoted at length from this admirable decision, because it seems to prove so succinctly and conclusively the fundamental proposition in the transfer of monetary securities laid down in the Swan case and the Schuyler case, viz.: "The injustice of allowing a party to be the author of his own misfortune and then charging the consequences upon others."

So, by the privilege of estoppel, many securities approach, in the facility of their transfer, the freedom of true negotiability.

(*d*) Again, the courts have recognized the intent of parties as shown by a custom of market or trade, and have incorporated the custom into a contract. So we see that contracts between brokers on the exchanges are binding upon them according to the custom of the exchange, although otherwise invalid, and are also binding on customers dealing through them, who knew of the custom and are deemed to have adopted it, because they employed agents who must deal according to certain customs; and the principal must have authorized their acts in accordance with these customs. This seems to be the true principle, *Markham* vs. *Jaudon*, 41 N. Y., notwithstanding.

Now, keeping in mind *that* commercial necessity which demands for a security such facility of transfer as its nature requires and the custom which has actually been adopted in regard to it, we find that this principle which I stated a little while ago, viz., the injustice of allowing a party to be the author of his own misfortune and then charging the consequences upon others (or in other words the negligence or fault of the owner), is found to enter into almost every case involving the transfer of monetary securities.

This principle lies at the bottom of all three of the tests given by Mr. Daniels, viz.:

First: Has the party sought to be charged created an agency or trust by means of which fraud has been committed?

Second: Has he deliberately given the appearance of validity to the instrument?

Third: Has he been guilty of negligence?

All three of these tests rest in the fault of the owner, and this principle has been very generally applied to all kinds of securities, whether representatives of money or not.

Now, I do not ignore the difference between a purely negotiable instrument and one quasi negotiable, so called, where the title rests in estoppel. I do not overlook the difference between title by negotiability and title by estoppel; and I remember, too, that *mala fides* must be shown to divest the title of a purchaser of a negotiable instrument; whereas, want of reasonable care will invalidate his title by estoppel. And I remember, too, as Mr. Daniels says, that "the negotiable instrument is the only species which carries by transfer a clear title and full measure." But the difference, I think, lies in the form and purpose of the instrument itself, out of which arises the necessity and the consequent custom as to its use. And it is a most interesting fact that the two principles of negotiability and estoppel have so far worked together, especially in England, as new forms of securities have arisen, that few cases are based on the one independently of the other. It is true that Lord Mansfield, in *Miller* vs. *Race*, decided that a bank note, from its form and purpose, was essentially money; and so the man who robbed the mail could negotiate it, and that the Supreme Court of the United States immediately recognized the negotiability of a coupon bond from the nature of the instrument.

But the cases in which the courts have conceded negotiability to instruments simply on the ground that by their nature they were representatives of money, have been rare. In *Gorgier* vs. *Mieville*, a case often cited to prove that Prussian bonds had been held to be negotiable, the decision turned on proof of custom. In *Lang* vs. *Smythe*, in 1881, involving Neapolitan coupon bonds which had been misappropriated, the court left to the jury the question whether the bonds were negotiable and whether the purchaser had been so negligent as to lose the protection of the court. In *Crouch* vs. *The Crédit Foncier*, which is said to be an authority against the negotiability of coupon bonds, the decision turned on the forms of the conditions in the particular bond in question, and to some extent on proof of custom, and the great case of *Goodwin* vs. *Robarts* (followed by *Rumball* vs. *The Metropolitan Bank*), which it is said conceded negotiability to Russian scrip, entitling the holder to bonds of the Russian Government, really turned on the question of estoppel.

Now, let us take a few illustrations in which this principle of the negligence or fault of the owner has been applied by the courts to all kinds of chattels, negotiable and non-negotiable. Let me start with the baldest illustration—a watch. It seems ridiculous to say a watch is quasi negotiable. But if I come into possession of a Jurgensen works in a Waterbury case, and wishing to dispose of it, I go to some rascally dealer who tells me it is a cheap affair, worth only ten dollars, and I sell it to him for ten dollars, he gets title to the watch, and if he sells it the next hour to an innocent purchaser for five hundred dollars, the customer can hold the watch against my claim, although I could have avoided the sale for fraud, and taken it away from the fraudulent jeweler at at any time before the rights of the innocent purchaser intervened. Now, this innocent purchaser got his rights, because the jeweler had possession and actual title, and could give indefeasible title, although his was impeachable, while he held it. He gave better title than he had, and so in a way the watch was quasi negotiable. In this case, of course, there was an intention on my part, although I was defrauded, to pass the title, and it passed, and it was my fault and most stupid negligence. There are many other steps. For instance, a warehouse receipt, by delivery of which title to the goods does not pass, or a bill of lading, by delivery of which it does. But we cannot stop to consider each step, so let us pass to a certificate of stock. We have considered this at length, and the admirable decision of Judge Rapallo. The delivery of a certificate with intention to pass the title does pass the title. Perhaps you object that, in the watch case, there was intention to pass the title. In the McNeil case I admit there was none. But there was apparently unqualified ownership and unlimited agency. How can I claim secret trusts and secret instructions and deny my expressed intentions, against one deceived by such unequivocal proof of ownership and agency? It is my own fault that I have given the opportunity to some one to deceive the innocent purchaser, and I should suffer rather than he. Let us take the so-called difficult step into the realm of purely negotiable securities and consider a promissory note or a coupon bond. These may pass from a thief or a highway robber to an innocent purchaser for value, before maturity, and I cannot get them back any more than I could a dollar bill. Keep in mind the necessities of business which place these securities almost on the same footing as money, which they represent, and let us see whether the principle is not the same. Such securities, in this purely negotiable form, have been considered commercial necessities. And though I could re-take them from the thief and had no intention of giving him title, a title is presumed in the holder, from the nature of the instrument, and the innocent purchaser from a thief may hold them. Of course, there was no intention to pass title. And many interesting cases are said to turn on intention. But it seems to me that they turn on the point of negligence or fault of the owner. Let us look at one or two. A blind man is induced by fraud to sign a note. We have high authority for the proposition that he cannot be held. And why? Not, I think, because he did not intend to execute the note, but because by his infirmity he could not know, and could not be at fault. But a man who can read has a paper put before him, and accepts his friend's assurance that it is a simple contract, and signs it. In point of fact it is a promissory note, which is negotiable. It is sold to an innocent holder, and the maker is held liable.* And why? Because I think he was negligent. Certainly he never intended to sign the note. And, lastly, I hand you a bill or a gold piece to keep for me for a few minutes while I am gone, and you spend it, I cannot get it back from the storekeeper, who supposed it was your money and sold you goods for it. You have no agency except to hold it for me. I had no intention of investing you with title, but the innocent merchant gets title to a universal medium of exchange, and necessarily so. The principle is the same, although the presumption must be different in regard to different kinds of property. And these presumptions must be governed by the nature of the property and the requirements of commercial necessity. I may, and very naturally would, leave my horse hitched in front of your house, and I could do it with safety. A thief drives him off and sells him, the purchaser can claim no presumption of ownership from mere possession by the thief. The horse may have been hired, borrowed or stolen, and it is the purchaser's business to find out whether the seller has title, but if I leave my pocketbook in the wagon I cannot get back the money from the keeper of the tavern where the thief has spent my money. A different rule must be applied to different kinds of property, and this the necessities of commercial life demand. But what was negligence in the case of the pocketbook was not negligence in the case of the horse, from the nature of the property.

And, as another and most important element of negligence or fault on my part in these transactions, let me suggest this: There is no reason, except for the purpose of personal convenience, why I should carry about, or leave around promiscuously, or carelessly intrust to others, my property in a form which carries presumption of ownership. I have a means of protecting myself. I can register my bonds. I can endorse the name of a payee on a promissory note or I can fill up the blank on the back of my stock certificates, and I should be safe and could protect myself in all these dealings with my rascally associates; but if I refuse to do this, if I choose to leave my stock endorsed in blank, to keep my own investments in a form payable to bearer, or to draw all my money out of the bank and carry the bills around in my pocket, it is my own fault. I take the risk, and I am at fault, in that I choose, for personal convenience, to run the risk which the law, with due regard to the necessities of commerce, says I must run for the convenience and protection of the business world.

A man must be responsible for his representations to his fellow man, and he cannot evade his responsibility to others by secret trusts or sealed instructions. No

* This principle is well supported, but an extraordinary illustration of the application of the doctrine of negligence has, according to the cabled reports, just occurred in England. Young Lieutenant Clay was asked by his friend, Lord Nevill, to sign certain private papers as a witness only. The papers were covered so he could not ascertain their nature. He signed them, and they proved to be promissory notes for some eleven thousand pounds. On trial of suit, brought against Clay by a money lender who bought the notes, the judge asked the jury, "Was Clay in signing his name as he did, recklessly careless, thereby enabling Nevill to perpetrate a fraud?" The jury answered "No." Verdict for defendant.

matter what reservations he may make, they are not available against those with whom he deals, unless disclosed. I am aware that very recently our Court of Appeals has said in the case of *Knox* vs. *The Eden Musee Company*, that an agency to destroy is not an agency to use. But this statement must be qualified by the facts of the case. We must not be misled by this expression standing alone; the distinction could not be valid; for an agency to hold is not an agency to pledge, and an agency to pledge is not an agency to sell. The fundamental principle is that the agency, no matter how limited privately, is apparently unlimited, and as the restrictions were undisclosed, the innocent party was deceived.

I have been pleased, since I wrote these notes, to find in one case, *Wookey* vs. *Pole* (4th of Barnwell & Alderson, 1, 1820), the one deciding, in England, that exchequer bills were negotiable, each of the three grounds which we have been considering, stated by the three judges, who reached the same conclusion. There were four judges sitting in the case. One said, dissenting from the others, that the exchequer bill was only an ordinary chattel, and in no sense negotiable; another that it was negotiable by custom; another that the owner had lost his title by estoppel, having negligently authorized the bearer, as his agent, to dispose of it; and another that the owner, by his negligence in keeping his property in that dangerous form, had given apparent title to the holder, and should lose his money.

Now, one word as to the tendency to extend or restrict the freedom of transfer of these instruments. It was said long ago, in 1793, in *Lickbarrow* vs. *Mason*, by Buller, J.: "I beg leave to say that in all mercantile transactions one great point to be kept uniformly in view is to make the circulation and negotiation of property as quick, as easy and as certain as possible." And this is in the line of commercial progress. The pendulum is swinging, first towards that freedom of transfer which business, wisely or unwisely, demands, then back towards that conservatism which says that further freedom will be demoralizing and facilitate and promote gambling. This is a broad and debatable question. But I might remind those who would put restrictions upon freedom of transfer that the most unreasonable and wildest speculation ever known was in tulip bulbs, two hundred and sixty years ago; and the most widespread and disastrous was in corporation shares and lottery tickets, many years before a certificate of stock was ever thought of.

The pendulum is swinging, and, with all due respect, I suggest that it has swung so far in our State (New York) towards restriction that the Legislature might well be called upon to intervene in aid of commercial necessity and progress.

JAMES M. TOWNSEND, JR.

RAILROAD MILEAGE OF EUROPE.—At the beginning of the year 1897, there were, in all Europe, 159,025 miles of railroads in operation, this being an increase during the year 1896 of 3,144 miles. Of this increase, Austria-Hungary had 806 miles, of which Hungary had 579 miles. In Russia there was an increase of 555 miles. This, of course, does not include the great Trans-Siberian and Trans-Caucasian lines, with their 2,883 miles, a large portion of which has recently been opened to traffic. Germany increased her railroad mileage 579 miles—the same as Hungary—the Kingdom of Prussia receiving 387 miles.

The countries of Europe now having the most railroads in operation, according to their areas, are, in their order: Belgium, 3,582 miles; Great Britain and Ireland, 21,217 miles; Germany, 29,355 miles; Switzerland, 2,209 miles; Holland, 1,608 miles; France, 25,089 miles. The other countries of Europe have the following railroad mileages: Austria, 18,951; Denmark, 1,605; Spain, 7,615; Greece, 590; Italy, 9,349; Luxemburg, 269; Portugal, 1,451; Roumania, 1,784; Russia, proper, 22,455; Finland, 1,484; Servia, 335; Sweden, 6,073; Norway, 1,201; Turkey and Bulgaria, 1,507; the islands of Jersey, Malta and Man, 68 miles.

SUGGESTIONS FOR CURRENCY REFORM.

The financial situation is not so clearly defined but that many able financiers and political economists fail to *fully* agree on the plan for eliminating all difficulties of the Government, for the present and future.

The chief points to be decided upon by Congress and the Administration appear to be: What to do with the United States notes, commonly known as legal tender, Act of February 25, 1862, amounting to $346,681,016; and what to do with the Treasury notes of 1890, amounting to $114,867,280.

It is admitted that Congress has the right to issue legal-tender notes to any amount and at any time. This is established fully by approval of the United States Supreme Court.

The provisions of the Act of May, 1878, do not permit the legal-tender notes, when redeemed, to be cancelled. They are required to be paid out. Once *reissued*, they are *repeatedly* presented for redemption. In this manner gold is constantly withdrawn from the Treasury. January 3, 1864, these outstanding notes amounted to $449,338,902. During the year gold reached a premium of 285. This was a conclusive argument that an extended issue of these notes necessitated a high premium on gold.

March 18, 1869, "The United States solemnly pledges its faith to make provision at the earliest practicable period for the redemption of the United States notes in coin."

Silver certificates, Treasury notes and legal-tender notes menace the credit of the United States and the maintenance of the gold standard. It is unwise to contract our currency, but wise to replace it with that which has a fixed value.

First: All existing Government bonds should be funded into gold bonds bearing a rate of interest not exceeding two and one-half per cent. per annum.

Second: Grant National banks authority to issue circulating notes to the *par* value of their Government bonds.

October 5, 1897, 3,610 National banks had an outstanding note issue of $230,132,-275, and a capital stock of $631,488,095.

Government reports show that the National banks have paid in taxes to the United States, $150,207,339, and the United States has also had a profit of $2,826,466 from that amount paid by the banks to redeem circulation which was not presented.

Third: The Government should repeal the tax on circulation.

Fourth: The National banks should redeem their circulation in gold.

Fifth: National banks then would be justified in issuing notes *quite equal* to their capital stock, approximating $600,000,000, by present number of banks, which if done would *cancel* the $346,681,016, and then *relieve* the Government of *reserving gold* for redeeming said notes, for same would be *cancelled*.

Sixth: This leaves the Treasury notes of 1890, amounting to $114,867,280, still outstanding, which might be gradually cancelled by the substitution of National bank notes, as shown above, by increasing their capital stock, or by the creation of additional National banks.

J. A. AYERS (*of M. P. Ayers & Co., Bankers*).

JACKSONVILLE, Illinois.

THE YEAR'S PRICES OF COMMODITIES.

[From the London Bankers' Magazine.]

The following letter from Mr. Sauerbeck reviews the course of prices of commodities during the past year:

3 Moorgate Street Buildings, January 13.

Sir:—The following are the annual index numbers of the prices of forty-five commodities, the average of the eleven years 1867–77 being 100:

Average.

1878–87	79	1891	72
1888–97	67	1892	68
		1893	68
1880	88	1894	63
1888	70	1895	62
1889	72	1896	61
1890	72	1897	62

The index number for last year is one point better than that for the preceding year, or the same as in 1895. As the low figure of 1896 was mainly caused by unprecedentedly low prices, in the aggregate, of articles of food, so the number of 1897 was principally affected by the opposite course, higher prices of food, while the average of all materials was the lowest on record. Amongst the articles of the first class, wheat, barley, oats, potatoes, rice, and all sorts of meat, and particularly pork, were higher; but sugar, coffee and tea declined and ruled on the average lower than ever before. In the case of materials there was a moderate improvement for copper, tin, lead and coals; but all textiles, cotton and wool, flax, hemp and jute, and a number of sundry materials, viz., tallow, linseed oil, petroleum, nitrate and indigo, ruled lower.

Timber and soda, on the other hand, were higher.

The index number at the end of the year was still a little higher than at the end of the three preceding years.

Taking articles of food and materials separately, the index numbers compare thus:

	Food.	*Materials.*
1895. February	63.8	57.0
" December	60.4	61.8
1896. July	60.0	58.6
" December	63.9	60.6
1897. May	63.7	59.4
" September	67.5	60.4
" December	66.5	59.4

The course of prices during last year was strongly influenced by the rise of wheat in the second half, and by the fall of cotton in the last quarter. While articles of food stand still 4 per cent. higher than in December, 1896, and 11 per cent. above the lowest point in July, 1896, materials are 2 per cent. lower than a year ago, but still 4 per cent. higher than at the lowest period in February, 1895.

Ten descriptions out of 45 contained in my tables showed records of lowest prices—viz., sugar (two descriptions), flax, Manila hemp, jute, tallow, linseed oil and nitrate the lowest of the century, and Brazil coffee and indigo the lowest since 1852.

The average price of silver was 27.9-16d. per ounce, the lowest on record, against 30.¾d. in 1896. It stood at 29,13-16d. at the end of 1896, sold at 29¾d. in January and February, and gradually declined to about 26½d. in July. In August it suffered a sharp decline, touched 23¾d., the lowest price ever known, but soon recovered and realized on the average about 26¾d. during the last three months, the closing price of the year being 26⅝d. per ounce. The index numbers were as follows (60.84d. per ounce being the parity of 15½ silver to 1 gold=100).

Average, 1896	50.5	End of 1896	49.0
Average, 1897	45.3	End of 1897	43.8

Owing to the introduction of the gold standard in Japan the export to that country was entirely stopped, but there was a good demand for India, and, as in the previous year, silver was strongly favored by the Russian currency requirements. It appears that fully one-third of the world's total production was taken for that purpose. A year ago, and again in September, I called attention to this great demand, and it may be useful to enquire how much silver will really be required by Russia. It is the intention to replace all one and three-rouble notes by silver, and as of these 233,000,000 roubles were issued, it would, at 18 grammes fine silver, require 4,200,000 kilos., or 146,000,000 ounces standard. It is difficult to know the exact amount actually taken, as the complete Russian statistics are not at hand, but I estimate that the net quantity during the last three years, after allowing for industrial consumption, reached about 2,700,000 kilos. fine, equal to 94,000,000 ounces standard, or 150,000,000 roubles. As it is reported that only 106,000,000 roubles have so far been coined, there must be a considerable stock of silver on hand, while the quantity still to be purchased would on this basis amount to about 52,000,000 ounces standard, equal to about 30 per cent. of one year's production of the world. It is assumed in this calculation that the quantity of old silver coin in Russia will be sufficient for small coins.

With regard to the general state of trade in Europe during the past year opinions appear to differ, but I believe there is plenty of evidence that the result was, on the whole, less favorable than that of 1896 and the second half of 1895. The famine in India and the great outbreak of plague seriously impeded the trade with this great dependency, and there was also a considerable reduction in the exports to the Far East, to Australia, and South America. The change in the tariff of the United States, while stimulating exports there during the first half of the year, caused a complete stoppage of demand later on. The textile industry, particularly of cotton and wool, was very depressed, and though the good demand for iron and other metals continued throughout the year, the engineering trade in this country was greatly hampered by the protracted strike. The harvest on the Continent was bad, causing a rise in the prices of breadstuffs, while large sugar crops and unprecedented crops of American cotton and Brazil coffee had a depressing influence on these articles.

In the United States, on the other hand, things were much better. Prices of wheat were already good last winter, and in view of a protective tariff there was considerable speculation in raw materials and manufactures, to be followed in the latter part of the year by the fortunate coincidence of a good harvest and high prices of wheat. The exports show again, as in the previous year, an enormous excess over the imports, about $350,000,000, and this must soon increase the demand for foreign goods again, notwithstanding the high duties. The settlement of the currency makes, unfortunately, no progress, although with a little goodwill and only a moderate amount of gold it could be placed in a sound position.

The future of prices of raw materials will depend on the American demand and on any improvement in the condition of the East and of other extra-European countries, which, in my opinion, cannot be very far distant, but the general index number may be affected by any weakening in the now exceptional prices of wheat, and this must occur as soon as larger quantities are again brought to market. Yours faithfully,

A. SAUERBECK.

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States Courts and State Courts of last resort will be found in the MAGAZINE'S Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

COLLECTIONS—LIABILITY FOR DEFAULT OF AGENTS.

Court of Civil Appeal of Texas, Nov. 13, 1897.

STATE NATIONAL BANK OF FORT WORTH *vs.* THOMAS MFG. COMPANY.

A bank receiving paper for collection is responsible for the defaults of all subsequent agents employed in the collection thereof.

The following are the findings of fact and law by the court:

"(*a*) The court finds that plaintiff became the legal owner and holder of the following described promissory notes in writing, purchased for a valuable consideration, before the maturity thereof, from the Stratton-White Company. The Stratton-White Company indorsed the same to plaintiff, to wit: (1) Note for $137.50, dated June 28, 1894, due November 15, 1894, with interest at rate of ten per cent. per annum from date, and executed by W. L. Harrison to the order of the Stratton-White Company. (2) Note for $200, dated August 2, 1894, due November 1, 1894, drawing interest at the rate of ten per cent. per annum from date, executed by W. L. Knight to the order of Stratton-White Company. (3) Note for $380, dated July 26, 1894, due October 26, 1894, drawing interest from date at rate of ten per cent. per annum, executed by J. F. Long, and payable to the order of Stratton-White Company. (4) Note for $112.50, dated August 15, 1894, due November 15, 1894, drawing interest from date at rate of ten per cent. per annum, executed by the Roanoke Ginning Company, and made payable to the order of Stratton-White Company. (5) Note for $95, dated July 24, 1894, due November 1, 1894, with interest at the rate of ten per cent. per annum from date, andexecuted by T. W. Boswell and J. E. Goodwin to the order of Stratton-White Company.

(*b*) That on October 29, 1894, plaintiff being the legal owner and holder of each of said notes, remitted the same by letter, together with other notes, from its home office and domicile, at the city of Little Rock, Ark., to the defendant, the said State National Bank, at Fort Worth, Tex., for collection and remittance. That said bank received said notes by due course of mail, and undertook the collection of the same as the agent for the plaintiff.

(*c*) That on, to wit, the 14th day of June, 1895, the plaintiff, through its general agent and secretary, George J. Lowe, who came to said bank on said date, authorrized said bank to deliver all of plaintiff's notes then with said bank to the Stratton-White Company and G. E. and R. I. White, its managers, for collection, without knowledge of the fact that said bank had at that time already turned over to them the W. L. Knight note.

(*d*) That on, to wit, the 14th day of February, 1895, said bank, without express authority from plaintiff, delivered the said $200 note executed by said W. L. Knight to said Stratton-White Company and G. E. and R. I. White for collection.

(*e*) That said G. E. and R. I. White received said $200 note for collection from defendant on the last-named date, and thereafter, at some time during 1895, collected said $200 note, and all interest due thereon, from said W. L. Knight, and wrongfully appropriated the proceeds thereof to their own benefit, and that neither said bank, said Stratton-White Company, nor said G. E. or R. I. White have ever paid the proceeds of said notes, or its equivalent, to the plaintiff.

(*f*) That said G. E. and R. I. White, after the 14th day of June, 1895, received and collected the first, third and fourth of above-described notes and appropriated the same to to their own use, and failed to deliver the proceeds thereof, either to plaintiff or said bank.

(*g*) That the fifth of the above-described notes, executed by Boswell and Goodwin, was lost by the said State National Bank or G. E. and R. I. White, and was not collected.

Findings of Law.—1. The court therefore concludes that the defendant, the State National Bank, is liable to the plaintiff for the sum of $238.13 and six per cent. interest thereon from this time, by reason of said bank delivering the said W. L. Knight note for $200 to said G. E. and R. I. White, and by reason of said bank's and the said White's failure to pay the said proceeds over to the plaintiff; the amount due plaintiff as aforesaid being the principal of said note and ten per cent. interest thereon up to April 1, 1895, and six per cent. interest on said amount from said date up to the present date.

2. The court finds that the State National Bank is not liable to plaintiff for the proceeds of said other three notes wrongfully appropriated by said G. E. and R. I. White as aforesaid.

3. That defendant is not liable to plaintiff by reason of the loss of said Boswell note.

4. The court therefore renders judgment in favor of plaintiff against the defendant for $238.13 with interest thereon at the rate of six per cent. per annum."

STEPHENS, *J.:* The main question in this case is whether a bank receiving paper for collection is responsible for all subsequent agents employed in the collection of the paper. If the precise question has ever been authoritatively decided in Texas, we are not aware of it. The learned counsel seem to have been unable to find any Texas case in which it was even considered. We, therefore, assume that the question is an open one in this State.

The authorities elsewhere are quite conflicting. In a majority of States, including Massachusetts as leader, the liability is denied; the subsequent agents being treated as subagents of the owner of the paper, and not the agents exclusively of the bank first receiving it for collection. (Mechem, Ag. § 514), where the States are given, and the authorities cited.

But in New York and several other States the opposite rule has long prevailed, the bank receiving the paper for collection, nothing further appearing, being treated as an independent contractor, and the subsequent agent as its own, and not the subagents of the owner.

In the Supreme Court of the United States, too, the decisions appeared for a long time to be in conflict, but in the case of *Exchange Nat. Bank* vs. *Third Nat. Bank* (112 U. S. 276) the question came squarely before that learned court, and in an able opinion by Justice Blatchford, reviewing previous decisions, the New York rule, which was also the English rule, was finally adopted.

The decision of the case at bar was made in conformity to the rule so adopted, and we approve it. This course tends to produce uniformity of decision in this State, both in the State and Federal courts, upon questions of general commercial law, which, on account of a large and constantly increasing volume of inter-State business, and on the ground of diverse citizenship, frequently come before the latter courts. Upon such questions the decisions of the courts of the State where they arise are not accepted by the Federal courts as authoritative. (*Brooklyn City & N. R. Co.* vs. *National Bank of the Republic*, 102 U. S. 14, and cases there reviewed.) Therefore, where a question of general commercial law is an open one in a given State, with the authorities elsewhere in conflict upon it, as in this instance, we think, for manifest reasons, the decision of such question by the Federal Supreme Court, unless clearly wrong, should be followed in such State.

Appellant complains of the last finding of facts, but of that one only, to the effect that the indorsers of the note received by the bank for collection, and to whom the bank turned it over for collection from the maker, collected it, and misapplied the proceeds; but, as this findings rests upon conflicting evidence with ample to support it, we cannot disturb it.

The next preceding finding is to the effect that the bank had, "without express authority from plaintiff," delivered the note in question to the indorsers for collection. Under errors assigned to the conclusion of law, appellant insists that it was not necessary for the bank to have express authority from the owner of the note to deliver it to the indorsers for collection. To this we agree, but we fail to find in the statement of material facts set forth in its brief any evidence of implied authority or consent, and no finding was specially requested on this point. The rule that such authority or consent will be presumed by the law as within the undertaking to collect the paper was, as we have already seen, rejected by the trial judge, and what was doubtless meant by "express authority" was authority in fact, or intended authority, as contradistinguished from that which the law might presume as implied by the agency arising from the bare transmission and delivery of the paper to the bank for collection.

The conclusion already announced upon the main question dispenses with the determination of the minor counter proposition submitted by appellee to the effect that, notwithstanding the Massachusetts rule, the appellant bank was not warranted in delivering the note in question to the indorsers thereof for collection, all parties residing, presumptively, in the same place.

Adopting the conclusions of law and fact found in the record, we affirm the judgment.

CERTIFICATE OF DEPOSIT—INDORSEMENT BEFORE DELIVERY.

Supreme Court of Arkansas, Dec. 4, 1897.

SCANLAND *vs.* PORTER, *et al.*

Where a certificate of deposit is indorsed in blank before delivery to the payee, in the absence of evidence of an agreement to the contrary, the indorsers are liable as joint makers and not merely as indorsers.*

HUGHES, *J.:* The appellant sued the appellees upon the following certificate of deposit, to wit: "Certificate of Deposit. Duvall, Leslie and Leslie, Bankers, Arkansas Banking Company. Stuttgart, Ark., April 6, 1891. No. 2,027. R. Scanland, Treasurer, has deposited in this bank $1,586.90 (fifteen hundred eighty-six & 90-100 dollars), in current funds, payable to the order of himself, in current

* The Negotiable Instruments Law changes this rule. It provides: Where a person, not otherwise a party to an instrument, places thereon his signature in blank before delivery, he is liable as indorser in accordance with the following rules:

1. If the instrument is payable to the order of a third person, he is liable to the payee and to all subsequent parties.

2. If the instrument is payable to the order of the maker or drawer, or is payable to bearer, he is liable to all parties subsequent to the maker or drawer.

3. If he signs for the accommodation of the payee, he is liable to all parties subsequent to the payee.

funds, on the return of this certificate, properly indorsed, ——— months after date, with interest at ——— per cent. per annum for the time specified only, account personal redemption fund. C. K. Leslie, Cashier. [Indorsed] J. I. Porter, T. H. Leslie, W. M. Price,"—which was credited as follows: "5-30-92, check E. L. Johnson, $932.60."

The appellees answered, denied liability, and stated that they were indorsers for the accommodation of the bank, and that their indorsement was without consideration; that they had never had notice of demand upon the bank for payment, and failure of the bank to pay. The court, sitting as a jury, after hearing the proof in the case found for the appellees generally, and rendered judgment accordingly, to all of which appellant excepted and filed his motion for a new trial, which was by the court overruled, to which appellant excepted, and brought the case here for determination by appeal.

The evidence of J. I. Porter in this case tends to show that J. I. Porter, one of the appellees, deposited the money in the bank for appellant upon the request of the appellant, and not upon advice given appellant by him to deposit it with the bank. Appellant says that Porter advised him to deposit the money with the Arkansas County Bank, and told him he could draw it out at any time within five years. It seems that when the bank had issued its certificate of deposit, as copied above, the appellees indorsed it, before its delivery to appellant. Are the appellees to be considered indorsers or makers of the instrument?

Following the decisions of the Supreme Court of the United States in *Good* vs. *Martin* (95 U. S. 90), *Nathan* vs. *Sloan* (34 Ark. 524), and *Killian* vs. *Ashley* (24 Ark. 511), this court, in *Heise* vs. *Bumpass* (40 Ark. 545), held that "when a promissory note, made payable to a particular person or order, is first indorsed by a third person, such third person is an original promissor, guarantor, or indorser, according to the nature of the transaction and the understanding of the parties at the time. If he puts his name in blank on the back of the note at the time it was made, and before it was indorsed by the payee, in order to give the maker credit with the payee, he is to be considered a joint maker of the note, and not a mere guarantor. And, in this view, questions of presentment, demand, protest and notice become immaterial."

In *Killian* vs. *Ashley* (24 Ark. 511) it is held that, "where a third party indorses a note in blank, at the time it is executed, he is bound as security, as fully as if he had written his name on the face, under that of the maker. But if such indorsement be made at a subsequent time, it is, in effect, a new contract, and, to be valid, must be upon a sufficient consideration."

It was said in this case, by Judge Watkins, delivering the opinion, that: "If William E. Ashley had desired to limit or qualify the terms of his guaranty, he should have done so when he made the indorsement; but, when he sent forth the instrument with his name upon it, he is held to have given his implied consent to be bound by such terms as the holder of the obligation might fix upon him in his character as guarantor."

In *Nash* vs. *Skinner* (12 Vt. 219) it is said: "It has been decided in this State, and it may be regarded as settled law, that when a person, not a party to a note, signs his name upon the back, without any words to express the nature of his undertaking, he is considered as a joint promissor with the other signers."

In the case of *Good* vs. *Martin* (95 U. S. 95) the court said: "Considerable diversity of decision, it must be admitted, is found in the reported cases, where the record presents the case of a blank indorsement, by a third party, made before the instrument is indorsed by the payee, and before it is delivered to take effect; the question being whether the party is to be deemed an original promissor, guarantor or indorser. Irreconcilable conflict exists in that regard, but there is one principle upon the subject almost universally admitted by them all; and that is that the interpretation of the contract ought in every case to be such as will carry into effect the intention of the parties, and in most cases it is admitted that proof of the facts and circumstances which took place at the time of the transaction are admissible to aid in the interpretation of the language employed;" citing *Denton* vs. *Peters* (L. R. 5 Q. B. 475). "Facts and circumstances attendant at the time of the contract was made [said the court] are competent evidence for the purpose of placing the court in the same situation, and giving the court the same advantages * * * which were possessed by the actors." (*Cavazos* vs. *Trevino*, 6 Wall. 773.)

The court said, in effect, that granting that, "if a holder produces a note having a blank indorsement of one not the payee, the presumption is that it was made at the inception of the instrument, still it is a mere presumption of fact, which may be rebutted and controlled by parol proof that it was not there when the note was delivered." (Page 96.) This, as we have seen, would make the third party, indorsing after delivery, an indorser and not an original promissor.

On page 97 of *Good* vs. *Martin* (95 U. S.), it is said further: "Where the indorsement is in blank, if made before the payee (indorser), the liability must be either as an original promissor or guarantor; and parol proof is admissible to show whether the indorsement was made before the indorsement of the payee, and before the instrument was delivered to take effect, or after the payee had become the holder of the same; and if before, then the party so indorsing the note may be charged as an original promissor; but if after the payee became the holder, then such a party can only be held as guarantor, unless the terms of the indorsement show that he intended to be liable only as second indorser, in which event he is entitled to the privileges accorded to such an indorser by the commercial law." At the time the certificate was indorsed in blank by the appellees in this case, there does not appear to have been anything said or done by them to limit or qualify their liability. Nor is there any evidence that the indorsement was not made at the inception of the instrument, and before its delivery to the payee. This certificate being a negotiable instrument, the equivalent of a promissory note, the decisions above are applicable to it. The evidence tends to show that this indorsement in blank was made before the certificate was delivered to the payee thereof, and, there having been nothing (so far as the record shows) done or said at the time it was made to limit or qualify it, the appellees are, according to the showing in the case, to be considered as original promissors, and not as indorsers entitled to demand and notice.

Judgment reversed, and cause remanded for a new trial.

GIVING CREDIT AS DEPOSIT—EFFECT AS PAYMENT.

Supreme Court of Nebraska, Jan. 3, 1898.

BARTLEY *vs.* STATE.

The giving of credit as a deposit for the amount of a check, by the bank upon which it is drawn, is, in contemplation of law, a payment of the check in money to the same extent as though the currency had been paid over the counter on the check, and immediately redeposited by the payee.

The defendant was convicted of the embezzlement of moneys belonging to the State while he was the Treasurer thereof.

NORVAL, *J.* (omitting part of the opinion): As already stated, the accused was convicted of embezzling a certain sum of public money.

Section 124 of the Criminal Code, under the provisions whereof this prosecution was instituted, expurgating all words that are not essential to the present inquiry, provides that "if any officer * * * shall convert to his own use * * * any portion of the public money, or any other funds, property, bonds, securities, assets, or effects of any kind, received, controlled, or held by him for safe keeping, transfer or disbursement, * * * every such act shall be received and held in law to be an embezzlement of so much of said moneys or other property, as aforesaid, as shall be thus converted, used," etc.

At the bar, as well as in the briefs of counsel, the proposition was argued with marked ability whether or not the word "money," as employed in said section, is a generic or specific term. For the purposes of this case, we shall assume that the construction of the statute contended for by the defendant is the proper one, namely, that the term "money" was used by the Legislature in a specific sense.

In other words, it means legal-tender coin, and also paper issued by the Govern ment, or by banks by lawful authority, and intended to pass and circulate as money. It is insisted on behalf of the accused that, under the foregoing definition, he did not embezzle money—actual coin or currency—belonging to the State. It is true the State had no specific coins or currency in the possession of the Omaha National Bank, as it had made no special deposit of money in said bank. The State, at the time of the delivery of the check in question to the bank, had on deposit therein, under the depository law, money in excess of the amount found by the jury to have been embezzled, which constituted the bank the debtor of the State to that amount. (*State* vs. *Bartley*, 39 Neb. 353; *In re State Treasurer's Settlement*, 51 Neb. 116.)

It was conceded on the argument by counsel for the accused that, if the latter had drawn from the depository bank the actual cash, and then redeemed the warrant therewith, proof thereof would be sufficient to sustain the charge of embezzlement of money.

As we view it, the legal effect of the transaction, as it actually occurred, is not materially different. The defendant, as State Treasurer, drew his check upon the Omaha National Bank for $201,884.05, payable to the order of the President thereof, and delivered the same to the payee, which, in connection with the acceptance of the check by the bank, the entry of the transaction upon the books thereof, and the surrender of the warrant to the defendant, constituted a segregation or separation of the amount of dollars expressed in the check from the general mass of money in the bank as the portion belonging to the State, and passed the title to the latter. In contemplation of the parties, and in the eye of the law, the segregation was as full and complete as though Mr. Millard, the President of the bank, upon the delivery of the check to him, had stepped into the vault, counted out $201,884.05, placed it upon the counter, charged the State with that amount on the bank books, credited the Chemical National Bank with a like sum, delivered the warrant to the defendant, and then returned the money to the vault from whence it came; or as if the check had been made payable to the defendant's own order, by himself presented to the paying teller at the bank for payment, who selected from the mass of money in the bank the sum represented by the check, placed the same in a pile on the counter, and then, by direction of the defendant, applied the same in payment of the warrant.

To constitute embezzlement, it was not necessary that the defendant himself should have acquired the physical or manual possession of the money. He, by his check, authorized and directed the bank to pay the money called for therein to "J. H. Millard, Pt." The bank was thereby empowered to select and transfer the money to the payee, which, in contemplation of law, it did, although there was no actual handling of a dollar in the entire transaction.

In the language of Morse, Banks, § 451: "A credit given for the amount of a check by the bank upon which it is drawn is equivalent to, and will be treated as, a payment of the check. It is the same as if the money had been paid over the counter on the check, and then immediately paid back again to the account or for the use for which the credit is given." (See *Oddie* vs. *Bank*, 45 N. Y. 735.)

DEPOSITS MADE WHEN BANK INSOLVENT—WHEN SAME MAY BE RECOVERED.

Supreme Court of Nebraska, December 9, 1897.

HIGGINS *vs.* HAYDEN.

Where a bank remains open, and holds itself out as ready to transact business, this is an implied representation of solvency, and for its officers to then receive a deposit knowing it to be hopelessly insolvent, is a fraud.

The depositor under such circumstances may rescind the contract of deposit, and recover back the thing deposited, while it or its proceeds may be distinguished in specie, and before they have become commingled with the general assets of the bank.

IRWIN, *C.:* The plaintiff, Higgins, was a customer and depositor of the Capitol National Bank of Lincoln, and on the morning of January 19, 1893, drew a bill of exchange on George Burke & Frazier, of South Omaha, for $2,000, to the order of the bank, and tendered it to the teller, saying that he had checks outstanding which would overdraw his account, and that he desired credit for the draft. The teller referred him to the President of the bank, who at first hesitated to allow credit for the draft, but on plaintiff's informing him of the outstanding checks, agreed to do so, saying: "Well, we will give you credit for it, but if Burke & Frazier don't pay it you will be overdrawn just the same. We will take care of your checks." Thereupon a deposit slip was made out. which with the draft, was handed to the teller, who then gave plaintiff credit on his pass book for $2,000. Plaintiff's account was that morning overdrawn $5.15. Plaintiff, on obtaining the credit, drew a check for $10, which was cashed, and during the day a check, previously drawn, for $1.000, was presented and paid,—all against the credit obtained by the draft. The bank was at the time irretrievably insolvent, and its President knew that fact. It remained open and transacted business until the afternoon of January 21, but did not open thereafter, and was soon placed in the custody of a Receiver. On January 20 and 21 there were certain small deposits and checks by the plaintiff, the net effect of which was to leave the bank indebted to the plaintiff at the time of its failure in the sum of $998.20.

The bank, on receiving the draft, had immediately sent it to the South Omaha National Bank, its correspondent. It was accepted, and on January 21 paid to the South Omaha bank, and its amount was then credited by the South Omaha bank to the Lincoln bank. On the failure of the Lincoln bank the plaintiff undertook to arrest the proceeds of the draft, to the extent of the Lincoln bank's debt to him, in the hands of the South Omaha bank. This sum was held by the South Omaha bank for some months, and was finally paid to the Receiver under some arrangement whereby it was held by him to await the result of this case, which was then begun by the plaintiff against the Receiver to charge a trust upon the fund. The finding and judgment of the district court were in favor of the plaintiff, and the Receiver appeals.

The case was presented upon the principal theory that the draft had been intrusted to the Lincoln bank merely for collection, and that it remained the plaintiff's property, subject only to a lien in favor of the bank for the sums advanced on the faith thereof.

We think the proof failed to support this theory. The evidence shows without contradiction, that the plaintiff had drawn checks to the amount of more than $1,000 against an already overdrawn account, and that he realized the necessity of securing a credit at the bank which would protect them. The bank received the draft with the distinct understanding that a credit was to be given which had already been drawn against, it paid outstanding checks in pursuance of that understanding, and cashed a check drawn contemporaneously with the deposit.

The conduct of the parties is entirely inconsistent with the theory of a bailment for collection. It establishes, as clearly as evidence could, that the draft was drawn for the benefit of the bank, and in consideration of an immediate credit of its face value. The petition, however, contained averments of the bank's insolvency, and of its President's knowledge thereof, and that the draft had been procured through the President's fraudulent concealment of the bank's condition, and relief was asked also on that ground.

Appellant urges that the latter theory is inconsistent with that already discussed, and that the plaintiff cannot be heard to urge it in connection therewith. We do not think that the two theories are inconsistent. One may, with perfect consistency, say, "You obtained my property as bailee for a special purpose, and you shall not claim it for your own;" and at the same time say, "You obtained possession of my property by fraud, and, whether it was by bailment or sale, I wish to rescind the contract and recover the property."

The bill in the case of *Railway Co.* vs. *Johnston* (133 U. S. 566), was framed in a very similar manner. The circuit court held that the two theories were inconsistent (27 Fed. 243), but the Supreme Court of the United States reversed the decree of the circuit court, and granted relief on both grounds, holding that the pleading was regular.

Where a bank remains open, holding itself out as ready to transact business, this is an implied representation of solvency, and for it to receive a deposit when its insolvency is known to its officers is a fraud upon the depositor (*Railway Co.* vs. *Johnston, supra; Craige* vs. *Hadley*, 99 N. Y. 131; *Anon.* 67 N. Y. 598; *American Trust & Savings Bank* vs. *Gueder & Paeschke Manf'g Co.* 150 Ill. 336; *Peck* vs. *Bank*, 43 Fed. 357; *Wasson* vs. *Hawkins*, 59 Fed. 233).

The depositor may, therefore, at his election, rescind the contract of deposit, and recover back the money or property, but he must do so before the deposit has become commingled with the general assets of the bank; *Wilson* vs. *Coburn* (38 Neb. 530).

CLAIMS AGAINST INSOLVENT BANK—ACCEPTANCE OF DIVIDENDS.

Supreme Court of Illinois, Nov. 8, 1897.

CHEMICAL NATIONAL BANK OF CHICAGO *vs.* WORLD'S COLUMBIAN EXPOSITION.

The acceptance of dividends upon a claim against an insolvent National bank as allowed by the Comptroller of the Currency does not estop the bank from afterwards maintaining an action against such bank upon a claim not covered by such allowance of the Comptroller.

This was an action by the World's Columbian Exposition against the Chemical National Bank of Chicago, by which the plaintiff sought to recover a balance alleged to be due under a contract with the bank by which the bank agreed to pay a certain sum for the exclusive privilege of maintaining a bank upon the exposition grounds; also the amount of five hundred dollars deposited in the name of the plaintiff's paymaster, and also one thousand dollars upon a check drawn by a depositor.

The Supreme Court adopted the opinion of the court below, in which in respect to this part of the case it was said:

The defendant insisted that the plaintiff was not entitled to recover—First, because by its acceptance of dividends on the claim, as allowed before the commencement of its suit, plaintiff had estopped itself from asserting any further claim against the defendant, or insisting that the action of the Comptroller was erroneous; second, because the amount of its claims as allowed, and upon which it had received dividends, was all the plaintiff was legally entitled to.

The first proposition, presenting, concededly, a new question, claims serious consideration. Section 5234 of the Revised Statutes of the United States provides for the appointment, by the Comptroller of the Currency, of a Receiver for an insolvent National bank. Section 5235 provides for the giving of notice, by the Comptroller, by advertisement to creditors to present their claims. Section 5236 is as follows: "From time to time, after full provision has first been made for refunding to the United States any deficiency in redeeming the notes of such association, the Comptroller shall make a ratable dividend of the money so paid over to him by such Receiver on all such claims as may have been proved to his satisfaction or adjudicated in a court of competent jurisdiction, and, as the proceeds of the assets of such association are paid over to him; shall make further dividends on all claims previously proved or adjudicated; and the remainder of the proceeds, if any, shall be paid over to the shareholders of such association or their legal representatives in proportion to the stock by them respectively held." It has been held that under this section the creditor was at liberty to present his claim to the Comptroller for allowance, and that, in case the Comptroller refused to allow the claim, the creditor might bring suit thereon against the banking association in any court of competent jurisdiction. (*Bank of Bethel* vs. *Pahquioque Bank*, 14 Wall. 383.)

An attempt was made in the same case to procure a holding by the court that the remedy given by that section of the statute, for proving claims before the Comptroller of the Currency, excluded all other remedies. But the court refused to sustain the proposition in that behalf, on the ground that, under the provisions of the section quoted, it was as much the duty of the Comptroller to make dividends upon claims that had been adjudicated in a court of competent jurisdiction as upon such as had been proved before him to his satisfaction, and denied that the adjudicated claims referred to in the Act were only such as had been adjudicated prior to the appointment of a Receiver, and accordingly held that "claims presented by creditors may be proved before the Receiver, or they may be put in suit in any court of competent jurisdiction, as a means of establishing their validity, and to determine the amount owed by the association."

But that decision, it will be seen, does not meet the exact case presented by the proposition of the plaintiff in error—that, by the acceptance of dividends on a claim allowed by the Comptroller, an estoppel arose against asserting the claim against the insolvent association for an amount in addition to what had been allowed by the Comptroller.

Looking at the stipulated facts, we see that, at the date of the suspension of the bank, the defendant in error was a depositor therein to the extent of $29,343, deposited in its own name, and of $500 deposited in the name of its paymaster. Subsequently it became the holder of a check for $1,000, drawn in its favor by one Wilcoxen, who was also a depositor in the bank to an amount in excess of the amount of the check. Defendant in error was therefore a creditor of the bank to the amount of $30,843, for funds on deposit when the bank failed, and was such creditor when it made presentation of its claim for allowance. Against the claim as presented, the bank urged its counterclaim for a part of the $6,000 it had paid on account of the concession it had received to occupy a banking office and do a banking business within the exposition grounds. Failing to come to an agreement as to such counterclaim, the Comptroller allowed the claim of defendant in error for an amount equaling the $29,343 on deposit in its name, less the whole $6,000 which had been paid by the bank on account of the concession, *viz.*, for $23,343, and overlooked or ignored the items of $500, on deposit in the name or the paymaster of defendant in error, and of $1,000, for which it held the check of Wilcoxen. The Exposition was therefore subjected to a clear deprivation of $1,500, growing out of transactions entirely independent of and separate from its claims as a separate depositor in its own name, and was deprived of the $6,000 which had been paid to it by the bank on account of rent and the concession; and it was for these sums that the defendant in error sued, and obtained the adjudication in its favor that is brought up for review.

Whatever the rule may be concerning the binding effect upon one of an election made by him to accept the benefit of a judgment or award in his favor upon an entire claim asserted by him, evidenced by his acceptance of subsequent dividends thereon, or of payment thereof, still we must regard the suit or claim for this $7,500 as being so far separable from and independent of the claim of defendant in error, as a general depositor of the bank, as to permit a recovery in the suit, notwithstanding, either before or pending such suit, dividends upon the claim as allowed by the Comptroller were received.

A fair construction, also, of the letter of the Comptroller of February 5, 1894, to the attorney of the defendant in error, in which he says that he is of the opinion that, if the Receiver could effect a compromise and adjustment of the controversy by deducting $2,100, he would be justified in so doing, and adds: "If, however, this cannot be done, the proper course for him to pursue will be for him to deduct from the claim the entire $6,000 paid by the bank to the Exposition, and allow it for the balance of $23,343, leaving to the Exposition, if dissatisfied, to adopt such a course as it may see fit for the determination of the rights of the parties by a court of competent jurisdiction"—coupled with the action taken by defendant in error in accepting the course indicated by the Comptroller, seems to be very close to a stipulation that defendant in error should abide by the decision of the Comptroller to the extent of $23,343, and sue for the rest, if dissatisfied; and it is conceded by counsel for plaintiff in error that it would be competent to make such a stipulation.

But we do not regard it to be necessary to hold that a stipulation to such effect was made. It is enough that the matters involved in the suit do not appear to have been passed upon by the Comptroller in making the allowance ordered by him. He simply ordered that everything in dispute should be thrown out of consideration, leaving all such disputes to be settled by suit. Under such circumstances, we do not regard the defendant in error as being estopped by anything it has done from the recovery it secured.

The case of *Bank* vs. *Armstrong* (8 C. C. A. 155, 59 Fed. 372) decided by the Circuit Court of Appeals for the Sixth Federal Circuit, and *White* vs. *Knox* (111 U. S. 784), are cases which, though not in precise point, appear, by analogy, to establish that estoppel will not operate in a case like the present one, but we take time only to refer to them.

BANKING FIRM—LIABILITY OF PARTNER FOR BAD INVESTMENTS.

Supreme Court of Iowa, Dec. 18, 1897.

EXCHANGE BANK OF LEON, *et al.*, *vs.* GARDNER.

It is the duty of a partner in a banking business, to whom is left the active management of the business, to act in good faith and with entire honesty in transacting all the business of the bank, and to exercise as high a degree of care and skill as is generally exercised by business men in the management of such business; but he is not liable for honest errors in judgment, nor for the failure to take the utmost precaution possible in making investments for the bank.

This was an action by some of the partners composing a firm doing a banking business under the name of the Exchange Bank of Leon against their co-partner, C. E. Gardner, to recover damages for bad investments made by him.

ROBINSON, *J.* (omitting part of the opinion): It must be admitted that Gardner did not exercise the highest degree of care and diligence which was possible in purchasing the notes in controversy; and the question we are required to determine is whether, in view of the facts disclosed by the record, his failure to exercise greater care and diligence than he did makes him liable for the loss which followed the investments. There is no evidence whatever that he acted in bad faith, nor do we think that he exceeded his authority in purchasing Kansas City paper.

Money of the bank was invested in Chicago, and a little later investments were made in Sioux City and Minneapolis paper. It is not at all probable that all of those investments were made without the knowledge of the President of the bank; and, even if not known at the time they were made, they were certainly known within a short time thereafter, and we are satisfied that Gardner's authority to make them was not then questioned. That he was making an honest effort to invest properly a portion of the idle money of the bank is clearly shown, and that no question in regard to the Kansas City investments was made until after the Winner failure is, we think, also established.

It was the duty of Gardner to act in good faith and with entire honesty in transacting all the business of the bank, and to exercise as high a degree of care and skill as is generally exercised by business men in the management of such business. (*Bank* vs. *Johnston*, 94 Iowa, 220.) But he was not liable for honest errors in judgment, nor for the failure to take the utmost precaution possible in making investments for the bank. (See *Charlton* vs. *Sloan*, 76 Iowa, 288, 303; *Knapp* vs. *Edwards*, 57 Wis. 196.)

Applying these rules, we conclude that he was not so negligent in the transactions in question as to be liable for the resulting losses. This conclusion makes it unnecessary to determine questions in regard to ratification and waiver discussed in the arguments of counsel. The judgment of the district court appears to be sustained by the evidence, and is affirmed.

COLLECTIONS—LIABILITY OF BANK FOR LOSS OF PAPERS—AUTHORITY OF CASHIER—DAMAGES.

Supreme Court of Alabama, Jan. 6, 1898.

FIRST NATIONAL BANK OF BIRMINGHAM *vs.* FIRST NATIONAL BANK OF NEWPORT, KY.

Where a bank receives land certificates with directions to deliver them to a certain person upon payment of a specified sum of money, it must exercise the same care in keeping them that is required in the case of a note received for collection or the collaterals accompanying such note.

The bank, in such case, is not a gratuitous bailee, and is required to exercise ordinary care in keeping and preserving such certificates.

The power of a Cashier to receive paper for collection is inherent in his office, and he requires no special authorization from the directors for this purpose.

The loss of paper by a bank, to which it has been sent for collection, carries with it the presumption of negligence and want of care, and the burden of proof to rebut the presumption is on the bank.

Where collaterals are lost by a bank the owner of the paper may recover as damages the amount of their value as a security not exceeding the amount of the debt secured, if they can not be substituted, and if they are capable of being substituted or restored, the expense of procuring such substitution, not exceeding their value as a security.

BRICKELL, *C. J.*: One J. S. Carr, being indebted to the First National Bank of Newport, Ky., appellee in the sum of $10,000, for which he had given his note, delivered to said bank as collateral security twenty transfers of Texas land certificates, each of which entitled the holder to a section of land in Texas, to be selected and located according to the laws of that State.

On August 12, 1887, appellee sent these transfers to the First National Bank of Birmingham, appellant, together with the following letter of instructions:

"E. W. Linn, Cashier, Birmingham, Ala.—Dear Sir: Inclosed find our collection transfers for twenty sections Texas lands, which are to be delivered to J. S. Carr on payment of $540 each. Please report by numbers."

To this it received, on August 15th, the following reply on a postal card:

"Dear Sir: Your favor of the 12th instant is received, with stated inclosure. E. W. Linn, Cashier."

The name of the Cashier was printed on this card, and all the writing thereon was that of a clerk named Tarver, who had charge of the collection department of appellant, and was under the direct supervision and control of the Cashier. The card was one of a number of printed forms used by appellant at the time to acknowledge the receipt of papers sent to it. While these transfers were in the possession of the appellant, they were lost, but how, or under what circumstances, is not shown either by the averments of the complaint or by the evidence; and this action was instituted by the appellee to recover damages for the failure of appellant to return the transfers on demand made.

* * * * * * * * * * *

The objection to the first count of the complaint specified in the demurrer is that the facts alleged show defendant to have been a mere gratuitous bailee of the transfers, and the count avers a failure to exercise a higher degree of diligence than the law imposes on one who has accepted a gratuitous bailment. But we are of opinion that the transaction created something more than a special deposit, and that the bailment must be treated, not as a naked, gratuitous baliment, but as one undertaken for a reward and compensation, whether or not any compensation was in fact directly paid or expected to be paid.

It clearly appears from the averments that the transfers were held by plaintiff as collateral security fot a debt due from Carr, and were sent to defendant for collection, the instructions being to deliver them to Carr upon the payment by him of $540 for each transfer. The duty of defendant, therefore, with respect to the care to be exercised in keeping them, was the same as that which the law exacts on the part of a bank which has received a note, or collaterals accompanying a note, for collection.

The taking of paper for collection is a regular and customary part of the banking business, to engage in which requires no special authorization in the bank charter, and the making of collections by a bank is no more a gratuitous undertaking than the transaction of any other part of its business. Whether any charge is made for the collection or not in a particular case, it is well settled that the indirect profit and benefit derived by the bank from the use of the money collected for the time it may be left in its hands, the advantage of settling its account with distant banks without being compelled to send money to and fro between them, and the development and extension of its business by serving the convenience of its customers, constitute a sufficient and valuable consideration for the undertaking to collect paper left with it for that purpose. (1 Morse, Banks, § 215; *Exchange Nat. Bank* vs. *Third Nat. Bank*, 112 U. S. 288; *Bank* vs. *Goodman*, 109 Pa. St. 426; *Bank* vs. *Butler*, 41 Ohio St. 519; *Mechanics' Bank* vs. *Merchants' Bank*, 6 Metc. [Mass.] 18; *Smedes* vs. *Bank*, 20 Johns, 882; 8 Am. & Eng. Enc. Law, 2d Ed. 802.)

The same consideration will support the implied contract of bailment with respect to the papers sent for collection, and collaterals accompanying it, and prevent the bank from availing itself of the defense that it undertook the care of the same as a mere gratuitous favor. We do not doubt that the contract implied from the receipt of the transfer for collection by the defendant was that of a lucrative, and not a gratuitous, bailment.

The duty of the defendant, therefore, was to exercise ordinary care in the keeping and preservation of the transfers until redeemed by Carr, and the restoration of them to the plaintiff on demand, in the event they should not be so redeemed, and for ordinary neglect in the performance of this duty defendant would be liable. No higher degree of care than this is charged in the connt by the use of the words "due diligence." (*Prince* vs. *State Fair*, 106 Ala. 344; *Seals* vs. *Edmondson*, 71 Ala. 514; *Higman* vs. *Camody*, Ala. 20 South. 482; *Chicopee Bank* vs. *Philadelphia Bank*, 8 Wall. 641; *Preston* vs. *Prather*, 137 U. S. 607; *Ouderdirk* vs. *Bank*, 119 N. Y. 263; *Gray* vs. *Merriam*, 148 Ill. 179, 32 Lawy. Rep. Ann. 769, notes; *Foster* vs. *Bank*, 17 Mass. 479.) The demurrer to the first count was properly overruled.

The Cashier of a bank is its general executive officer, whose office is to manage all the affairs of the corporation not peculiarly committed to the directors. By his induction into the office he is held out to the world as having authority to act according to the general usage, practice and course of business of banking institutions, and any act of his within the scope of the usage, practice and course of business of such institutions will, therefore, bind the corporation in favor of third persons who did not know that he was acting beyond the scope of the express authority conferred upon him by his principal.

The public at large usually have no other knowledge of the powers of the Cashier of a particular bank than such as is derived from the usage and practice of banks in general; and, even though his power may be expressly limited by the directors, such limitation will not affect those to whom it is unknown, if the transaction was one within the scope of the ordinary course of business of banking institutions. (1 Morse, Banks, § 171, d; *Case* vs. *Bank*, 100 U. S. 454; *Merchants' Bank* vs. *State Bank*, 10 Wall. 650; *Lloyd* vs. *Bank*, 15 Pa. St. 172.)

Not only do banks organized to do a general banking business have the power and authority to receive paper for collection, but it is a matter of common, and, therefore, of judicial knowledge, that it is their general usage and practice to engage in this branch of business, and this power necessarily carries with it authority to receive collaterals accompanying, and given to secure the payment of, such paper, to be delivered to the debtor when he takes up the paper.

The power of the Cashier to receive paper for such purposes is inherent in his office, and requires no special authorization from the directors, and the receipt by him of such papers is clearly within the scope of his authority, and, therefore, binding on the bank. It follows that if one, relying on the general usage and custom of banks, and having no knowledge or notice of any limitation upon the authority of the Cashier of a particular bank, known to be engaged in doing a general banking business, should deliver to such Cashier, at his regular place of business, a note or bill for collection, together with collaterals given to secure said note or bill, the bank could not afterwards claim that the act of a Cashier in receiving the same was his individual act, and not that of the bank.

It does not appear from the complaint that the note evidencing the indebtedness of Carr to the plaintiff was sent to the defendant with said transfers, nor, indeed, that there was such a note, but the complaint does not allege that the transfers were the property of Carr, that they were transferable by indorsement, and had been indorsed to plaintiff as collateral security, and were sent to defendant for collection. These facts appear on the transfers themselves, and it is alleged that the plaintiff had indorsed them.

Prima facie, therefore, the transaction was not the same as that arising from the sending of a deed to a bank to be delivered to the grantee upon the payment of the purchase money; but, on the contrary, the facts appearing on the transfers, in the absence of any indorsement by the plaintiff, must have suggested to the defendant that they were held by the plaintiff as collateral security.

Hence we are of the opinion it may be declared as a matter of law that the receipt, for collection, by a bank engaged in transacting a general banking business, of papers transferable by indorsement, which, although not of themselves evidence of an indebtedness, show by the indorsements thereon that the person sending them must hold them as collateral security for an indebtedness, and which are, in fact, held as such collateral security, is within the usage, custom and ordinary course of business of banking institutions, and, therefore, that the act of receiving such papers by the Cashier of such bank is within the scope of his authority, and not his individual act, but that of the bank, in the absence of any knowledge or notice on the part of the sender or any express limitation on the authority of the Cashier with respect to the charter of the papers which he may receive for collection.

* * * * * * * * * * *

The case was tried by the court without a jury, and the judgment of the court is assigned as error. It is insisted by counsel for appellant that the evidence fails to show that the transfers were received by the Cashier, but we are of the opinion that the evidence on this point was sufficient to justify the conclusion that they were so received. It shows that they were sent directed to the Cashier of the bank; that three days thereafter a postal card, acknowledging their receipt, and purporting to come from the Cashier, was received by plaintiff; that this postal card was one of a number of printed forms used by defendant to acknowledge the receipt of papers sent to it; that the writing on the card was that of a clerk who had charge of the collection department under the direction and control of the Cashier, and that the name of the Cashier was printed thereon instead of written by the Cashier himself.

In the absence of any evidence tending to show that the Cashier did not receive the transfers, it must be presumed from the facts shown that the package reached the Cashier, to whom it was directed, and that he had knowledge of its receipt. The impossibility of more direct proof on the part of the plaintiff justifies the presumption. It was not necessary in this action to prove, with the particularity required to show title to land, the execution and contents of the transfers, and it was competent for the witnesses to call the papers "transfers," without describing their contents or proving their execution. The execution and contents of the transfers were not in issue. Plaintiff deposited with defendant what purported to be transfers of Texas land certificates, and these it was entitled to have restored to it, and defendant was liable to respond in damages for failing to restore them, whether they were or not, in fact, such transfers, or duly executed as such.

The damages claimed are not the value of the transfers, but the expenses incurred in substituting them, not exceeding their value as a security. It is shown that each "called for" one section—640 acres—of Texas land, and that they were afterwards substituted, partly by litigation and partly by the voluntary act of the only person who could substitute them, and the land called for procured upon the substitutes.

We think this evidence, however slight, was sufficient, under the circumstances, to show that the value of the transfers as a security was equal to the damages legally proven. The defendant offered no evidence on the trial of the case, and the testimony of the plaintiff showed only that the transfers had been lost, or had disappeared, but how, or under what circumstances, whether they had been mislaid, or stolen, or destroyed, or inadvertently delivered to the wrong person, does not appear.

The presumption is conclusive, therefore, that the defendant failed to exercise that degree of care in keeping them which the law imposed on it. The loss of paper by a bank, to which it had been sent for collection, carries with it the presumption of negligence and want of care, and the burden of proof to rebut the presumption is on the bank. (*Chicopee Bank* vs. *Philadelphia Bank*, 8 Wall. 641.) And it is a general rule that in an action against a bailee for the failure to redeliver the property bailed, if the proof shows such failure, *prima facie* negligence will be imputed to the bailee; and, if the testimony of the plaintiff shows only that the property was lost, the burden of showing the circumstances of the loss is devolved on the defendant, and, unless the evidence shows due care by him according to the nature of the bailment and the property bailed, he will be held responsible for the breach of his contract to redeliver the property. (*Prince* vs. *State Fair*, 106 Ala. 346; *Seals* vs. *Edmondson*, 71 Ala. 512; *Ouderdirk* vs. *Bank*, 119 N. Y. 263; *Pattison* vs. *Bank*, 80 N. Y. 82; *Bank* vs. *Zent*, 39 Ohio St. 105; *Bank* vs. *Graham*, 85 Pa. St. 91.)

Under the testimony, therefore, plaintiff was clearly entitled to a judgment, and the final question presented is the correctness of the court's finding as to the amount of damages awarded. One of the well-recognized methods of raising an objection to illegal damages claimed in a complaint is by objecting to the evidence offered to prove such damages. (*Kennon* vs. *Telegraph Co.*, 92 Ala. 402.)

This method defendant availed itself of by objecting to the evidence tending to prove the various items of expense incurred by plaintiff in prosecuting the suits to procure substitutes for the lost transfers. It is insisted by counsel for appellant that the expenses thus incurred, and which were allowed by the court as a part of the damages awarded, could not have been within the contemplation of the parties at the time the transfers were delivered to defendant, and that the claim for such damages is based on circumstances that were special and exceptional, and not suggested, nor likely to be suggested, by the appearance of the transfers; and therefore such damages were not the natural and proximate result of the breach of the contract. But the measure of the recovery is not varied by the fact that the parties did not have in view, as the result of the breach of the contract, the necessity of instituting legal proceedings to establish and substitute the lost transfers. The law, and not the contemplation of the parties, fixes the measure of damages. (*Collins* vs. *Stephens*, 58 Ala. 545.) And the rule of law is that the damages recoverable for the breach of a contract must be the natural and proximate consequences of the breach, such as would result in the usual course of things, as distinguished from accidental or collateral injury, or from such as would spring out of special circumstances not usually attendant upon such transactions. (*Daughtery* vs. *Telegraph Co.* 75 Ala. 170; *Collins* vs. *Stephens*, *supra*.)

The circumstances from which plaintiff's claim for damages arises are not special or exceptional, but, on the contrary, are such as the parties must have had in contemplation if they had contemplated any breach of the contract, and the probable consequences thereof. The natural and proximate damages resulting to plaintiff from the loss of the transfers was the amount of their value as a security, not exceeding the amount of the debt secured, if they could not be substituted; and, if they were capable of being substituted or restored, the amount of the expense of procuring such substitution, not exceeding their value as a security. Such expenses, we do not hesitate to say, were recoverable in this action.

DISCOUNT—MEANING OF TERM.

Court of Appeals of Kentucky, Oct. 19, 1897.

EASTIN, *et al.*, *vs.* THIRD NATIONAL BANK OF CINCINNATI.

Where a bank to which a note is presented retains the interest, and credits the balance to the credit of its customer, this is a discounting of the note within the meaning of a bank charter which places notes "discounted" by the bank on the footing of foreign bills of exchange.

PAYNTER, *J.:* The appellants, T. H. Eastin and L. D. Wilson, presented for discount at the New Farmers' Bank at Mt. Sterling, Ky., their promissory note for $3,000, negotiable and payable at that bank, and to it or its order, six months after date. The bank accepted the note, and deducted and retained $120, which was equivalent to eight per cent. on $3,000 for six months, and placed to the credit of Wilson $2,880. Before the maturity of the note the New Farmers' Bank assigned it to the Third National Bank of Cincinnati, Ohio. Before the note matured the New Farmers' Bank assigned for the benefit of its creditors.

The note was duly protested for non-payment. Between the time the note was executed and the suspension of the New Farmers' Bank, Wilson deposited to his credit in that bank $1,689.72, and that sum was on deposit when the bank assigned. The appellants seek to have this sum credited on the note.

There was an amendment to the charter of the New Farmers' Bank (1 Acts 1889–90, p. 262), and one of its provisions is as follows:

"All promissory notes and bills of exchange made payable and negotiable at its office or banking house, or any bank incorporated under any law of the Commonwealth, or organized in this Commonwealth under any of the laws of the United States, when discounted by this corporation, shall be, and are hereby, put upon the footing of foreign bills of exchange, and like remedy may be had thereon, jointly and severally, against the makers, drawers and endorsers."

The note was negotiable and payable at the New Farmers' Bank, and, in our opinion, was discounted by that bank. If it was so discounted and placed upon the footing of a foreign bill of exchange, then the appellants were not entitled to have offset against the note in the hands of the Third National Bank of Cincinnati the sum mentioned. The note having been discounted at the New Farmers' Bank, and thus placed upon the footing of a foreign bill of exchange, that character and quality continued in the hands of the appellee, the Third National Bank of Cincinnati, Ohio.

It is contended the facts do not show the note was discounted. So the case turns upon what is meant by discount. The bank deducted the $120 as interest from the amount lent at the time the loan was made; in other words, took the interest in advance at the rate of eight per cent. for six months. In Bouvier's Law Dictionary "discount" is defined to be "interest reserved from the amount lent at the time of making a loan." The Century Dictionary defines "discount" infinance: "To purchase or pay the amount in cash less a certain per cent., as a promissory note, bill of exchange, etc., to be collected by the discounter or purchaser at maturity. * * * Bank discount is simple interest paid in advance, and received, not on the sum advanced in the purchase, but on the amount of the note or bill."

Counsel for appellants cites *Fleckner* vs. *Bank* (8 Wheat. 338) to sustain his position, but we are of the opinion that it sustains the opposing view. The court said: "What is it to discount? Has it not a right to take an evidence of the debt which arises from the loan? If it is to discount, must there not be some chose in action, or written evidence of a debt, payable at a future time, which is to be the subject of the discount? Nothing can be clearer than that by the language of the commercial world, and the settled practice of banks, a discount by a bank means, *ex vi termini*, a deduction or drawback made upon its advances. or loans of money, upon negotiable paper or other evidences of debt, payable at a future day, which are transferred to the bank."

We think when the appellants presented the note to the New Farmers' Bank, and the bank retained the interest and credited Wilson with the balance of the note, that the bank discounted it. We agree with counsel that, when a corporation claims privileges and rights conferred upon it by reference to charter of another corporation, it should be construed strictly against the corporation. where the rights of others are affected. In case there is a doubt as to the rights and powers conferred, such doubt should be resolved in favor of those against whom the corporation is asserting claim under its charter; but in this case no doubt can exist as to what rights and privileges were conferred by the amendment of the charter of the New Farmers' Bank, hence the rule invoked is not applicable to the case.

The judgment is affirmed.

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

A reasonable charge is made for Special Replies asked for by correspondents—to be sent promptly by mail. See advertisement in back part of this number.

Editor Bankers' Magazine: LAKEVILLE, N. Y., Feb. 8, 1898.

SIR:—If a check is protested for lack of funds and afterwards presented when there is sufficient balance to pay, is the bank on which it is drawn warranted in paying without instructions from the drawer? If so, may it include the protest fees and other charges?

CASHIER.

Answer.—Until the payment is countermanded, the bank has the right to regard the check as an authority to pay whenever there are funds of the drawer on hand sufficient for that purpose. This is the common practice of banks, and its correctness has never been questioned so far as we know. But the bank is not authorized to pay more than the sum named in the check. It has no authority to pay the protest fees and other charges. For no matter what may be the liability of the drawer to the holder, the bank has nothing to do but comply with the directions of its customer, and it is not required or authorized to look beyond the terms of the check itself.

Editor Bankers' Magazine: DETROIT, Mich., Feb. 11, 1898.

SIR:—A note is left with us for collection, which through some unaccountable clerical error is drawn payable "on February 30, 1898." When is it due, and can it be legally protested for non-payment? It is payable in a State where there is no grace. Are there any decisions bearing on this point?

E. C. BOWMAN, *Cashier.*

Answer.—It has been held that if a note is dated on an impossible date, such as the 31st of September, the law will adopt the nearest day and the computation of time will be from the 30th of September. (*Wagner* vs. *Kenner*, 2 Rob. La. 120; Daniel on Negotiable Instruments, Sec. 625.) Upon a similar principle, we think that in the case mentioned in the inquiry, the last day of February would be deemed the date of maturity, and hence that it could be properly protested for non-payment on that date.

Editor Bankers' Magazine: JACKSONVILLE, Fla., Feb. 4, 1898.

SIR:—Can you advise me what, if any, final decisions there have been of late touching the duty of banks relative to the payment of checks drawn by a customer prior to his death, and presented subsequent to his death. Please state in brief what the decisions have been; also if the decisions are in line with the custom banks usually follow.

ARTHUR F. PERRY, *Treasurer.*

Answer.—This question has never been authoritatively decided. In a note to one of the sections of the Negotiable Instruments Law (Sec. 186 in the Florida Act, Sec. 322 in the New York Act) the draftsman of that statute says: "It is not clear whether the death of the drawer revokes the authority of the bank to pay a check. There is no decision directly in point, and the views of the text writers differ. To meet the difficulty, the original draft of the Negotiable Instruments Law submitted to the commissioners contained a provision (which was taken from the statute of Massachusetts) as follows: "The death of the drawer does not operate as a revocation of the authority to pay a check, if the check is presented for payment within ten days from the date thereof." But it was thought by the conference of commissioners that this would be objected to in some of the States because of the effect it might have on the estates of decedents." (Crawford's Negotiable Instruments Law, 113–114.) We do not know of any uniform practice of banks in this regard.

Editor Bankers' Magazine: SYRACUSE, N. Y., Feb. 8, 1898.

SIR:—A check, similar in date and day of payment to the following, was protested for non-payment on the 5th inst:

"Syracuse, Feb. 1, 1898. York Banking Company, pay to John Doe or bearer, one hundred dollars ($100). Due and payable Feb. 5, 1898. Richard Roe."

Drawer claims it was not due until the 7th inst. Under the laws of this State which is right?

F. M. BONTA, *Cashier.*

Answer.—We think the drawer is right. The 5th of February fell on Saturday, and the Negotiable Instruments Law (section 145) provides that "Instruments falling due on Saturday are to be presented for payment on the next succeeding business day, except that instruments *payable on demand*, may, at the option of the holder, be presented for payment before twelve o'clock noon on Saturday." The instrument mentioned in the inquiry is not payable on demand; and hence there was no authority to present it on Saturday.

North American Trust Company,

100 BROADWAY, NEW YORK.

THE TRAVELERS' CIRCULAR NOTES, issued by the North American Trust Company, 100 *Broadway, New York, are intended for use in the United States, Canada and Mexico. Being made payable to order, and accompanied by a letter of identification, bearing the signature of the holder, and collectible either at the Company's office in New York, or through the Clearing-House, these notes may be taken by banks, bankers, hotel men and others as certified checks.*

Travelers' Circular Notes are engraved in denominations of five, ten, twenty-five, fifty and one hundred dollars, and may be obtained at the Company's office, 100 *Broadway, or at any one of its agencies in North America, or at European ports of embarkation for Westward bound travelers and emigrants.*

It is obvious that Travelers' Circular Notes, in the form adopted by the North American Trust Company, secure their holders against loss by robbery or accident. Each note requires the endorsement of its owner to give it validity, and until so endorsed it cannot be used by anyone else. This safeguard against loss, united with the ready negotiability and convenient denominations of these notes, render them especially adapted to the use of tourists, commercial travelers, cyclists, and all other persons who have need to carry money with them to meet the expenses of a journey or a prolonged visit away from home.

These Travelers' Circular Notes may also be used as a means of remittance through the mails, both from and to places where there are no Money Order offices, or other conveniences of remittance in forms guarded against robbery.

☞ *For further particulars see their advertisement, top half page facing front cover in this issue of the* MAGAZINE.

THE LEGAL STATUS OF GOLD BONDS IN TEXAS.

The action of the Mayor of Beaumont in this State in vetoing an ordinance passed by the city council for the purpose of issuing bonds payable in gold coin, has called in question the right and power of a public corporation to issue bonds payable in gold coin. The matter has been submitted to the Attorney-General of the State, and in the event that he should decide bonds issued with this limitation as to means of liquidation void, no more bonds of this character can, for a time at least, be issued in Texas, for his certificate of approval is the *sine qua non* to the existence of municipal bonds in this commonwealth. The present Attorney-General, however, has followed the custom of his predecessors and has placed his seal of approval upon gold as well as other bonds, without calling in question their validity. But now the power of a city, town or county to issue bonds payable in gold has been challenged and he is compelled to take notice of the denied authority, and in his consideration of it he will be placed in the extremely awkward attitude of having to decide a question of grave import that he has permitted to go unchallenged on numerous occasions heretofore.

The question is one of contract and involves the authority of public or *quasi* corporations to exercise the functions delegated to private corporations or which are inherent in natural persons. Corporations have, generally, the power to make and take contracts, subject to the limitations of their charters and superior laws, the same as natural persons. But it is contended by some that this rule is limited as to public corporations, such as counties, cities, towns, etc., and that they have no authority to issue bonds made payable in gold coin.

In Texas neither the constitution nor the statutes prescribe the kind of money in which municipal bonds shall be paid, and if the charters of any of the cities existing under special laws specify in what money their bonds shall be made payable I am not aware of it, as I have none of the charters so declaring before me. Had the constitution or statutes fixed a money in which bonds should be paid, the controversy over this matter could scarcely have arisen, for the public or *quasi* corporations would be bound by the declaration in the fundamental or statute laws. So where the parent law provides that bonds shall be payable "in gold coin or lawful money of the United States," the corporation existing under the law has no authority to issue bonds in any manner limiting the means of liquidating the bonded indebtedness, even though the very kind of money be mentioned in the ordinance that is specified as one of the debt-discharging moneys contained in the statute. Thus it was held in the case of *Skinner* vs. *Santa Rosa* (29 L. R. A. 512), that bonds were void which were, by the city, made payable "in gold coin of the United States of America of the present standard of weight and fineness," where the statutes provide that such bonds shall be payable "in gold coin or lawful money of the United States." The city council of Santa Rosa had sought to make the city bonds more marketable by restricting their payment to "gold coin," but the act of the council was held to be in conflict with a superior law of the State, and therefore void. I cannot agree that this insubordination of the ordinance itself would have rendered the bonds void, but that they were dischargeable according to the liberal terms of the parent law. This condition does not exist in Texas and the case above cited has no application to any of our municipal bonds except where the charter of some city of more than ten thousand inhabitants provides in what money its bonds shall be discharged. The city of

Beaumont has less than ten thousand inhabitants and is exercising its municipal functions by virtue of a charter granted by the general laws of the State, which do not fix the liquidating medium.

If a corporation has the power of contracting as is inherent in natural persons, restricted by its charter and by its parent laws, what is to prevent it from contracting to pay its obligations in real estate, or in commodities of any kind of which it may be possessed, or of contracting to pay off its bonds "in gold coin of the United States of America of the present standard of weight and fineness," or "in silver coin of the United States of America of the present standard of weight and fineness?"

The contention is sometimes made that to permit a public corporation to contract to pay its obligations in a particular coin is against public policy in that it wrongfully appreciates one coin at the expense of another to the harm of the money system of the Government. Weak indeed must be the backbone of the financial corpus which dreads a catastrophe from such contracts. This contention has never been sustained by any of our courts, and in the absence of statutory provisions the contract to pay in a particular coin or money is upheld, and this is so even though the coin has advanced at the time of the maturity of the contract debt beyond its value at the time the contract was entered into, and even beyond the limit fixed at which the corporation's debt is allowed to go. (*Moore* vs. *Walla Walla*, 60 Fed. Rep. 961.)

It seems that a general authority given to a city or county to issue bonds implies the power in them to make them payable in any constitutional legal-tender money which may be agreed upon. This view obtains in the cases of *Judson* vs. *Bessemer*, 87. Ala. 240 (1889); *Farson* vs. *Louisville Sinking Fund Comrs.* 16 Ky. L. Rep. 856 (1895); *Pollard* vs. *Pleasant Hill*, 3 Dill. 195 (1874), and *Heilbron* vs. *Cuthbert* (Ga.), 23 S. E. Rep. 206 (1895).

In Texas we have no statute declaring the medium for discharging bonded indebtedness, and no reason suggests itself for changing the rule applicable to contracts between natural persons, and if the same general power to make contracts obtains with corporations as is inherent in natural persons, so far as that power is not restricted by charter or parental laws, the public or *quasi* corporations undoubtedly have the power and authority to issue gold bonds, or silver bonds, or bonds payable in any of the legal-tender moneys of the country that may be acceptable to the payee.

While the constitution and statutes of the State of Texas are silent as to the kind of money in which municipal bonds shall be paid, the advocates of the theory that specific coin bonds are void point with some assumption of confidence to the fact that our general revenue laws (Art. 5051 Rev. Stat. 1895) require all taxes to be paid in "the currency or coin of the United States," and that as the power to issue bonds is limited by the authority to tax, public corporations have no power to contract to pay in a specific money which they are not empowered to levy and collect to meet these coin obligations.

While the the gathering of taxes is a condition precedent to the payment of the interest coupons on, and to providing a sinking fund for municipal bonds, yet the two acts are so remote in fact and in contemplation of the law, and are so segregated by the privilege of legal contract, that the intimacy is destroyed whenever the privilege is exercised by the municipality.

There is no inherent right in a municipal corporation to issue bonds, and such a right has not been recognized by the common law and this office cannot be legally performed without the express sanction and grant of the creative law. And the Legislature having full authority to determine the kind of money in which bonds shall be made payable, failing to designate any such particular money, must in sound reasoning be regarded as resting this matter in the judgment of the contracting parties.

What would be the status of specific coin bonds of municipalities issued in face of the fact that the statutes or charters provided that such bonds should be paid "in lawful money of the United States of America?" The ordinance of the city council or order of the county commissioners, as the case might be, providing for the issuance of coin bonds, would to be sure be inferior to any statute law and of necessity subordinate thereto, but is it to be understood and accepted that such bonds are rendered void because they evidence a contract to pay in a specific coin money when they are not so restricted by statute, though directed to be made payable "in lawful money of the United States of America?" An affirmative view is held by the Supreme Court of California in the case of *Skinner* vs. *Santa Rosa*, *supra*, but it is a matter of grave doubt if the court would have gone to this extent had not the bonds been considered by it void for other reasons. It will not be denied that the statute which determines the kind of money in which bonds shall be made payable is superior to the authority of municipal corporations acting and existing by virtue of that statute or under it, and that it will restrict the authority of such corporations and render nugatory their express contracts to pay in one coin to the exclusion of the other legal-tender moneys.

However, should the municipal corporation disregard the statute or parent law, there is much reasoning to sustain the position that such bonds would not be void, but that the contract would be enforceable according to the statute and not according to the contract of the municipality, and the option would remain in the corporation or contracting obligor to discharge the indebtedness in any of the legal-tender moneys of the country. As before stated, the question in Texas is shorn of this feature and the only point to be decided by the Attorney-General is: Can a city, town or county legally issue its bonds contracting to pay therefor specific coin money? His decision is not further conclusive, should he decide they have no such authority, than to stop the issuance of coin bonds till such time as some judicial appellate tribunal shall hold otherwise, thus fixing a rule by which the Attorney-General would be bound.

ROBERT R. LOCKETT.

AUSTIN, Texas, Feb. 26.

Safety of National Banks.—The following bill to promote the safety of National banks passed the National House of Representatives February 15:

Be it enacted, etc., That no national banking association shall make any loan to its president, its vice-president, its cashier, directors, or any of its clerks, tellers, bookkeepers, agents, servants, or other persons in its employ until the proposition to make such a loan, stating the amount, terms and security offered therefor, shall have been submitted in writing by the person desiring the same to a meeting of the board of directors of such banking association, or of the executive committee of such board, if any, and accepted and approved by a majority of those present constituting a quorum; and then not in excess of the amount now allowed by law. At such meeting the person making such application shall not be present. The said acceptance and approval shall be made by a resolution, which resolution shall be voted upon by all present at such meeting answering to their names as called, and a record of such vote shall be kept and state separately the names of all the persons voting in favor of such resolution, and of all persons voting against the same, and how each of such persons voted. In case such proposition shall be submitted to the executive committee, the resolution and its vote thereon shall be read at the next meeting of the board of directors and entered at length in the minutes of such directors' meeting. No such association shall permit its president, its vice-president, its cashier, or any of its directors, or any of its clerks, tellers, bookkeepers, agents, servants, or other persons in its employ to become liable to it by reason of overdrawn account.

SEC. 2. That every president, vice-president, director, cashier, teller, clerk, or agent of any such association who knowingly violates section 1 of this act, or who aids or abets any officer, clerk, or agent in any such violation, shall be deemed guilty of a misdemeanor and shall be punished by a fine of not more than $5,000, or by imprisonment not more than five years, or by both.

SEC. 3. That each report of every national banking association made to the Comptroller of the Currency in accordance with the provisions of section 5211 of the Revised Statutes shall exhibit in a schedule to be added thereto, under such classifications and in such forms as the Comptroller of the Currency may direct, the amount of debts due or to become due to such association from its president, vice-president, each of its directors, and from its cashier and any of its clerks, tellers, bookkeepers, agents, servants, or other persons in its employ, as principals, indorsers, sureties, guarantors or otherwise, in a separate item from the other assets of said bank, and shall also state, separately, the amount of all debts to such association which are past due and remain unpaid by the aforesaid parties: *Provided*, That nothing contained in this act shall require or be deemed to require or permit the publication of such schedule of the debts due or to become due to such association from each of its directors or officers or employees in any statement published in a newspaper as now required by law.

PROFITS ON BANK CIRCULATION.

Editor Bankers' Magazine:

SIR:—In my communication printed in your January issue (pages 83 and 84) I did not go into any calculations as to the profits realized under your plan of using United States notes as a basis for bank circulation at the rate of $130 in bank notes for each $100 in United States notes deposited with the Treasurer, as I saw at a glance that the plan would not work if it was your intention to require the twenty-five per cent. gold reserve to be kept in bank against circulation; but since you have disclaimed any intention of requiring any reserve whatever against notes issued under that plan, I beg leave to submit the following calculations I have made on that basis.

Calculations apply to a bank of $100,000 capital with interest rate of six per cent. United States bonds of 1907 bought at 113, and assuming the time to maturity is ten years. The sinking fund mentioned in first illustration is supposed to be set aside annually from the interest derived from the bonds and reinvested from year to year at the bank rate of six per cent. to mature the premium of $13,000 in ten years.

PROFIT ON CIRCULATION UNDER PRESENT LAW.

$100,000 four per cent. bonds of 1907 cost	$113,000	
INCOME.		
Interest on bonds annually	$4,000	
$90,000 in circulation less five per cent. redemption fund of $4,500 leaves net circulation of $85,500 invested at six per cent	5,130	
Total income		$9,130
EXPENSES.		
Sinking fund reinvested annually at six per cent. to redeem premium of $13,000 in ten years	$986	
Tax of one per cent. on $90,000 circulation	900	
Other expenses estimated at	100	
Total expenses		1,986
Net income		7,144
$113,000 if loaned at six per cent would produce		6,780
Net profit by issuing circulation		$364

PROFIT ON CIRCULATION UNDER PROPOSED PLAN.

Deposit with United States Treasurer in United States notes or gold	$69,231	
INCOME.		
$90,000 in circulation less five per cent. redemption fund of $4,500 leaves $85,500 net circulation at six per cent		5,130
EXPENSES.		
Tax of one per cent. on $90,000 circulation	900	
Other expenses estimated at	100	1,000
Net income		$4,130
$69,231 if loaned at six per cent would produce		4,154
Net loss by issuing circulation		$24

You will notice I have deducted the five per cent. redemption fund from the authorized circulation and only computed on the net amount as loanable funds. This may be objected to on the grounds that as the five per cent. redemption fund is counted as part of the bank reserve against deposits, it thereby releases that amount of loanable funds in bank and should not be deducted. I regard the redemption fund as idle capital for the reason that it

is not subject to check and cannot be made to produce any revenue, and is therefore not available for any other purpose than the redemption of circulating notes. The comparison, however, between the two plans would be no more favorable to the latter even if this redemption fund was not deducted, as it would apply equally to both plans.

The profit to be realized under your proposed plan is unquestionably less than under the present law. This is brought out very prominently in your own calculations on page 84. I do not think your idea of computing the profits in your calculations on a percentage basis of 1.08 per cent. in first instance and 1.65 per cent. in second hasany bearing whateveronthe point under discussion, as the only thing to be considered, as I view the subject, is, Can a bank with a given capital realize more profit by taking out circulation than without it, and will the profit under one plan be greater than another? That is all there is in it after all. Your proposed plan, I think, would prove a loss instead of a profit, and for that reason I hardly think the banks would go into it voluntarily. **T. E. FLOURNOY.**

MONROE, LA.

The figures given by our correspondent are correct, and with circulation issued at the rate of one hundred and thirty per cent. on greenbacks or gold deposited, there would be a small loss, if the five per cent. redemption fund is counted as a deduction, and the tax is estimated at one per cent. per annum. It is not, however, supposed that were the burden of retiring greenbacks thrown upon the banks, that the tax would be more than one-half of one per cent. to pay expenses and to maintain the guaranty fund.

It is expected that if the principle of the Rhodes plan to retire the legal-tender notes by means of the banks were adopted, and this principle forms part both of the plan of Secretary Gage and of that of the Monetary Commission, the adjustment both of the circulation received on deposit of notes and of the tax will be so made as to offer sufficient profit.

When the Rhodes plan was first suggested it was advocated as a stepping stone to circulation based on general assets, without deposited security. The Government notes occupied the field and must be retired, or at least greatly reduced, before a bank circulation could be widely introduced. United States bonds as a basis for circulation were regarded as unsatisfactory because of the probability of a rapidly diminishing public debt. Since the introduction of the plan the bond market has been more favorable to the banks. If the United States should go on increasing its bonded debt instead of paying it off, there would be little need of considering any substitute for the present method of issuing circulation. If the tax were reduced to one-half of one per cent. per annum, the profit under the Rhodes plan would be $376.14. If the redemption fund, being available as reserve on deposits in the case of a bank that has any, is not deducted from the circulation loaned, the profits would be $646.14. If instead of 130 in circulation issued on deposited legal-tender notes, 140 were issued, then the profits would be $918.14. The percentage 140 is not as great as is given under the plan of the Monetary Commission. In fact the merit of the plan does not rest on any narrow application of it. It consists in using the banks to retire the Government notes and then in the end giving them for this service the entire field for their circulation. At the commencement the profits on circulation under it might not equal those under the present plan in certain conditions of the bond market, but in the end the benefit to the banks would be very great.

The Gage plan and the Monetary Commission plan, instead of giving the full amount of circulation on deposited security, give a certain percentage on such security, and additional amounts without deposited security, the profit being chiefly on the latter.

The Rhodes plan practically says to a bank, deposit a certain amount of Government notes and receive an equal amount of circulation, and then you may receive thirty, forty, or fifty per cent., based on a guaranty fund, which will give you a profit according to the interest you can loan money at. By degrees all your circulation, as the Government notes are cancelled, will be based on the guaranty fund.

TAXATION OF BANKS AND TRUST COMPANIES.

A bill has been introduced in the New York Legislature by Assemblyman Gale to amend the tax law in relation to the taxation of trust companies. It is stated that the purpose of the bill is to place trust companies and banks on the same basis as regards taxation.

A very fair statement of the difference in the mode of taxing these two classes of financial institutions is found in the following address by Frank Harvey Field, delivered before a recent meeting of Group VII of the New York State Bankers' Association in Brooklyn. Among other things Mr. Field said:

"In order that you may understand the questions arising out of the present tax law, under which all banks are taxed in this State, it will be necessary to explain the relation of this law to the Federal Constitution. A National bank is an instrument of Government. The power to create a National bank has grown up as one of the implied reserve powers of Congress under the Constitution. The original struggle on this question was over the establishment of a Government bank, the history of which is undoubtedly familiar to you all.

A National bank, being an instrument of Government, no State can tax it without the permission of Congress.

In the case of McCullough against Maryland, which arose out of an attempt to levy a tax of $25,000 on a branch of the United States bank located in Baltimore, John Marshall, the great Chief Justice, in one of the most celebrated judicial opinions that have ever been handed down in this country, says among other things, that 'the power to tax is the power to destroy;' so that if the principle were allowed that a State could tax any instrument of the Federal Government, it could, if it was so amended, use the power to tax in such a way as to destroy that instrument of Government, or to hinder or delay or possibly to destroy entirely the operation of the law of Congress within the limits of a State, when the power to enact that law was expressly or impliedly given to Congress by the Federal Constitution.

You will understand that if the State could not tax a National bank and should levy a tax on State banks the inequality on this subject of taxation would be destructive of the existence of State banks, even if the law did not come under the condemnation of the courts, because it taxed a part of a class without taxing the whole, and, therefore, was void for inequality. For the law has laid down this just principle, that taxes on the same class must be equal, and, in so far as they are not equal, they become robbery of one for the benefit of others. Keeping these principles in mind, you will understand the questions that arise in a very brief review of the history of the bank taxation in the State of New York.

The first statute of this State which imposed a tax upon banks, as such, was passed in 1823. This was a tax on all the property of the bank, which is fundamentally different from the present law, which is a tax on bank stock in the hands of the stockholders. No cases questioned the validity of this Act for a considerable time and apparently not until the National banks came into existence under the decision of the Federal courts.

This law was amended in 1847 and again in 1853, and up to this time the tax was upon the amount of the capital without regard to its actual value, which might have been less than par or more than par.

In 1857 the Legislature introduced the principle of assessing the bank capital at its actual value. It was under this law of 1857 that the first case seems to have arisen questioning the validity of the State law, and in this litigation the principal contention was that that part of the capital invested in the public debt of the United States or in a loan to the Federal Government is not taxable by the State. The Court of Appeals decided against the banks in this case, and upheld the State law. The United States Supreme Court, however, promptly reversed this ruling of the Court of Appeals.

The Legislature of the State having suffered this defeat, passed a new law in 1863. This law was at once taken into the courts and carried up to the Supreme Court of the United States, and that court held that there was no substantial difference between that law and the preceding law, and also held this law to be unconstitutional. We now come to a new feature in the history of bank taxation. I refer to the enactment in 1864 by Congress of the National

Bank Act, which permitted the taxation of shares of stock in National banks in the hands of shareholders, 'but not at a greater rate than other moneyed capital in the hands of individual citizens,' and around this apparently innocent but comprehensive phrase has raged a battle carried on in the Legislature and in the courts of this State and of the United States from that time down to the present.

Having thus failed for nearly half a century in enacting a law that would stand the scrutiny of the United States Supreme Court, the Legislature of New York State finally enacted the law of 1881, which law is still in force in this State in substantially its original form, having been re-enacted into our present tax law passed in 1896. This law has for sixteen years successfully resisted the attacks that have been made upon its constitutionality. The most interesting case that has arisen under the law was a case brought by the Mercantile National Bank of New York city, which was decided in 1886. That case is, perhaps, the most celebrated banking decision of recent years. It was argued by such eminent men as that leader of the American bar, Mr. James C. Carter, and was decided adversely to the bank. The main contention in that case was that trust companies were more favorably taxed than National banks, and that trust companies competed with National banks.

INEQUALITIES OF THE PRESENT LAW.

This brings up for our consideration the most interesting point regarding the present litigation, which I have brought on behalf of the First National Bank.

A trust company is taxed upon its capital. A bank is taxed not upon its capital in the hands of the bank, but upon its shares in the hands of the shareholders. If a trust company owns $500,000 of the bonds of the United States, it deducts them from its assets in arriving at the amount of its assets liable to assessment and taxation. In the case of the National banks the assessors take the amount of the capital and surplus and undivided profits of the bank and divide the total thus obtained by the number of shares, and thus arrive at the value of the shares, after deducting the assessed value of the real estate and some small items that are not material to consider in this discussion. It might be that the entire capital and surplus and undivided profits of the banks were invested in United States bonds and other non-taxable securities, while the whole capital is taxed in the hands of the shareholders.

Whatever may be the result of the litigation brought by the First National Bank, it certainly is aimed at a great injustice, and I confidently believe that the eventual outcome of this litigation, if not in the State courts, at least in the United States Supreme Court, to which it will undoubtedly be carried, will ultimately be successful, and if we succeed in this litigation there will unquestionably be a change in the entire system of State taxation of financial institutions that cannot but result favorably to the owners of shares of bank stock."

Division of the Sound Money Men.—In an address delivered before the recent meeting of the the American Academy of Political and Social Science at Philadelphia, Hon. F. A. Vanderlip, Assistant Secretary of the Treasury, gave the following good reasons why such slow progress is made in the work of securing sound currency legislation:

"On the one hand we know a method is proposed which has the advantage of perfect simplicity—contained in a single sentence—'the unlimited coinage of silver at a ratio of sixteen to one, without waiting for the aid or consent of any other nation.' There is a great class in practical accord on that proposition. The greatest elements of strength which that class has are its singleness of purpose and its simplicity of means. The free silver party always knows what it wants, and it always wants it. Among the people whose ideas are not in accord with those of the free silver party we find many who disagree on even the fundamental elements of the problem, and who are offering solutions widely varied in character. The cause of sound money is, thererore, in some respects in an unfortunate position. It faces a party absolutely united in its purpose and method, a party having perfectly clear ideas of what it desires to accomplish, a party which has made the issue it raises so simple that every voter can comprehend it. While the sound money cause is facing such a foe, it is harassed in the rear by non-combatants arguing for delay, opposing radical measures, hesitating about any attempt to do what they know is right, because they fear the difficulties in the way.

If we are to avoid the shock of a change of standard, we need to crystallize the sound-money sentiment into a specific measure we can all support. We now have around which to rally only an abstract idea, while the free-silver party has a definite measure, a measure it can embody into a legislative act of ten lines. That party must be met with a constructional issue just as definite and just as capable of attaching to it the full strength of the party which opposes this change of standards. Seek for that measure. Help to give clear definition to the issue. Put aside small differences. Keep before you the extreme importance of fixing the standard where it cannot be changed until a majority of the voters of the nation wish it changed. If we will then push forward with the persistence and the definiteness which the opposing party has displayed, we can secure the fruits of the victory which has once been won."

STATE BANKS—REPORTS OF SUPERVISING OFFICERS.

NEW YORK.

[Annual Report of the Superintendent of Banks, relative to Savings Banks, Trust Companies and Miscellaneous Corporations, for the year 1897. Transmitted to the Legislature Feb. 28, 1898.]

To the Legislature:

The gratifying gain in prosperity of the State banks of deposit and discount during the last fiscal year, as reported on the first of January last, was shared in, and in some instances exceeded, by the Savings banks, trust companies and safe deposit companies of the State during the calendar year 1897, a fact satisfying both of itself and because of what it signifies, since the balance sheets of financial institutions always reflect with sensitive accuracy the general business condition of their localities.

Prosperity of the Savings Banks.

On the morning of the first day of January, 1898, there were 131 Savings banks in New York, one of which had not yet begun business. The increase since the date of my last report is two; the new institutions are the Washington Savings Bank of New York city and the Greater New York Savings Bank of Brooklyn. No Savings bank has failed during the year, and but one shows a condition indicating a probably hopeless struggle for existence. This latter has made a brave effort to recover losses sustained through the failure of a National bank which held more than a third of its deposits, but has not achieved a satisfactory measure of success. One other bank is voluntarily closing, paying its depositors in full.

The total amount due depositors by Savings banks in this State on the morning of the first day of January was $766,684,916, a gain during the year of $48,508,027, or $22,085,673 more than was gained during the previous year. Of the total increase $23,297,957 was made from January to July, and $25,210,070 from July to January. On the same date the aggregate resources were $869,751,244, the surplus $102,426,162, and the number of open accounts 1,805,280, representing gains since January 1, 1897, of $57,577,611 in resources, of $8,772,924 in surplus, and of 68,312 in the number of accounts. Comparing further the gain in resources was almost exactly twice as great in 1897 as in 1896, in surplus considerably more than threefold, and in open accounts over sixty per cent. The average amount of each account is $424.71.

Inasmuch as the same individual may have a deposit in each of several institutions, the number of Savings bank depositors is something smaller than the total of accounts. Disregarding such discrepancy, however, which cannot be large, the total accounts as shown would represent about twenty-seven and three-quarters per cent. of the entire population of the State. Analyzing further, if there be deducted from the population of all the sixty counties of the State that of the twenty-nine which contain no Savings bank, and from which few deposits are made, it is shown that of the people of the communities where such institutions are established, including infancy and age, the provident and the prodigal, almost exactly one in three is a depositor in a Savings bank. A proportion of these belongs undoubtedly outside the classes which the system is particularly designed to serve, but this is certainly not large, and the great mass of depositors are the comparatively poor who need its fostering care. This naked statement impresses a lesson of obligation and duty which demands serious and conscientious consideration.

While fully recognizing the fact that the principal of corporate responsibility for the individual member which characterized primitive society is not natural and would not generally be salutary in the greater and more complex aggregate composing the modern State, where the rule of individual obligation develops the best citizenship and contributes to the best administration, may we not nevertheless believe that there are exceptions in which paternalism is not only justifiable, but advantageous? Notably, it seems to me, this is the fact in regard to the institutions in question and to their depositors, who are mainly, and if my supervision could control in the matter would be altogether, those whose earnings above the daily demand for sustenance are too meagre for profitable independent investment, and whose ignorance of business methods makes them incapable of successful self-management. To such the Commonwealth owes special duties of exemption and protection, the more imperative in that the degree of their helplessness in business affairs is almost absolute and incredible except to those who have personally observed it. Partly because of such helplessness the debts owing by any State moneyed corporation to Savings banks are made a preferred claim, certain special tax exemptions have been enacted in their favor, and various other safeguards have been crystallized into law for their benefit. Not one of such grants or safeguards should be removed or relaxed, nor any measure sanctioned which would expose the banks to burdens or their depositors to losses. The funds so held are the pledge of their owners to the public against pauperism, and a guaranty to the State of a better citizenship than is possible by the impoverished or destitute.

This element of governmental interest and guaranty gives to the proposed postal savings scheme a fascination which even those who distrust its feasibility can scarcely resist, and would make the argument in its favor conclusive but for the two essential requirements that it cannot satisfy, viz.: An entirely safe investment of deposits, and a guaranty against the danger comprehended in trusting so delicate a business as the postmasters' part in it would be to public officials inexperienced in banking and subject to so frequent changes that their opportunities and incentive for acquiring knowledge of it would be inadequate. These objections, which appear to me insuperable, render the plan impracticable. But with the contention that to make men direct creditors of the Government would improve their citizenship and intensify their patriotism, issue cannot be successfully taken. It would make them keenly conscious that they have a personal interest in the State, and that everything impairing its credit or sullying its pledged faith would be disastrous—that national honor is priceless and must be kept inviolate.

The Savings banks of New York carry over $100,000,000 of United States bonds, or nearly an eighth of the entire public debt, and they are the property of Savings banks' depositors. The conception of this fact cannot in the nature of things be as clear and strong in cases where the ownership of public securities by a Savings bank depositor is through the intermediary of the institution, inasmuch as the average depositor is apt to regard the bank itself as his debtor without thought of the latter's dependence upon the political divisions in whose bonds his funds—not the Savings bank's, for under the New York laws the latter has none—are invested. Still the actual fact is being gradually borne in upon him, and is continually exerting a beneficent influence. It tends to impress upon such depositor that he is a constituent factor in the State, that to be a capitalist is not necessarily criminal, that public debts are an obligation to be as sacredly met as the undertakings of a private contract, and that the comparatively poor, even more than the excessively rich, need that the monetary standard of the country shall be equal to the best in the world. Such results, over and above the habits of thrift and providence which the Savings bank develops and encourages, which tend to lessen poor rates, are a part of the service which it renders to the State, and emphasize the latter's obligation to extend to it generous and even partial consideration. No reasonable concession in its interest should be refused, and, particularly, every proposition which carries even a possibility of disturbance or mischief should be summarily rejected. The system is too valuable to permit of reckless meddling with its affairs, and its scope is so great that any injury it should suffer must react injuriously upon the entire body politic.

RESOURCES AND LIABILITIES.

The following exhibit of the condition of the Savings banks of the State is compiled from the reports made to the Banking Department as of the morning of the first day of Jan., 1896:

RESOURCES.	*Par value.*	*Market value.*
Bonds and mortgages	....	$358,943,901
Stocks and bond investments, viz.:		
United States	$100,708,450	
District of Columbia	5,589,800	
New York State	973,000	
Bonds of other States	55,209,576	
Bonds of cities in other States	52,300,425	
Bonds of cities in this State	128,855,349	
Bonds of counties in this State	23,352,572	
Bonds of towns in this State	8,831,958	
Bonds of villages in this State	9,758,063	
Bonds of school districts in this State	3,220,582	
Total par value of stocks and bonds	$388,799,777	
Amount of stocks and bonds at cost	420,796,736	
Estimated market value of stocks and bonds		$426,174,408
Loaned on pledge of securities		676,160
Banking houses and lots, estimated market value		11,549,512
Other real estate at estimated market value		2,719,254
Cash on deposit in banks and trust companies		51,002,126
Cash on hand		8,218,984
Collectible interest		9,341,607
Other assets		1,125,339
Total resources		$869,751,244

LIABILITIES.

Amount due depositors	$766,684,916
Other liabilities	640,165
Surplus	102,426,162
Total liabilities	$869,751,244

STATISTICS.

Number of open accounts	1,805,280
Number of accounts opened or reopened during the year	341,060
Number of accounts closed during the year	272,079
Total number of deposits received during the year	2,464,117
Total number of payments to depositors during the year	2,130,772
Amount deposited during the year, not including interest credited	217,565,059
Amount withdrawn during the year	195,603,240
Amount of interest credited and paid during the year	26,551,782
Salaries paid for the year	1,659,269
Expenses other than salaries for the year	785,796

INSTITUTIONS SUBJECT TO THE SUPERVISION OF THE BANKING DEPARTMENT.

The total amount of resources of each of the classes of institutions mentioned, subject to the supervision of this Department on the first day of January in each of the last ten years, is shown by the following tabulation:

RESOURCES.	*Savings banks.*	*Banks of deposit and discount.**	*Trust companies.*	*Safe deposit companies.*
1889, January 1	$615,889,796	$216,314,601	$236,261,610	$5,923,179
1890, January 1	644,927,526	†241,754,283	265,547,526	7,056,946
1891, January 1	667,865,396	233,839,051	280,688,768	§3,964,942
1892, January 1	675,987,634	271,830,699	300,765,575	§4,370,117
1893, January 1	718,454,662	295,459,929	335,707,779	§5,045,787
1894, January 1	704,535,118	‡271,496,822	341,466,011	§5,025,769
1895, January 1	735,863,598	284,911,631	365,419,729	§5,102,689
1896, January 1	783,078,580	285,407,997	392,630,045	§4,517,699
1897, January 1	812,173,632	280,691,855	396,742,947	§4,677,325
1898, January 1	869,751,244	324,766,619	483,739,925	§5,116,362

* Report nearest January 1 each year. † Report January 11, 1890.
‡ November 28, 1893. The other reports called in December.
§ The Buffalo Loan, Trust and Safe Deposit Company and Rochester Trust and Safe Deposit Company are not included, as they are given under the head of trust companies.

TRUST COMPANIES.

On the first day of January forty-four trust companies were actively engaged in business, five new trust companies having been authorized during the calendar year 1897, viz.: The American Deposit and Loan Company, the Colonial Trust Company and the North American Trust Company, all of New York; the Glens Falls Trust Company, of Glens Falls, and the Union Trust Company, of Rochester. Of these the North American Trust Company had been engaged for some time in acquiring the securities and in protecting and liquidating the affairs of the failed Jarvis-Conklin Mortgage Trust Company, and, desiring to exercise the larger powers conferred by its charter, submitted to an examination by a representative of this Department, who found its condition such as to warrant my consent that it assume such status. Taken in connection with the similar institutions organized since January first, the list is unexampled in recent years, and is impressive evidence, first, of increasing business confidence and activity, and, second, of the favor in which intelligent investigation establishes the laws of New York which govern moneyed corporations.

A tabulation of the reports of the trust companies transacting business in the State last year, contrasted with their reports for the preceding year, shows a gain of seventy-seven millions in the deposits held by them, of two millions and a half in their undivided profits and of four millions and a quarter in their surplus (a half million of the latter representing surplus subscribed during the year), while their total resources had increased nearly eighty-six millions.

RESOURCES AND LIABILITIES OF TRUST COMPANIES.

The reports of trust companies, as of January 1, 1898, make the appended showing, with which a summary of their reports for the year before is republished for comparison:

RESOURCES.	1897.	1898.
Bonds and mortgages	$28,692,427	$32,624,995
Stock investments	101,983,600	113,525,797
Loaned on collaterals	169,894,987	230,581,708
Loaned on personal securities, including bills purchased	25,788,187	31,183,291
Overdrafts	12,357	25,044
Due from bankers and brokers	405,350	568,935
Real estate	8,229,851	8,760,180
Cash on deposit in banks or other moneyed institutions	46,463,801	47,202,030
Cash on hand	8,178,542	7,832,420
Other assets	7,093,891	11,435,570
Total resources	$396,742,947	$483,739,925
LIABILITIES.		
Capital stock paid in, in cash	$30,400,000	*$33,000,000
Surplus fund	46,307,865	47,491,701
Undivided profits	4,228,381	7,813,229
Deposits in trust	90,975,158	185,099,694
General deposits	214,379,479	198,229,029
Other liabilities	10,452,062	12,106,270
Total liabilities	$396,742,947	$483,739,925
SUPPLEMENTARY.		
Debts guaranteed and liability thereon	$329,682	....
Interest, commissions and profits received during the year	18,521,883	$19,583,085
Interest paid and credited to depositors during the year	6,994,272	7,568,462
Expenses for the year	2,949,179	3,202,240
Dividends on capital declared for the year	4,220,000	4,354,553
Taxes paid during the year	299,596	312,786
Deposits made by order of court for the year	3,715,922	2,472,334
Total of deposits upon which interest is allowed at this date	277,156,523	351,061,687
Amount of bonds and mortgages purchased	3,337,922	4,380,087

* Glens Falls Trust Company not included.

SECURITIES DEPOSITED.

The securities held in trust by the Superintendent under the law for the protection of depositors with and creditors of the several trust companies on the 1st of January, 1898, are shown in the following table:

	January 1, 1898.
United States 2 per cent. bonds	$80,000
United States 4 per cent. bonds	1,316,000
United States 5 per cent. bonds	20,000
New York city 2½ per cent. bonds	485,000
New York city 3 per cent. bonds	1,295,000
Brooklyn city 3 per cent. bonds	320,000
Brooklyn city 3½ per cent. bonds	350,000
Brooklyn city 4 per cent. bonds	100,000
Buffalo city 3½ per cent. bonds	20,000
Rochester city 3½ per cent. bonds	80,000
Niagara Falls city 4 per cent. bonds	20,000
Bonds and mortgages	50,000
Cash	378
Total	$4,136,378

RECOMMENDATIONS.

No class of institutions under the supervision of this Department makes anywhere near the percentage of profits that is shown by the personal loan associations, and yet these alone do not contribute toward defraying the Department's expenses. I earnestly recommend that every such association be required to pay to this Department a fee of five dollars for the examination and approval of the bond which it is prescribed they shall file with me annually, and also a fee of two dollars for the examination of each annual report. The statute should further require that the bonds so filed be those of a surety company instead of individuals, it being almost impracticable for me to determine with certainty the sufficiency of bonds where the individual sureties are scattered throughout the State.

TAXATION OF SAVINGS BANKS.

The report of the State Board of Tax Commissioners transmitted recently to the Legislature, though disavowing any definitive recommendation on the subject, implies approval of the plan in force in Massachusetts of imposing a small uniform tax directly upon the Savings banks, based upon the average of deposits held by them. The report cites the rate of one-half of one per cent. levied in that State, and notes that it yields an annual revenue of more than a million and a quarter of dollars. What it neglects to say, an omission of vital consequence in any discussion of the problem, is that the Savings banks in Massachusetts are permitted a much wider latitude of investment than is open to those of New York, and that in consequence a tax which is perhaps not burdensome there would be severely oppressive here. If any tax at all is to be put upon these institutions in New York, or upon their depositors, as such, the plan, but not the percentage, here indicated would probably be the most equitable and the least disturbing that could be devised, but I protest emphatically that nothing whatever along this line ought to find favor with your Honorable Body. An intimate knowledge of the affairs of Savings banks and of the classes of people composing most of their depositors, convinces me, as I think it would convert others similarly informed, to the opinion, that under present conditions every proposition looking to taxation such as is here under discussion is irreconcilable with the principle of equal justice or with that wisdom which seeks to conform administrative policies to the desires and necessities of the governed. At least, not while other personalty commonly escapes assessment, and other financial corporations possess the tax immunities conferred upon them, should the Savings bank be singled out for taxation. It is conceded that not more than a seventh of the assessable personal property held in the State is in evidence on the tax rolls, and while this general evasion continues is it likely to increase popular respect for Government, does it appeal to the American disposition to give special consideration to the weak and unfortunate, or is there a single element of justice inherent in it anywhere, in directing the first effort toward remedying the evasion of taxation which attaches to personalty against those whose accumulations average but paltry hundreds at the most, and were acquired as petty savings by severe self-denial? While out of the abundance of the rich so little is taken, shall the State wrest from the poor a percentage of the mite that is their all?

Last year the surplus of a Savings bank was assessed in at least two instances, and the report of the Board of State Tax Commissioners states, also, that in many localities the Savings bank deposits were assessed to the depositors to the full extent to which such deposits became known to the assessors. The individual interests affected by the latter action were separately so small that it is presumed no contest was made on their behalf to escape the tax, but the Newburgh Savings bank, which was one of the institutions whose surplus was assessed, appealed to the courts, and Justice Hirschberg has recently handed down a decision holding that the express exemption of the statute to the bank covers "surplus" as well as "deposits," and he therefore vacates and sets aside the assessment. The case is to be carried to the Court of Appeals, however, and, though I cannot doubt that the finding of that tribunal will confirm Justice Hirschberg's, the entirely safe thing to do is to amend the phrasing of the law so that it shall specifically cover all such cases in the possible event of an adverse judgment.

In any consideration of the question of what position it is expedient for the State to adopt in regard to this tax problem, the continual downward tendency of interest rates should not be overlooked. Securities of the high class to which the Savings banks of New York are confined by law do not now average to yield perhaps more than two-thirds the rate of income realized from them a few years ago. This, coupled with the fact that the tendency is constantly toward even lower rates, forces the apprehension that in the not remote future the rate of dividends must go still lower. This outlook for the depositor should have its proper weight in determining to what taxation he shall be subjected, or what exemptions he shall be permitted to enjoy. Obviously, if the Savings bank is to hold its present important relation in the economy of the State, its depositors can not surrender upon reduced dividends the local rates of taxation to which the report of the State Board of Tax Commissioners testifies it has been sought to subject them in many places.

The decision of the Supreme Court of the United States in the case of the Elmira Savings Bank against the failed Elmira National Bank, to the effect that a Savings bank deposit is not a preferred claim against a National bank, creates a condition demanding legislative action. The experience of the Elmira Savings bank in this respect does not stand alone, except in the degree of injury suffered, and even since the year opened an examination by my direction of a small Savings bank in the interior of the State disclosed a state of affairs which would have been likely to wreck the institution if the examination had been delayed or if it had been less thorough. The bank had nearly twenty per cent. of its assets on deposit with a National bank, whose weakness and irregularities in management put the whole sum in jeopardy. "An injury done to one is a threat held out to a hundred," is peculiarly true here, and action making recurrence of these dangers practically impossible should not longer be deferred. No Savings bank in New York has lost a dollar in many years, if ever, through the insolvency of any State corporation with which it deposited, the law making the Savings bank a preferred creditor in such a case. Protection by a like provision it is not competent for the Legislature to afford as to deposits with National banks, but it may require, as it ought, that no Savings bank shall place any of its "available fund" or "temporary deposits" representing "the excess of current daily receipts over the payments" in any National bank except after the officers of the latter shall have given an adequate personal bond guaranteeing the security of the deposit. The State takes no chances with its own funds in this field except upon this precise basis, and it should not permit a hazard to institutions to which it consents to stand in the relation of wardship which it judges imprudent as to its own interests. Otherwise, there stands the constant danger to Savings banks of disaster which might prove startling in extent and distressing in its personal consequences.

Dormant Savings Accounts.

Sophocles lacked experience with the perennial untruth that the Savings banks hold millions of dollars representing abandoned accounts, or he would not have written that "A lie never lives to be old." The misconception in question has been often attacked and the real facts explained, but it persistently lives and threatens mischief annually. The latest tabulation of statistics bearing on the subject which I have at command is the report submitted by my predecessor to the Constitutional Convention in 1894, which shows that all the Savings banks combined had at that date a little more than five thousand accounts out of nearly a million and three-quarters as to which there had not been additions by deposits or diminutions by withdrawals in a period of twenty-two years. These accounts aggregate $1,443,808, or about one-fifth of one per cent. of the Savings bank liabilities. Over fifty banks were without even one account of this character, and only twenty-two had more of them than twenty-five each. Half of the whole sum was held by a single bank in New York, and more than a sixth of it by one other. The same report also establishes that of this class of accounts which existed in 1890 nearly a quarter of a million dollars had been called for in four years, proving that at least so much of the deposits had not been forgotten or abandoned, but had been designedly left undisturbed until advantage or necessity dictated drafts upon them. With reference to the great bulk of the remainder the fact was undoubtedly the same. Indeed, it is well known to be a common practice for persons to deposit with these institutions having the definite purpose in mind to leave the account untouched until compelled to use the money or until the completion of some remote fixed period. Fathers often open accounts when a child is born, intending that it shall accumulate until the child comes of age. Others thus hold funds for long years in secret lest spendthrift children, wasteful wives or brutal husbands coax or coerce their withdrawal and dissipation, thoughtful that the time may come when they will have no other resource against dependence upon charity. In one instance, knowledge of which recently came to me, a woman who had been unable to add anything to her account, and yet had succeeded in living without it, for over twenty years, explained when the bank officers hunted her out that she was far from from having forgotten it, and had religiously abstained from touching it only because it was her burial portion—the assurance that at death she should not become a public charge.

No bank could profit by deposits even if they were abandoned, and none desires any depositor or a depositor's heirs to lose the smallest fraction that is their due. Indeed, active effort is made by banks to look up depositors and to keep active the accounts which are about to become dormant. The liability of a bank to pay an account never ceases. Nevertheless demand arises from time to time not only that the lists of accounts which the law now defines as dormant shall be published, but also that the period required to give an account this designation and character shall be materially shortened, and that the requirement of publication shall apply to accounts which would be thus brought within the classification. It is even further proposed, usually as the complement of the dormant account scheme, that the Savings banks be compelled to publish once a year a list of all their deposits, or to mail a notice annually to each depositor stating the amount his due. This would be simply intolerable, causing inexcusable and enormous expense, and tending to open wide the flood-gates of swindling. A plausible argument may perhaps be buit up in favor of giving publicity to the list of really ancient accounts, as to which it may be true that some few, made by persons now deceased, would thus be restored to rightful heirs who are ignorant of their existence. But the realization even here would not be likely to approach expectation, as is strikingly illustrated by experience with reference to moneys held by me as dividends not paid by Receivers of failed Savings banks. In these instances the lists of persons to whom such moneys are due have been widely published, and, besides, the general statement has been more than once given to the press that over eighty-five thousand dollars of such funds are in my hands ready to be paid over upon proof of the rights of claimants thereto. Yet not one claimant applies himself for payment where a dozen are applied for by attorneys who charge fifty per cent. for making the collection, notwithstanding it involves little labor beyond the writing of a letter. The statement indicates in whose interest mainly the agitation for publication of savings accounts proceeds, and whose would be the harvest if it could succeed. Even so I doubt if I should oppose the demand if it stopped here, and if its only effect would be to deliver to those who are ignorant of their rights something of their due, though that something should be but the half. But when I consider that those to be benefited must be few, under the sweeping proposition which is usually pressed, while those who would be exposed to the wiles and rapacity of sharpers must be counted by the tens of thousands if the full measure of the demand be acceded to, I revolt against it, and urge its summary rejection by the Legislature as often as it may appear.

Another false idea tenaciously held in many quarters is that dormant accounts pay for costly bank buildings. The estimated market value of all the Savings bank buildings in the State is over eleven millions of dollars, or almost eight times the total amount of the dormant accounts. Only fourteen such buildings are occupied exclusively by the banks owning them, while nearly seventy yield some return upon their cost besides the rentals they save. A considerable proportion of the buildings which are occupied exclusively by banks are of very moderate cost, while a few represent a large expenditure and are of massive and imposing appearance. To what extent the surplus of a bank may properly be drawn upon for such a purpose is fairly open to differences of opinion. One view would require an institution of the character of a Savings bank to tie up no more of its funds in unproductive property than is necessary for the transaction of its business with regard for the reasonable comfort and convenience of its working force and for the accommodation of its customers. Except for the very strongest and richest of the banks this should undeniably be the rule, and before venturing conspicuously from such standard, all trustees might wisely, perhaps, reflect if such departure may not prejudice the Savings bank system in the popular mind and give excuse which is too often seized for making attacks upon it. In another view the possession and sole occupancy of a noble structure may give a more adequate impression of the strength, safety and permenency which these institutions really possess, and thus enlist interest in the banks and bring business to them. There is much in the thought, and before condemning the investments for which it is cited as a justification, it should be at least fairly weighed.

Economical Management of the Savings Banks.

The entire cost of the management of the one hundred and thirty-one Savings banks in the State for the year 1897 was $2,445,067. This is but $2.81 for each one thousand dollars of their resources, or only slightly more than one-quarter of one per cent., and it covers not only salaries, but rent, repairs to bank buildings and every expenditure that can properly be regarded as administrative. It is a considerable reduction from the percentage which obtained in 1896, and which was then thought to be most creditably small. The economy which it indicates it should be the study of the officers of the banks to extend and make yet more strict wherever practicable. Their relation is fiduciary, and to their honor be it said the instances of faithlessness among them have been few, while those proving efficiency, zealous interest and eveh affectionate attention and care are manifold. By exercise of these qualities they not only directly promote the interests of those whose trust they bear, rendering an admirable and beneficent service, but they also thus contribute to disarming and baffling the forces which from honest misconception or with selfish scheming aim at ends which I can not but regard as pernicious. FREDERICK D. KILBURN, *Superintendent of Banks.*

MICHIGAN.

To Hon. H. S. Pingree, Governor of Michigan:

I have the honor in compliance herewith to submit the ninth annual report of this department, containing the tabulated reports of the 177 banks and three trust companies, also data of new banks, failed banks, receiverships, etc., for the year ending December 31, 1897.

I have been in charge of this department since April 1 last, a period of nine months. The first three months embraced in this report the department was under the supervision of Commissioner D. B. Ainger, whose term expired by resignation on April 1.

Two Examinations Annually.

There are 177 banks and three trust companies under the supervision of this department. During the year all have been examined once, some of them twice and several three times. My experience as a banker has taught me that one examination in twelve months will not enable the department to keep sufficiently in touch with the changing condition of the banks.

EARNINGS AND EXPENSES OF THE BANKING DEPARTMENT.

The amount received during the year from the several banks, as fees for supervision and examination, was $9,136, which has been deposited with the State Treasurer, as required by Section 40 of the State Banking Law.

The expenses of this department for the year were as follows, viz.:

Salary of D. B. Ainger, Commissioner three months	$624
Salary of J. E. Just, Commissioner nine months	1,875
Salary of E. A. Sunderlin, Deputy Commissioner	2,000
Salary of L. M. Sherwood, examiner	1,566
Salary of J. A. Latta, examiner	1,275
Salary of T. M. Joslin, examiner	1,275
Salary of Mabel L. Scotford, stenographer	475
Salary of Ella P. Jenkins, clerk	140
Salaries of extra clerks and stenographers	1,099
Expenses incurred in examination of banks	2,656
Miscellaneous expenses, viz.: printing, stationery, postage, etc	963

At the last session, the Legislature passed an amendment to the general banking law, authorizing "one or more" annual examinations, and I have adopted as the policy of the department to make at least two examinations during each year.

GRAVE RESPONSIBILITIES RESTING UPON BANK OFFICERS.

Those who have never been engaged in the business of banking cannot comprehend the great and grave responsibilities placed upon and felt by those who are charged with the safe keeping of the money of others, and this responsibility is aggravated by the pernicious custom of banks going outside of their legitimate functions and becoming borrowers of money instead of loaners only.

A BANK SHOULD BE A PLACE OF DEPOSIT AND NOT A BORROWER OF MONEY.

A bank should be a place where the money of a community may be left for safe keeping, and this department will feel that when the payment of interest upon deposits is confined to legitimate savings deposits that a long stride has been taken in the direction of safe and legitimate banking.

THE MANAGEMENT MAKES THE BANK, AND NOT THE MAGNITUDE OF ITS CAPITAL.

Many attach too much importance to large capital. No man can carry on the business of banking for a great number of years without making the discovery that the men and the management make the bank, and not the capital. Bad management will do more harm with a large capital than it can with a small one.

MANY BANKS HAVE TOO MANY STOCKHOLDERS.

I find in the organization of new banks by inexperienced bankers a great desire to create a large list of stockholders. I endeavor at all times to discourage this idea, as I believe it an element of weakness instead of strength. Neither do I believe in a large directorate. Concentrated responsibility usually produces better results than does the other extreme.

POSTAL SAVINGS BANKS.

I am not in favor of the establishment of postal Savings banks by the Government. I believe it tends towards centralization. When listening to the statements of its beneficent results in the old world, we should not forget that there are several lines of steamships bringing us the population of those countries enjoying some of these alleged blessings.

THE IMPORTANCE OF ACCUMULATING A SURPLUS FUND.

I find in too many instances that managers of banking institutions attach too little importance to the necessity of the accumulation of a surplus fund.

I find the banks as a whole in a much better condition than for some years past, and as a rule strongly fortified for any emergency that may arise.

Some of them have large items of losses, but fortunately a number of these are banks that have prepared for a "rainy day" by the accumulation of a surplus fund. The importance of a surplus fund here asserts itself. I am of the opinion that many of our banks do not make themselves fully cognizant of the provisions of the law as to what constitutes insolvency. To illustrate: A bank with one hundred thousand dollars capital and no surplus fund, should it meet with a loss of one thousand or of one hundred dollars, is, under the letter of the law, insolvent, and there immediately begins a serious personal responsibility and liability for the officers and directors.

A bank with fifty thousand dollars capital and a fifty thousand dollar surplus fund, in my opinion, is much more desirable than one with one hundred thousand dollars capital and without surplus. I am aware that this statement may be criticised by some upon the theory of the additional liability of the stockholders in the latter case, but I must respectfully refer those to the statistics of Receivers of failed banks as to the fruitfulness of this additional liability.

I desire to say a word in regard to our "general banking law." I sometimes hear it criticised. I must say that I regard the general banking law of the State of Michigan as the best and most perfect banking law within the several States. There have been comparatively few disasters during its existence, and if banks are conducted within its provisions there need be but few if any bank failures. There can be no law making dishonest officials honest, nor any law of sufficient wisdom to give incompetent men good judgment.

Excessive Interest Paid on Deposits Detrimental to the Business Interest of the Community.

Referring again to the matter of interest upon deposits, I am of opinion that there is no one thing so detrimental to the business interest of a community, and nothing that so hinders the establishment of legitimate lines or investments, as does the paying of high rates of interest upon deposits. We can all see and to some extent comprehend the changed condition of things that would ensue if the owner of money were themselves seeking to invest it. This condition would not necessarily lessen the deposits, as money in itself does not enter *into* anything, and would most naturally still be with the banks. There is a general inclination among bank managers to strengthen their institution by both a reduction of interest in this direction, and to largely decrease their par list in the matter of personal checks upon interior and remote points. At this point I desire to call attention to the inconsistency and foolishness of banks transacting a large portion of their business for nothing—namely, making collections without compensation. I am solicitous in this matter not from the standpoint of additional profit to the bank, but a bank to be a safe depository for the people's money should not carry on a business at a loss.

The Stability and Success of the State Banks of Michigan.

While a bank failure is a deplorable thing in the distress and hardships it many times brings, yet in nearly all cases the general public have a wrong conception of the extent or lack of extent of the disaster. In nearly all cases the noise is made by others than those who are involved in the misfortune. We are now entering upon the tenth year of the existence of the present State banking law. We have at the present time one hundred and seventy-seven banks and three trust companies, with a deposit of about seventy-five millions of dollars. We have passed through the worst and most aggravated money panic that this country ever saw, and this was followed by three years of absolute grief to the banking interests of the State, yet considering all this, there has been but an average of one failure a year, and the magnitude of these has been greatly exaggerated in the public mind by a lack of information as to the actual condition. There is no other line of business of this magnitude that can make a better showing, and much credit is due the officers and directors of the banks of Michigan for their good management.

I do not mean to be understood in this communication that all the banks of Michigan are in a satisfactory condition. There are some exceptions, and these the department is endeavoring to correct.

At the time of the passage of our present banking law there were in the State eighty State banks and one hundred and fifteen National banks. There are now one hundred and seventy-seven State banks, three trust companies and eighty-two National banks. Seventeen National banks have changed over to the State system, ten have failed, and six have gone into voluntary liquidation. During this period but one National bank has been organized within the State.

National Banks that Have Changed to the State System.

First National Bank, South Haven; Plymouth National Bank, Plymouth; Citizens' National Bank, Flint; First National Bank, Decatur; First National Bank, Whitehall; First National Bank, Holly; First National Bank, Mason; Second National Bank, Owosso; First National Bank, Flushing; Lansing National Bank, Lansing; First National Bank, Pontiac; First National Bank, Constantine; Merchants' National Bank, Battle Creek; First National Bank, Ionia; First National Bank, Romeo; First National Bank, St. Louis; First National Bank, Ovid.

Reserve Cities.

In accordance with the provisions of sections 24 and 27 of the banking law, I have designated the following as reserve cities, viz.: Detroit, Grand Rapids, Saginaw, Bay City, Jackson, Kalamazoo, Port Huron, Adrian, Marquette, Chicago, Milwaukee, Cleveland, Cincinnati, Toledo, Buffalo, Boston, Philadelphia and New York.

New Banks.

Nine new banks have been organized and authorized to transact business under the State banking law during the year. Six of these were new organizations; three were conversions from National banks.

The name, location, date of authorization, and amount of capital, will be found in the following table:

Name of Bank.	*Location.*	*Date of authorization.*	*Amount of capital.*
Edmore State Bank	Edmore	April 5	$15,000
Romeo Savings Bank	Romeo*	April 30	50,000
State Bank	Deckerville	June 1	15,000
Farmers' State Bank	Deckerville	June 25	15,000
Gratiot County State Bank	St. Louis*	July 1	25,000
G. W. Jones Exchange Bank	Marcellus	July 15	40,000
State Savings Bank	Ovid*	October 18	25,000
Truman Moss State Bank	Sanilac Centre	October 21	20,000
State Savings Bank	Laurium	November 6	50,000

* Formerly National Bank.

Voluntary Liquidation.

During the year the following State banks have gone into voluntary liquidation:

Name.	*Place.*	*Time.*	*Capital.*
Newberry Savings Bank	Newberry	March 5	$25,000
Kalamazoo County Bank	Schoolcraft	June 16	20,000
First State Bank	Homer	September 25	35,000
First State Savings Bank	Niles	October 8	25,000

Failed Banks.

During the year 1897 two State banks became insolvent and were closed by the commissioner, as follows:

State Bank of Fenton, closed June 14, owing depositors $88,706.29, with nominal assets $124,826.86. The Receiver has paid to date one dividend of fifteen per cent.

People's Savings Bank of Mt. Pleasant, closed August 20, owing depositors $65,491.80, with nominal assets $178,110.85. The Receivers have not to this date paid a dividend.

Comparative Volume of Business.

The deposits in the one hundred and seventy-three State banks and four trust companies, December 17, 1896, exclusive of amounts due to banks and bankers, were $65,038,394.97.

The deposits in the one hundred and seventy-seven State banks and three trust companies, December 15, 1897, exclusive of amounts due to banks and bankers, were $74,759,467.38.

This shows an increase of deposits in 1897, as compared with 1896, amounting to $9,721,072.41.

The deposits in the eighty-nine National banks, December 17, 1896, exclusive of the amount due to banks and bankers, were $34,400,244.21.

The deposits in the eighty-two National banks, December 15, 1897, exclusive of the amount due to banks and bankers, were $39,217,006.25, which shows an increase in 1897, as compared with 1896, amounting to $4,816,762.04.

Bank Earnings.

The average earnings of the State banks for the year 1897 were six and one-quarter per cent.

NOVEMBER 1, 1897.

HON. F. A. MAYNARD, *Attorney-General, Lansing, Mich.:*

DEAR SIR.—This department would be pleased to have your construction of Section 13 of the general banking law, as to whether or not a bank, having once placed in its surplus fund a sum in excess of the one-tenth of its net profits at the time of making a dividend, and having reported such surplus fund to this department and to the public in its published reports, can, at its pleasure, withdraw from said surplus fund the excess beyond the one-tenth of the net profits, while said surplus fund is yet below the twenty per cent. requirement, without consent of this department.

JOSIAH E. JUST,
Commissioner of the Banking Department.

ATTORNEY GENERAL'S OFFICE,
LANSING, Mich., Nov. 26, 1897.

HON. JOSIAH E. JUST, *Commissioner of the State Banking Department, Capitol, Lansing.*

MY DEAR SIR:—Your communication of recent date, requesting my construction of section 13 of the general banking law of this State, duly received, and has been given careful attention. You state therein: A certain bank with $50,000 capital, having had net earnings of $14,000, carried to its surplus fund $4,500, and so reported to the Commissioner of the State Banking Department. The Cashier now declares a special dividend of $3,000 of this surplus fund, leaving it at $1,500, claiming that, inasmuch as the law required him to carry but ten cent. of the net profits into the surplus fund, he is justified in paying the excess over ten per cent. of the net profits to the stockholders as dividends; and you ask the question whether a bank having once placed in its surplus fund a sum in excess of the one-tenth of its net profits as required by law, and having reported such surplus fund to the State Banking Department and to the public in its published reports, can, at its pleasure, draw from said surplus fund the excess over one-tenth of the net profits while said surplus fund is below the twenty per cent. requirement.

Section 13 of the general banking law of this State provides that:

"The board of directors of a bank may declare a dividend of so much of the net profits of the bank, after providing for all expenses, losses, interest and taxes accrued or due from said bank, as they shall judge expedient; but before any such dividend is declared, not less than one-tenth of the net profits of the bank for the preceding half year, or for such period as is covered by the dividend, shall be carried to a surplus fund until such surplus shall amount to twenty per cent. of its capital stock."

Under this section of the general banking law, every bank doing business under its provisions is required to create and accumulate a surplus fund amounting to twenty per cent. of its capital stock. The method pointed out by that section for the creation and accumulation of that fund is that "not less than one-tenth of the net profits of the bank for the preceding half year, or for such period as is covered by the dividend, shall be carried to a surplus fund until such surplus shall amount to twenty per cent. of its capital stock." Under this section the board of directors of the bank are authorized and required to carry to the surplus fund at least ten per cent. of the net profits of the bank, and such an amount in addition thereto as it deems expedient until such surplus shall amount to twenty per cent. of the capital stock. It seems to me that the Legislature intended that the amount carried to the surplus fund should become a part of that fund, not to be taken therefrom for the purpose of distributing it in dividends, unless such surplus fund amounts to more than twenty per cent. of the capital stock of the bank; and this is true, whether the amount carried to such surplus fund is ten per cent. of the net profits for the period for which a dividend was declared, or in excess of ten per cent. of such net profits.

The surplus fund provided for by the statute is for the protection of the depositors and persons doing business with the bank.

In the report made by banks to the State Banking Department and required by law to be published, the amount of surplus possessed by any bank must appear; and it does not seem to me that the law will allow a bank to carry all or nearly all of its net profits into the surplus fund, leaving it there long enough to make its report to the Commissioner of the State Banking Department, for the purpose of giving a false credit to the bank, and then to pay it to the stockholders in dividends before such surplus fund has reached the amount required by law.

I am erefore, clearly of the opinion that, after a portion of the net profits of any bank have been carried into the surplus fund, they cannot afterwards, before that fund reaches the amount required by law to be therein, be paid to the stockholders as dividends.

FRED A. MAYNARD, *Attorney-General.*

BANKING AND FINANCIAL NEWS.

This Department includes a complete list of NEW NATIONAL BANKS (furnished by the Comptroller of the Currency), STATE AND PRIVATE BANKS, CHANGES IN OFFICERS, DISSOLUTIONS AND FAILURES, etc., under their proper State heads for easy reference.

NEW YORK CITY.

—James A. Stillman and Wm. S. Bogert, recently elected to serve temporarily as directors of the National City Bank, have resigned, and Charles S. Fairchild, formerly Secretary of the Treasury, and John W. Sterling have been chosen as their successors.

—The Hanover National Bank is now the clearing-house agent of the Colonial Bank.

—The new Produce Exchange Trust Co. opened for business March 7 in the Standard Oil Building, 26 Broadway.

—Group VIII of the New York State Bankers' Association held its second annual banquet at the Hotel Manhattan on the evening of March 8. Gen. Thos. L. James, President of the Lincoln National Bank, presided. Many of the leading bankers of the city, and also several guests from other places, were present. A number of addresses, chiefly of a light and pleasing character, were made, and the event was in every respect most successful.

—N. S. W. Vanderhoef, senior member of the old and well-known firm of Vanderhoef & Co., dealers in straw goods, has been elected a director of the Ninth National Bank.

—The Equitable Securities Company recently certified to the Secretary of State that it had reduced its preferred stock 25 per cent. and its common stock 75 per cent., which is a reduction of its capital stock from $2,100,000 to $1,000,000. The amount of capital actually paid in is $1,888,800, and the whole amount of its debts and liabilities is $10,671,748. The assets of the corporation are placed at $11,657,381.

—The National Park Bank recently announced that it would pay out gold coin on checks drawn on the bank, with a view to bringing gold into wider use as a circulating medium.

—On February 14 Samuel Wolverton, Assistant Cashier of the Fifth Avenue Bank, was appointed Cashier of the Gallatin National to succeed Arthur W. Sherman, deceased. Mr. Wolverton entered the Fifth Avenue Bank as a messenger in 1888, becoming Assistant Cashier three years later.

The Fifth Avenue Bank has been the training school for so many bankers that it has become known as the bankers' kindergarten. It has graduated more bank officers than any other institution in the city. Among them are James G. Cannon, Vice-President of the Fourth National Bank; William H. Porter, Vice-President, and John T. Mills, Jr., Cashier of the Chase National Bank; John I. Cole, Cashier of the National Shoe and Leather Bank; Charles F. Bevins, Cashier of the Astor National Bank; John Sage, Assistant Cashier of the Bank of America; S. S. Campbell, Assistant Cashier of the Merchants' National Bank; A. D. Bullock, Assistant National Bank Examiner; H. H. Swazey, Secretary of the Fifth Avenue Trust Co., and Samuel Wolverton, Cashier of the Gallatin National Bank.

—The new Astor National Bank, in Astor Court, West Thirty-fourth street, opened for business February 14, with $300,000 capital. Following are the officers and directors: President, Geo. F. Baker; Vice-President, Charles A. Peabody, Jr.; Cashier, C. F. Bevins; Assistant Cashier, Harris Fahnestock. Directors, George F. Baker, William Waldorf Astor, John Jacob Astor, Robert H. McCurdy, Harrison E. Gawtry, Henry B. Ely, Charles A. Peabody, Jr.

—David Hunt has been elected a director of the Tradesmen's National Bank, to fill a vacancy.

—A. T. J. Rice has been elected Vice-President of the National Broadway Bank, and Charles J. Day succeeds him as Cashier.

—The North American Trust Co., of which Hon. W. L. Trenholm, former Comptroller of the Currency, recently became President, makes a very favorable showing in its last published report. This company has $1,000,000 paid-up capital, which, under the charter, may be increased to $2,500,000. As trustee and financial agent the company represents several thousand investors in the United States and Europe and manages securities exceeding $14,700,000 in value. Its total assets exceed $1,631,000, and the undivided profits are $278,174. A regular trust business is transacted and the company acts as a depositary for money, issues letters of credit, acts as trustee, and performs special services in regard to investments and makes careful investigation of the properties on which they are based.

NEW ENGLAND STATES.

Boston.—At a meeting of the shareholders of the National Revere Bank, February 25, it was voted to reduce the number of shares from 15,000 to 10,000 and the capital from $1,500,000 to $1,000,000, the sum of $500,000 being returned to the stockholders in cash.

—On February 15, by a vote of 8,670 out of 10,000 shares, the National City Bank was placed in voluntary liquidation. The deposits and business of the bank have been transferred to the Eliot National Bank, and the President and Cashier will collect the assets and the loans of the bank, after which it will be determined what dividend shall be paid to the shareholders. This step has been in contemplation since January 1.

—The firm of Fuller, Blair & Co. has been dissolved by mutual consent.

—On March 2 State Treasurer Shaw opened the bids for the $2,000,000 State of Massachusetts three and one-half per cent. forty-year metropolitan water gold bonds, dated January 1, 1898. The bids were awarded to Kidder, Peabody & Co. and Blake Brothers & Co., jointly, whose bid was $112,877. This issue brings the total amount of metropolitan water bonds sold to $12,000,000, out of an authorized issue of $27,000,000.

—The Bank Presidents' Association met February 14 at the Parker House, the occasion being the annual meeting. The guests were Henry L. Higginson, Charles C. Jackson and Hugh H. Hanna, of Indianapolis. They spoke upon the "Report of the Indianapolis Monetary Commission." Samuel N. Aldrich presided. The election of officers resulted in the choice of the following-named: President, S. N. Aldrich; Vice-Presidents, Moses Williams, John J. Eddy: Secretary, Charles H. Cole; Treasurer, Horatio Newhall; Executive Committee, James P. Stearns, Eleazar Boynton.

New Haven, Conn.—It has been decided by the directors of the Merchants' National Bank that it is advisable to reduce the capital from $500,000 to $350,000.

Savings Bank Organizing.—A petition was recently introduced in the Massachusetts Legislature for the organization of the Stockbridge Savings Bank. James Burns and others are interested in the organization.

MIDDLE STATES.

Philadelphia.—Owing to a falling off in business the Seventh National Bank has decided to go into liquidation, and to merge its business with that of the Fourth Street National. Not long ago the latter bank took over the business of the National Bank of the Republic.

—Comptroller Dawes has approved an amended plan for the reorganization of the Chestnut Street National Bank and the Chestnut Street Trust and Saving Fund Co.

—The annual election of the officers of the Philadelphia Stock Exchange was held March 7. Officers were elected as follows: President, Robert M. Janney: Vice-President, Beauveau Borie: Secretary and Treasurer, J. Bell Austin; Chairman of Governing Committee, William J. Morris.

Buffalo, N. Y.—Edward Bennett, for the past five years President of the Buffalo Savings Bank, has resigned on account of failing health.

—Leading bankers of the city are taking an active interest in providing funds for the Pan-American Exposition which it is proposed to hold here.

New National Bank.—Citizens of Denton, Md., are organizing a new National bank.

First National, Oxford, N. Y.—In a mention of this bank, which was made on page 129 of the January MAGAZINE, it was stated that "since its organization in 1864 the bank has added $15,000 to its profit account, paid $180,000 in dividends, $16,000 tax on circulation, and $88,000 in local taxes, besides charging off everything which it was not deemed conservative to carry." As a matter of fact these results were achieved in the *eighteen years* since Mr. John R. Van Wagenen has been President. From the time of its organization the bank has paid its shareholders $385,000 in dividends and created a profit account of $90,124.

Favors the Commission's Plan.—A recent number of the Rochester (N. Y.) "Post Express," says:

"As a successful banker, William C. Cornwell, President of the City Bank of Buffalo, ought to be competent to pass upon the safety of the proposed plan of the Currency Commission. Instead of having any fears about it, as many timid people do, he says that it is 'based upon sound principles of banking in operation in every highly civilized country in the world except the United States.' He adds:

'As far as the arrangement for banks issuing notes against their assets is concerned this plan has been tried for many years, and with perfect success under the Canadian system. As to the security of the notes, there is absolutely no question. The notes would be as good as practically all the business of the United States could make them, because they would have behind them the business assets of the whole country, which are gathered together in the banks, and the note based on these assets with a guarantee fund contributed by all the banks could not fail to be as good as a Government bond. If the business assets of a country are not good its Government bonds cannot be. We may go further, and say that while the Government bonds of a country might not be good, its business assets would be, and this has happened many times in the history of the world.'"

For Bank Supervision.—A bill is pending in the Maryland Legislature providing for the effective supervision of State banks and trust companies. Messrs. Hambleton & Co., the well-known Baltimore bankers, in a recent circular give the following information in regard to the proposed law:

"A new State banking law, or rather an amendment to the present law, is now before the Legislature. These amendments were prepared under the supervision of a committee appointed by the Maryland Bankers' Association, and are intended to regulate State banking and prevent the establishment of banks without proper security and conservative management. The Act also appears to apply, to a limited extent, to trust companies doing a banking business and receiving deposits subject to check.

The following are the principal features of the proposed Act:

SECTION 10. Every banking association (excepting Savings banks having no capital stock, building or homestead associations and National banks) authorized by its charter to do a banking business in this State, and every trust company, deposit company or other corporation authorized by its charter to receive money on deposit, or in fact receiving money on deposit, shall make to the treasurer of the State of Maryland, not less than five reports during each year according to the form which may be prescribed by him, which reports shall be verified by the oath or affirmation of the president, cashier or treasurer of such association, trust company, deposit company or other corporation authorized to receive or receiving money on deposit, and attested by the signatures of at least three of the directors thereof, such oath or affirmation to be made before any officer of this State authorized to take acknowledgments of deeds, and every report so made shall exhibit in detail and under appropriate heads, the resources and liabilities of such association, trust company, deposit company or other corporation authorized by its charter to receive or receiving money on deposit in this State, at the close of business on any past day by him, the treasurer, specified, and which said reports respectively shall be transmitted to the treasurer of this State within five days after the receipt of his request or requisition therefor, and shall be published in some newspaper published in the city or county where such association, trust company, deposit company or other corporation authorized by its charter to receive or actually receiving money on deposit in this State may be located, etc.

The treasurer shall also have power to call for special reports from any such association, trust company, deposit company or other corporation authorized by its charter to receive or actually receiving money on deposit in this State, whenever in his judgment the same are necessary in order to invest him with a full and complete knowledge of its condition.

SECTION 31. That every banking association (excepting Savings banks having no capital stock, building or homestead associations or National banks) authorized to do a banking business in this State, and every trust company, deposit company or other corporation authorized to receive or actually receiving money on deposit, subject to check, which shall be located in the city of Baltimore, shall at all times retain and have on hand in lawful money of the United States and National bank notes (excepting as qualified by Section 33) an amount equal to at least twenty-five per centum of the aggregate amount of its deposits subject to check; and every other banking association (excepting Savings banks having no capital stock, building or homestead associations and National banks) authorized to do a banking business in this State, and every trust company, deposit company or other corporation authorized by its charter to receive or actually receiving money on deposit subject to check which may be located in this State outside the city of Baltimore, shall at all times retain and have on hand in lawful money of the United States and National bank notes (excepting as qualified by said Section 33) an amount equal to at least fifteen per centum of the aggregate amount of its deposits subject to check.

The qualifications referred to in Section 33 provide that one-half of the reserve fund may be kept on deposit in banking associations, to be appointed by the Treasurer of the State, located in the State of Maryland or in such reserve cities as are designated under the National Banking Act.

The penalty for not complying with this requirement to maintain a reserve, to be that the corporations affected shall not increase their liabilities by making any new loans or discounts, or by paying any dividend until the reserve fund shall have been restored.

It is further provided that the Treasurer of the State, with the approval of the Governor, shall appoint an examiner to visit and examine all such institutions at least once a year and oftener, if in his judgment, etc. The expense of such examination to be paid by the bank, trust company, etc., examined. Loans upon the security of the capital stock of such institutions, except to secure a debt previously contracted, not permitted.

SECTION 36. That the total liabilities to any association, company or corporation affected by the provisions of this Article, of any person or of any company, corporation or firm, for money borrowed (including in the liabilities of a company or firm the liabilities of the several members thereof) shall at no time exceed one-tenth part of the amount of the capital stock and surplus of such association, company or corporation actually paid in; except loans by trust companies upon collateral securities; but a discount of bills of exchange drawn in good faith against actually existing values and the discount of commercial paper or business paper actually owned by the person or persons negotiating the same, shall not be considered as money borrowed.

The penalty for loaning more than ten per cent. of capital and surplus, or for failing to make good the reserve, shall be forfeiture of charter and appointment of receiver by the Treasurer, with the approval of the Governor."

New York Canal Bonds.—State Comptroller Roberts recently awarded $3,230,000 three per cent. gold bonds, due January 1, 1913, to Vermilye & Co., New York, at 105.07. At this price the bonds net the purchaser 2.59 per cent. This sale disposes of the last of the $9,000,000 of canal improvement bonds.

Banker Appointed Postmaster.—R. Titus Coann has been appointed postmaster at Albion, N. Y. Mr. Coann is a well-known citizen. He was for some years Chairman of the Republican County Committee, and has served as County Treasurer. He is at present Cashier of the Citizens' National Bank.

Proposed Banking Laws.—Among the bills introduced in the New York Legislature for amending the banking law are the following:

No. 140, by Mr. Sullivan.—Requiring private bankers in cities of the first class to deposit bonds for the security of depositors.

No. 179, 379, by Mr. Krum.—To amend Section 158 of Chapter 689, Laws of 1892, as amended by Section 4 of Chapter 696 of the Laws of 1893. The second sentence of the section is amended by adding the words italicized: "All investments of money received by any such corporation, *and by any trust company chartered by special act, prior to May Eighteenth, Eighteen hundred and ninety-two*, in either of such characters shall be at its sole risk," etc.

No. 356, by Mr. Page.—Permitting banks in New York city to open branch offices.

No. 452, by Mr. Higgins.—Permitting Savings banks to invest their deposits in the first mortgage bonds of railroad in New York State.

No. 690, by Mr. Brennen.—To provide for the publication of unclaimed deposits in Savings banks, trust companies, etc.

No. 403, by Mr. Peterson.—Providing that no banking corporation shall require as a qualification for membership in its board of directors or trustees the ownership of a larger amount of its stock than $1,000, par value.

No. 366, by Mr. Sullivan.—Changing the legal rate of interest to five per cent.

No. 490, by Mr. Gale.—Amends the tax law by making trust companies subject to taxation in the same manner as banks now are.

In addition to the above Senator Page has introduced a bill providing that when any bank, Savings bank, trust, loan, mortgage, security, guaranty or indemnity company files an affidavit that there is a deficit in capital stock, it may have six months in which to levy assessments on stockholders to the amount of the latter's unpaid subscriptions.

Assemblyman Miller has introduced a bill which provides that "no person who is a director, trustee, manager, or other officer of a bank or banking corporation organized under this chapter or the laws repealed by it shall be a trustee of a Savings bank, and the office of a trustee of a Savings bank who is at the time of the taking effect of this amendment a director, trustee, manager, or other officer of any such banking corporation is hereby vacated."

Another bill, offered in the Assembly by Mr. Weeks, increases the amount a Savings bank may loan on real estate in the Borough of Manhattan, New York city, to sixty-five per cent. of the value of such property.

New Jersey Bank Laws.—Gov. Voorhees, of New Jersey, recently appointed a commission to revise the laws relating to banks, banking, safe deposit, trust, guaranty and surety companies and the taxation thereof, excepting therefrom the laws relating to Savings banks.

Baltimore, Md.—Five new members were recently elected to seats in the Baltimore Stock Exchange. With the firms they represent they are as follows: John W. Garrett, of Robert Garrett & Sons; Frank S. Hambleton, of Hambleton & Co.; T. Nelson Strother, of Wilson, Colston & Co.; John B. Pendleton, of Robert J. Taylor & Co., and Henry Pennington, of Lowndes & Redwood. This is the largest number of members elected at one time for some years. The Stock Exchange has been steadily growing in numbers and the development of the stock business is keeping pace with the growth in the financial importance of the city.

SOUTHERN STATES.

Richmond, Va.—Prominent financiers in this city, New York and Baltimore, have organized the Richmond Trust and Safe Deposit Co. here, capital, $300,000. It is the intention to transact a trust company business, and not to enter the field of commercial banking. The following officers were chosen: President, John S. Williams; First Vice-President, James W. Allison; Second Vice-President, James H. Dooley; Secretary and Treasurer, Henry L. Cabell.

—A bill was recently introduced in the Legislature providing for the creation of a State banking department and the appointment of a Superintendent of Banking and Insurance.

Examination of Private Banks.—By a law of the State of Georgia, approved December 21, 1897, all private banks were compelled to submit to examinations and to make reports the same as chartered banks. Recently the law has been attacked, and an injunction was granted at Atlanta temporarily restraining the examination of unincorporated banks, on the ground that the law was unconstitutional. Argument on the case was set for March 12.

A further provision of the above law requires all private banks to have stamped on their stationery the words "not incorporated."

Tennessee Bank Consolidation.—The business of the Bank of Livingston, Tenn., has been purchased by the People's Bank, and has been consolidated with the latter institution.

Virginia Bankers' Association.—The fifth annual convention of the Virginia Bankers' Association was held at Richmond February 22. By a nearly unanimous vote the association endorsed the currency plan of the Indianapolis Monetary Commission.

Officers were chosen as follows:

President, W. M. Hill of Richmond; Vice-Presidents, Mann S. Quarles, S. G. Wallace, Richmond; E. P. Miller, Lynchburg; J. H. Toomer, Portsmouth; W. H. Doyle, Norfolk; J. A. Willett, Newport News; J. J. Lawson, South Boston; C. D. Fishburne, Charlottesville; Turner McDowell, Fincastle; Secretary and Treasurer, H. A. Williams, Richmond.

Executive Committee: B. W. Leigh, Norfolk (chairman); George L. Christian, Richmond; H. S. Trout, Roanoke; G. J. Seay, Petersburg; J. H. Patteson, Manchester; J. H. Schoolfield, Danville; J. L. Billsoly, Portsmouth; J. M. Robertson, Charlottesville; James N. Boyd, Richmond.

Committee on Banking and Jurisprudence: L. R. Watts, Portsmouth; J. M. White, Charlottesville; Alex. Hamilton, Petersburg; A. A. Phlegar, Christiansburg; G. A. Schmelz, Newport News; John S. Ellett, Richmond; C. M. Blackford, Lynchburg; R. W. Burke, Staunton; Virginius Newton, Richmond.

Committee on Finance: R. H. Smith, J. F. Glenn and J. W. Sinton of Richmond.

The question of meeting semi-annually hereafter was discussed, but no decision was reached.

In the evening the visitors were entertained by the Richmond Clearing-House Association at a banquet at the Westmoreland Club.

WESTERN STATES.

Chicago.—W. L. Moyer, Assistant Cashier of the Illinois Trust and Savings Bank, has been elected a director of that bank.

—James W. Ellsworth, until a short time since President of the Union National Bank, will remove to New York.

North Dakota Bankers.—A meeting of the Fourth District of the North Dakota Bankers' Association was held at Jamestown, February 2.

Louisville, Ky.—The City National Bank will probably reduce its capital from $400,000 to $200,000. It is understood that several local financial institutions will pursue the same course, on account of excessive taxation.

Teaching Pupils Banking.—A new feature has been introduced into the grammar school of Rising City, Nebr. This is a bank purporting to be organized in conformity with the laws of the State. The bank has a board of directors, president, cashier, attorney, and all the paraphernalia of a regularly equipped banking institution. The pupils carry on all sorts of business, including the purchase and sale of various kinds of bonds, and keep deposits with the bank, on which they check as necessity requires and to which they add from time to time. The bank does an exchange business, discounts notes and bills and acts as a collection agent for its clients and others.

Denver, Colo.—The International Trust Company has recently opened a Savings bank department, especially designed to meet the requirements of those having small sums they desire to lay aside for safe keeping. This company numbers among its directors such well-known capitalists as David H. Moffat, President of the First National Bank; Gov. Alva Adams, M. D. Thatcher, President First National Bank, Pueblo, and others of similar high financial standing.

A safe deposit department has also been added to the company's business.

—The People's National Bank Building was recently bought by Finis P. Ernest for $350,000.

—A prominent mercantile firm here has started a Savings bank department, with a view to encouraging habits of thrift and economy among its employees.

Gold Contracts in Kentucky.—It is reported that the House of Representatives of the Kentucky Legislature has passed a bill prohibiting gold contracts.

A Missouri Bank Robbed.—The Farmers' Bank of Sheridan, Mo., was recently robbed of $2,400 in money and $6,000 in drafts and securities. The burglars blew open the safe with dynamite.

New State Bank.—A charter was recently granted to the Farmers and Merchants' State Bank, of La Crosse, Kans.; capital, $25,000.

Kansas Banks Consolidate.—The Bank of Beloit (Kans.) has consolidated with the First National Bank of that place.

Nebraska Banks Reorganized.—The Bank of Spencer, Nebr., which suspended a few weeks ago pending the adjustment of the estate of the principal stockholder, has reorganized and resumed business.

Sioux Rapids, Iowa.—The partners who owned the Security Bank here have organized as its successor the State Security Bank, with $30,000 paid-in capital. Officers are: President, C. B. Mills; Vice-President, A. H. Hulett; Cashier, Adelbert Tymeson, Jr. These, with Ada A. Mills and Aristeen Moe, constitute the board of directors.

Bank Charter Revoked.—On February 14 the State Bank Commissioner revoked the charter of the Midland Bank, Dodge City, Kansas, for failing to comply with the provisions of the banking law.

New Savings Bank.—Warren, Ohio, is to have a new Savings bank with $100,000 capital. E. D. Kennedy will be Secretary and Treasurer, and John N. Butler, Assistant.

Lansing, Mich.—A new bank is being organized here. It is said that State Bank Examiner Caldwell is organizing a National bank and that Detroit capitalists are planning to start a State bank.

Salaries of Kansas Bank Officers.—Reports made to the State Bank Commissioner show that less than twenty-five of the 375 State and private banks in Kansas pay salaries to their Presidents. Most of the salaried Presidents receive less than $1,000 a year each. Three of them draw $2,500, and twelve get an annual salary of $500. The average salary of Cashiers is about $1,000 a year. A number draw from $1,800 to $2,500, but these are offset by 200 or more who get from $600 to $720 a year. The Cashier of the largest bank in the State gets only $2,500. The Cashier of one Western Kansas bank gets $25 a month and boards himself. Kansas bank clerks are not overpaid. Some of them get as high as $1,000, but the average of them get about $480.

Des Moines, Iowa.—The clearing-house association has made amendments to its constitution, looking to increased stability of Des Moines banks. Banks holding membership in the association hereafter must hold at least $50,000 of their capital stock intact. This provision, it is thought, will leave them prepared for any possible emergency, and lessen probability of calls on other banks for assistance. Banks outside the city will be excluded from membership, and city banks must be examined by a committee of the association before being admitted. The membership fee has been raised from $25 to $100.

PACIFIC SLOPE.

Helena, Montana.—Receiver Wilson of the Merchants' National Bank has been instructed to pay another dividend of 5 per cent., making a total of 30 per cent. Another dividend is likely about May 1.

Utah Bank Examiner.—Gov. Wells has appointed R. R. Anderson of Salt Lake City, State Bank Examiner.

Great Falls, Montana.—The Comptroller of the Currency has declared another dividend of 5 per cent. to the creditors of the Northwestern National Bank, which will go to the Conrad Bros., they having already paid the depositors 100 per cent on their claims. The Conrads were practically uninterested, except as creditors, but voluntarily assumed the liabilities of the failed bank and paid depositors in full with their personal checks.

San Francisco.—The San Francisco National Bank having succeeded the Sather Banking Company, a request for the disincorporation of the latter has been filed. This is simply a formal proceeding to meet the requirements of law. There will be no opposition to the request.

—Mr. John J. Valentine, President of Wells, Fargo & Co., has published his annual estimate of the precious and other metals produced in the States and Territories west of the Missouri River (including British Columbia) during 1897, which shows in the aggregate: gold, $69,830,597; silver, $37,184,034; copper, $36,645,694; lead, $9,775,144. Total gross results, $153,-435,469. The commercial value at which the several metals named have been estimated is silver, 60 cents per ounce; copper, 11 cents per pound, and lead, $3.38 per hundred weight.

—Ex-Mayor E. B. Pond has been elected President of the San Francisco Savings Union to succeed Albert Miller, resigned.

CANADA.

Bank Holidays in 1898.—Following is a complete list of all the bank holidays in the Dominion of Canada for the year 1898: Jan. 1, April 8, 11, May 24, July 1, Sept. 5, Dec. 25. In addition to the above the following are holidays in the Province of Quebec: Jan. 6, Feb. 23, May 19, Nov. 1, Dec. 8.

Bills drawn "at sight" or "after sight" are entitled to three days grace. Bills that fall due on Sunday or other legal holiday are payable on the next business day thereafter.

Government Savings Banks.—The balance to the credit of depositors in the Canadian Government Savings Banks amounted at the close of 1897 to $15,738,645. The deposits made during January were $224,141, and withdrawals $215,744.

To Increase Capital.—Application is to be made by the Merchants Bank of Halifax to the treasury board for a certificate approving the increase of capital stock from $1,500,000 to $2,000,000 to extend the bank's branch business. Not long ago the Bank of Nova Scotia made a similar increase.

Appointed Bank Inspector.—W. L. Chipman, for some years—since its organization—secretary of the Bankers' Association, has resigned to accept the position of joint Assistant Inspector of the Molsons Bank.

Failures, Suspensions and Liquidations.

Kansas.—The State Bank Commissioner recently revoked the license of the Westmoreland State Bank. It is the first time in the history of the State that a solvent bank has been closed in this way. It was done under the State law of 1897, which authorizes the revocation of a license to a bank refusing to obey the Commissioner's orders. This bank was organized out of the ruins of a National bank, and refused to convert its real estate holdings into cash. It had a capital of $10,000.

Maryland—BALTIMORE.—On February 24 a Receiver was appointed for the South Baltimore Bank. It was formerly a building and loan association but was granted banking privileges in 1888. Deposit liabilities were about $115,000 and bills payable $15,000. The capital was $28,500, and there was $23,000 cash on hand. It is estimated that the shrinkage in the assets and other losses will wipe out these two items and leave a considerable deficit besides.

Michigan.—J. E. Just & Co., bankers at South Lyon, made an assignment February 23. Mr. Just, who was head of the firm and also State Bank Commissioner, died recently. It is said the firm is solvent.

—A statement of the private bank of J. M. Wilkinson, of Marquette, which recently closed its doors, shows nominal assets as $205,093; appraised assets, $143,223, and liabilities. $133,973.

New Hampshire.—The trustees of the Belknap Savings Bank at Laconia, have voted to declare a dividend to depositors of ten per cent., payable March 14. The bank suspended business May 18, 1897, and this will be the first dividend to be declared. The disbursement will aggregate about $90,000.

New York—BROOKLYN.—Edward F. Linton, surviving partner of the private banking firm of Edward F. Linton & Co., made a general assignment February 17. Deposit liabilities were only $20,000. Nominal assets $533,000, actual assets $237,000, total liabilities $243,000.

Pennsylvania—PHILADELPHIA.—A dividend of twenty per cent. was recently declared in favor of the creditors of the suspended Chestnut Street National Bank.

Prices of United States Bonds to Realize Three Per Cent.

Table showing prices at which United States bonds must sell, April 1, 1898, in order to realize to the purchaser three per cent. interest per annum.

CLASS OF BONDS—COUPONS.	*Flat price (including accrued interest).*	*Net price (not including accrued interest).*	*Rate of interest realized to investors.* Per cent.
Fours of 1925	119.0821	118.3855	3.000
Fours of 1907	108.0513	108.0513	3.000
Fives of 1904	111.4745	110.6663	3.000

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of New National banks organized since our last report. Names of officers and other particulars regarding these New National banks will be found under the different State headings.

5111—America National Bank, Chicago, Illinois. Capital, $1,000,000.
5112—Astor National Bank, New York City, New York. Capital, $300,000.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

Citizens' National Bank, Cedar Rapids, Iowa; by J. L. Bever, *et al.*
Commercial National Bank, Santa Monica, Cal.; by E. J. Vawter, *et al.*
Berrien County National Bank, Benton Harbor, Mich.; by H. D. Pool, *et al.*
Colonial National Bank, Cleveland, Ohio: by Sheldon Parks, *et al.*
Shawnee National Bank, Shawnee, Okla.; by W. S. Search, *et al.*
Northampton National Bank, Easton, Pa.; by E. J. Richards, *et al.*

NEW BANKS, BANKERS, ETC.

ALABAMA.

FRUITHURST—People's Bank (W.A. Newton).

ARKANSAS.

GRAVETT—Bank of Gravett; capital, $25,000; Pres., J. Manwaring.

ILLINOIS.

CHICAGO—America National Bank (successor to American Exchange National Bank and National Bank of America); capital, $1,000,000; Pres., Isaac G. Lombard; Vice-Pres., Robert Stuart; Second Vice-Pres., Robert M. Orr; Cas., Edward B. Lathrop.

FAIRLAND—Fairland Exchange Bank; Pres., D. Cotterman; Vice-Pres., J. M. Hopkins; Cas., M. A. Smith.

IOWA.

BURT—Farmers' Savings Bank.

KAMRAR—Farmers and Merchants' Bank; capital, $10,000; Pres., Geo. S. Neel; Vice-Pres., F. H. Alexanders; Cas., C. A. Neel; Asst. Cas., W. A. Neel.

LITTLE SIOUX—Peyton Bank.

PELLA—Security Bank; Pres., G. Van Vliet; Vice-Pres., N. Van Vliet; Cas., J. H. Van der Linden.

PERCIVAL—Percival Bank; capital, $5,000; Cas., A. A. Failing.

PULASKI—Bank of Pulaski; Pres., Thomas J. Hill; Vice-Pres., C. W. Matthews; Cas., J. J. Miller.

SWEA CITY—State Bank (successor to Swea City Bank); capital, $25,000; Pres., A. D. Clarke; Vice-Pres., J. B. Johnson; Cas., S. P. Barr.

KANSAS.

LA CROSSE—Farmers and Merchants' State Bank.

LARNED—Moffet Brothers State Bank; capital, $7,500.

LE ROY—State Bank; capital, $5,000.

NORCATUR—State Bank; capital, $5,000.

KENTUCKY.

BERRY—Berry Deposit Bank; Cas., E. R. Blackburn.

MIDWAY—Farmers' Bank; capital, $30,000; Pres., P. P. Parrish; Cas., Albert D. Gayle.

MINNESOTA.

LE ROY—Bank of Le Roy; Pres., Wm. Allen; Cas., D. C. Corbitt.

PINE ISLAND—Citizens' Bank (successor to Pine Island State Bank); Pres., John Cornwell; Vice-Pres., G. Miller; Cas., W. M. Thomson.

MISSISSIPPI.

GLOSTER—Commercial Bank; capital, $25,000; Pres., G. H. Barney; Vice-Pres., W. D. Johns; Cas., N. B. McLean.

MCCOMB—Citizens' Bank; capital, $25,000.

MISSOURI.

KANSAS CITY—Hocker-Woodson Brokerage Co.; capital, $25,000; Pres., R. W. Hocker; Treas., S. C. Woodson.

LA PLATA—Bank of La Plata; capital, $10,000; Pres., J. B. Goodding; Cas., Thos. L. Rubey; Asst. Cas., R. E. Goodding.

PUXICO—Bank of Puxico.

NEW YORK.

NEW YORK CITY—Astor National Bank; capital, $300,000; Pres., Geo. F. Baker; Vice-Pres., Charles A. Peabody, Jr.; Cas., Charles F. Bevins; Asst. Cas., Harris Fahnestock.

NORTH DAKOTA.

STEELE—Kidder County State Bank; capital, $5,000; Pres., A. M. Lewis; Cas., Jno. F. Robinson.

OHIO.

CLEVELAND—Hough Avenue Banking Co.; capital, $50,000.——American Trust Co.; capital, $500,000; Pres., Ryerson Ritchie; Sec.-Treas., Howard White.

PENNSYLVANIA.

MINERSVILLE—Mechanics' Bank of Schuylkill Co. (organizing).

SHARPSBURG—Citizens' Deposit & Trust Co.; capital, $125,000; Pres., W. P. Potter; Cas., Charles N. Patterson.

WILLIAMSPORT—Farmers' Banking House; capital, $10,000; Pres., Levi Sparr; Cas., Charles A. Patterson.

SOUTH CAROLINA.

CHESTERFIELD — Chesterfield Banking & Commission Co.: capital, $5,(00.

NEWRY—Oconee Savings Bank; Pres., Campbell Courtenay; Cas., W. E. Cheswell.

SOUTH DAKOTA.

CENTERVILLE — Centerville State Bank; capital, $10,000; Pres., James Mee; Vice-Pres., H. Hicks; Cas., R. W. Sayre.

CLARK—First State Bank (successor to First Nat. Bank); capital, $10,000; Pres., H. C. Bockoren; Vice-Pres., S. N. Brown; Cas., Carl Jackson.

VIENNA—Bank of Vienna; capital, $5,000; Pres., E. A. Syverson.

WOONSOCKET — American Exchange Bank; Pres., W. A. Loveland; Cas., W. H. Williams.

TENNESSEE.

HENDERSON—Bank of Henderson; capital, $30,000.

TEXAS.

CHILDRESS—Bank of Childress (successor to W. L. R. Dickson); capital, $10,000; Prop., U. S. Weddington.

SNYDER—City Bank.

WASHINGTON.

SEATTLE—H. O. Shurey & Co.

VIRGINIA.

BRIDGEWATER — Planters' Bank; capital, $4,000; Pres., Jos. H. Craun; Cas., Jas. R. Shipman: Asst. Cas., S. H. W. Byrd.

WEST VIRGINIA.

KINGWOOD—Citizens' National Bank (successor to Bank of Kingwood); capital, $75,000.

SALEM—Bank of Salem; capital (paid up), $25,000.

WYOMING.

WHEATLAND—Bank of Wheatland; capital, $5,000; Pres., W. W. Stewart; Cas., Geo. S. Stewart.

WISCONSIN.

REEDSBURG—State Bank; capital, $30,000.

CANADA.

BRITISH COLUMBIA.

NANAIMO — Merchants' Bank of Halifax; Mgr., W. A. Spencer.

MANITOBA.

MELITA—Union Bank of Canada.

NOVA SCOTIA.

BEAR RIVER—Commercial Bank of Windsor; Frank D. Soloan, Agt.

ONTARIO.

ALLISTON—Ontario Bank; J. Morris, Mgr.

QUEBEC.

MONTREAL—Dominion Bank; Clarence A. Bogert, Mgr.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

BIRMINGHAM—Berney National Bank; Walker Percy, Vice-Pres. in place of W. F. Aldrich.——Alabama National Bank; S. McGaughy, Asst. Cas. in place of H. L. Badham.

GREENVILLE—Bank of Greenville; W. S. Witham no longer Pres.

ARKANSAS.

FORT SMITH—First National Bank; F. A. Handlin, Asst. Cas.——American National Bank; P. A. Ball, Cas. in place of Fred Titgen; no Asst. Cas. in place of P. A. Ball.

LITTLE ROCK—Exchange National Bank; J. Niemeyer, Vice-Pres. in place of Phil Pfeifer.

CALIFORNIA.

POMONA—First National Bank; no Cas. in place of Stoddard Jess; Jay Spence, Asst. Cas.

SAN DIEGO—First National Bank; Heber Ingle, Vice-Pres. in place of D. F. Garrettson; D. F. Garrettson, Cas. in place of J. E. Fishburn.

SAN FRANCISCO—Mutual Savings Bank; C. B. Hobson, Asst. Cas.——San Francisco Savings Union; E. B. Pond, Pres. in place of Albert Miller.

SANTA BARBARA—Santa Barbara County National Bank; no Asst. Cas. in place of W. T. Summers.

SANTA ROSA—Santa Rosa National Bank; R. F. Crawford, Vice-Pres. in place of L. W. Juilliard; E. C. Merritt, Asst. Cas. in place of A. B. Swain.

COLORADO.

DENVER—First National Bank; W. C. Thomas, Second Asst. Cas.

GLENWOOD SPRINGS—First National Bank; no Asst. Cas.

HAHN'S PEAK—Bank of Hahn's Peak; F. E. Milner, Cas.; Dora J. Keller, Asst. Cas.

PUEBLO—Pueblo National Bank; R. M. Greene, Asst. Cas.——Western National Bank; B. B. Brown, Pres. in place of W. L. Graham; W. L. Graham, Vice. Pres.——Stockgrowers' National Bank; no Vice-Pres. in place of J. D. Miller.

CONNECTICUT.

NEW HAVEN—National Tradesmen's Bank; W. T. Fields, Pres. in place of Geo. A. Butler; A. W. DeForest, Vice-Pres.; Robert Foote, Cas. in place of W. T. Fields; H. W. Thompson, Asst. Cas. in place of Robert Foote.——Merchants' National Bank; capital stock reduced from $500,000 to $350,000.

DISTRICT OF COLUMBIA.

WASHINGTON—Washington Loan & Trust Co.; surplus increased to $175,000.

FLORIDA.

BARTOW—Polk County National Bank; Geo. E. Simpson, Asst. Cas. in place of C. L. Huddleston.

TAMPA—Exchange National Bank; Z. King, Vice-Pres. in place of J. N. C. Stockton.

GEORGIA.

AMERICUS—People's Nat. Bank; no Cas. in place of John Windsor; H. C. Mitchell, Asst. Cas.

ATLANTA—Atlanta National Bank; B. O. Kennedy, Asst. Cas.

DOUGLASVILLE—Douglasville Banking Co.; W. S. Witham no longer Pres.

GRIFFIN—Merchants & Planters' Bank; Seaton Grantland, Pres.; Robert Strickland, Vice-Pres.

MONTICELLO—Bank of Monticello; W. S. Witham no longer Pres.

NEWNAN—Newnan Nati nal Bank; Wm. B. Berry, Vice-Pres.; N. L. North, Asst. Cas.

QUITMAN—Bank of Quitman; O. K. Jelks, Cas.; F. J. Spain, Jr., Asst. Cas.

IDAHO.

KENDRICK—First National Bank; A. T. Gilbert, Pres. in place of F. N. Gilbert; D. S. McCrea, Vice-Pres. in place of A. T. Gilbert; A. W. Gordon, Asst. Cas. in place of Fred. Breyman.

MOSCOW—First National Bank; no 2d Asst. Cas. in place of J. B. Johnston.

ILLINOIS.

CARROLLTON—Greene County Nat. Bank; David D. Pierson, Pres. in place of John I. Thomas; John Snyder, Vice-Pres. in place of David D. Pierson; Stuart E. Pierson, Asst. Cas.

CARTHAGE—Hancock County Nat. Bank; J. C. Ferris, Pres. in place of D. Mack, deceased; S. H. Ferris, Vice-Pres. in place of J. C. Ferris; no Asst. Cas. in place of S. H. Ferris.

CHAMPAIGN—Champaign National Bank; F. T. Walker, Vice-Pres. in place of W. S. Maxwell, deceased.

CHICAGO—American Trust & Savings Bank; Will L. Moyer elected director.——Northwestern National Bank; H. A. Ware, Vice-Pres.——Union National Bank; John McLaren, Vice-Pres. in place of David R. Forgan; W. O. Hipwell and C. M. Walworth, Asst. Cashiers.——Bankers National Bank; David B. Dewey, Vice-Pres., deceased; also Director Union National Bank and partner in firm of W. T. Rickards & Co.——F. W. Strauss, Banker, deceased.——Continental National Bank; B. S. Mayer, Cas. in place of A. V. Shoemaker.

EDWARDSVILLE.—First National Bank; J. F. Keshner, Asst. Cas.

EL PASO—First National Bank; C. Schafer, Vice-Pres. in place of D. Evans, deceased.

FAIRBURY—First National Bank; E. E. McDowe l, Vice-Pres.

FAIRFIELD—First Nat. Bank; no Asst. Cas.

FLORA—First National Bank; Seth T. Hinkley, Vice-Pres in place of E. H. Hawkins.

JACKSONVILLE—Jacksonville Nat. Bank; C. E. Dickson, Asst. Cas.

MENDOTA—Mendota National Bank; Louis Waldorf, Vice-Pres.

METROPOLIS—First National Bank; D. Arensman, Vice-Pres. in place of W. A. McBane.

MORRISON—First National Bank; H. B. Wilkinson, Vice-Pres.

MOUNT VERNON—Ham National Bank; Alva C. Johnson, Vice-Pres.; Sidney B. Ham, Asst. Cas.

OLNEY—First Nat. Bank; Charles Schultz, Vice-Pres. in place of John Wolf.

PEORIA—Merchants' National Bank; Homer W. McCoy, 2d Vice-Pres.

PITTSFIELD—First National Bank; no 2d Vice-Pres. in place of D. D. Hicks, deceased.

QUINCY—Ricker National Bank; Henry F. J. Ricker, Pres. in place of Edward Sohn; Edward Sohn, Vice-Pres. in place of Henry F. J. Ricker.

SPRINGFIELD—Illinois Nat. Bank; Charles G. Brown, and J. A. Connolly, Vice-Presidents.

TUSCOLA—First National Bank; A. W. Wallace, Pres. in place of H. T. Caraway; no Vice-Pres. in place of A. W. Wallace.

INDIANA.

AUBURN—First National Bank; C. A. O. McClellan, Pres., deceased; Chas. McClellan, Vice-Pres., in place of D. A. Garwood; D. A. Garwood, Cas., in place of Chas. McClellan; C. A. Benedict, Ass't Cas.

BROOK—Citizens' Bank; capital $9,000; Philip Stonehill, Pres.; Jacob D. Rich, Cas.

DANVILLE—First National Bank; F. J. Christie, Asst. Cas.

FRANKFORT—First National Bank; Fred. A. Sims, Asst. Cas.

GREENFIELD—Citizens' Bank; Jas. A. Boyd, Pres.; Wm. B. Bottsford, Cas.

KOKOMO—Howard National Bank; Milton Bell, Vice-Pres., in place of Samuel Davis.

LAWRENCEBURG—Citizens' National Bank; Wm. H. O'Brien, Cas., in place of Wm. D. H. Hunter, deceased.

NEW ALBANY—Merchants' National Bank; J. K. Woodward, Pres., in place of N. T. De Pauw.

PRINCETON—People's National Bank; Thos. R. Paxton, Asst. Cas.

RICHMOND—Second National Bank; John M. Gaar, Pres., in place of W. G. Scott, deceased; John B. Dougan, Vice-Pres., in place of John M. Gaar; S. W. Gaar, Cas., in place of John B. Dougan; Geo. H. Eggemyer, Asst. Cas., in place of S. W. Gaar.

SHERIDAN—State Bank; capital stock increased to $45,000.

SOUTH BEND—South Bend National Bank; no Asst. Cas. in place of John M. Brown.

VINCENNES—First National Bank; J. L. Bayard, Pres., in place of John H. Rabb, deceased; P. M. O'Donnell, Cas., in place of J. L. Bayard; no Asst. Cas. in place of P. M. O'Donnell.

INDIAN TERRITORY.

SOUTH MCALESTER—W. J. Wade, Pres., in place of C. C. Hemming; J. H. Gordon and F. S. Genung, Vice-Prest's in place of W. J. Wade.

IOWA.

BOONE—First National Bank; E. E. Hughes, Vice-Pres., in place of J. M. Herman, deceased; no 2d Vice-Pres.

CARROLL—German Bank (reorganized); capital stock, $100,000; Pres., J. P. Hess; Vice-Pres., Jos. Nurre; Cas., F. P. Berger.

CASEY—Citizens' Bank; sold to J. W. Gray.

CENTERVILLE.—Centerville National Bank; Guy G. Gilcrest, Asst. Cas.

CHEROKEE—T. S. Steele & Sons; title changed to Steele's Bank.

CLARINDA—Clarinda National Bank; H. E. Parslow, Vice-Pres., in place of Jacob Butler.

COUNCIL BLUFFS—First National Bank; F. T. True, Vice-Pres.

DECORAH—National Bank of Decorah; O. C. Johnson, Vice-Pres.

DES MOINES—Citizens' National Bank; Geo. Cooper, Asst. Cas.

DUBUQUE—Dubuque National Bank; Josh. G. Bailey, Vice-Pres., in place of Fred O'Donnell.

FAIRFIELD—First National Bank; Rollin J. Wilson, Vice-Pres., in place of John A. Spillman.

FORT DODGE—Fort Dodge National Bank; J. C. Cheney, Pres., in place of A. F. Guenther, deceased; Jno. T. Cheney, Cas., in place of J. C. Cheney; no Asst. Cas. in place of Jno. T. Cheney.

KEOKUK—Keokuk Savings Bank; A. E. Johnstone, Pres., in place of Caleb F. Davis, deceased.

LE MARS—Le Mars National Bank; Frank Koob, Cas., in place of J. D. Simpson; no Asst. Cas. in place of Frank Koob.

MARSHALLTOWN—City National Bank; no Asst. Cas. in place of F. S. Williams.

OSAGE—Osage National Bank; A. L. Brush, Asst. Cas.

SHENANDOAH—First National Bank; no Vice-Pres.; Elbert A. Reed and J. F. Lake, Asst. Cas.——Shenandoah National Bank; Ellis Tucker, Asst. Cas., in place of Dell Van Buskirk; no Second Asst. Cas.

SIOUX RAPIDS—State Security Bank (successor to Security Bank); capital, $30,000; C. B. Mills, Pres.; A. H. Hulett, Vice-Pres.; Adelbert Tymeson, Jr., Cas.

SPENCER—Citizens' State Bank; Ben O. Tupper, Asst. Cas., in place of W. L. Bender, resigned.

STORM LAKE—First National Bank; Truman T. Harker, Asst. Cas.

KANSAS.

ALMA—Alma National Bank; L. J. McCrumb, Pres. in place of Fred Lutz; Fred Lutz, Vice-Pres.

ARKANSAS CITY—Farmers' State Bank (successor to Bank of Arkansas City); capital, $50,000; C. A. Johnson, Pres.; Geo. S. Hartley and F. C. Deering, Vice-Pres.; Geo. A. Kimmel, Cas.; A. H. Denton, Asst. Cas.

BELOIT—Bank of Beloit; consolidated with First National Bank.

BURLINGAME - First National Bank; Emmett S. Taylor, Asst. Cas.

EUREKA—First National Bank; no Asst. Cas.

CONCORDIA—First National Bank; Geo. H. Palmer, Asst. Cas.

GREAT BEND—First National Bank; H. J. Klein, Cas.; no Asst. Cas. in place of L. J. Barker.

HIAWATHA—First National Bank; Samuel Detwiler, Vice-Pres.

HOLTON—National Bank of Holton; R. J. Linscott, Asst. Cas.

PITTSBURG—National Bank of Pittsburg; Josiah Lanyon, Pres. in place of S. H. Lanyon; H. C. Willard, Vice-Pres. in place of Josiah Lanyon.

SMITH CENTRE—Smith Co. National Bank; L. C. Waite, Vice-Pres. in place of John Hall; no Asst. Cas. in place of L. C. Waite.

TOPEKA—First National Bank; C. S. Bowman, Asst. Cas.

WASHINGTON—First National Bank; John B. Sofield, Pres. in place of J. S. Long.

WELLINGTON—Wellington National Bank; O. M. Saylor, Vice-Pres. in place of Jacob H. Allen; E. B. Wimer, Asst. Cas.

WINFIELD—First Nat. Bank; no Asst. Cas.

KENTUCKY.

ASHLAND—Second National Bank; R. D. Davis, Pres. in place of Charles Kitchen; no Vice-Pres.

CENTRAL CITY—Central City Deposit Bank; Dimit Laffoon, Act. Cas.

CLAY CITY—Clay City National Bank; no Asst. Cas. in place of C. M. Clark.

COVINGTON—Farmers and Traders' National Bank; W. W. Payne, Asst. Cas.

HUSTONVILLE—National Bank of Hustonville; J. T. Rose, Vice-Pres. in place of D. S. Johnston.

LANCASTER—Citizens' National Bank; W. O. Rigney, Asst. Cas.

LOUISVILLE—Third National Bank; Theophile Conrad, Vice-Pres. in place of K. W. Smith.

LOUISIANA.

ABBEVILLE—Bank of Abbeville; capital increased to $45,000.

ALEXANDRIA—First National Bank; Paul Lisso, Pres. in place of Thomas Clements; Louis J. Hakenyos, Vice-Pres. in place of B. Ehrstein.

BATON ROUGE—First National Bank; Chas. J. Reddy, Vice-Pres. in place of J. D. Fisher.

LAFAYETTE—First National Bank; N. P. Moss, Pres. in place of Crow Girard.

NEW ORLEANS—Union National Bank; W. Mason Smith, Vice-Pres. in place of S. E. Worms; G. Ferrier, Cas. in place of A. Labarthe, Act. Cas.

SHREVEPORT—First National Bank; W. T. Crawford, Vice-Pres. in place of W. E. Hamilton.

MAINE.

CALAIS—Calais National Bank; Geo. H. Eaton, Pres.; Frank Nelson, Vice-Pres., in place of Geo. H. Eaton.

DEXTER—First National Bank; Cyrus Foss, Pres., in place of C. W. Curtis; W. E. Brewster, Vice-Pres., in place of Cyrus Foss; A. H. Knight, Asst. Cas.

KENNBUNK—Ocean National Bank; E. A. Fairfield, Asst. Cas.

NORTH BERWICK—North Berwick National Bank; D. A. Hurd, Vice-Pres.

OAKLAND—Messalonskee National Bank; W. H. Wheeler, Vice-Pres., in place of Geo. W. Goulding.

PORTLAND—Cumberland National Bank; Bion Wilson, Cas., in place of Wm. H. Soule, deceased; no Asst. Cas., in place of B. S. Soule.

MARYLAND.

BALTIMORE—National Exchange Bank; R. Vinton Lansdale, Cas., in place of Job Scott; no Asst. Cas., in place of R. Vinton Lansdale.——National Union Bank; Isaac H. Dixon, Vice-Pres.

CUMBERLAND—Third National Bank; W. C. Conley, Cas., in place of Act'g Cas.

DENTON—Denton National Bank; Thomas W. Jones, Pres., in place of B. G. Stevens.

FREDERICK—Central National Bank; Henry Williams, Pres., in place of Charles W. Ross; William B. Storm, Cas., in place of Henry Williams; no Asst. Cas., in place of Wm. H. Miller.——First National Bank; Noah E. Cramer, Vice-Pres., in place of James Houck.

SALISBURY—Salisbury National Bank; J. Cleveland White, Asst. Cas.

MASSACHUSETTS.

AMESBURY—Amesbury National Bank; Wm. Sneath, Vice-Pres. in place of John A. Gale.

BOSTON—Atlas National Bank; John Reed, Vice-Pres. in place of F. L. Richardson, deceased; no Second Vice-Pres.——National Revere Bank; voted to reduce capital stock to $1,000,000.——Blodgett, Merritt & Co.; Albert H. Newman admitted to firm; Chas. P. Cheney, retired.——Tucker, Anthony & Co.; removed to 53 State St.——Matthew Bolles & Co.; Matthew Bolles, deceased.

EAST CAMBRIDGE—Lechmere National Bank; Otis S. Brown, Pres. in place of Lewis Hall; James F. Pennell, Vice-Pres. in place of Otis S. Brown.

GLOUCESTER—Cape Ann National Bank; John L. Stanley, Vice-Pres. in place of Chas. S. Tappan.

HUDSON—Hudson National Bank; Joseph S. Bradley, Pres.; Alfred D. Gleason, Vice-Pres. in place of Joseph S. Bradley.

LOWELL—Wamesit National Bank; Henry C. Howe, Pres., deceased.

NORTH ATTLEBOROUGH—North Attleborough National Bank; Andrew E. Jencks, Asst. Cas. in place of Alpin Chisholm.

SALEM—First National Bank; Wm. S. Nichols, Asst. Cas.

STONEHAM—Stoneham National Bank; W. D. Brackett, Pres. in place of Chas. W. Tidd.

WESTBORO—Westboro Savings Bank; Geo. O. Brigham, Treas., deceased.

WORCESTER—Quinsigamond National Bank; H. P. Murray, Cas. in place of Jno. L. Chamberlin, deceased; no Asst. Cas. in place of H. P. Murray.

MICHIGAN.

ALBION—First National Bank; J. C. Foster, Pres., in place of W. O'Donoughue; S. Hyeny, Ass't Cas. in place of G. V. Dearing.

BATTLE CREEK—National Bank of Battle Creek; E. P. Boughton, Cas. in place of James Boughton, deceased.

BAY CITY—First National Bank; no Asst. Cas. in place of J. M. Lewis.

CALUMET—First National Bank; Edward F. Cuddihy, Ass't Cas.

CHARLOTTE—Merchants' National Bank; M. P. Resch, Ass't Cas. in place of J. T. Wilson.

DETROIT—Home Savings Bank; O. W. Shipman, director, deceased.——Union National Bank; Patrick A. Ducey, Vice-Pres., in place of Thomas McGrew; L. C. Sherwood, Ass't Cas.

GRAND RAPIDS—Grand Rapids National Bank; Jos. Houseman, Vice-Pres. in place of John E. Peck.——Fifth National Bank; Charles D. Stebbins, Pres., in place of J. Edward Earle; Robert D. Graham, Vice-Pres. in place of C. D. Stebbins.——National City Bank; J. Frederic Baars, Vice-Pres. in place of Geo. C. Briggs; Jas. R. Wylie, Cas. in place of J. Frederic Baars.

ISHPEMING—Ishpeming National Bank; no Vice-Pres. in place of Charles Merryweather; C. H. Moss, Asst. Cas.

MARSHALL—First National Bank; S. H. Gorham, Pres., in place of Chas. T. Gorham; Herbert E. Winsor, Vice-Pres. in place of S. H. Gorham.

PONTIAC—Pontiac National Bank; B. E. Elwood, Pres. in place of Wm. G. Hinman; Thomas N. Turk, Vice-Pres. in p'ace of B. F. Elwood; Frank E. Arthur, Asst. Cas.

YPSILANTI—First National Bank; D. L. Quirk, Jr., Cas. in place of Geo. C. Bradley; F. L. Gallup, Asst. Cas.

MINNESOTA.

ALEXANDRIA—First Nat. Bank; no Asst. Cas.

DETROIT—First Nat. Bank; John H. Smith, Vice-Pres. in place of James Trumbull.

FAIRIBAULT—Security Bank; S. F. Donaldson, Asst. Cas. in place of A. F. Kinsman.

GLENCOE—First National Bank; F. M. Paine, Asst. Cas.

LITTLE FALLS—German-American National Bank; C. A. Weyerhaeuser, Pres. in place of H. Thorson; J. W. Berg, Vice-Pres. in place of C. A. Weyerhaeuser.

MANKATO—First National Bank; Jos. H. Thro, Asst. Cas.

NICOLLET—Citizens' State Bank (incorporated).

OWATONNA—First National Bank: Charles F. Albertus, Asst. Cas.

PIPESTONE — First National Bank; W. C. Briggs, Pres. in place of C. J. Cawley; L. R. Ober, Vice-Pres. in place of J. R. Hubbard: J. R. Hubbard, Cas. in place of W. C. Briggs.

SAUK CENTRE—First National Bank; no Vice-Pres. in place of S. M. Bruce, deceased.

SHAKOPEE—First Nat. Bank; no Asst. Cas. in place of George A. Kohls.

STILLWATER—Lumbermen's National Bank; no 2d Vice-Pres. in place of B. H. Bronson.

ST. PAUL—Merchants' Nat. Bank; George C. Power, 2d Vice-Pres.; G. H. Prince, Cas. in place of George C. Power; H.W. Parker, Asst. Cas. in place of George H. Prince.——St. Paul National BankC. W. Hackett, Vice-Pres. in place of Philip Reilly, deceased.

ZUMBROTA—First State Bank; O. J. Wing, Pres.; Henry Weiss, Vice-Pres; P. A. Henning, Cas.

MISSISSIPPI.

ABERDEEN—First National Bank; Joe P. Benson, Vice-Pres.

GREENWOOD—Delta Bank; Geo. A. Wilson, Pres., in place of J. S. McDonald, deceased; J. F. Bew, Cas.

MERIDIAN—Meridian National Bank; J. H. Wright, Pres. in place of T. W. Brown; no Vice-Pres. in place of J. H. Wright; E. L. Carter, Asst. Cas.

VICKSBURG—First National Bank; G. H. Rigby, Asst. Cas.

MISSOURI.

CARTHAGE—First National Bank; V. A. Wallace, Vice-Pres.; E. B. Jacobs, Cas. in place of V. A. Wallace; no Asst. Cas. in place of E. B. Jacobs.

CHILLICOTHE—Citizens' National Bank; W. W. Edgerton, Vice-Pres. in place of Joseph C. Minteer; Preston Randolph, Cas. in place of W. W. Edgerton.

KIRKSVILLE—National Bank of Kirksville; Geo. T. Spencer, Vice-Pres.

MEMPHIS—Scotland County National Bank; Geo. H. Lawton, Jr., Cas. in place of John W. Barnes, deceased; Robert M. Barnes, Asst. Cas. in place of Geo. H. Lawton, Jr.

SPRINGFIELD — National Exchange Bank; John L. Holland, Vice-Pres.

ST. JOSEPH—National Bank of St. Joseph; Wm. M. Wyeth and Jas. N. Burnes, Jr., Vice-Pres.

ST. LOUIS—American Exchange Bank and St. Louis Trust Co.; Alvah Mansur, director, deceased.

UNIONVILLE—National Bank of Unionville; C. L. Martin, Asst. Cas. in place of O. F. Wentworth.

WEST PLAINS—First National Bank; H. T. Smith, Pres., in place of Michael Brand; W. J. Zorn, Vice-Pres. in place of J. B. Ramsey; Lee M. Catron, Cas. in place of H. T. Smith; no Asst. Cas. in place of Lee M. Catron.

MONTANA.

BIG TIMBER—Big Timber National Bank; J. A. Hall, Pres. in place of Jos. D. Radford; C. T. Busha, Vice-Pres. in place of W. L. Shanks; John F. Asbury, Cas. in place of J. A. Hall.

MILES CITY—State National Bank; Leo C. Harmon, Second Vice-Pres; Geo. H. Hyde, Cas. in place of Leo C. Harmon; Jno. E. de Carle, Asst. Cas. in place of Geo. H. Hyde.——First National Bank; W. S. Snell, Second Asst. Cas.

WHITE SULPHUR SPRINGS—First National Bank; E. H. Teague. Vice-Pres. in place of J. M. Smith.

NEBRASKA.

AUBURN—First National Bank; F. E. Allen, Pres. in place of Church Howe; F. W. Samuelson, Vice-Pres. in place of F. E. Allen.——Carson National Bank; F. E. Johnson, Pres. in place of John L. Carson, deceased.

AURORA—First National Bank; T. R. Work, Asst. Cas.

BEATRICE—Beatrice National Bank; Jno. P. Cook, Asst. Cas.

BEAVER CITY—First National Bank; no Vice-Pres.

CRETE—First National Bank; C. W. Weckbach, Asst. Cas.

FREMONT—Farmers and Merchants' National Bank; Robert Bridge, Vice-Pres. in place of Francis I. Ellick.

LINCOLN—First National Bank; D. D. Muir, Pres. in place of John L. Carson, deceased; H. S. Freeman, Cas. in place of D. D. Muir;

W. C. Phillips, Asst. Cas. in place of H. S. Freeman.

OMAHA—Merchants' National Bank; B. B. Wood, Vice-Pres. in place of S. E. Rogers; L. Drake, Cas. in place of B. B Wood; F. T. Hamilton, Asst. Cas. in place of L. Drake. ——Union National Bank; G. W. Wattles, Cas.

O'NEILL—First National Bank; no Asst. Cas.

SPENCER—Bank of Spencer (resumed) Sanford Parker, Pres.; F. W. Woods, Cas.

TECUMSEH—Tecumseh National Bank; T. J. Pierson, Vice-Pres. in place of A. W. Buffum, resigned.

NEW HAMPSHIRE.

HILLSBOROUGH—First National Bank; Ruthven Childs, Pres. in place of James F. Briggs.

WINCHESTER—Winchester National Bank; Henry Abbott, Cas., deceased.

NEW JERSEY.

ASBURY PARK—First National Bank; Martin H. Scott, Asst. Cas.

JERSEY CITY—Fifth Ward Savings Bank; H. M. T. Beekman, Sec.

LONG BRANCH—First National Bank; Thomas R. Woolley, Pres. in place of R. Blodgett; Henry S. Little, Vice-Pres. in place of Thomas R. Woolley.

PASSAIC—Passaic National Bank; no Vice-Pres. in place of Moses E. Worthen.

RED BANK—Navesink National Bank; Henry S. White, Vice-Pres.

NEW MEXICO.

RATON—First National Bank; S. W. Clark, Asst. Cas.

NEW YORK.

AUBURN—National Bank of Auburn; no Vice-Pres., in place of James Seymour, Jr.

BROCTON—State Bank; A. R. Ogden, Asst. Cas.

BROOKLYN—Manufacturers' National Bank; no Asst. Cas.

BUFFALO - Third National Bank; Ben. C. Rolph and Geo. A. Drummer, Asst. Cas.——Buffalo Savings Bank; Edward Bennett, Pres., resigned.

CANTON—First National Bank; John F. Post, Pres., in place of Dolphus S. Lynde.

CHERRY VALLEY—National Central Bank; Leonard Dakin, Cas., in place of H. L. Olcott; no Asst. Cas., in place of Leonard Dakin.

DUNKIRK—Merchants' National Bank; Francis May, Vice-Pres., in place of J. H. Lascelles.

FRIENDSHIP—Citizens' National Bank; E. G. Latta, Vice-Pres., in place of R. A. Scott.

FULTON—Citizens' National Bank; Jona. H. Case, Vice-Pres., in place of Solon F. Case.

GREENPORT—People's National Bank; Geo. L. Webb, Asst. Cas., in place of James Arnold.

HAMILTON—National Hamilton Bank; Chas. J. Griswold, Cas., in place of Act'g Cas.; no Asst. Cas.

NEW YORK CITY—National Broadway Bank; A. T. J. Rice; Second Vice-Pres.; Chas. J. Day, Cas., in place of A. T. J. Rice; no Asst. Cas. in place of Chas. J. Day.——Leather Manufacturers' National Bank; N. F. Palmer, Pres., in place of John T. Willets.——Tradesmen's National Bank; David Hunt, elected director.——Gallatin National Bank; Samuel Woolverton, Cas., in place of Arthur W. Sherman, deceased.——Riverside Bank; Thomas Smith, director, deceased. ——Ninth National Bank; N. S. W. Vanderhoef, elected director.——Lazard Frères; Simon Lazard, deceased; Post & Palmer; Chas. C. Pomeroy, deceased.——Ladenburg, Thalmann & Co.; Julius Schwabach, deceased.——National City Bank; Chas. S. Fairchild and John W. Sterling, elected directors.——H. L. Horton & Co.; Frederick T. Brown, deceased.

ONEIDA—Oneida Valley National Bank; H. H. Douglass, Pres.; William S. Leete, Vice-Pres.——National State Bank; Andrew J. French, Pres. in place of S. H. Farnam; William W. Warr, Vice-Pres. in place of Andrew J. French.

POUGHKEEPSIE—Poughkeepsie Nat. Bank; T. W. Barrett, Cas. in place of Actg. Cas.; no Asst. Cas.

ROCHESTER—Flour City National Bank; E. W. Burton, Asst. Cas.

SALEM—First National Bank; William McFarland, Vice-Pres. in place of James Gibson.

SANDY HILL—People's National Bank; John Gallagher, Vice-Pres. in place of Hiram Allen.

STAMFORD—National Bank of Stamford; C. L. Andrus, Vice-Pres.

SYRACUSE—Salt Springs National Bank; T. J. Leach, Pres. in place of Geo. B. Leonard; F. W. Gridley, Vice-Pres. in place of David A. Munro; John L. King, 2d Vice-Pres. in place of T. J. Leach; F. M. Bonta, Cas. in place of F. W. Gridley; W. A. Wynkoop, Asst. Cas. in place of F. M. Bonta.

TROY—Troy City National Bank; S. A. Peterson, 2d Vice-Pres.

VERNON—National Bank of Vernon; no Asst. Cas.

WELLSVILLE—First Nat. Bank; J. B. Jones, Vice-Pres. in place of C. A. Farnum; no Asst. Cas. in place of J. B. Jones.

NORTH CAROLINA.

ASHEVILLE—Blue Ridge National Bank; E. R. Lucas, Cas.

BREVARD—Brevard Banking Co. (successor to Bank of Brevard); capital, $10,000; N. McMinn, Pres.; Z. W. Nichols, Cas.

CHARLOTTE—First National Bank; M. P. Pegram, Pres. in place of R. M. Oates, deceased; D. W. Oates, Cas. in place of M. P. Pegram.

HICKORY—First Nat. Bank; O. M. Royster, Vice-Pres. in place of Clement Geitner; no Asst. Cas.

WILMINGTON—Atlantic National Bank; Lee H. Battle, Cas. in place of W. J. Toomer; no 2d Vice-Pres. in place of W. C. Coker, Jr.

NORTH DAKOTA.

HILLSBORO—Hillsboro Nat. Bank; James Grady, Asst. Cas.

FARGO—First National Bank; Wm. H. Crosby, Pres. in place of Geo. Q. Erskine; Chas. H. Miner, Vice-Pres. in place of W. H. Crosby; corporate existence extended until February 13, 1918.

MANDAN—First National Bank; Jos. P. Hess, Asst. Cas. in place of A. J. Wake.

PARK RIVER—First National Bank; no Vice-Pres. in place of Franklin Edgerton.

OHIO.

BRIDGEPORT—First National Bank; no Cas. in place of Jos. B. Loe.

BUCYRUS—Second National Bank; S. R. Harris, Vice-Pres. in place of James H. Malcom; E. G. Beal, Asst. Cas.

CHILLICOTHE—Ross County National Bank; H. E. Holland, Asst. Cas.

CINCINNATI—Market National Bank; Julius Fleischmann, Pres. in place of Charles Fleischmann, deceased.

CLEVELAND—First National Bank; W. H. Corning, Vice-Pres.——American Exchange National Bank; Geo. K. Ross, Vice-Pres.

COLUMBUS—Ohio National Bank; L. F. Kiesewetter, Asst. Cas.

CORTLAND—First Nat Bank; J. H. Faunce, Vice-Pres. in place of William Davis, deceased.

EAST LIVERPOOL—Citizens' National Bank; Joseph G. Lee, Vice-Pres.

FINDLAY—Farmers' National Bank; Judson Palmer, Pres. in place of Wm. Marvin.

FRANKLIN—Franklin National Bank; William Michael, Vice-Pres.

GREENVILLE—Farmers' Nat. Bank; Henry St. Clair, Vice-Pres. in place of William Kipp.

TOLEDO—Merchants' National Bank; Edwin Jackson, Vice-Pres. in place of H. N. Swayne; T. C. Stevens, Cas. in place of Edwin Jackson; H. E. Brown, Asst. Cas. in place of T. C. Stevens.

VAN WERT—Van Wert National Bank; D. L. Brumback, Pres. in place of J. S. Brumback, deceased; no Vice-Pres. in place of J. P. Reed, Jr.; J. P. Reed, Jr., Cas. in place of D. L. Brumback.

WARREN—Second National Bank; C. F. Clapp, Pres. in place of Henry C. Christy; A. R. Silliman, Vice-Pres. in place of C. F. Clapp.

WELLINGTON—First Nat. Bank; no Asst. Cas.

WILMINGTON—Clinton Co. National Bank; E. J. Hyatt, Act. Cas.

XENIA—Citizens' National Bank; F. E. McGervey, Asst. Cas.

OKLAHOMA.

EL RENO—First National Bank; T. J. Stewart, Pres. in place of J. B. Harris; Dodge Mason, Vice-Pres. in place of T. J. Stewart.

OREGON.

BAKER CITY—First National Bank; no Asst. Cas. in place of Thos. W. Downing.

PORTLAND—Ainsworth Nat. Bank; Thomas Connell, Vice-Pres. —— Commercial National Bank (in liquidation); R. M. Dooly, Vice-Pres. in place of R. L. Durham; H. J. Hanley, Cas. in place of Edward Cookingham; no Asst. Cas. in place of R. M. Dooly.

PENNSYLVANIA.

ALLEGHENY—Third National Bank; W. F. Church, Asst. Cas.

BEAVER—Beaver National Bank; Wm. P. Judd, Asst. Cas.

BEDFORD—First National Bank; no Asst. Cas. in place of O. D. Doty.

BELLEFONTE—First National Bank; M. Montgomery, Asst. Cas.

BURGETTSTOWN—Burgettstown Nat. Bank; R. C. Cassidy, Asst. Cas. in place of J. Fred. Patterson.

CLARION—Second Nat. Bank; T. J. Payne, Pres. in place of M. Arnold; M. C. Shannon, Vice-Pres. in place of T. J. Payne.

CHARLEROI—First Nat. Bank; J. K. Tener, Pres. in place Wm. D. Hartupee; John H. Frye, Vice-Pres. in place of Jas. S. McKean; R. H. Rush, Cas. in place of J. K. Tener; no Asst. Cas. in place of P. J. Foley.

EBENSBURG—First National Bank; M. D. Kittell, Vice-Pres.; Robert Scanlan, Asst. Cas.

ERIE—Second National Bank; F. V. Kepler, Vice-Pres.

JOHNSTOWN—Cambria National Bank; A. J. Haws, Vice-Pres.

McDONALD—People's National Bank. D. G. Bamford, Vice-Pres., in place of J. G. Berry.

MOUNT JOY—Union National Bank; J. E. Longnecker, Vice-Pres., in place of Eli G. Reist.

NAZARETH—Nazareth National Bank; Thos. Cope, Pres., in place of Jacob H. Holt; G. A. Schneebeli, Vice-Pres., in place of Thos. Cope.

PHILADELPHIA—Bank of North America; James C. Pinkerton, Asst. Cas., deceased. ——Tradesmen's National Bank; no Second Vice-Pres. —— Seventh National Bank; business merged with Fourth Street National Bank.

PITTSBURG—United States National Bank; F. Fisher, Pres., in place of Wm. Pickersgill, Jr.; Jasper M. Porter, Vice-Pres. ——Tradesmen's National Bank; Robert Wardrop, Vice-Pres., in place of J. M. Schoonmaker.

POTTSTOWN—National Bank of Pottstown; J. H. Morris, Cas., in place of Horace Evans.——National Iron Bank; John W.

Storb, Vice-Pres.; no Cas., in place of J. H. Meixell; Chas. M. Kutz, Asst. Cas.

QUAKERTOWN—Quakertown National Bank; Chas. C. Haring, Cas., in place of Charles C. Haring, Jr.

ROCHESTER—First National Bank; Ira F. Mansfield, Vice-Pres., in place of W. S. Shallenberger.

TIONESTA—Citizens' National Bank; E. W. Bowman, Asst. Cas.

TITUSVILLE—Second National Bank; no Asst. Cas., in place of W. O. DeLong.

RHODE ISLAND.

ASHWAY—Ashway National Bank; L. A. Briggs, Pres., in place of H. L. Crandall.

PROVIDENCE—City National Bank; Fenner H. Peckham, Jr., Vice-Pres., in place of H. A. Howland, deceased.——Third National Bank; Albert L. Sayles, Pres., deceased.

SOUTH CAROLINA.

GREENVILLE—City National Bank; R. L. McGee, Cas. in place of E. R. Lucas; Jos. Norwood, Asst. Cas.

SOUTH DAKOTA.

CANTON—First National Bank; M. A. Hanseil, Asst. Cas.

HURON—First National Bank; Thos. H. Campbell, Pres., deceased.

MADISON—Daly & Mackay; M. W. Daly, Pres., deceased.

WATERTOWN—Citizens' National Bank; W. D. Morris, Pres. in place of A. D. Leet; A. D. Leet, Vice-Pres. in place of John F. Brock; H. L. Sheldon, Cas. in place of W. D. Morris; no Asst. Cas. in place of H. L. Sheldon.

TENNESSEE.

CENTREVILLE—First National Bank; R. B. Barnwell, Vice-Pres. in place of Wm. G. Clagett, deceased.

CLARKSVILLE—Northern Bank of Tennessee; H. P. Pickering, Asst. Cas.

JACKSON—Second National Bank; Thomas Polk, Vice-Pres. in place of Clifton Dancy, deceased.

LIVINGSTON—People's Bank and Bank of Livingston; consolidated under former title.

MEMPHIS—State National Bank; M. S. Buckingham, Pres. in place of A. D. Guynne; Frederick Orgill, Vice-Pres. in place of A. B. Treadwell; H. J. Lenow, Cas. in place of M. S. Buckingham.

NASHVILLE—American National Bank; N. P. Lesuerer; Asst. Cas. in place of W. P. Tanner.——First National Bank; no Second Vice-Pres. in place of J. H. Fulton.

PULASKI—People's National Bank; W. J. Yancey, Asst. Cas. in place of Jno. M. Harwood.

TEXAS.

ALBANY—First National Bank; T. W. Gulledge, Asst. Cas. in place of D. C. Campbell.

AUSTIN—City National Bank; Jasper Wooldridge, Asst. Cas.

BEEVILLE—Commercial National Bank; T. C. Frost, Vice-Pres. in place of Jno. W. Cook; John Wade, Second Vice-Pres. in place of Wm. Coffin; W. M. Smith, Cas. in place of Jno. G. James; Wilhugh Wilkins, Asst. Cas.

BLOOMING GROVE—First National Bank; F. Y. Doke, Vice-Pres. in place of O. J. Butler, deceased.

BRENHAM—First National Bank; Jos. Tristram, Vice-Pres. in place of A. Wangemann.

CALVERT—First National Bank; J. A. Foster, Pres. in place of J. S. McLendon; Scott Field, Vice-Pres. in place of C. P. Salter; B. F. Elkin, Cas. in place of J. A. Foster; no Asst. Cas. in place of B. F. Elkin.

COLORADO—Colorado National Bank; Thomas B. Van Tuyl, Asst. Cas.

DALLAS—City National Bank; no Asst. Cas. in place of H. E. Hamilton.——National Bank of Commerce; no Asst. Cas. in place of D. W. Carnes.

DECATUR—First National Bank; T. B. Yarbrough, Vice-Pres. in place of W. D. Gose; W. S. Rush, Asst. Cas. in place of T. B. Yarbrough.

ENNIS—People's National Bank; T. T. Clark, Vice-Pres. in place of A. Moore.

FORT WORTH—State National Bank; no Asst. Cas. in place of C. M. Brown.

GREENVILLE—First National Bank; W. H. King, Cas.; J. O. Teagarden, Asst. Cas.

HILLSBORO—Citizens' National Bank; Geo. L. Porter, Vice-Pres. in place of G. D. Tarlton.

HONEY GROVE—First National Bank; C. B. Bryan, Asst. Cas. in place of J. A. Underwood.

KAUFMAN—Citizens' National Bank; W. A. Taylor, Pres. in place of A. E. Carlisle; T. E. Turney, Vice-Pres. in place of W. A. Taylor.

LADONIA—Weldon National Bank; D. N. Myrick, Vice-Pres.

LAMPASAS—First National Bank; W. F. Barnes, Vice-Pres. in place of E. J. Marshall.

LEONARD—First National Bank; J. M. Clymer, Vice-Pres.

MEDIA—First National Bank; M. E. Roberts, Vice-Pres. in place of J. H. Kempner.

PARIS—Paris National Bank; H.H. Bywaters, Vice-Pres.

PILOT POINT—Pilot Point National Bank; no Asst. Cas. in place of J. B. Clifton.

SHERMAN—Merchants and Planters' National Bank; T. D. Jeiner, Second Vice-Pres.

SULPHUR SPRINGS—City National Bank; J. F. Carter, Second Vice-Pres.; R. M. Womack, Cas. in place of W. O. Womack; S. L. Rogers, Asst. Cas. in place of R. M. Womack.——First National Bank; B. D. Foscue, Pres., deceased.

TAYLOR—First Nat. Bank; Francis Horace Welch, Asst. Cas.

TEMPLE—Temple National Bank; John A. Cole, Vice-Pres. in place of C. W. Yancey and J. E. Moore.

WACO—First National Bank; R. F. Gribble, Cas. in place of Act. and Asst. Cas.; T. N. Mullen, Jr., Asst. Cas. in place of R. F. Gribble; no Second Asst. Cas.

WAXAHACHIE—First National Bank; R. P. Sweatt, Vice-Pres. in place of B. G. Connor; B. G. Connor, Second Vice-Pres. in place of H. H. Dunn.

WEATHERFORD—Citizens' National Bank; Asa N. Grant, Pres. in place of J. R. Couts; G. A. Holland, Cas. in place of A. N. Grant; no Asst. Cas. in place of G. A. Holland.

UTAH.

OGDEN—Utah National Bank; A. G. Campbell, Vice-Pres.——Commercial National Bank; R. T. Hume, Asst. Cas.

VIRGINIA.

DANVILLE—Planters' Natonal Bank; J. R. Jopling, Pres. in place of Jno. D. Langhorne; Jno. D. Langhorne, Vice-Pres. in place of J. R. Jopling.

FRONT ROYAL—Front Royal National Bank; M. M. Johnson, Vice-Pres.

RICHMOND—Savings Bank G. F. U. O. T. R.; W. L. Taylor, Pres. in place of W. W. Browne.

WASHINGTON.

DAYTON—Columbia National Bank; G. M. Rice, Cas. in place of F. W. Guernsey; F. W. Guernsey, Asst. Cas.

SEATTLE—First National Bank; no Vice-Pres. in place of J. H. McGraw.——Boston National Bank; F. K. Struve, Asst. Cas. in place of J. A. Jackson.

TACOMA—Nat. Bank of Commerce; Henry Longstreth, Vice-Pres. in place of Edward Higgins.

VANCOUVER—First National Bank; L. M. Hidden, Vice-Pres. in place of David Wall.

WALLA WALLA—Baker-Boyer Nat. Bank; Miles C. Moore, Pres. in place of W. W. Baker; W. W. Baker, Vice-Pres. in place of Miles C. Moore.

WEST VIRGINIA.

MIDDLEBOURNE—Bank of Middlebourne; O. W. O. Hardman, Pres.; John Riggle, Vice-Pres.; J. Lee Harne, Cas.

MORGANTOWN—Second Nat. Bank; Aaron J. Garlow, Pres. in place of W. Moorehead; W. E. Arnett, Asst. Cas.

WISCONSIN.

MANITOWOC—National Bank of Manitowoc; G. J. Moses, Asst. Cas.

SUPERIOR—First Nat. Bank; S. H. Clough, Vice-Pres.——Northwestern National Bank; Frank Ostrander, Pres. in place of Louis Hanitch; W. J. Kammers, Asst. Cas.

WAUPUN—First National Bank; L. D. Hinkley, Pres. in place of Geo. F. Wheeler; no Vice-Pres. in place of L. D. Hinkley.

CANADA.

NOVA SCOTIA.

BERWICK—Commercial Bank of Windsor; H. E. Mosher, Agent.

HALIFAX—Merchants' Bank of Halifax; capital increased from $1,500,000 to $2,000,000.

QUEBEC.

QUEBEC—Quebec Bank; John Theodore Ross, Vice-Pres. in place of Wm. Withall, deceased.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

COLORADO.

ASPEN—First National Bank; in voluntary liquidation March 1.

GRAND JUNCTION—First National Bank; in voluntary liquidation October 30.

ILLINOIS.

CHICAGO—American Exchange Nat. Bank; in voluntary liquidation January 25; to take effect February 11.——National Bank of America; in voluntary liquidation January 25; to take effect February 11.

INDIANA.

LOGANSPORT—State National Bank; in voluntary liquidation January 11.

MARMONT—Marmont Exchange Bank.

KANSAS.

CONCORDIA—Citizens' National Bank; in voluntary liquidation to take effect February 1.

DODGE CITY—Midland Bank; charter revoked.

NORTON—Norton County State Bank; in voluntary liquidation.

OSAGE CITY—First National Bank; in voluntary liquidation February 1.

MARYLAND.

BALTIMORE—South Baltimore Bank; in hands of Simon P. Schott, Receiver, February 24.

MASSACHUSETTS.

BOSTON—National City Bank; in voluntary liquidation.

MICHIGAN.

SOUTH LYON—J. E. Just & Co.; assigned to W. J. Just.

MISSOURI.

EAGLEVILLE—Farmers' Bank.

NEW YORK.

BROOKLYN—Edwin F. Linton; assigned February 17.

SOUTH DAKOTA.

CLARK—First National Bank; in voluntary liquidation.

TEXAS.

QUANAH—City National Bank; Charles S. Jobes, Receiver, in place of H. H. Kerr, resigned.

WASHINGTON.

GOLDENDALE—First Bank.

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, March 3, 1898.

POSSIBILITY OF A WAR WITH SPAIN was the rock upon which many a speculative bark was wrecked last month. Since the spring of 1897 there has been almost a continuous advance in the market value of Stock Exchange securities, and speculation has been growing at a rapid pace. Big profits have been realized on the bull side and the lucky operator has seen Burlington and Quincy advance 33 per cent., St. Paul 28 per cent., Northwest 29 per cent., Rock Island 34 per cent., Lake Shore 42 per cent., Manhattan 39 per cent., Missouri Pacific 25 per cent., New York Central 27 per cent., Sugar 36 per cent., and the whole list generally in like degree, all in less than a twelve month.

An abnormal supply of money, with loaning rate at the lowest point ever known even when speculation was practically dead, made easy sailing for the operator on margin, and it is not surprising that little thought was taken of any possible shifting of the wind that was blowing so favorably. But history, not very remote either, repeated itself and over-confident speculators were caught napping.

As in March, 1896, and again in December of that year, the stock market suffered a serious break and almost ran into a panic because of Congressional action on the Cuban question, so in February, 1898, stock values came tumbling down on the possibility of a war with Cuba. Again Congress, or at least the Senate, agitated the question of recognition of Cuban belligerency, a fact which possibly would have had little if any effect upon the stock market, but then came the De Lome letter and on top of that the Maine disaster, which kindled public resentment and threatened to precipitate war in spite of the wiser judgment of the Administration. Cooler counsels have prevailed, and while the unfortunate incident is not yet closed, Wall Street has got over its preliminary madness and is content to abide events.

But the stock market suffered a serious shock and a decline set in which culminated on February 24 with a majority of the active list showing heavy losses. In about two weeks Canada Southern declined 10⅞ per cent., Chicago, Burlington and Quincy 11¾ per cent., Northwest 11 per cent., Rock Island 13 per cent., Omaha 12 per cent., Manhattan 22¼ per cent., Metropolitan Street 39½ per cent., Michigan Central 11⅜ per cent., Missouri Pacific 11⅝ per cent., Pennsylvania 9⅛ per cent., Union Pacific 9¾ per cent and American Sugar 24⅜ per cent.

With the decline in stocks came also an advance in rates for money and a drawing down of deposits in the banks. The war scare caused out-of-town banks to draw upon their New York correspondents, and in the last week of the month there was a decrease of $9,000,000 in deposits, the first falling off in nearly two months.

At no previous time in the history of the New York banks has there been such a rapid growth in deposits as during the past year. The growth, in fact, dates back to the day of the Presidential election in November, 1896. On the first Saturday following the election, on November 7, 1896, the deposits were $438,437,600, the smallest reported since October 28, 1893. More than $67,000,000 had been withdrawn between July and November of that year. The money market was in a panicky condition, and borrowers could hardly get accommodation at any price. In November, 1896, there was a marked change. For more than four months deposits increased week by week continuously, until on March 13, 1897, they aggregated $578,698,800, an increase of $140,000,000. The usual spring outflow caused a reduction of about $13,000,000 in March and April; then the accumulation began again and proceeded with scarcely an interruption until September 11, when the aggregate was $642,149,900—an increase over November 7, 1896, of $204,000,000.

Except for short periods in the autumn and in December, 1897, deposits continued to increase, and on February 11, 1898, they reached the unparalleled total of $738,683,800 or $300,000,000 more than on November 7, 1896, and $143,000,000 more than the highest amount recorded at any time prior to 1897.

During this same period loans increased from $442,179,700 to $646,915,200, or nearly $205,000,000, and that at a time when the general business of the country was only in the first stages of improvement. It is not surprising that speculation was stimulated under the circumstances, nor that any shock of confidence should precipitate disaster.

Still the conditions that make for the permanent prosperity of the country are favorable, and the investor with resources to back his ventures has not allowed a temporary scare to force him from his position. February, a short month whose working days were further reduced by two holidays, was a very active month at the Stock Exchange, more than 9,000,000 shares of stocks and $95,000,000 of bonds being traded in. This compares with less than 3,000,000 shares of stocks and about $38,000,000 of bonds in February, 1897.

The general business of the country is developing extraordinary activity, as indicated by the increase in the operations of the clearing-houses. In January the exchanges at New York increased forty-two per cent. as compared with January, 1897, and outside of New York over twenty-one per cent. In February the weekly increases in New York were from fifty-seven to seventy-five per cent., and outside of New York from eighteen to over thirty per cent. In a number of cities the exchanges are now double what they were a year ago.

The railroads are doing an enormous business, but unfortunately at very low rates; still the gross earnings are showing increases of from ten to fifteen per cent. over those of last year, and the gains, while not uniform, are nearly universal. To meet the competition of the Canadian Pacific Railway the Inter-State Commerce Commission has suspended the long and short-haul clause of the Inter-State Commerce Act in its application to traffic as to which the Canadian Pacific competes, and passenger rates to the Pacific Coast are being cut savagely. The east-bound freight traffic of the railroads is very heavy and the corn shipments of extraordinary magnitude; but here also low rates are depriving the railroads of profits which they ought to get to recoup past losses.

In spite of all, however, railroad interest and dividend payments are larger than they were a year ago, the payments for interest in March being estimated at $11,337,873 as against $10,996,593 in 1897, and for dividends at $10,054,111 as against $8,906,977 last year.

In the railroad world the two important events of the month were the sale of the Kansas Pacific Railroad, and the steps taken to consolidate the Lake Shore with the New York Central. The Kansas Pacific was sold for $6,303,000, which amount goes to the Government and represents the principal due it, the accrued interest amounting to $6,624,107 being waived by the Government. The New York Central has offered to buy the total stock of the Lake Shore, exchanging $1,000 of New York Central 3½ gold bonds for each $500 of Lake Shore stock.

Prices of commodities generally were strong during the month. Wheat is selling at about $1.10 a bushel, or 22 cents higher than the price of a year ago. Corn is 35½ cents a bushel, or nearly 7 cents higher than the price at this time last year, and oats 31 cents, an advance of nearly 10 cents. Cotton advanced ⅜ cent for the month, but is $1\frac{1}{8}$ cents lower than on March 1, 1897. The Department estimate of the cotton crop of 1896–7 is 8,532,705 commercial bales.

The production of iron continues to increase, and on February 1 the capacity of furnaces in blast was 228,338 tons per week, an increase of 1,730 tons over January 1 and of 65,379 tons over February 1, 1897. Stocks are, however, increasing, the holdings on February 1 being 776,284 tons as compared with 736,866 tons on January 1 and 723,885 tons on December 1.

The estimates of the value of the grain crops of the United States raised in 1897 as published by the Department of Agriculture show the improved condition of the producer. The prices realized in most cases are well above those of recent years. The aggregate farm value of wheat, corn and oats for each of the past six years is shown as follows:

YEAR.	*Wheat.*	*Corn.*	*Oats.*
1892	$322,111,881	$642,146,630	$209,253,611
1893	213,171,381	591,625,627	187,576,092
1894	225,902,000	554,719,000	214,816,920
1895	237,939,000	567,509,000	163,655,068
1896	310,603,000	491,007,000	132,485,000
1897	428,547,000	501,073,000	147,975,000

The course of our foreign trade still defies all precedent and piles up balances exceeding all previous records. For January we have total exports of merchandise of nearly $108,500,000 and a net balance of nearly $57,700,000 increased by nearly $1,800,000 of silver and only about $3,800,000 of gold imported to offset this enormous balance. Our total net exports of merchandise in the calendar year 1895, were only about $23,000,000, in 1890 $34,000,000 and in 1889 $56,000,000, balances now exceeded in a single month. From July 1, 1897, to February 1, 1898, we exported net merchandise nearly $378,000,000, and silver $14,000,000, and imported only about $22,000,000 gold, making the total net export balance about $370,000,000.

With the exception of the three months, April to June inclusive last year, when sugar imports were abnormally large, our exports of merchandise have exceeded the imports every month since September, 1895. In those twenty-eight months the net exports of merchandise were $605,362,897, and of silver $69,303,828, while only $22,780,861 of gold was imported. In that time, therefore, we have exported $651,885,864 of merchandise and specie for which there has been no settlement that shows up in the foreign trade statistics.

That the basis of gold imports has been established by these trade balances admits of no question. Our heavy exports of food products alone would have caused gold to flow this way, but for the persistent buying of foreign exchange for investment, the opportunity for profitable ventures in that field being afforded by the low rates prevailing for money in our markets. The sharp advance in the loan market late last month at once caused a drop in sterling exchange and engagements of gold for shipment from Europe to America.

When a less ephemeral cause than a war scare causes stringency and higher rates in the money market here, gold imports may be expected upon a scale that will rival previous heavy movements. True, we are now entering upon a season when merchandise exports naturally decline and imports increase, but in the absence of exceptional influences the unsettled balances of our recent trade operations will control the movement of gold, while foreign purchases of American securities, which have been of considerable magnitude, will also be a contributing cause to gold imports should stringency in the money market intervene.

NATIONAL BANKS OF THE UNITED STATES.—The summary of the statements of the National banks of the country showing their condition on December 15, 1897, gives additional evidence of the tendency towards a reduction of National bank capital and of the number of banks. Since October 5, the date of the previous statement, the number has decreased from 3,610 to 3,607, and the aggregate capital from $631,488,095 to $629,655,365. On May 4, 1893, there were 3,830 banks in the system, so that in the past five years there has been a decrease of 220. On December 9, 1892, the aggregate capital reached the highest amount, $689,698,017, since which time there has been a reduction of $60,000,000. The most striking feature of the statement is the increase in the individual deposits, which now amount to $1,916,630,252, the largest total ever reached. Since October 5 there has been an increase of $63,000,000 and in the past year of $277,000,000. During the depression of 1893 the deposits fell from $1,765,422,983, the amount held on September 30, 1892, to $1,451,124,330 on October 3, 1893. Since the latter date they have increased more than $465,000,000 and are now $151,000,000 more than they were when high-water mark was reached in 1892. The reserves of the banks have increased $21,500,000 since October last, $11,000,000 in gold, $1,500,000 in silver and $9,000,000 in legal tenders. In the past two years the gold reserves of the National banks have increased $50,000,000, silver $6,000,000 and legal tenders $17,000,000. The following is a comparative table showing the principal items of the statements issued during the past two years:

CONDITION OF THE NATIONAL BANKS OF THE UNITED STATES.

	Capital.	*Surplus.*	*Individual deposits.*	*Gold.*	*Silver.*	*Legal tenders.*
Dec. 13, 1895......	$656,956,245	$246,177,563	$1,720,550,241	$168,244,430	$38,467,979	$130,649,423
Feb. 28, 1896......	653,994,915	247,178,188	1,648,092,868	156,894,030	39,123,428	141,242,518
May 7, 1896........	652,089,780	247,546,067	1,687,639,515	157,761,800	44,611,646	147,006,652
July 14, 1896......	651,144,855	248,368,423	1,668,413,507	161,853,560	41,981,889	140,378,290
Oct. 6, 1896.......	648,540,325	247,690,075	1,597,891,058	160,723,890	40,084,742	142,334,780
Dec. 17, 1896......	647,186,395	247,339,567	1,639,688,393	181,020,260	44,520,448	156,973,612
Mar. 9, 1897.......	642,424,195	247,130,081	1,669,219,961	188,304,755	45,644,107	186,332,852
May 14, 1897.......	637,002,395	246,736,684	1,728,083,971	190,396,251	45,680,032	174,144,993
July 23, 1897......	632,153,042	246,403,782	1,770,480,563	193,686,596	47,236,005	172,596,020
Oct. 5, 1897.......	631,488,095	246,345,020	1,853,349,128	195,896,107	43,492,595	149,494,929
Dec. 15, 1897......	629,655,354	246,416,688	1,916,630,252	207,093,145	45,070,408	158,404,875

THE MONEY MARKET.—Rates for money are slightly higher than they were a month ago, and toward the end of the month there was a hardening of rates, due to the war scare, a sharp decline in the stock market and a calling for more margin as stock collateral. The supply of money is still ample in spite of the extraordinary

MONEY RATES IN NEW YORK CITY.

	Oct. 1.	*Nov. 1.*	*Dec. 1.*	*Jan. 1.*	*Feb. 1.*	*March 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances........	3 —3½	1½— 2½	1¾—2	2½—4	1½—2	1½—2½
Call loans, banks and trust companies........	3½—	2½—	2 —	3½—4	1½—2	2½—
Brokers' loans on collateral, 30 to 60 days........	3 —	2½	2½—	3½ —	2½—	3 —3½
Brokers' loans on collateral, 90 days to 4 months........	3½—4	3½—	2½—3	3½—4	2½—3	3½—4
Brokers' loans on collateral, 5 to 7 months........	4½—5	3½—4	3 —3½	3½—4	3 —	4 —
Commercial paper, endorsed bills receivable, 60 to 90 days........	4¼—4½	3¾—4	3 —	3½—4	3 —	3½—
Commercial paper prime single names, 4 to 6 months........	4½—5	4 —4½	3½—4	4 —5	3¼—4	3½—4
Commercial paper, good single names, 4 to 6 months........	5 —6	4½—5	4 —5	5 —6	4 —5	4½— 5

volume of speculation, but any weakening of confidence is bound to affect the money market and produce stringency. A feature of the situation late in the month was the drawing of funds by out-of-town banks. At the close of the month call money ruled at 1½ to 2½ per cent. the average rate being about 1¾ per cent. Bank and trust companies quote 2½ per cent. as the minimum on Stock Exchange collateral. Time money on Stock Exchange collateral was quoted at 3 @ 3½ per cent. for 60 days, 3½ @ 4 yer cent. for 90 days, and 4 per cent. for 4 to 6 months. For commercial paper the rates are 3½ per cent., for 60 to 90 days endorsed bills receivable, 3½ @ 4 per cent. for first-class four to six months single names, and 4½ @ 5 per cent. for good paper having the same length of time to run. The rates for money in this city on or about the first of the month for the past six months are shown in the preceding table:

EUROPEAN BANKS.—The Bank of England gained about $7,000,000 of gold last month, but there was no important change in the holdings of the leading Continental banks. The Bank of England has about $25,000,000 less gold than a year ago and is protecting its reserve. Any gold shipments to the United States that may be made are likely to be drawn upon the Continental reserves.

GOLD AND SILVER IN THE EUROPEAN BANKS.

	January 1, 1898.		February 1, 1898.		March 1, 1898.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
England............	£30,453,498	....	£32,568,736	....	£34,087,215	....
France.............	78,114,972	£48,230,367	77,180,142	£48,356,057	77,261,015	£48,510,941
Germany............	29.316,000	15,102,000	30,187,000	15,551,000	30,006,000	15,457,000
Austro-Hungary...	36,475,000	12,334,000	36,425,000	12,398,000	36,389,000	12,446,000
Spain..............	9,431,000	10,300,000	9,431,000	10,480,000	9,518,000	10,710,000
Netherlands........	2,629,000	6,820,000	2,629,000	6,829,000	2,643,000	6,886,000
Nat. Belgium.......	2,824,009	1,412,000	2,857,000	1,429,000	2,874,000	1,437,000
Totals...........	£189,243,465	£94,198,367	£191,272,878	£95,043,057	£192,728,230	£95,446,941

MONEY RATES ABROAD.—Money continues to rule at very low rates abroad, and the open market rates in the Continental cities have further declined since our last review. The Bank of England maintains its rate of discount at 3 per cent. Discounts of 60 to 90 day bills in London at the close of the month were 2¾ @ 2 13-16 per cent. against 2¾ @ 2⅞ per cent. a month ago. The open market rate at Paris was 1¾ @ 1⅞ per cent. against 2 per cent. a month ago; at Berlin 2⅝ @ 2½ per cent., a decline of ⅝ per cent., and Frankfort 2⅜ @ 2½ per cent., a decline of ½ @ ⅝ per cent.

MONEY RATES IN FOREIGN MARKETS.

	Sept. 17.	Oct. 16.	Nov. 12.	Dec. 10.	Jan. 14.	Feb. 11.
London—Bank rate of discount.....	2	3	3	3	3	3
Market rates of discount:						
60 days bankers' drafts......	2	2⅜—2½	2⅞	2⅞	2½	2¾
6 months bankers' drafts....	2⅛	2⅝—¾	2¾—	2¾—	2⅝	2½—⅝
Loans—Day to day...........	1	1¼	1½	2	1⅛	2
Paris, open market rates...........	1⅞	2	2	2	2	1¾
Berlin, "	3½	4	4⅛	4½	3¼	2⅝
Hamburg, "	3½	4⅛	4⅛	4⅝	3⅛	2⅞
Frankfort, "	3½	4¼	4¼	4¾	3⅛	2 1-16
Amsterdam, "	2½	3	3	2½	2⅝	2⅝
Vienna, "	4	3⅞	3¾	3⅞	3½	3⅜
St. Petersburg, "	5	5	5	5	5	5
Madrid, "	4	4	4	4	4	4
Copenhagen, "	4½	5	5	5	5	4

FOREIGN EXCHANGE.—Sterling exchange was firm until near the close of the month when there was a sudden drop in rates. The advance in rates for money in the local market influenced sterling and considerable long sterling on which call loans had been made came on the market. Foreign buying of American securities, which had been quite liberal, also increased the supply of bills, while exports of wheat also brought an additional supply in the absence of investment buying of sterling. Some $4,000,000 of gold was engaged for shipment to the United States concurrently with the decline in exchange, but the future of sterling and of the gold movement depends upon the course of our money market.

RATES FOR STERLING AT CLOSE OF EACH WEEK.

Week ended	Bankers' Sterling. 60 days.	Bankers' Sterling. Sight.	Cable transfers.	Prime commercial. Long.	Documentary Sterling. 60 days.
Jan. 28	4.82¼ @ 4.82½	4.84½ @ 4.84¾	4.84¾ @ 4.85	4.81½ @ 4.82	4.81½ @ 4.82
Feb. 4	4.83 @ 4.83¼	4.85 @ 4.85¼	4.85¼ @ 4.85½	4.82 @ 4.82½	4.82 @ 4.82½
" 11	4.83¼ @ 4.83½	4.85½ @ 4.85¾	4.86 @ 4.86¼	4.82¼ @ 4.82¾	4.82¼ @ 4.83
" 18	4.83 @ 4.83¼	4.85¼ @ 4.85½	4.85½ @ 4.85¾	4.82 @ 4.82½	4.82 @ 4.82¾
" 25	4.81½ @ 4.82	4.84 @ 4.84½	4.84¼ @ 4.84¾	4.81 @ 4.81½	4.81 @ 4.81¾

FOREIGN EXCHANGE—ACTUAL RATES ON OR ABOUT THE FIRST OF EACH MONTH.

	Nov. 1.	Dec. 1.	Jan. 1.	Feb. 1.	March 1.
Sterling Bankers—60 days	4.82¼— 2½	4.83¼— ½	4.82¼— ½	4.82¼— ½	4.81¾— 2
" " Sight	4.85¼— 5½	4.86 — ¼	4.84¾— 5	4.84½— ¾	4.84 — ½
" " Cables	4.85¾— 6	4.86¼— ½	4.85¼— ½	4.84¾— 5	4.84½— ¾
" Commercial long	4.81¾— 2	4.82¾— 3	4.81¾— 2	4.81½— 2	4.80½— 1½
" Docu'tary for paym't.	4.81¼— 1½	4.82¼— ½	4.81¼— ½	4.81½— 2	4.80½— 1½
Paris—Cable transfers	5.18⅛—	5.18⅛—	5.19⅜—	5.20 — 19⅜	5.21¼—20⅝
" Bankers' 60 days	5.20⅝—	5.20⅝—	5.21⅞—	5.21⅞— 1¼	5.23⅛—
" Bankers' sight	5.18¾—	5.18¾— ½	5.20⅝— ⅛	5.20 1/16—20	5.21⅞— ¼
Antwerp—Commercial 60 days.	5.22½— 1⅞	5.22½— 1⅞	5.24⅜— 3¾	5.24⅜— 3¾	5.25⅝—25
Swiss—Bankers' sight	5.19⅜—	5.20⅝—	5.22½— 1⅞	5.22½— 1⅞	5.23¾— ⅛
Berlin—Bankers' 60 days	94⅝— 11/16	94¾— 11/16	94 7/16— ½	94 7/16— ½	94 5/16— ⅜
" Bankers' sight	95 1/16— ⅜	95 1/16— ½	95⅛— 1/16	94 15/16— 5	94⅝— 11/16
Brussels—Bankers' sight	5.19⅜—	5.18¾—	5.21¼—20⅝	5.20⅝—	5.22½— 1⅞
Amsterdam—Bankers' sight	40 3/16— ¼	40¼— 3/16	40⅛— 1/16	40 3/16— ¼	40⅛— 3/16
Kronors—Bankers' sight	26⅞— 13/16	26⅞— 13/16	26 13/16— ⅞	26 13/16— ⅞	26¾— 13/16
Italian lire—sight	5.46½— 3½	5.45 — 2	5.45¼— 2¼	5.47¾—44	5.49⅛— 6⅛

BANK OF ENGLAND STATEMENT AND LONDON MARKETS.

	Nov. 17, 1897.	Dec. 8, 1897.	Jan. 12, 1898.	Feb. 13, 1898.
Circulation (exc. b'k post bills)	£27,205,140	£27,122,695	£27,502,390	£26,600,235
Public deposits	7,201,055	7,623,919	9,391,449	15,417,064
Other deposits	37,149,557	35,917,994	40,370,457	35,961,187
Government securities	12,876,416	12,726,315	14,023,036	13,999,565
Other securities	27,883,742	26,798,215	33,169,652	32,329,262
Reserve of notes and coin	21,511,893	21,854,419	20,684,878	23,245,676
Coin and bullion	31,917,033	32,177,114	31,387,268	33,045,911
Reserve to liabilities	48¾%	50%	41 7/16%	45 1/16%
Bank rate of discount	3%	3%	3%	3%
Market rate, 3 months' bills	2⅞%	2 11/16%	2⅝%	2¾%
Price of Consols (2¾ per cents.)	113 5/16	112 13/16	112 11/16	112 9/16
Price of silver per ounce	27 d.	27⅝d.	26 7/16d.	26 1/16d.
Average price of wheat	34s. 0d.	33s. 9d.	34s. 11d.	34s. 10d.

SILVER.—There was a slight recovery in the price of silver in London early in the month to 26¼d, followed by a decline which carried the price to 25 3-16d on February 15. The final quotation for the month was 25⅝d, a decline of ½d per ounce.

MONTHLY RANGE OF SILVER IN LONDON—1895. 1896. 1897.

Month.	1896. High	1896. Low.	1897. High	1897. Low.	1898. High	1898. Low.	Month.	1896. High	1896. Low.	1897. High	1897. Low.	1898. High	1898. Low.
January	30½	30⅞	29 13/16	29 11/16	26¾	26 1/16	July	31⅝	31⅜	27 11/16	26⅜		
February	31 9/16	30¾	29¾	29 11/16	26¼	25 3/16	August	31⅜	30⅜	26½	23¾		
March	31 15/16	31⅛	29⅜	28 5/16			Septemb'r	30 11/16	30	27¼	23¾		
April	31 3/16	30 13/16	28½	28 3/16			October	30 5/16	29¾	27½	26		
May	31 3/16	30 15/16	28 3/16	27⅝			Novemb'r	30 3/16	29¾	27½	26⅜		
June	31 9/16	31 3/16	27¾	27½			Decemb'r	30	29 13/16	27¾	25 5/16		

GOLD AND SILVER COINAGE.—The mints of the United States in February coined $4,085,302.50 gold, $1,167,564.25 silver, of which $1,032,225 was in standard dollars and $92,574.50 minor coin, a total of $5,345,441.25.

COINAGE OF THE UNITED STATES.

	1897.		1898.	
	Gold.	Silver.	Gold.	Silver.
January	$7,803,420	$1,964,800	$3,420,000	$1,624,000
February	10,152,000	1,519,794	4,085,302	1,167,564
March	13,770,900	1,617,654		
April	8,800,400	1,535,000		
May	4,489,950	1,600,000		
June	2,100,547	1,856,754		
July	377,000	260,000		
August	8,756,250	701,436		
September	8,762,375	1,050,092		
October	3,845,000	2,301,000		
November	3,544,000	2,103,000		
December	3,626,642	1,977,167		
Year	$76,028,484	$18,486,697	$7,505,302	$2,791,564

NATIONAL BANK CIRCULATION.—There was a further reduction in amount of National bank notes outstanding last month of $1,697,874, making a decrease of more than $4,000,000 since January 1. The lawful money on deposit to retire circulation was slightly reduced during the month, although $2,343,960 was deposited in the month. More than $2,000,000 of bonds held in the Treasury as security for circulation were withdrawn in February, making a total of more than $14,000,000 so withdrawn since November 1 last.

NATIONAL BANK CIRCULATION.

	Nov. 30, 1897.	Dec. 31, 1897.	Jan. 31, 1898.	Feb. 28, 1898.
Total amount outstanding	$229,549,707	$228,930,281	$226,444,906	$224,747,032
Circulation based on U. S. bonds	201,735,572	196,146,093	192,724,299	191,056,818
Circulation secured by lawful money	27,814,135	32,784,188	33,720,607	33,690,214
U. S. bonds to secure circulation:				
Four per cents. of 1895	28,996,650	27,256,150	26,406,150	25,556,150
Pacific RR. bonds, 6 per cent	8,778,000	3,730,000	2,751,000	2,725,000
Funded loan of 1891, 2 per cent	22,066,400	22,096,250	22,240,750	22,259,250
" " 1907, 4 per cent	149,419,600	149,581,400	148,140,100	146,897,100
Five per cents. of 1894	16,098,650	16,329,150	15,949,650	15,977,150
Total	$225,359,300	$218,992,950	$215,487,650	$213,414,650

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1895, $4,785,000; Pacific Railroad 6 per cents., $300,000; 2 per cents of 1891, $1,459,500; 4 per cents of 1907, $18,630,000; 5 per cents. of 1894, $5,705,000; a total of $30,879,500.

The circulation of National gold banks, not included in the above statement, is $84,040.

COIN AND BULLION QUOTATIONS.—Following are the ruling quotations in New York for foreign and domestic coin and bullion:

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	Asked.		Bid.	Asked.
Trade dollars	$ .60	......	Twenty marks	$4.74	$4.78
Mexican dollars	.45⅛	$ .46¼	Spanish doubloons	15.50	15.70
Peruvian soles, Chilian pesos	.40¼	.42	Spanish 25 pesos	4.78	4.82
English silver	4.82	4.85	Mexican doubloons	15.50	15.70
Victoria sovereigns	4.84	4.87	Mexican 20 pesos	19.50	19.60
Five francs	.93	.95	Ten guilders	3.95	3.99
Twenty francs	3.83	3.87			

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 25⅝d. per ounce. New York market for large commercial silver bars, 55⅝ @ 56¼c. Fine silver (Government assay), 55⅝ @ 56⅝c.

GOVERNMENT REVENUES AND DISBURSEMENTS.—The Treasury statement which the Government issues daily makes the total revenues in February $28,572,358, an excess over expenditures of $945,358. The customs receipts were $15,040,681, the largest since July, 1897, and nearly $3,500,000 more than in February, 1897. There was a noticeable discrepancy in the statements for January issued by the Treasury Department and by the Bureau of Statistics. In that of the former the customs receipts were given as $14,269,492, in the latter as only $11,276,874. The total receipts were reported as $37,333,628 and $24,316,994 respectively. According to the Treasury statement there was a surplus in January of $981,628, while the Bureau of Statistics reports a deficit of $5,952,395. In view of so great a difference in the January figures the figures for February, published in the Treasury statement, may be misleading.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS. Source.	February, 1898.	Since July 1, 1897.	EXPENDITURES. Source.	February, 1898.	Since July 1, 1897.
Customs	$15,040,681	$92,051,714	Civil and mis	$5,975,000	$70,426,443
Internal revenue	12,003,319	110,819,190	War	3,780,000	43,736,562
Miscellaneous	1,528,358	71,687,057	Navy	2,057,000	22,451,769
			Indians	737,000	6,723,166
			Pensions	11,978,000	100,838,074
Total	$28,572,358	$274,557,961	Interest	3,100,000	28,339,556
Excess of receipts	$945,358	$2,042,391	Total	$27,627,000	$272,515,570

UNITED STATES TREASURY CASH RESOURCES.

	Nov. 30.	Dec. 31.	Jan. 31.	Feb. 28.
Net gold	$157,113,988	$160,726,563	$164,061,350	$167,434,000
Net silver	15,753,187	13,229,565	19,971,716	15,893,079
U. S. notes	35,884,800	41,786,210	25,898,914	33,806,491
Miscellaneous assets (less current liabilities)	*23,743,591	*16,677,113	*13,261,177	*21,736,630
Deposits in National banks	31,759,834	50,262,596	45,194,962	31,825,578
Available cash balance	$216,768,220	$251,327,822	$241,865,766	$227,224,513

* Excess of liabilities.

UNITED STATES GOVERNMENT RECEIPTS AND EXPENDITURES AND NET GOLD IN THE TREASURY.

MONTH.	1897. Receipts.	1897. Expenditures.	1897. Net Gold in Treasury.	1898. Receipts.	1898. Expenditures.	1898. Net Gold in Treasury.
January	$24,316,994	$30,269,389	$144,800,493	$24,316,994	$30,269,389	*$162,669,403
February	24,400,997	28,796,056	148,661,209	28,572,358	27,627,000	*167,434,000
March	36,217,662	27,212,998	152,786,464			
April	37,812,135	32,072,097	153,340,889			
May	29,797,390	29,109,259	144,319,562			
June	36,584,708	22,934,694	140,790,738			
July	39,027,364	50,100,909	140,817,699			
August	19,023,615	33,588,047	144,216,377			
September	21,933,098	25,368,815	147,663,105			
October	24,391,415	33,701,512	153,573,147			
November	43,363,605	37,810,839	155,815,111			
December	59,646,698	27,634,092	159,341,087			

* This balance as reported in the Treasury sheet on the last day of the month.

NEW YORK CITY BANKS.—After many weeks of continuous increase in deposits and expansion of loans, a change occurred in the latter part of February and deposits were withdrawn, reserves reduced and loans called in. During the last three weeks of the month $18,000,000 of legal tenders were withdrawn from our local banks, although there was an increase of $5,000,000 in specie. Until near the last week of the month deposits continued to increase, and on February 19 they were $63,500,000 more than at the close of 1897 and $16,000,000 more than on January 29. More than $9,000,000 were withdrawn in the last week of February. Loans were increased in the first three weeks $21,000,000, making an increase of $39,000,000 since January 1. In the last week of the month they were reduced $5,000,000. The banks still have a surplus reserve of $22,000,000, or about $13,000,000 less than at the close of January.

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
Jan. 29...	$625,865,700	$113,092,800	$103,137,700	$722,484,200	$35,609,450	$14,468,700	$825,018,100
Feb. 5...	633,859,800	114,088,200	104,150,300	733,827,500	34,781,625	14,392,400	928,210,900
" 11...	639,836,400	114,967,700	102,140,300	738,683,800	32,437,050	13,914,700	725,199,600
" 19...	646,915,200	116,833,800	93,494,800	738,560,600	25,688,450	13,778,100	996,600,600
" 26...	641,878,400	119,186,500	86,076,400	729,214,300	22,729,125	13,727,700	803,511,600

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

MONTH.	*1896.*		*1897.*		*1898.*	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$501,089,300	$15,939,675	$530,785,000	$33,286,950	$675,064,200	$15,788,750
February......	490,447,200	39,623,400	563,331,800	59,148,250	722,484,200	35,609,450
March.........	489,612,200	24,442,150	573,769,300	57,520,975	729,214,300	22,729,125
April..........	481,795,700	17,005,975	569,226,500	47,666,575		
May...........	495,004,100	22,944,275	576,863,900	48,917,625		
June	498,874,100	22,230,675	575,600,000	46,616,100		
July	499,046,900	20,328,275	604,983,700	41,384,875		
August........	485,014,000	17,728,600	623,045,000	45,720,150		
September....	451,934,800	8,836,200	636,996,000	39,517,700		
October.......	454,733,100	16,526,025	619,353,200	15,550,400		
November	446,445,900	17,463,225	625,339,000	24,271,800		
December.....	490,634,300	31,411,625	666,278,600	22,122,950		

Deposits reached the highest amount, $738,683,800 on February 11, 1898, and the surplus reserve $111,623,000 on February 3, 1894.

NON-MEMBER BANKS—NEW YORK CLEARING-HOUSE.

	Loans and Investments.	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Surplus.*
Jan. 29.....	$59,295,500	$65,085,300	$3,323,600	$4,034,100	$9,018,200	$3,242,800	$3,342,375
Feb. 5.....	59,065,600	$65,331,000	3,177,500	3,781,100	9,249,200	3,433,800	3,306,850
" 12.....	58,706,500	64,168,500	3,091,300	3,786,600	8,355,300	3,544,600	2,785,675
" 19.....	58,393,200	64,717,200	3,111,000	3,970,100	9,090,600	3,554,500	3,546,900
" 26.....	58,187,500	64,381,000	3,126,200	3,915,700	8,943,400	3,647,400	3,587,450

BOSTON AND PHILADELPHIA BANKS.—The changes in the condition of the clearing-house banks of Boston and Philadelphia are shown in the following tables:

BOSTON BANKS.

Dates.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
Jan. 29........	$179,936,000	$182,486,000	$12,143,000	$8,027,000	$5,334,000	$100,210,800
Feb. 5........	180,861,000	186,884,000	11,913,000	7,806,000	5,298,000	107,082,200
" 12........	181,695,000	189,867,000	11,683,000	8,574,000	5,248,000	110,334,900
" 19........	180,776,000	189,895,000	11,616,000	9,208,000	5,260,000	111,044,400
" 26........	180,507,000	186,371,000	11,454,000	9,266,000	5,249,000	89,314,700

PHILADELPHIA BANKS.

Dates.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
Jan. 29..................	$115,226,000	$130,041,000	$42,802,000	$5,947,000	$72,819,400
Feb. 5..................	115,820,000	130,823,000	43,120,000	5,888,000	76,728,500
" 12..................	115,634,000	131,561,000	43,283,000	5,846,000	55,742,800
" 19..................	116,771,000	133,105,000	43,199,000	5,734,000	81,480,200
" 26..................	117,841,000	131,446,000	40,928,000	5,735,000	67,112,200

FOREIGN TRADE.—For the fifth consecutive month the exports of merchandise from the ports of the United States have aggregated more than $100,000,000. A record for which there is no parallel in the history of the country. In the five months ended January 31, the total exports were valued at $566,000,000, while in the previous year they were only $518,000,000, in 1895–6 $412,000,000, and in 1894–5 $388,000,000. In no previous January were the exports as large as in that month this year when they were nearly $108,500,000. The imports, however, are small, the smallest reported for January in many years, being less than $51,000,000, and making a net balance of exports of $57,686.546 and a total since July 1 of $377,-815,561. We imported $3,762,427 of gold net and exported $1,765,546 of silver, making the total net balance of exports of merchandise, coin and bullion $55,500,000. Since the present fiscal year began the net exports of merchandise and specie have amounted to nearly $370,000,000, an average of about $53,000,000 a month.

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF JANUARY.	MERCHANDISE.			Gold Balance.	Silver Balance.
	Exports.	*Imports.*	*Balance.*		
1893..................	$67,673,669	$75,168,267	Imp., $7,494,598	Exp., $12,213,553	Exp., $2,081,362
1894..................	85,940,226	52,499,947	Exp., 33,440,279	" 573,790	" 3,930,848
1895..................	81,229,964	67,547,900	" 13,682,064	" 24,905,595	" 2,117,783
1896..................	86,970,028	68,647,600	" 18,322,428	" 24,576	" 2,497,480
1897..................	93,951,883	51,354,018	" 42,597,865	Imp., 500,951	" 1,370,111
1898..................	108,489,455	50,802,909	" 57,686,546	" 3,762,427	" 1,765,546
SEVEN MONTHS.					
1893..................	526,941,376	484,371,681	Exp., 42,569,695	Exp., 37,761,121	Exp., 9,646,229
1894..................	573,651,520	371,551,363	" 202,100,157	Imp., 54,371,674	" 21,965,565
1895..................	501,902,934	407,917,635	" 93,985,299	Exp., 46,256,289	" 15,658,555
1896..................	524,964,969	478,716,717	" 46,248,252	" 61,862,559	" 18,791,884
1897..................	655,177,127	363,278,017	" 291,899,110	Imp., 64,022,219	" 19,677,032
1898..................	718,435,950	340,620,389	" 377,815,561	" 22,374,686	" 14,238,046

MONEY IN CIRCULATION IN THE UNITED STATES.—The volume of money in circulation was reduced in February $3,614,569, due to the payments into the Treasury on account of the Union Pacific Railroad purchase. The principal changes in circulation were increases of $2,299,958 in gold coin, $6,771,487 in silver certificates and $1,046,937 in National bank notes, and decreases of $2,333,236 in Treasury notes and $9,558,224 in United States notes.

MONEY IN CIRCULATION IN THE UNITED STATES.

	Dec. 1, 1897.	*Jan. 1, 1898.*	*Feb. 1, 1898.*	*Mar. 1, 1898.*
Gold coin..................................	$544,494,748	$547,568,360	$551,584,924	$553,884,882
Silver dollars..............................	61,280,761	61,491,078	59,478,298	59,020,904
Subsidiary silver..........................	64,829,045	65,720,308	64,955,943	64,270,811
Gold certificates..........................	36,725,409	36,557,689	36,494,759	36,440,789
Silver certificates........................	373,298,667	376,695,592	373,515,940	380,287,427
Treasury notes, Act July 14, 1890.........	104,676,398	103,443,936	100,797,666	98,464,430
United States notes........................	262,183,000	262,480,927	273,722,410	264,164,186
Currency certificates, Act June 8, 1872..	48,640,000	43,315,000	49,075,000	48,430,000
National bank notes........................	224,956,210	223,827.755	220,366,293	221,413,230
Total......................................	1,721,084,538	$1,721,100.640	$1,729,991,228	$1,726,376,659
Population of United States...............	73,593,000	73,725,000	73,857,000	73,990,000
Circulation per capita.....................	$23.39	$23.34	$23.42	$23.33

UNITED STATES PUBLIC DEBT.—The public debt statement shows an aggregate debt on February 28 of $1,820,921,352, with offsets of $585.252,933 cash representing certificates and Treasury notes outstanding and a cash balance in the Treasury of $225,564,203, leaving the net debt at that date $1,010,104,216, a decrease of about $1,600,000 for the month. The Government also has $3,157,000 of Pacific Railroad bonds outstanding, for which it has been reimbursed. The statement shows that the Government received from the Union Pacific Railroad $58,448,223.75 in payment of the full indebtedness of that company.

	Dec. 1, 1897.	Jan. 1, 1898.	Feb. 1, 1898.	Mar. 1, 1897.
Interest bearing debt:				
Funded loan of 1891, 2 per cent	$25,364,500	$25,364,500	$25,364,500	$25,364,500
" " 1907, 4 "	559,641,500	559,641,500	559,641,950	559,644,050
Refunding certificates, 4 per cent	44,220	44,220	43,960	42,730
Loan of 1904, 5 per cent	100,000,000	100,000,000	100,000,000	100,000,000
" 1925, 4 "	162,315,400	162,315,400	162,315,400	162,315,400
Total interest-bearing debt	$847,365,620	$847,365,620	$847,365,810	$847,366,680
Debt on which interest has ceased	1,331,280	1,330,270	1,328,540	1,327,670
Debt bearing no interest:				
Legal tender and old demand notes	346,735,363	346,735,363	346,735,363	346,735,363
National bank note redemption acct.	27,570,824	32,268,146	33,257,139	33,452,434
Fractional currency	6,886,937	6,886,937	6,886,272	6,886,272
Total non-interest bearing debt	$381,193,125	$385,890,446	$386,878,774	$386,974,069
Total interest and non-interest debt	1,229,890,025	1,234,586,337	1,235,573,124	1,235,668,419
Certificates and notes offset by cash in the treasury:				
Gold certificates	38,274,149	38,128,149	38,062,149	38,015,149
Silver "	384,963,504	387,925,504	388,475,504	391,908,504
Certificates of deposit	48,890,000	44,555,000	49,145,000	50,660,000
Treasury notes of 1890	107,793,280	106,348,280	105,531,280	104,669,280
Total certificates and notes	$579,920,933	$576,956,933	$581,213,933	$585,252,933
Aggregate debt	1,809,810,958	1,811,543,270	1,816,787,057	1,820,921,352
Cash in the Treasury:				
Total cash assets	846,409,076	861,391,370	853,198,008	856,571,766
Demand liabilities	625,745,517	625,916,601	629,326,212	631,007,563
Balance	$220,663,559	$235,474,769	$223,871,786	$225,564,203
Gold reserve	100,000,000	100,000,000	100,000,000	100,000,000
Net cash balance	120,663,559	135,474,769	123,871,786	125,564,203
Total	$220,663,559	$235,474,769	$223,871,786	$225,564,203
Total debt, less cash in the Treasury	1,009,226,466	999,111,568	1,011,701,338	1,010,104,216

MONEY IN THE UNITED STATES TREASURY.—There was an increase of cash in the Treasury last month amounting to more than $11,000,000, and of certificates and Treasury notes outstanding of nearly $4,000,000, making the increase in net cash $7,500,000. Of this increase $2,300,000 was in gold.

MONEY IN THE UNITED STATES TREASURY.

	Dec. 1, 1897.	Jan. 1, 1898.	Feb. 1, 1898.	Mar. 1, 1898.
Gold coin	$151,965,892	$151,910,176	$151,266,475	$151,609,155
Gold bullion	42,123,368	45,559,060	49,465,077	52,454,816
Silver Dollars	392,933,031	394,327,049	397,589,839	399,079,443
Silver bullion	103,531,722	102,284,736	101,379,158	100,819,300
Subsidiary silver	11,191,630	10,679,899	11,707,173	11,960,092
United States notes	84,498,016	84,200,069	72,958,606	82,516,830
National bank notes	4,678,007	5,186,886	6,162,923	3,417,842
Total	$790,921,666	$794,147,895	$790,529,241	$801,857,478
Certificates and Treasury notes, 1890, outstanding	563,340,774	560,012,217	559,883,365	563,622,646
Net cash in Treasury	$227,580,892	$234,135,678	$230,645,876	$238,234,832

SUPPLY OF MONEY IN THE UNITED STATES.—The stock of money in the country increased about $4,000,000, accounted for by an increase of $5,600,000 in gold and a decrease of $1,600,000 in National bank notes.

SUPPLY OF MONEY IN THE UNITED STATES.

	Dec. 1, 1897.	Jan. 1, 1898.	Feb. 1, 1898.	Mar. 1, 1898.
Gold coin	$696,460,640	$699,478,536	$702,851,399	$705,494,037
Gold bullion	42,123,368	45,559,060	49,465,077	52,454,816
Silver dollars	454,213,792	455,818,122	457,068,122	458,100,347
Silver bullion	103,531,722	102,284,736	101,379,158	100,819,300
Subsidiary silver	76,020,675	76,400,207	76,663,116	76,230,903
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	229,634,217	229,014,641	226,529,216	224,831,072
Total	$1,948,665,430	$1,955,236,318	$1,960,637,104	$1,964,611,491

Certificates and Treasury notes represented by coin, bullion, or currency in Treasury are not included in the above statement.

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of February, and the highest and lowest during the year 1898, by dates, and also, for comparison, the range of prices in 1897:

	Year 1897.		Highest and Lowest in 1898.		February, 1898.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	17	9⅛	13⅝—Feb. 7	10⅝ - Feb. 24	13⅝	10⅝	12
〃 preferred	35½	17	32⅝—Feb. 8	26 —Feb. 24	32⅝	26	28
Baltimore & Ohio	21⅛	9	19 —Feb. 3	12⅜—Jan. 25	19	15	15½
Bay State Gas	16¾	3⅞	5⅛—Jan. 21	2¾—Feb. 24	4	2¾	3⅝
Brooklyn Rapid Transit	37⅝	18⅝	43¼—Feb. 18	36½—Jan. 5	43¼	36¼	40⅛
Canadian Pacific	82	46½	90½—Jan. 20	81⅛—Feb. 19	88¾	81⅛	82¼
Canada Southern	62⅛	44½	57⅜—Feb. 5	46½—Feb. 24	57⅜	46½	49
Central of New Jersey	103¼	68¼	98¼—Jan. 7	89 —Feb. 24	97½	89	94
Central Pacific	18	7⅛	14 —Feb. 16	11⅝—Jan. 4	14	13	13½
Ches. & Ohio vtg. ctfs	27⅛	15⅝	24⅞—Feb. 1	19¾ - Feb. 24	24⅞	19¾	20⅞
Chicago & Alton	170	140	166⅞—Jan. 14	163 —Jan. 7	166	163½	165
Chicago, Burl. & Quincy	102¼	69⅝	103¼—Feb. 11	91½—Feb. 24	103¼	91½	95⅛
Chicago & E. Illinois	61	37¼	60¼—Feb. 1	55 —Jan. 8	60¼	55	55
〃 preferred	103	95	113½—Feb. 1	102 —Jan. 7	113½	108½	108½
Chicago Gas	108¾	73¼	....	....	....	....	....
Chicago, Great Western	20⅝	3⅝	16¼—Jan. 8	9⅛—Feb. 24	14⅝	9⅛	11⅛
Chic., Indianapolis & Lou'ville	13	8	10¼—Jan. 14	7 —Feb. 24	9¾	7	8
〃 preferred	38¼	26	33⅜—Feb. 2	27 —Feb. 24	33⅜	27	28
Chic., Milwaukee & St. Paul	102	69¼	97⅛—Jan. 12	91⅛—Feb. 24	96⅝	91⅛	93¼
〃 preferred	146	130½	149½ Feb. 16	142½—Jan. 8	149½	145	146¼
Chicago & Northwestern	132½	101¾	130½—Feb. 11	119½—Jan. 4	130½	119½	123⅛
〃 preferred	165½	153	174 —Feb. 19	163 —Jan. 3	174	167½	174
Chicago, Rock I. & Pacific	97¼	60¼	94½—Jan. 28	81½—Feb. 24	93¾	81½	86⅞
Chic., St. Paul, Minn. & Om	89½	47	79 - Feb. 11	67 —Feb. 24	79	67	73¼
〃 preferred	150⅝	133	155 —Feb. 28	148 —Jan. 5	155	150	155
Clev., Cin., Chic. & St. Louis	41½	21½	38¼—Jan. 31	29½—Feb. 24	37⅞	29½	32½
〃 preferred	86½	63	87 —Feb. 1	80 —Jan. 7	87	80	80
Col. Coal & Iron Devel. Co	2	⅜	⅞—Jan. 28	¾—Jan. 10	....	....	....
Col. Fuel & Iron Co	27⅞	15¾	26⅝—Jan. 11	20 —Feb. 24	25	20	20½
Col. Hocking Val. & Tol	18	1½	8¼—Feb. 10	5¼—Jan. 3	8¼	6	6½
〃 preferred	46	14	27½—Feb. 10	17 —Jan. 7	27½	22	26
Consolidated Gas Co	241½	136½	195¼—Jan. 25	176 —Jan. 3	194	180	183
Delaware & Hud. Canal Co	123	99⅝	114½—Feb. 3	108¾—Feb. 24	114½	108¾	109⅝
Delaware, Lack. & Western	164	146½	159 —Feb. 5	150¼—Jan. 21	159	152	152
Denver & Rio Grande	14¾	9¼	13 —Jan. 12	12 —Jan. 12	13	13	13
〃 preferred	50½	36	52¾—Feb. 9	46 —Jan. 3	52¾	46¼	47½
Edison Elec. Illum. Co., N. Y.	132½	101¾	135 —Jan. 20	127 —Jan. 4	134¾	131	131
Erie	19	11½	16¼—Feb. 4	13⅞—Feb. 25	16¼	13⅞	14⅛
〃 1st pref	46⅝	27	43⅜—Feb. 11	37 —Jan. 4	43⅜	37⅞	38¾
〃 2d pref	25⅝	15½	21⅜—Feb. 11	18¼—Jan. 22	21⅜	18¼	19
Evansville & Terre Haute	34	20	25 —Jan. 7	23 —Jan. 7	23	23	23
Express Adams	165	147¼	180 —Feb. 10	100 —Feb. 15	180	100	113
〃 American	119½	109½	130 —Feb. 14	116 —Jan. 5	130	119	126½
〃 United States	48	37	45 —Feb. 9	40 —Jan. 5	45	42½	43
〃 Wells, Fargo	120	97	120 —Feb. 14	113 —Jan. 10	120	113	119
Great Northern, preferred	141	120	162 —Feb. 4	130 —Jan. 12	162	138½	155
Illinois Central	110¾	91½	108⅞—Jan. 31	100 —Feb. 24	107	100	102
Iowa Central	13¾	6	9½—Jan. 13	7⅞—Feb. 25	9½	7⅞	8
〃 preferred	41¾	23	35 —Jan. 8	28 —Feb. 24	33⅜	28	29
Laclede Gas	49¼	22	48 —Jan. 19	39¼—Feb. 24	44½	39¼	41
〃 preferred	96	70¼	94½—Jan. 14	92 - Feb. 2	92	92	92
Lake Erie & Western	22½	13	18⅝—Feb. 8	15 —Feb. 3	18⅝	15	15¼
〃 preferred	79⅞	58¼	76¼—Feb. 8	69½—Feb. 28	76¼	69½	69½
Lake Shore	181	152	194¾—Jan. 29	170¾—Jan. 4	194½	190	192
Long Island	55	38	50 —Feb. 9	40 —Jan. 20	50	42	42
Louisville & Nashville	63⅞	40⅛	60½—Jan. 31	52 —Feb. 24	60⅝	52	54¾
Manhattan consol	113	81¾	120¼—Jan. 14	98 —Feb. 24	119½	98	103⅜
Metropolitan Street	133½	99¾	171½—Feb. 14	128½—Jan. 4	171½	132	140½
Michigan Central	111⅞	90	114⅞—Feb. 8	100 —Jan. 4	114⅞	103½	106½
Minneapolis & St. Louis	31½	16	30⅞—Feb. 15	25 - Jan. 5	30⅞	25¼	27½
〃 1st pref	90	77¾	88¼—Feb. 15	85½—Jan. 13	88¼	86	87
〃 2d pref	62¾	46	59¾—Feb. 15	53 —Feb. 24	59¾	53	55
Missouri, Kan. & Tex	16⅞	10	14¼—Jan. 26	11¼—Feb. 24	13⅝	11¼	11⅞
〃 preferred	42	24¾	41 —Jan. 28	32½—Jan. 5	40¼	34½	36⅝

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1897.		Highest and Lowest in 1898.		February, 1898.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Missouri Pacific	40¼	10	35⅝—Jan. 28	24 —Feb. 24	35	24	27¾
Mobile & Ohio	32	18	32½—Feb. 7	27 —Feb. 24	32½	27	28
N. Y. Cent. & Hudson River	115½	92½	119¾—Jan. 28	105⅜—Jan. 3	119⅝	109½	113
N. Y. Chicago & St. Louis	17⅝	11	15⅝—Jan. 31	12½—Feb. 24	15	12½	12⅝
" 1st preferred	81½	67⅝	76 —Jan. 31	73 —Feb. 19	76	73	73
" 2d preferred	43½	24	40¼—Jan. 29	35 —Jan. 7	39	35	35
N. Y., New Haven & Hartf'd.	186	160	195½—Feb. 2	178¼—Jan. 7	195½	188	188
N. Y., Ontario & Western	20½	12¾	18⅞—Feb. 2	15 —Feb. 24	18⅞	15	15⅝
N. Y., Sus. & Western	20	6½	18 —Jan. 5	8 —Jan. 8	15½	11¾	14
" preferred	45	18¼	38 —Feb. 11	23 —Jan. 10	38	28½	33
Norfolk & Western	17¼	9	17 —Feb. 7	14¼—Jan. 25	17	14¾	15
" preferred	48½	17	56¼—Feb. 7	45⅛—Feb. 24	56¼	45½	48
North American Co.	6⅛	3⅝	6⅜—Feb. 17	4¼—Jan. 15	6⅜	5⅛	5⅝
Northern Pacific tr. receipts.	22⅜	11	28⅝—Jan. 31	19 —Feb. 24	28½	19	23
" pref tr. receipts	61⅝	32⅛	69 —Jan. 31	58 —Jan. 5	68⅝	58⅞	62¼
Oregon Railway & Nav	41	10	54¼—Feb. 1	35½—Jan. 7	54¼	46	46
" preferred	73½	37⅞	72½—Jan. 20	68 —Jan. 5	72½	68	68
Oregon Short Line	23¾	10⅞	33¾—Feb. 17	19⅝—Jan. 3	33¾	24¼	28½
Pacific Mail	39¼	24	32⅝—Feb. 4	26¼—Feb. 24	32⅝	26¼	28½
Pennsylvania R. R.	119	103½	120⅝—Feb. 7	111½—Feb. 24	120⅝	111½	115⅝
Pitts., Cin. Chic. & St. Louis	30½	11½	46¼—Feb. 7	38⅞—Jan. 5	46¼	42	44⅞
" preferred	70½	44½	71 —Feb. 7	64½—Jan. 18	71	66	66
Pullman Palace Car Co.	185	152	189¾—Feb. 11	173 —Jan. 4	189¾	175	177¼
Reading Voting Tr. ctfs	29¼	16¼	23⅝—Jan. 6	18 —Feb. 24	23¼	18	19
" 1st prefered	57¾	38½	54⅛—Feb. 8	41¼—Feb. 24	54⅛	41¼	44½
" 2d preferred	35⅞	22½	29 —Jan. 6	21¼—Feb. 24	29	21¼	23½
Rome, Wat. Ogdens' g	122½	117	123 —Jan. 4	120½—Feb. 14	122	120½	120½
St. Louis & San Francisco	9	4	7¾—Jan. 8	6⅝—Feb. 23	7⅝	6⅝	6¾
" 1st preferred	59⅝	37	58½—Feb. 7	53½—Jan. 24	58½	54½	54⅞
" 2d preferred	27½	12	28 —Feb. 8	22½—Feb. 24	28	22½	24⅞
St. Louis & Southwestern	7	1	5 —Feb. 1	3¾—Jan. 24	5	4	4½
" preferred	14⅝	3½	11 —Jan. 27	9 —Jan. 24	11	9	10
St. Paul & Duluth	30	20	25 —Jan. 8	20½—Jan. 6	25	24	24
" preferred	87½	75	87½—Feb. 14	80¼—Feb. 23	87½	80¼	80¼
St. Paul, Minn. & Manitoba	125	114	137 —Feb. 28	123⅞—Jan. 12	137	127	137
Southern Pacific Co.	23½	13½	22 —Jan. 12	19 —Feb. 23	20½	19	19
Southern Railway	12¼	7	9⅞—Feb. 10	8⅝—Feb. 23	9⅞	8⅝	8½
" preferred	38⅝	22⅞	33¼—Feb. 11	28½—Feb. 24	33¼	28½	28¾
Tennessee Coal & Iron Co.	35½	17	28½—Jan. 11	19 —Feb. 24	25⅞	19	20½
Texas & Pacific	15	8	12⅝—Feb. 15	10 —Feb. 24	12⅝	10	10¾
Union Pacific trust receipts	27¾	4½	36½—Feb. 1	25½—Jan. 3	36½	26¾	30½
Union Pac., Denver & Gulf	11⅝	1	10¼—Feb. 18	6¾—Jan. 5	10¼	8⅛	9
Wabash R. R	9¾	4⅝	7⅞—Jan. 12	6½—Feb. 24	7⅝	6½	7
" preferred	24⅜	11½	19⅞—Jan. 13	15 —Feb. 24	19	15	16⅝
Western Union	96¾	77¼	93⅝—Jan. 10	86¼—Feb. 25	92⅞	86¼	87½
Wheeling & Lake Erie	6½	½	3¾—Jan. 11	2 —Jan. 5	3⅜	2½	2½
" preferred	29	2⅝	16 —Jan. 12	9¾—Jan. 4	14⅞	10½	10½
Wisconsin Central	4⅝	1	3⅞—Jan. 17	⅞—Jan. 6	2½	2	2
"Industrial" Stocks:							
American Co. Oil Co.	26⅞	9½	23½—Jan. 10	17 —Feb. 25	22	17	18
" preferred	80½	52¼	77¼—Feb. 1	70 —Feb. 24	77¼	70	71½
American Spirits Mfg Co.	15⅞	6½	9½—Jan. 26	6½—Jan. 20	9	6⅞	7⅞
" preferred	36	15	22⅜—Jan. 31	18 —Jan. 3	22½	19	19
American Sugar Ref. Co.	159½	109½	145 —Jan. 7	120⅝—Feb. 24	140	120⅝	126⅞
" preferred	121½	100¼	116 —Jan. 6	110 —Feb. 21	114	110	111½
American Tobacco Co.	96⅜	67½	92⅜—Feb. 11	83¾—Jan. 24	92⅜	87¾	89¼
" preferred	115	100	118½—Feb. 18	113½—Jan. 14	118½	115	115
General Electric Co.	41⅜	28⅝	39¾—Feb. 7	30½—Feb. 24	39¾	30½	33¼
National Lead Co.	44	21⅞	37⅞—Jan. 7	30 —Feb. 24	36⅜	30	32
" preferred	109¾	88⅜	109½—Feb. 10	103¼—Feb. 24	109½	103¼	106¾
National Linseed Oil Co.	23½	10	19 —Jan. 14	17 —Jan. 4	18	17	17
National Starch Manfg. Co.	13	8	9 —Feb. 10	8¾—Feb. 10	9	8¾	9
Standard Rope & Twine Co.	11¾	2¾	5⅝—Feb. 16	3¼—Jan. 3	5⅝	3¼	4¼
U. S. Leather Co.	10¼	6¼	7¾—Feb. 7	6½—Feb. 25	7¾	6½	6¾
" preferred	72	50½	67 —Jan. 31	59⅞—Feb. 24	66⅞	59⅞	62¾
U. S. Rubber Co.	25¼	10	21⅞—Feb. 15	15 —Jan. 18	21⅞	15¾	17
" preferred	76⅞	50	74⅜—Feb. 15	63½—Jan. 11	74⅜	65	66½

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

LAST SALE, PRICE AND DATE AND HIGHEST AND LOWEST PRICES AND TOTAL SALES FOR THE MONTH.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME. Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	FEBRUARY SALES. High.	Low.	Total.
Ala. Midland 1st gold 6s..........1928	2,800,000	M & N	91	Jan. 20,'98	....	....	....
Ann Arbor 1st g 4's...............1995	7,000,000	Q J	84	Feb. 28,'98	86¾	83¾	356,000
Atch., Top. & S. F.							
Atch Top & Santa Fe gen g 4's.1995	110,020,000	A & O	90⅞	Feb. 28,'98	94	90	3,822,500
" registered................	....	A & O	....	....	....	....	....
" adjustment, g. 4's.....1995	51,728,000	NOV	59⅞	Feb. 28,'98	64⅛	58	11,220,000
" registered................	....	NOV	....	....	....	....	....
" Equip. tr. ser. A. g. 5's 1902	1,000,000	J & J	....	....	....	....	....
" Chic. & St. L. 1st 6's...1915	1,500,000	M & S	....	....	....	....	....
Atlan. av. of Brook'n imp. g. 5's, 1934	1,500,000	J & J	82½	Feb. 8,'96	....	....	....
Atlanta & Danville 1st g. 5's.....1950	1,238,000	J & J	98	Feb. 19,'98	98⅝	97¼	56,000
B. & O. 1st 6's (Parkersburg br.), 1919	3,000,000	A & O	118½	Feb. 11,'98	118½	114	21,000
" 5's, gold...........1885-1925			101	Feb. 14,'98	103	92½	9,000
" coupons off................	3,021,000	F & A	....	....	....	....	....
" registered................		F & A	95	Feb. 4,'98	95	95	10,000
" eng. ctfs of deposit.......	6,979,000	......	96½	Feb. 15,'98	96½	92½	19,000
B. & O. con. mtge. gold 5's......1988	5,265,000	F & A	90	May 27,'97	....	....	....
" registered................		F & A	107½	Mar. 7,'94	....	....	....
" J.P.M. & Co. cfs. dep'it....	6,713,000	......	....	....	....	....	....
Balti. Belt, 1st g. 5's int. gtd., 1990	6,000,000	M & N	84	Jan. 11,'98	....	....	....
W. Virginia & Pitts. 1st g. 5's...1990	4,000,000	A & O	111	Dec. 12,'95	....	....	....
Monongahela River 1st g. g., 5's 1919	700,000	F & A	104½	July 1,'92	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s, 1930	2,500,000	M & S	99	Jan. 27,'98	....	....	....
Colo. & Cin. Midl'd 1st ext 4½'s, 1939	2,000,000	J & J	92½	Aug. 30,'92	....	....	....
Ak. & Chic. Junc. 1st g. s. g. 5's..1930	1,500,000	M & N	102½	Nov. 21,'95	....	....	....
" coupons off................	....	......	80	Nov. 1,'97	....	....	....
Pittsb. & Connellsville 1st g. 4's..1946	2,536,000	J & J	106½	Oct. 8,'97	....	....	....
B & O. Southwest'n 1st g. 4½'s, 1990	10,667,000	J & J	99	Feb. 2,'98	99	92	1,000
" 1st c. g. 4½'s..........1993	10,511,000	J & J	60	June 9,'97	....	....	....
" 1st inc. g. 5's "A" 2043	8,651,000	NOV	25	Aug. 18,'94	....	....	....
" "B"...................2043	9,655,000	DEC	9½	Feb. 3,'98	9½	9½	4,000
B. & O. Sw. Term Co. gtd g 5's...1942	1,200,000	M & N	....	....	....	....	....
Ohio & Miss. 1st con. 4's........1947	2,615,000	J & J	105¼	Feb. 1,'98	105¼	105⅛	14,000
" 2d con. 7's............1911	2,952,000	A & O	106⅝	Jan. 8,'98	....	...	....
" 1st Spr'gfield div. 7's, 1905	1,984,000	M & N	107	Feb. 18,'98	107⅝	106	39,000
" 1st gen. 5's............1932	405,000	J & D	98	Apl. 2,'92	....	....	....
Brooklyn City 1st con. 5's........1941	4,373,000	J & J	115	Sept. 13,'97	....	....	....
Brooklyn E. Tr. Co. cfs 1st g. 6s's, 1924	3,464,000	......	85	Feb. 28,'98	87½	83	65,000
" Tr. Co. ctfs. 2d g. 5's..1915	1,246,000	......	....	....	...	....	....
" 1st instal. paid...........		......	....	....	....	....	....
Seas. & B. B. Tr. Co. cfs. 1st g. g. 5's. 1942	1,357,000	......	70⅛	Dec. 14,'97	....	....	....
" 1st instal. paid...........		......	....	....	....	....	....
Union Ele. Tr. Co. ctfs. 1st g. g. 6's, 1937	6,124,000	......	83¼	Feb. 26,'98	87½	83	105,000
Brooklyn Rapid Transit g. 5's...1945	6,398,000	A & O	94¾	Feb. 28,'98	97	92	764,000
Brunswick & Western 1s g. 4's....1938	3,000,000	J & J	74	Sept. 1,'96	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's...1937	4,407,000	M & S	106	Feb. 25,'98	106	105	24,000
Rochester & Pittsburg. 1st 6's..1921	1,300,000	F & A	123	Feb. 2,'98	123	123	2,000
" cons. 1st 6's, ...1922	3,920,000	J & D	122	Dec. 13,'97	....	....	....
Clearfield & Mah. 1st g. g. 5's....1943	650,000	J & J	121¼	May 26,'96	....	....	....
Buffalo & Susquehanna 1st g. 5's, 1913	1,289,000	A & O	100	Feb. 27,'96	....	....	....
" registered...................		A & O	....	....	....	....	....
Burlington, Cedar R. & N. 1st 5's, 1906	6,500,000	J & D	107⅞	Feb. 28,'98	109	107¾	47,000
" con. 1st & col. tst 5's...1934	6,425,000	A & O	109	Jan. 24,'98	....	....	....
" registered................		A & O	97	Feb. 9,'93	....	....	....
Minneap's & St. Louis 1st 7's, g, 1927	150,000	J & D	140	Aug. 24,'95	....	....	....
Ced. Rap Ia. Falls & Nor. 1st 6's, 1920	825,000	A & O	108	Dec. 10,'97	....	....	....
" 1st 5's...................1921	1,905,000	A & O	105	Jan. 4,'98	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest price and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	February Sales. High.	February Sales. Low.	February Sales. Total.
Canada Southern 1st int. gtd 5's	1908	13,920,000	J & J	110⅛	Feb. 28,'98	111	110	65,000
″ 2d mortg. 5's	1913	5,100,000	M & S	110	Feb. 24,'98	111	110	22,000
″ registered			M & S	106⅛	May 22,'97	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's	1937	4,880,000	M & N	91½	Feb. 23,'98	93½	91½	11,000
Central R'y of Georgia, 1st g. 5's	1945	7,000,000	F & A	116¾	Feb. 21,'98	117½	116¾	2,000
″ registered $1,000 & $5,000			F & A	....		....	....	....
″ con. g. 5's	1945	16,500,600	M & N	88	Feb. 26,'98	91⅞	88	89,000
″ con. g. 5's, reg. $1,000 & $5,000			M & N	....		....	....	....
″ 1st. pref. inc. g. 5's	1945	4,000,000	OCT 1	39	Feb. 26,'98	43	39	114,000
″ 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	12¾	Feb. 28,'98	14½	12½	50,500
″ 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	7⅝	Feb. 10,'98	7⅝	7¼	54,000
″ Macon & Nor. Div. 1st g. 5's	1946	840,000	J & J	92	Jan. 6,'98	....	....	....
″ Mobile div. 1st g. 5's	1946	1,000,000	J & J	95⅝	Jan. 19,'98	....	....	....
″ Mid. Ga. & Atl. div. g 5s.	1947	413,000	J & J	....		....	....	....
Central Railroad of New Jersey,								
″ 1st consolidated 7's	1899	3,836,000	Q J	104¾	Feb. 17,'98	104¾	104¾	18,000
″ convertible 7's	1902	1,167,000	M & N	112½	Dec. 3,'97	....	....	....
″ deb. 6's	1908	466,000	M & N	110½	Feb. 15,'98	110½	110½	1,000
″ gen. g. 5's	1987	43,924,000	J & J	114	Feb. 24,'98	114⅞	113	140,000
″ registered			Q J	114	Feb. 23,'98	114¾	114	29,000
Lehigh & W.-B. con. assd. 7's	1900	5,500,000	Q M	103	Feb. 28,'98	103½	102	55,000
″ mortgage 5's	1912	2,887,000	M & N	93	Feb. 25,'98	93	93	2,000
Am. Dock & Improvm't Co. 5's	1921	4,987,000	J & J	114	Feb. 26,'98	114¾	114	6,000
N. J. Southern int. gtd 6's	1899	411,000	J & J	104	Nov. 13,'96	....	....	....
Cen. Pac. Speyer & Co. cfs. dep. A.	1898	3,210,000	......	103	Feb. 18,'98	103	103	34,000
″ ″ ″ B C D.	1899		......	103	Feb. 18,'98	103	103	66,000
″ ext g 5's series E.	1898		J & J	103	Feb. 24,'98	103⅛	102	26,000
″ Speyer & Co. cfs. dep. E.	1900		......	....		....	....	....
″ ″ F G H I.	1901		......	....		....	....	....
″ San Joaquin br. g 6's	1900	6,080,000	A & O	105	Feb. 23,'97	105	105	1,000
″ gtd. g 5's	1939	4,279,000	A & O	84½	Sept. 16,'96	....	....	....
″ Speyer & Co. eng. ctfs.		8,004,000	......	....		....	....	....
″ land grant g 5's	1900	2,294,000	A & O	100½	Feb. 23,'98	100½	100½	5,000
″ Cal. & O. div. ex. g. 7's	1918	4,358,000	J & J	101½	Dec. 6,'97	....	....	....
Western Pacific bonds 6's	1899	2,735,000	J & J	103	Feb. 28,'98	103	103	4,000
North. Ry. (Cal.) 1st g. 6's, gtd.	1907	3,964,000	J & J	94	Nov. 30,'97	....	....	....
″ gtd. g. 5's	1938	4,800,000	A & O	102¼	Feb. 28,'98	102½	102	92,000
Cent. Wash. Tr. Co. cts. 1st g. 6's	1938	1,497,000	......	40	Feb. 2,'98	40	40	10,000
Charleston & Sav. 1st g. 7's	1936	1,500,000	J & J	108¾	Dec. 13,'96	....	....	....
Ches. & Ohio pur. money fd.	1898	1,714,000	J & J	101⅛	Jan. 7,'98	....	....	....
″ 6's, g., Series A	1908	2,000,000	A & O	120½	Feb. 14,'98	120½	120	10,000
″ Mortgage gold 6's	1911	2,000,000	A & O	120¼	Jan. 21,'98	....	....	....
″ 1st con. g. 5's	1939	24,144,000	M & N	115	Feb. 28,'98	117	115	309,000
″ registered			M & N	114	Feb. 7,'98	114	114	3,000
″ Gen. m. g. 4½'s	1992	23,721,000	M & S	82	Feb. 28,'98	84½	80	1,889,000
″ registered			M & S	85	Dec. 30,'93	....	....	....
″ (R. & A. d.) 1st c. g. 4's,	1989	6,000,000	J & J	104¾	Feb. 9,'98	105	104¼	24,000
″ 2d con. g. 4's	1989	1,000,000	J & J	93⅞	Jan. 24,'98	....	....	....
″ Craig Val. 1st g. 5's	1940	650,000	J & J	99½	Feb. 7,'98	99½	99½	3,000
″ Warm S. Val. 1st g. 5's,	1941	400,000	M & S	98	Dec. 21,'93	....	....	....
″ Elz. Lex. & B. S. g. g. 5's,	1902	3,007,000	M & S	102½	Feb. 23,'98	103⅝	102½	35,000
Chicago & Alton s'king fund 6's.	1903	1,722,000	J & J	112½	Feb. 26,'98	112½	112½	7,000
Louisiana & Mo. Riv. 1st 7's	1900	1,785,000	F & A	111	Jan. 7,'98	....	....	....
″ 2d 7's	1900	300,000	M & N	112	June 17,'96	....	....	....
St. Louis, J. & C. 2d gtd 7's	1898	188,000	J & J	104¾	Apr. 25,'97	....	....	....
Miss. Riv. Bdge 1st s. f'd g. 6's	1912	512,000	A & O	105½	Oct. 30,'95	....	....	....
Chicago, Burl. & Quincy con. 7's.	1903	28,924,000	J & J	116¼	Feb. 23,'98	116¼	116	45,000
″ 5's, sinking fund	1901	2,315,000	A & O	107	Feb. 24,'98	107	104¼	12,000
″ 5's, debentures	1913	9,000,000	M & N	107½	Feb. 25,'98	109	107½	122,000
″ convertible 5's	1903	15,263,900	M & S	110½	Feb. 21,'98	111½	110½	31,000
″ (Iowa div.) sink. f'd 5's,	1919	2,818,000	A & O	109½	Feb. 28,'97	109½	109½	12,000
″ 4's	1919	9,050,000	A & O	103⅛	Feb. 17,'98	104	103½	49,000
″ Denver div. 4's	1922	6,141,000	F & A	99¼	Feb. 26,'98	100⅛	99¼	85,000
″ 4's	1921	3,300,000	M & S	93¾	Dec. 3,'93	....	....	....
″ Chic. & Iowa div. 5's	1905	2,320,000	F & A	107½	Jan. 18,'96	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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NAME.	*Principal Due.*	*Amount.*	*Int's paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	FEBRUARY SALES. *High.*	FEBRUARY SALES. *Low.*	FEBRUARY SALES. *Total.*
" Nebraska extensi'n 4's	1927	26,411,000	M & N	97½	Feb. 26,'98	99¾	97½	195,000
" registered			M & N	91	July 10,'97	....	....	....
" Han. & St. Jos. con. 6's	1911	8,000,000	M & S	122½	Feb. 25,'98	123	122½	11,000
Chic. Burl. & Northern, 1st 5's	1926	8,241,000	A & O	109¾	Feb. 5,'98	109¾	109¾	11,000
Chicago & E. Ill. 1st s. f'd c'y. 6's	1907	2,989,000	J & D	116½	Feb. 10,'98	116½	116½	5,000
" small bonds			J & D	112	Apr. 2,'96	....	....	....
" 1st con. 6's, gold	1934	2,653,000	A & O	129	Jan. 14,'98	....	....	....
" gen. con. 1st 5's	1937	9,767,000	M & N	106	Feb. 28,'98	108	106	72,000
" registered			M & N	101	Jan. 4,'98	....	....	....
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	109	Feb. 11,'98	109	105	68,000
Chicago, Indianapolis & Louisville.								
Louisv. N. Alb. & Chic. 1st 6's	1910	3,000,000	J & J	112	Feb. 25,'98	113½	112	4,000
Chic. Ind. & Louisv. ref. g. 5's	1947	2,909,000	J & J	88	Feb. 18,'98	89	85	81,000
" refunding g. 6's	1947	4,700,000	J & J	102	Feb. 24,'98	105	100	89,000
Chicago, Milwaukee & St. Paul.								
Mil. & St. Paul 1st 7's $ g, R.d.	1902	3,175,000	J&J	143	Feb. 10,'98	143	141½	18,000
" 1st 7's £	1902		J&J	120	Feb. 8,'94	....	....	....
" 1st m. Iowa & D. 7's	1899	340,000	J & J	137½	Jan. 3,'98	....	....	....
" 1st m. C. & M. 7's	1903	2,188,000	J & J	144	Feb. 16,'98	144	144	1,000
Chicago Mil. & St. Paul con. 7's	1905	10,768,000	J & J	142½	Feb. 15,'98	142½	140¼	33,000
" 1st 7's, Iowa & D. ex	1908	3,417,000	J & J	142½	Feb. 9,'98	142½	141½	31,000
" 1st 6's, Southw'n div.	1909	4,000,000	J & J	119⅛	Feb. 17,'98	119¼	119⅛	11,000
" 1st 5's, La. C. & Dav.	1919	2,500,000	J & J	114¼	Sept. 15,'97	....	....	....
" 1st So. Min. div. 6's	1910	7,432,000	J & J	121	Feb. 23,'98	121	121	3,000
" 1st H'st & Dk. div. 7's	1910	5,680,000	J & J	130	Feb. 3,'98	130	130	4,000
" 5's	1910	990,000	J & J	109	Oct. 5,'97	....	....	....
" Chic. & Pac. div. 6's	1910	3,000,000	J & J	121	Feb. 17,'98	121	120	5,000
" 1st Chic. & P. W. 5's	1921	25,340,000	J & J	116⅝	Feb. 28,'98	117	116¼	69,000
" Chic. & M. R. div. 5's	1926	3,083,000	J & J	114¾	Feb. 28,'98	117	114¾	18,000
" Mineral Point div. 5's	1910	2,840,000	J & J	110	Jan. 17,'98	....	....	....
" Chic. & Lake Sup. 5's	1921	1,360,000	J & J	117	Dec. 28,'97	....	....	....
" Wis. & Min. div. 5's	1921	4,755,000	J & J	115	Feb. 24,'98	115⅛	115	3,000
" terminal 5's	1914	4,748,000	J & J	115	Feb. 23,'98	115	115	8,000
" Far. & So. 6's assu	1924	1,250,000	J & J	127¼	Jan. 27,'98	....	....	....
" cont. si'k. f'd 5's	1916	1,291,000	J & J	106½	July 9,'97	....	....	....
" Dakota & Gt. S. 5's	1916	2,856,000	J & J	112½	Feb. 14,'98	112½	112½	1,000
" g. m. g. 4's, series A	1989	23,676,000	J & J	106	Feb. 24,'98	107	105⅞	172,000
" registered		....	Q J	105½	Feb. 19,'98	105½	104¾	35,000
" Mil. & N. 1st M. L. 6's	1910	2,155,000	J & D	122½	Jan. 24,'98	....	....	....
" 1st convt. 6's	1913	5,092,000	J & D	123	Feb. 7,'98	123	123	2,000
Chic. & Northwestern cons. 7's	1915	11,426,000	Q F	143¾	Feb. 26,'98	143¾	142½	12,000
" coupon gold 7's	1902	12,336,000	J & D	116½	Feb. 21,'98	116½	116½	77,000
" registered d. gold 7's	1902		J & D	116½	Feb. 15,'98	116½	116½	8,000
" sinking fund 6's	1879–1929	5,591,000	A & O	117¼	Feb. 15,'98	117¼	117¼	8,000
" registered			A & O	115	Nov. 17,'97	....	....	....
" 5's	1879–1929	7,237,000	A & O	111½	Feb. 28,'98	111½	110	18,000
" registered			A & O	109½	Dec. 30,'97	....	....	....
" debenture 5's	1933	9,800,000	M & N	117⅞	Feb. 25,'98	119	117	21,000
" registered			M & N	119	Feb. 21,'98	119	119	10,000
" 25 year deben. 5's	1909	6,000,000	M & N	110½	Feb. 23,'98	110½	110½	8,000
" registered			M & N	108¾	July 13,'97	....	....	....
" 30 year deben. 5's	1921	9,800,000	A & O	116½	Feb. 25,'97	117¾	116½	3,000
" registered			A & O	107	Nov. 20,'95	....	....	....
" extension 4's	1886–1926	18,632,000	F A 15	105	Feb. 15,'97	107	105	57,000
" registered			F A 15	100	Nov. 10,'96	....	....	....
Escanaba & L. Superior 1st 6's	1901	455,000	J & J	107½	Nov. 28,'96	....	....	....
Des Moines & Minn. 1st 7's	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Iowa Midland 1st mortg. 8's	1900	1,194,000	A & O	116	July 9,'96	....	....	....
Chic. & Milwaukee 1st mtg. 7's	1898	1,641,000	J & J	102	Jan. 31,'98	....	....	....
Winona & St. Peters 2d 7's	1907	1,592,000	M & N	127	Apr. 17,'96	....	....	....
Milwaukee & Madison 1st 6's	1905	1,600,000	M & S	117	Jan. 12,'98	....	....	....
Ottumwa C. F. & St. P. 1st 5's	1909	1,600,000	M & S	109	Oct. 4,'97	....	....	....
Northern Illinois 1st 5's	1910	1,500,000	M & S	108	Sept. 30,'97	....	....	....
Mil., Lake Shore & We'n 1st 6's	1921	5,000,000	M & N	136½	Feb. 28,'98	136⅞	136½	6,000
" con. deb. 5's	1907	436,000	F & A	105½	Feb. 24,'97	....	....	....
" ext. & impt. s.f'd g. 5's	1929	4,148,000	F & A	117½	Feb. 24,'98	117½	116½	19,000
" Michigan div. 1st 6's	1924	1,281,000	J & J	131½	Aug. 30,'97	....	....	....
" Ashland div. 1st 6's	1925	1,000,000	M & S	135	Feb. 26,'97	135	135	3,000
" income		500,000	M & N	110¼	July 2,'96	....	....	....
Chic., Rock Is. & Pac. 6's coup.	1917	12,100,000	J & J	134½	Dec. 18,'97	....	....	....
" 6's registered	1917		J & J	131	Feb. 14,'98	131	131	5,000

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NAME. Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	FEBRUARY SALES. High.	FEBRUARY SALES. Low.	FEBRUARY SALES. Total.
• exten. and collat. 5's..1934	40,381,000	J & J	105¾	Feb. 28,'98	105⅞	105¾	2,397,000
• registered..................		J & J	105¾	Feb. 26,'98	105⅞	105½	245,000
• debenture 5's..........1921	4,500,000	M & S	107¼	Feb. 25,'98	107⅞	107¼	188,000
• registered..................	....	M & S	....		....	....	....
Des Moines & Ft. Dodge 1st 4's.1905	1,200,000	J & J	92	Feb. 14,'98	92	91	3,000
• 1st 2½'s................1905	1,200,000	J & J	70	Feb. 28,'98	70½	70	6,000
• extension 4 s.............	672,000	J & J	83	Mar. 15,'97	....	....	....
Keokuk & Des M. 1st mor. 5's..1923	2,750,000	A & O	108⅝	Feb. 28,'98	109	108⅝	8,000
• small bond............1923	....	A & O	100	Apr. 15,'97	....	....	....
Chic., St.P., Minn.& Oma.con. 6's.1930	13,413,000	J & D	137¼	Feb. 21,'98	137½	137	18,000
Chic., St. Paul & Minn. 1st 6's..1918	2,987,000	M & N	133	Feb. 18,'98	133	133	1,000
North Wisconsin 1st mort. 6's..1930	800,000	J & J	125	May 4,'88	....	....	....
St. Paul & Sioux City 1st 6's....1919	6,070,000	A & O	132¾	Jan. 28,'98	....	....	....
Chic., Term. Trans. R. R. g. 4's..1947	18,000,000	J & J	85⅛	Feb. 28,'98	87⅝	85	918,000
Chic. & Wn. Ind. 1st s'k. f'd g. 6's.1919	972,000	M & N	106	June 22,'97	....	....	....
• gen'l mortg. g. 6's......1932	9,652,666	Q M	122½	Feb. 17,'98	122½	122½	3,000
Chic. & West Michigan R'y 5's...1921	5,753,000	J & D	98½	Mar. 13,'93	....	....	....
• coupons off..................	....	......	....		....	....	....
Cin., Ham. & Day. con. s'k. f'd 7's.1905	996,000	A & O	119	Oct. 26,'96	....	....	....
• 2d g. 4½'s..............1937	2,000,000	J & J	103½	Mar. 13,'97	....	....	....
Cin., Day. & Ir'n 1st gtd. g. 5's..1941	3,500,000	M & N	111½	Feb. 11,'98	111½	110½	3,000
City Sub. R'y, Balto. 1st g. 5's....1922	2,430,000	J & D	105⅝	Apr. 17,'95	....	....	....
Clev., Ak'n & Col. eq. and 2d g.6's.1930	730,000	F & A	....		....	....	....
Clev. & Can.Tr.Co.ctfs. 1st 5's for.1917	2,000,000	......	73½	Feb. 15,'98	73½	71	128,000
Clev.,Cin.,Chic.& St.L. gen.m. 4's.1993	7,574,000	J & D	84	Oct. 14,'95	....	....	....
• do Cairo div. 1st g. 4's..1939	5,000,000	J & J	90	Jan. 12,'98	....	....	....
St. Louis div. 1st col. trust g.4's.1990	9,750,000	M & N	97	Feb. 28,'98	99	97	29,000
• registered..................			93¾	Dec. 16,'97	....	....	....
Sp'gfield & Col. div. 1st g. 4's...1940	1,035,000	M & S	87	Oct. 22,'95	....	....	....
White W. Val. div. 1st g. 4's....1940	650,000	J & J	88½	Jan. 13,'98	....	....	....
Cin., Wab. & Mich. div. 1st g. 4's.1991	4,000,000	J & J	89	Feb. 28,'98	89	89	1,000
Cin., Ind., St. L. & Chic. 1st g.4's.1936	7,685,000	Q F	102	Feb. 11,'98	102	101¾	25,000
• registered..................			95	Nov. 15,'94	....	....	....
• con. 6's.................1920	731,000	M & N	104	Mar. 29,'93	....	....	....
Cin., S'dusky & Clev. con. 1st g.5's1928	2,571,000	J & J	114	Oct. 7,'97	....	....	....
Ind. Bloom. & W., 1st pfd. 7's..1900	1,000,000	J & J	107¼	Feb. 19,'97	....	....	....
Ohio, Ind. & W., 1st pfd. 5's....1938	500,000	Q J	....		....	....	....
Peoria & Eastern 1st con. 4's...1940	8,103,000	A & O	78	Feb. 18,'98	78⅞	75	286,000
• income 4's.............1990	4,000,000	A	21	Aug. 26,'97	....	....	....
Clev., C., C. & Ind. 1st 7's s'k. f'd.1899	3,000,000	M & N	105⅝	Jan. 25,'98	....	....	....
• consol mortg. 7's......1914	3,991,000	J & D	136	Jan. 31,'98	....	....	....
• sink. fund 7's 1914		J & D	119⅝	Nov. 19,'89	....	....	....
• gen. consol 6's........1934	3,205,000	J & J	128	Nov. 26,'97	....	....	....
• registered..................		J & J	....		....	....	....
Cin., Sp. 1st m. C.,C.,C.&Ind. 7's.1901	1,000,000	A & O	107½	Oct. 16,'97	....	....	....
Clev., Lorain & Wheel'g con. 1st 5's1933	4,300,000	A & O	102½	Jan. 19,'98	....	....	....
Clev., & Mahoning Val. gold 5's..1938	2,936,000	J & J	103	Apr. 14,'97	....	....	....
• registered..................		Q J	....		....	....	....
Col. Midld Tr.Co.ctfs.1st g.6's asst.1936	6,217,000	J & D	65½	Feb. 25,'98	68	65	162,000
• Tr.Co. cfs. cn.g.4's stm gtd assented all inst. pd............1940	4,873,000	F & A	20½	Feb. 10,'98	20¾	20½	20,000
Col., Hock. Val. & Tol. con. g. 5's.1931	406,000	M & S	74	Aug. 10,'97	....	....	....
• J. P. M. & Co. eng ctf. $45 pd.	7,694,000	......	77	Feb. 24,'98	82	76	166,000
• gen. mort. g. 6's.........1904	2,000,000	J & D	61	Feb. 14,'98	61	60	17,000
• gen. lien g. 4's.........1996	852,000	J & J	....		....	....	....
• registered, $5,000............		J & J	....		....	....	....
Conn., Passumpsic Riv's 1st g. 4's.1943	1,900,000	A & O	102	Dec. 27,'93	....	....	....
Delaware, Lack. & W. mtge 7's..1907	3,067,000	M & S	128	Jan. 15,'98	....	....	....
Syracuse, Bing. & N. Y. 1st 7's..1906	1,966,000	A & O	125¼	Jan. 3,'98	....	....	....
Morris & Essex 1st m 7's........1914	5,000,000	M & N	141½	Feb. 11,'98	141½	141½	1,500
• bonds, 7's..............1900	281,000	J & J	109	Nov. 23,'97	....	....	....
• 7's...................1871-1901	4,991,000	A & O	113½	Feb. 28,'98	113½	113½	5,000
• 1st c. gtd 7's.. 1915	12,151,000	J & D	142	Feb. 21,'98	142	142	8,000
• registered..................		J & D	136	June 4,'93	....	....	....
N. Y., Lack. & West'n. 1st 6's...1921	12,000,000	J & J	138	Feb. 26,'98	138	138	3,000
• const. 5's...............1923	5,000,000	F & A	118½	Nov. 17,'97	....	....	....
Warren 2d 7's.........................1900	750,000	A & O	113¼	Nov. 6,'95	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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Name.	Principal Due.	*Amount.*	*Int'st Paid.*	Last Sale. *Price.*	Last Sale. *Date.*	February Sales. *High.*	February Sales. *Low.*	February Sales. *Total.*
Delaware & Hudson Canal.								
" 1st Penn. Div. c. 7's	1917	5,000,000	M & S	147⅛	Aug. 31, '97	....	....	....
" reg	1917		M & S	143	May 4, '96	....	....	....
Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	125¼	Feb. 11, '98	125¼	125¼	5,000
" registered			A & O	128⅛	Feb. 12, '94	....	....	....
" 6's	1906	7,000,000	A & O	117	Feb. 23, '98	117⅛	117	6,000
" registered			A & O	116⅛	Mar. 22, '97	....	....	....
Rens. & Saratoga 1st c. 7's	1921	2,000,000	M & N	148¾	Aug. 18, '97	....	....	....
" 1st r 7's	1921		M & N	145	Feb. 18, '98	145	144¾	6,000
Denver Con. T'way Co. 1st g. 5's	1933	730,000	A & O	....	....	....	....	....
Denver T'way Co. con. g. 6's	1910	1,219,000	J & J	....	....	....	....	....
Metropol'n Ry Co. 1st g. g. 6's	1911	913,000	J & J	....	....	....	....	....
Denver & Rio G. 1st con. g. 4's	1936	28,465,000	J & J	94	Feb. 23, '98	95¾	93⅛	215,000
" 1st mortg. g. 7's	1900	6,382,500	M & N	110⅛	Feb. 21, '98	110⅛	110¼	71,000
" impt. m. g. 5's	1928	8,103,500	J & D	92⅝	Feb. 15, '98	93	92	93,000
Des Moines Union Ry 1st g. 5's	1917	628,000	M & N	99	Feb. 19, '98	99	97⅛	20,000
Detroit, Mac. & Ma. ld gt. 3½ S A.	1911	3,024,000	A & O	17¼	Feb. 11, '98	17¼	17⅛	11,000
Detroit & Mack. 1st lien g. 4s	1995	900,000	J & D	67	Mar. 24, '95	....	....	....
" g. 4s	1995	1,250,000	J & D	....	....	....	....	....
Duluth & Iron Range 1st 5's	1937	6,332,000	A & O	100¾	Feb. 15, '98	106¾	105⅞	125,000
" registered			A & O	101½	July 23, '89	....	....	....
" 2d l m 6s	1916	1,000,000	J & J	....	....	....	....	....
Duluth, Red Wing & S'n 1st g. 5's	1928	500,000	J & J	92¼	Feb. 11, '98	92¼	92¼	3,000
Duluth So. Shore & At. gold 5's	1937	4,000,000	J & J	106¼	Feb. 11, '98	106¼	105	11,000
Erie, 1st mortgage ex. 7's	1897	2,482,000	M & S	113	Feb. 28, '98	116	113	8,000
" 2d extended 5's	1919	2,149,000	M & N	116⅛	Dec. 3, '97	....	....	....
" 3d extended 4½'s	1923	4,618,000	M & S	114⅜	Dec. 22, '97	....	....	....
" 4th extended 5's	1920	2,926,000	A & O	120⅛	Oct. 29, '97	....	....	....
" 5th extended 4's	1928	709,500	J & D	104⅛	Feb. 21, '98	104⅛	104⅛	1,000
" 1st cons gold 7's	1920	16,890,000	M & S	146	Feb. 26, '98	147¾	146	26,000
" 1st cons. fund c. 7's	1920	3,705,977	M & S	143	Jan. 13, '98	....	....	....
Long Dock consol. 6's	1953	7,500,000	A & O	139	Feb. 25, '98	139	139	5,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	141	Sept. 10, '97	....	....	....
Buffalo & Southwestern m 6's	1908	1,500,000	J&J	....	....	....	....	....
" small			J&J	....	....	....	....	....
Jefferson R. R. 1st gtd g 5's	1909	2,800,000	A & O	106	Feb. 11, '98	106	106	25,000
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	111	Feb. 28, '98	113	111	39,000
N. Y. L. E. & W. Coal & R. R. Co. 1st g currency 6's	1922	1,100,000	M&N	....	....	....	....	....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	102	Aug. 31, '96	....	....	....
N. Y. & Greenw'd Lake gt g 5's	1946	1,452,000	M&N	105⅛	Oct. 2, '97	....	....	....
" small								
Erie R.R. 1st con. g–4s prior bds.	1996	30,000,000	J&J	90⅛	Feb. 28, '98	93	89⅛	1,185,000
" " registered			J&J	....	....	....	....	....
" " gen. lien 3-4s	1996	30,927,000	J&J	71¼	Feb. 28, '98	74⅛	70	1,490,000
" " registered			J&J	....	....	....	....	....
Eureka Springs R'y 1st 6's, g.	1933	500,000	F & A	65	Nov. 10, '97	....	....	....
Evans. & Terre Haute 1st con. 6's	1921	3,000,000	J & J	117	Feb. 10, '98	117	117	3,000
" 1st General g 5's	1942	2,223,000	A & O	76	Dec. 10, '97	....	....	....
" Mount Vernon 1st 6's	1923	375,000	A & O	110	May 10, '93	....	....	....
" Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	95	Sep. 15, '91	....	....	....
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	77⅛	Feb. 16, '98	78	77⅛	8,000
Flint & Pere Marquette m 6's	1920	3,999,000	A & O	115	Feb. 25, '98	117	115	21,000
" 1st con. gold 5's	1939	2,100,000	M & N	95⅛	Feb. 16, '98	95	93¼	67,000
" Port Huron d 1st g 5's	1939	3,083,000	A & O	91½	Feb. 18, '98	92¼	89⅛	86,000
Florida Cen. & Penins. 1st g 5's	1918	3,000,000	J & J	103	Aug. 14, '96	....	....	....
" 1st land grant ex. g 5's	1930	423,000	J & J	....	....	....	....	....
" 1st con. g 5's	1943	4,370,000	J & J	80⅛	May 14, '96	....	....	....
Ft. Smith U'n Dep. Co. 1st g 4½'s	1941	1,000,000	J & J	105¾	July 31, '97	....	....	....
Ft. Worth & D. C. ctfs. dep. 1st 6's	1921	8,176,000	......	71	Feb. 28, '98	74	69⅛	222,000
Ft. Worth & Rio Grande 1st g 5's	1928	2,863,000	J & J	58¾	Feb. 20, '98	59⅛	58¾	44,000
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	91½	Feb. 24, '98	92	89	63,000
Geo. & Ala. Ry. 1st pref. g. 5's	1945	2,230,000	A & O	103	Aug. 11, '97	....	....	....
Ga. Car. & N. Ry. 1st gtd. g. 5's	1927	5,360,000	J & J	83	June 23, '97	....	....	....

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE.		FEBRUARY SALES.		
				Price.	*Date.*	*High.*	*Low.*	*Total.*
Illinois Central 1st g. 4's	1951	1,500,000	J&J	113¾	Feb. 26,'98	114⅛	113⅛	4,000
" registered			J&J	112½	July 13,'97	....	....	....
" gold 3½'s	1951	2,499,000	J&J	101	Nov. 4,'97	....	....	....
" registered			J&J	101	Feb. 24,'98	101	101	8,000
" gold 4's	1952	15,000,000	A & O	102	Feb. 21,'98	102	102	3,000
" gold 4's regist'd			A & O	103	Jan. 25,'98	....	....	....
" gold 4's	1953	24,679,000	M & N	102	Feb. 15,'98	102¼	102	21,000
" gold 4's registered			M & N	....	....	....	....	....
" 2-10 g. 4's	1904	4,806,000	J & J	99	Sept. 29,'97	....	....	....
" 2-10 g. 4's registered			J & J	....	....	....	....	....
" 1st g 3s sterl. £500,000	1951	2,500,000	M & S	92½	July 13,'96	....	....	....
" registered			M & S	....	....	....	....	....
" West'n Line 1st g. 4's	1951	3,550,000	F & A	105	Jan. 28,'98	....	....	....
" registered			F & A	....	....	....	....	....
" Cairo Bridge 4's g	1950	3,000,000	J & D	101⅛	Sept. 10,'95	....	....	....
" registered			......	....	....	....	....	....
Middle div. registered 5's	1921	600,000	F & A	116⅛	Aug. 16,'95	....	....	....
Chic., St. L. & N. O. gold 5's	1951	16,526,000	J D 15	123¼	Feb. 15,'98	123¼	123¼	2,000
" gold 5's, registered			J D 15	118¼	Apr. 1,'97	....	....	....
" Memph. div. 1st g. 4's	1951	3,500,000	J & D	103⅛	Jan. 24,'98	....	....	....
" registered			J & D	....	....	....	....	....
St. Louis, A. & T. H. 1st 2T. g. 5's	1914	2,200,000	J & D	105	Dec. 28,'97	....	....	....
" registered			J & D	....	....	....	....	....
Belleville & Carodt 1st 6's	1923	485,000	J & D	115	June 22,'96	....	....	....
St. Louis, South. 1st gtd. g. 4's	1931	550,000	M & S	90	Nov. 12,'97	....	....	....
Carbond'e & Shawt'n 1st g. 4's	1932	250,000	M & S	....	....	....	....	....
Ind., Dec. & West. 1st g. 5's	1935	1,824,000	J & J	100⅛	Feb. 25,'98	104	100⅛	6,000
Indiana, Ill. & Iowa 1st g. 4's	1939	800,000	J & D	86	Jan. 22,'98	....	....	....
" 1st ext. g. 5's	1943	500,000	M & S	94¼	Nov. 21,'95	....	....	....
Internat. & Gt. N'n 1st. 6's, gold	1919	7,954,000	M & N	123	Feb. 18,'98	123	122½	13,000
" 2d g. 5's	1909	6,593,000	M & S	87½	Feb. 25,'98	90	87½	93,000
" 3d g. 4's	1921	2,714,000	M & S	59½	Feb. 14,'98	60	54	44,500
Iowa Central 1st gold 5's	1938	6,322,000	J & D	101	Feb. 28,'98	103⅛	100	163,000
Kansas C. & M. R. & B. Co. 1st gtd g. 5's	1929	3,000,000	A & O	....	....	....	....	....
Kan. C. Pitt. & Gulf 1st & col. g. 5's	1923	21,828,000	A & O	80	Feb. 28,'98	81¾	79	576,000
Kings Co. El. series A. 1st g. 5's	1925	8,177,000	J & J	46	Feb. 28,'98	46	45	16,000
Fulton El. 1st m. g. 5's series A.	1929	1,979,000	M & S	37	Jan. 29,'98	....	....	....
Lake Erie & Western 1st g. 5's	1937	7,250,000	J & J	117¼	Feb. 16,'98	117¼	117¼	6,000
" 2d mtge. g. 5's	1941	2,600,000	J & J	102	Feb. 28,'98	102⅛	102	10,000
Northern Ohio 1st gtd g 5's	1945	2,500,000	A & O	100⅛	Jan. 6,'98	....	....	....
Lake Shore & Mich. Southern.								
Buffalo & Erie new b. 7's	1898	1,829,000	A & O	102¼	Jan. 7,'98	....	....	....
Detroit, Mon. & Toledo 1st 7's	1906	924,000	F & A	120½	Oct. 22,'97	....	....	....
Lake Shore division b. 7's	1899	1,063,500	A & O	106	Feb. 15,'98	106⅛	106	8,500
" con. co. 1st 7's	1900	9,825,000	J&J	109¾	Feb. 24,'98	109¾	109⅝	12,000
" con. 1st registered	1900		Q J	109½	Feb. 10,'98	109⅝	109½	16,000
" con. co. 2d 7's	1903	9,081,000	J&D	120	Feb. 26,'98	120⅛	120	26,000
" con. 2d registered	1903		J&D	119½	Feb. 18,'98	119½	119½	8,000
" g 3½s	1997	25,125,000	J & D	106¼	Feb. 11,'98	106⅝	106	60,000
" " registered			J & D	106	Feb. 21,'98	106¼	106	43,000
Cin. Sp. 1st gtd L. S. & M. S. 7's	1901	1,000,000	A & O	108¼	Dec. 1,'97	....	....	....
Kal., A. & G. R. 1st gtd g. 5's	1938	840,000	J & J	....	....	....	....	....
Mahoning Coal R. R. 1st 5's	1934	1,500,000	J & J	125	Dec. 9,'97	....	....	....
Lehigh Val. (Pa.) coll. g. 5's	1997	5,000,000	M & N	....	....	....	....	....
" registered			M & N	....	....	....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s	1940	15,000,000	J&J	104	Feb. 18,'98	104¾	103¾	24,000
" registered		....	J&J	....	....	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's	1941	10,000,000	A & O	111⅛	Feb. 21,'98	112¾	111⅛	11,000
" registered			A & O	109½	July 1,'97	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's	1933	10,280,000	J & J	96¼	Oct. 28,'97	....	....	....
" registered			J & J	....	....	....	....	....
Lehigh & N. Y., 1st gtd g. 4's	1945	2,000,000	M&S	92	Feb. 23,'98	92	92	5,000
" registered			M&S	....	....	....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	....	....	....	....	....
" " g. gtd 5's	1914	1,250,000	A & O	101	Sept. 16,'97	....	....	....
Litchfield Car'n & W. 1st g. 5's	1916	400,000	J & J	95	Feb. 25,'93	....	....	....
Lit. Rock & M., tr. co. ctfs. for 1st g. 5's	1937	3,145,000	......	25	Apr. 29,'96	....	....	....

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Long Island R. 1st mtg. 7's	1898	1,121,000	M & N	101⅝	Nov. 26,'97	....	....	....
Long Island 1st cons. 5's	1931	3,610,000	Q J	120	Feb. 2,'98	120	120	10,000
Long Island gen. m. 4's	1938	3,000,000	J & D	89	Feb. 28,'98	89	86⅝	23,000
• Ferry 1st g. 4½'s	1922	1,500,000	M & S	90	Jan. 31,'98	....	....	....
• g. 4's	1932	325,000	J & D	91	Sept. 27,'97	....	....	....
• deb. g. 5's	1934	1,500,000	J & D	100	May 25,'97	....	....	....
N. Y. & Rock'y Beach 1st g. 5's	1927	984,000	M & S	40	Mar. 23,'96	....	....	....
• 2d m. inc	1927	1,000,000	S	106½	July 9,'97	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's	1935	1,726,000	A & O	107½	Dec. 15,'97	....	....	....
Brooklyn & Montauk 1st 6's	1911	250,000	M & S	....	....	....	....	....
• 1st 5's	1911	750,000	M & S	107½	July 16,'96	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's	1932	1,075,000	QJAN	103½	June 17,'95	....	....	....
N. Y. B. Ex. R. 1st g. g'd 5's	1943	200,000	J & J	....	....	....	....	....
Montauk Extens. gtd. g. 5's	1945	300,000	J & J	....	....	....	....	....
Louisv'e Ev. & St. Louis		3,406,000	J & J	33	Feb. 18,'98	33	33	5,000
• 1st con. TrCo. ct. gold 5's	1939	2,432,000	M & S	9½	Aug. 21,'97	....	....	....
• Gen. mtg. g. 4's	1943							
Louisville & Nashville cons. 7's	1898	7,070,000	A & O	103	Feb. 26,'98	105	103	31,000
• Cecilian branch 7's	1907	545,000	M & S	106	Nov. 11,'97	....	....	....
• N. O. & Mobile 1st 6's	1930	5,000,000	J & J	122	Feb. 17,'98	122	122	3,000
• 2d 6's	1930	1,000,000	J & J	107½	Feb. 3,'97	107½	107½	15,000
• E., Hend. & N. 1st 6's	1919	2,030,000	J & D	117	Feb. 9,'98	117	117	4,000
• general mort. 6's	1930	10,248,000	J & D	120	Feb. 18,'98	120	117½	160,000
• Pensacola div. 6's	1920	580,000	M & S	103½	Sept. 24,'97	....	....	....
• St. Louis div. 1st 6's	1921	3,500,000	M & S	121	July 12,'97	....	....	....
• 2d 3's	1980	3,000,000	M & S	67	May 25,'95	....	..	....
• Nash. & Dec. 1st 7's	1900	1,900,000	J & J	110	Dec. 23,'97	....	....	....
• So. N. Ala. si'g fd. 6s	1910	1,942,000	A & O	92½	Sept. 30,'96	....	....	....
• gold 5's	1937	1,764,000	M & N	104½	Feb. 8,'98	104½	103	9,000
• Unified gold 4's	1940	14,994,000	J & J	88	Feb. 28,'98	91½	86½	1,238,000
• registered	1940		J & J	83	Feb. 27,'93	....	....	....
• Pen. & At. 1st 6's, g. g	1921	2,753,000	F & A	105	Feb. 18,'98	106	103	51,000
• collateral trust g. 5's	1931	5,129,000	M & N	106	Feb. 28,'98	106¾	106	6,000
• L. & N. & Mob. & Montg 1st. g. 4½s	1945	4,000,000	M & S	107½	Feb. 19,'98	107½	107½	5,000
• N. Fla. & S. 1st g. g. 5's	1937	2,096,000	F & A	95	Feb. 16,'98	95	90	8,000
South & N. Ala. con. gtd. g. 5's	1936	3,673,000	F & A	97½	Feb. 23,'98	98¼	93½	309,000
Kentucky Cent. g. 4's	1987	6,742,000	J & J	91	Feb. 15,'98	91	87¾	70,000
L. & N. Louv. Cin. & Lex. g. 4½'s	1931	3,258,000	M & N	103	Jun. 18,'98	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's	1945	3,000,000	M & S	....	....	....	....	....
Louisville Railw'y Co. 1st c. g. 5's	1930	4,600,000	J & J	100⅝	Sept. 9,'92	....	....	....
Manhattan Railway Con. 4's	1990	24,065,000	A & O	95¾	Feb. 28,'98	98	96⅛	222,000
Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	118¾	Feb. 19,'98	119½	118¾	57,000
• 2d 6's	1899	4,000,000	M & N	105	Feb. 19,'98	105	104¾	44,000
Manitoba Swn. Coloniza'n g. 5's	1934	2,544,000	J & D	....	....	....	....	....
Market St. Cable Railway 1st 6's	1913	3,000,000	J & J	....	....	....	....	....
Metro. St. Ry. gen. col. tr. g. 5's	1997	12,500,000	F & A	111⅝	Feb. 28,'98	114⅝	111	452,000
B'way & 7th ave. 1st con. g. 5's	1997	7,650,000	J & D	120	Feb. 26,'98	122½	120	10,000
• registered			J & D	112½	May 29,'95	....	....	....
Columb. & 9th ave. 1st gtd g 5's	1993	3,000,000	M & S	121¾	Feb. 19,'98	121¾	121¾	4,000
• registered			M & S	....	....	....	....	....
Lex ave & Pav Fer 1st gtd g 5's	1993	5,000,000	M & S	121	Feb. 21,'98	122½	121	13,000
• registered			M & S	....	....	....	....	....
Mexican Central.								
• con. mtge. 4's	1911	58,903,000	J & J	66½	Feb. 10,'98	66½	66½	25,000
• 1st con. inc. 3's	1939	17,072,000	JULY	19	Jan. 20,'96	....	....	....
• 2d 3's	1939	11,724,000	JULY	9	Jan. 30,'96	....	....	....
• equip. & collat. g. 5's	1917	1,000,000	A & O	....	....	....	....	....
Mexican Internat'l 1st con g. 4's	1942	4,635,000	M & S	73	Feb. 28,'98	73	70⅝	311,000
Mexican Nat. 1st gold 6's	1927	11,416,000	J & D	90	Mar. 6,'95	....	....	....
• 2d inc. 6's "A"	1917	12,265,000	M & S	42⅝	Nov. 12,'96	....	....	....
• coup. stamped		....	......	....	....	....	....	....
• 2d inc. 6's "B"	1917	12,265,000	A	13	July 9,'97	....	....	....
Mexican Northern 1st g. 6's	1910	1,336,000	J & D	97	Feb. 11,'97	....	....	....
• registered			J & D	....	....	....	....	....
Michigan Cent. 1st con. 7's	1902	8,000,000	M & N	113⅞	Feb. 28,'98	115¼	113⅞	31,000
• 1st con. 5's	1902	2,000,000	M & N	106⅝	Feb. 17,'98	106⅝	106⅝	7,000

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" 6's	1909	1,500,000	M & S	122	Feb. 25,'98	122	122	2,000
" coup. 5's	1931	3,576,000	M & S	125½	Jan. 20,'98			
" reg. 5's	1931		Q M	121	Dec. 6,'97			
" mort. 4's	1940	2,600,000	J & J	106	Feb. 25,'98	106	106	1,000
" mtge. 4's reg			J & J	108	Jan. 7,'98			
Battle C. Sturgis 1st g. g. 6's	1989	476,000	J & D					
Mil. Elec. R. & Light con. 30yr. g. 5's	1926	5,500,000	F & A					
Minneapolis & St. Louis 1st g. 7's	1927	950,000	J & D	135½	Aug. 4,'97			
" 1st con. g. 5's	1934	5,000,000	M & N	107½	Feb. 28,'98	106⅛	107	104,000
" Iowa ext. 1st g. 7's	1909	1,015,000	J & D	127	Nov. 22,'97			
" Southw. ext. 1st g. 7's	1910	636,000	J & D	129	May 16,'96			
" Pacific ext. 1st g. 6's	1921	1,382,000	J & A	121¼	Aug. 31,'97			
Minneapolis & Pacific 1st m. 5's	1936	3,208,000	J & J	102	Mar. 26,'87			
" stamped 4's pay. of int. gtd.								
Minn., S. S. M. & Atlan. 1st g. 4's	1926	8,280,000	J & J	94	Apl. 2,'95			
" stamped pay. of int. gtd.				89¾	June 18,'91			
Minn., S. P. & S. S. M., 1st c. g. 4's	1938	6,710,000	J & J					
" stamped pay. of int. gtd.								
Minn. St. R'y 1st con. g. 5's	1919	4,050,000	J & J	97	Dec. 18,'95			
Missouri, K. & T. 1st mtge g. 4's	1990	39,718,000	J & D	87¾	Feb. 28,'98	91¾	87	1,103,500
" 2d mtge. g. 4's	1990	20,000,000	F & A	61	Feb. 28,'98	65¾	60¼	1,082,000
" 1st ext gold 5's	1944	998,000	M & N	83	Jan. 31,'98			
" of Texas 1st gtd g. 5's	1942	2,685,000	M & S	83	Feb. 28,'98	85½	81½	355,000
" Kan. C. & P. 1st g. 4's	1990	2,500,000	F & A	72	Feb. 25,'98	72	72	10,000
" Dal. & Waco 1st g. g. 5's	1940	1,340,000	M & N	84¼	Feb. 19,'98	84¼	83	53,000
Booneville Bdg. Co. gtd. 7's	1906	599,000	M & N					
Tebo. & Neosho 1st 7's	1903	187,000	J & D					
Mo Kan. & East'n 1st gtd. g. 5's	1942	4,000,000	A & O	95¾	Feb. 26,'98	99⅛	95¾	135,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	96½	Feb. 2[illegible],'98	100⅛	95½	810,000
" 3d mortgage 7's	1906	3,828,000	M & N	109	Jan. 29,'98			
" trusts gold 5's	1917	14,376,000	M & S	79	Feb. 2[illegible],'98	79½	72	434,000
" registered			M & S					
" 1st collateral gold 5's	1920	7,000,000	F & A	68	Feb. 19,'98	72	68	109,000
" registered			F & A					
Pacific R. of Mo. 1st m. ex. 4's	1938	7,000,000	M & S	103	Feb. 26,'98	104¼	103	7,000
" 2d extended g. 5's	1938	2,573,000	F & A	106½	Feb. 3,'98	106½	106½	7,000
Verdigris V'y Ind. & W. 1st 5's	1926	750,000	M & S					
Leroy & Caney Val. A. L. 1st 5's	1926	520,000	J & J					
St. L. & I'rn. Mt. 1st ex. 4½'s	1897	4,000,000	F & A	107½	Feb. 25,'98	108	107	9,000
" 2d. ext. g. 5's	1946	6,000,000	M & N	104	Feb. 28,'98	105	104	20,000
" Ark'nsas b'nch ext 5's	1895	2,500,000	J & D	108	Feb. 8,'98	108	108	10,000
" g. con. R.R. & l. gr. 5's	1931	18,345,000	A & O	88¼	Feb. 28,'98	94⅞	88	813,000
" stamped gtd gold 5's	1931	6,945,000	A & O	86	Feb. 26,'98	92½	86	7,000
Mob. & Birm., prior lien, g. 5's	1945	374,000	J & J					
" small		226,000	J & J					
" inc. g. 4's	1945	700,000	J & J					
" small		500,000						
Mobile & Ohio new mort. g. 6's	1927	7,000,000	J & J	121	Feb. 21,'98	123	121	7,000
" 1st entension 6's	1927	974,000	J & D	119	Dec. 6,'97			
" gen. g. 4's	1938	9,450,500	Q J	77	Feb. 28,'98	80⅛	76¾	212,500
St. Louis & Cairo gtd g. 4's	1931	4,000,000	M & S	86	Dec. 17,'95			
Nashville, Chat. & St. L. 1st 7's	1913	6,300,000	J & J	131½	Feb. 15,'98	131¼	131	23,000
" 2d 6's	1901	1,000,000	J & J	105¾	Nov. 9,'97			
" 1st cons. g. 5's	1928	5,594,000	A & O	104¾	Feb. 28,'98	105	103½	78,000
" 1st 6's T. & Pb.	1917	300,000	J & J					
" 1st 6's McM. M.W. & Al.	1917	750,000	J & J	108	Mar. 24,'96			
" 1st g. 6's Jasper Branch	1923	371,000	J & J					
O. & N. East. prior lien g. 6's	1915	1,320,000	A & O	106½	Aug. 13,'94			
N. Y. Cent. & Hud. R. 1st c. 7's	1903	30,000,000	J & J	116¼	Feb. 28,'98	117¼	116¼	96,000
" 1st registered	1903		J & J	116¼	Feb. 23,'98	117¼	116¼	153,000
" debenture 5's	1904	10,000,000	M & S	112	Feb. 23,'98	112	111¼	12,000
" debenture 5's reg			M & S	111½	Feb. 14,'98	111¾	111½	24,000
" reg. deben. 5's	1889-1904	1,000,000	M & S	108½	Feb. 21,'98	108¾	108½	4,000
" debenture g. 4's	1905	15,000,000	J & D	105	Feb. 9,'98	105	104⅞	5,000
" registered	1905		J & D	104¾	Feb. 5,'88	104¾	104¾	12,000

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" deb. cert. ext. g. 4's...1905	6,450,000	M & N	105	Feb. 8,'98	105	105	5,000
" registered..................		M & N	105	Feb. 7,'98	105	105	1,000
Harlem 1st mortgage 7's c.....1900	12,000,000	M & N	109¼	Feb. 24,'98	109½	109¼	10,000
" 7's registered..........1900		M & N	109⅛	Jan. 27,'98	....	....	....
N. Jersey Junc. R. R. g. 1st 4's.1966	1,650,000	F & A	103	May 7,'97	....	....	....
" reg. certificates...........		F & A	....		....	....	....
West Shore 1st guaranteed 4's.....	50,000,000	J & J	110¼	Feb. 26,'98	110½	109½	370,000
" registered..................		J & J	109¼	Feb. 25,'98	110	109	220,500
Beech Creek 1st. g. gtd. 4's.....1936	5,000,000	J & J	108⅛	Nov. 16,'97	....	....	....
" registered		J & J	105½	June 12,'96	....	....	....
" 2d gtd. 5's..............1936	500,000	J & J	....		....	....	....
" registered	....	J & J	....		....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd g. 4's ser. A. 1940	770,000	J & J	86	Nov. 15,'97	....	....	....
" small bonds series B......	33,100	J & J	....		....	....	....
Gouv. & Oswega. 1st gtd g. 5's.1942	300,000	J & D	....		....	....	....
R. W. & Og. con. 1st ext. 5's...1922	9,081,000	A & O	122½	Feb. 28,'98	122½	122	14,000
coup. g. bond currency..........		A & O	....		....	....	....
Nor. & Montreal 1st g. gtd 5's..1916	130,000	A & O	....		....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's.1918	375,000	M & N	....		....	....	....
Oswego & Rome 2d gtd gold 5's.1915	400,000	F & A	110	Oct. 16,'94	....	....	....
Utica & Black River gtd g. 4's..1922	1,800,000	J & J	107½	Oct. 14,'97	....	....	....
Mohawk & Malone 1st gtd g. 4's.1991	2,500,000	M & S	100	Mar. 14,'94	....	....	....
Carthage & Adiron 1st gtd g. 4's 1981	1,100,000	J & D	....		....	....	....
N. Y. & Putnam 1st gtd g. 4's..1993	4,000,000	A & O	103	May 22,'96	....	....	....
N. Y. & Northern 1st g. 5's.....1927	1,200,000	A & O	126	Feb. 14,'98	126	126	10,000
N.Y., Chic. & St. Louis 1st g. 4's.1937	19,425,000	A & O	105⅛	Feb. 28,'98	107¼	105⅛	95,000
" registered.................		A & O	103	Nov. 4,'97	....	....	....
N. Y., N. Haven & H. 1st reg. 4's.1903	2,000,000	J & D	104⅛	Oct. 7,'97	....	....	....
" con. deb. receipts.....$1,000	15,007,500	A & O	149¾	Jan. 25,'98	....	....	....
" small certifs.............$100	1,430,000	......	146	Jan. 14,'98	....	....	....
Housatonic R. con. g. 5's.........1937	2,838,000	M & N	125¼	Feb. 6,'97	....	....	....
New Haven and Derby con. 5's..1918	575 000	M & N	115⅛	Oct. 15,'94	....	....	....
N. Y. & New England 1st 7's......1905	6,000,000	J & J	119	Feb. 11,'98	119	119	1,000
" 1st 6's....................1905	4,000,000	J & J	114	May 27,'97	....	....	....
N.Y., Ontario & W'n con. 1st g. 5's 1939	5,600,000	J & D	108	Feb. 17,'98	108	107¼	112,000
" Refunding 1st g. 4's.....1992	8,375,000	M & S	100	Feb. 28,'98	102¼	100	179,000
" Registered......$5,000 only.	....	M & S	83⅝	Aug. 25,'92	....	....	....
N. Y., Sus. & W. 1st refunded 5's.1937	3,750,000	J & J	108	Feb. 28,'98	108⅝	107¼	71,000
" 2d mortg. 4½'s........1937	453,000	F & A	91	Feb. 4,'98	91	91	53,000
" gen. g. 5's.............1940	2,547,000	F & A	91⅛	Feb. 26,'98	98	91	752,000
" term. 1st mtg. g. 5's...1843	2,000,000	M & N	111½	Feb. 23,'98	111½	110¾	8,000
" registered...........$5,000		M & N	....		....	....	....
Wilkesb. & East. 1st gtd g. 5's..1942	3,000,000	J & D	99¾	Feb. 24,'98	101⅞	99¾	165,000
Midland R. of N. Jersey 1st 6's.1910	3,500,000	A & O	121	Feb. 16,'98	121	121	4,500
N.P. 1st m.R.R.&L.G.S.F.g.c.6's..1921	11,099,000	J & J	118⅛	Feb. 25,'98	119½	116⅛	189,000
" registered..................		J & J	118⅛	Feb. 21,'98	119	116¾	175,000
St. Paul & N. Pacific gen 6's....1923	7,985,000	F & A	128	Dec. 8,'97	....	....	....
" registered certificates....		Q F	126	Nov. 3,'97	....	....	....
N. P. Ry prior ln reg.&ld.gt.g.4's.1997	83,514,500	Q J	95⅛	Feb. 28,'98	97¾	94¾	1,736,500
" registered..................		Q J	97¼	Feb. 7,'98	97¼	96	12,000
" gen. lien g. 3's..........2047	56,000,000	Q F	60¾	Feb. 28,'98	63½	60	1,629,000
" registered..................		Q F	....		....	....	....
Nor. Pacific Term. Co. 1st g. 6's..1933	3,910,000	J & J	105⅞	Feb. 28,'98	107¾	105¾	55,000
Norfolk & Southern 1st g. 5's....1941	750,000	M & N	108	June 26,'97	....	....	....
Norfolk & Western gen. mtg. 6's.1931	7,283,000	M & N	125⅛	Feb. 9,'98	126	124⅛	6,000
" New River 1st 6's........1932	2,000,000	A & O	120¾	Dec. 7,'97	....	....	....
" imp'ment and ext. 6's...1934	5,000,000	F & A	117	Feb. 9,'98	117	117	20,000
" Sci'o Val & N.E. 1st g.4's,1989	5,000,000	J & N	87	Feb. 19,'98	87½	84¼	157,000
" C. C. & T. 1st g. t. g g 5's 1922	600,000	J & J	101	Feb. 23,'97	....	....	....
Norfolk & West. Ry 1st con. g. 4s.1996	23,199.400	A & O	80¾	Feb. 28,'98	84⅞	80¼	783,500
" registered.........		A & O	....		....	....	....
" small bonds.................		A & O	....		....	....	....

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Ogdb'g & L. Chapl. 1st con. 6's...1920	3,500,000	A & O	49	Apr. 13,'96			
Ogdensburg & Lake Chapl. inc..1920	800,000	O					
" inc.....................small	200,000	O	82	Feb. 26,'87			
Ohio River Railroad 1st 5's........1936	2,000,000	J & D	102¾	Jan. 26,'98			
" gen. mortg. g 6's.........1937	2,428,000	A & O	85	Dec. 16,'96			
Ohio Southern 1st mortg. 6's....1921	3,924,000	J & D	84⅞	Feb. 21,'98	84⅞	81¼	19,000
" gen. mortg. g 4's........1921	1,543,000	M & N	14½	Feb. 11,'98	14½	14	6,000
" gen. eng. Trust Co. certs...	1,255,000	......	14½	Jan. 22,'98			
Omaha & St. Lo. 1st g 4's..........1901	2,376,000	J & J	78½	Feb. 19,'98	78½	78½	2,000
Oregon Improvement Co. 1st 6's.1910	254,000	J & D	109	Feb. 25,'98	109	109	1,000
" eng. Tr. Co. ctfs. of dep.....	3,717,000	......	110	Feb. 28,'98	112¾	110	268,000
" " std. int. pd. to Dec.1,'97							
" con. mortg. g 5's.........1939	652,000	A & O	32¼	Aug.24,'97			
" Trust Co. reor cts 5th ins pd	5,897,000	......	56½	Feb. 28,'98	62¼	55	1,414,000
Oregon Ry. & Nav. 1st s. f. g. 6's..1909	1,939,000	J & J	114	Feb. 26,'98	114½	114	26,000
Oregon R. R. & Nav. Co. con. g 4's.1946	18,152,000	J & D	94⅝	Feb. 28,'98	97	94⅛	531,000
Oregon Short Line 1st g. 6's......1922	13,651,000	F & A	123	Feb. 24,'98	125¾	123	71,000
{ Utah & Northern 1st 7's........1908	1,031,000	J & J	120	Dec. 13,'97			
{ " g. 5's.................1926	1,877,000	J & J	102	May 24,'94			
{ Oreg. Short Line 1st con. g. 5's.1946	10,337,000	J & J	99¼	Feb. 28,'98	102	99	480,000
{ " non-cum. inc. A 5's.....1946	7,185,000	SEPT.	64	Feb. 28,'98	69	64	371,500
{ " non-cum. inc. B.&col. trust	14,841,000	OCT.	45¼	Feb. 28,'98	49	44	554,000
Panama s. f. subsidy g 6's........1910	1,732,000	M & N	101½	Dec. 21,'91			
Pennsylvania Railroad Co.							
{ Penn. Co.'s gtd. 4½'s, 1st.......1921	} 19,467,000	J & J	114¼	Feb. 7,'98	114½	113¼	2,000
{ " reg....................1921		J & J	112¼	Dec. 21,'97			
{ " gtd. 3½ coi. tr. reg. cts..1937	5,000,000	M & S					
{ Pitts., C. C. & St. Louis con. g 4½'s							
{ " Series A 1940	10,000,000	A & O	113	Feb. 11,'98	113	113	5,000
{ " Series B 1942	10,000,000	A & O	112½	Feb. 23,'98	113	112¼	51,000
{ " Series C 1942	2,000,000	M & N	105	Jan. 16,'97			
{ " Series D gtd. 4's......1945	4,863,000	M & N	102	Oct. 9,'97			
{ Pitts., C. & St. Louis 1st c. 7's..1900	} 6,863,000	F & A	111¼	July 2,'97			
{ " 1st reg. 7's..........1900		F & A	109¾	Apr. 23,'97			
{ Pitts., Ft. Wayne & C. 1st 7's..1912	2,917,000	J & J	141	Feb. 9,'98	141	141	500
{ " 2d 7's..................1912	2,546,000	J & J	140	Jan. 4,'98			
{ " 3d 7's..................1912	2,000,000	A & O	126	Aug.26,'95			
{ Chic., St. Louis, & P. 1st c. 5's..1932	1,506,000	A & O	113	May 14,'96			
{ " registered...........		A & O	110	May 3,'92			
{ Cleve. & Pitts. con. s. fund 7's..1900	1,310,000	M & N	109	Nov. 6,'97			
{ " gen. gtd. g. 4½'s Ser. A.1942	3,000,000	J & J	113	Apr. 18,'95			
{ " Series B..............1942	1,628,000	A & O					
{ St. Louis, V. & T. H. 2d 7's......1898	1,000,000	M & N	102	Jan. 24,'98			
{ " 2d gtd. 7's............1898	1,600,000	M & N	100	Nov. 25,'96			
{ G. R. & Ind. Ex. 1st gtd. g 4½ g 1941	4,405,000	J & J	107	May 18,'96			
{ Allegh. Valley gen. gtd. g. 4's...1942	5,389,000	M & S	102	Nov. 10,'97			
{ Newp. & Cin. Bge Co. gtd g. 4's..1945	1,400,000	J & J					
Penn. RR. Co. 1st Rl Est. g 4's...1923	1,675,000	......	108	May 12,'97			
{ con. sterling gold 6 per cent...1905	22,762,000	J & D					
{ con. currency, 6's registered...1905	4,718,000	Q M 15					
{ con. gold 5 per cent............1919	} 4,998,000	M & S					
{ " registered..............		Q Mch					
{ con. gold 4 per cent............1943	3,000,000	M & N					
{ con. Clev. & Mar. 1st gtd g. 4½'s1935	1,250,000	M & N	111	July 8,'97			
{ U'd N. J. RR. & Can Co. g 4's...1944	5,646,000	M & S	115½	Feb. 14,'98	115½	115½	5,000
{ Del. R. RR. & BgeCo 1stgtdg. 4's,1936	1,300,000	F & A					
Peo., Dec. & Ev. Tr. Co. ctf. 1st g. 6's.1920	1,140,000	J & J	99½	Jan. 24,'98			
" Ev. div. Tr. Co. cf 1st g. 6's.1920	1,433,000	M & S	96	Feb. 15,'98	96	96	10,000
" Tr. Co. ctfs. 2d mort 5's.1926	} 1,851,000	M & N	14½	Dec. 30,'97			
" " 1st instal. paid.....		......					
Peoria & Pekin Union 1st 6's....1921	1,500,000	Q F	112	Mar. 8,'97			
" 2d m 4½'s................1921	1,499,000	M & N	86½	Feb. 23,'98	86½	86½	4,000
Pine Creek Railway 6's..........1932	3,500,000	J & D	137	Nov. 17,'93			

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Pittsburg, Clev. & Toledo 1st 6's	1922	2,400,000	A & O	108½	Apr. 5,'93	....	....	....
Pittsburg, Junction 1st 6's	1922	1,440,000	J & J	124	Mar. 12,'96	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A	1928	2,000,000	A & O	112	Mar. 25,'93	....	....	....
Pittsburg, McK'port & Y. 1st 6's	1932	2,250,000	J & J	117	May 31,'89	....	....	....
{ " 2d g. 6's	1934	900,000	J & J	....	....	....	....	....
{ McKspt & Bell. V. 1st g. 6's	1918	600,000	J & J	....	....	....	....	....
Pittsburg, Pains. & Fpt. 1st g. 5's	1916	1,000,000	J & J	95½	Apr. 2,'95	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's	1940	3,000,000	A & O	109	Feb. 24,'98	109	108¾	11,000
" 1st cons. 5's	1943	523,000	J & J	98	July 14,'97	....	....	....
Pittsburg & West'n 1st gold 4's	1917	9,700,000	J & J	81	Feb. 26,'98	86	81	489,000
" Mort. g. 5's	1891-1941	3,500,000	M & N	33½	Mar. 1,'97	....	....	....
Pittsburg, Y & Ash. 1st cons. 5's	1927	1,562,000	M & N	....	....	....	....	....
Reading Co. gen. g. 4's	1997	} 58,668,000	J & J	83	Feb. 28,'98	87⅛	82½	3,579,000
" registered			J & J	....	....	....	....	....
Rio Grande West'n 1st g. 4's	1939	15,200,000	J & J	82¼	Feb. 28,'98	85½	81	360,000
Rio Grande Junc'n 1st gtd. g. 5's	1939	1,850,000	J & D	94¼	Feb. 16,'98	94¾	92½	19,000
Rio Grande Southern 1st g. 3-4	1940	4,510,000	J & J	54	Feb. 2,'98	54	54	15,000
Salt Lake City 1st g. sink fu'd 6's	1913	297,000	J & J	....	....	....	....	....
St. Jo. & Gr. Isl. 1st g. 2.342	1947	3,500,000	J & J	73	Feb. 24,'98	76	72	28,000
St. Louis & San F. 2d 6's, Class A	1906	500,000	M & N	116¼	Feb. 23,'98	116¼	116	17,000
{ " 2d g. 6's, Class B	1906	2,726,500	M & N	116¼	Feb. 17,'98	116¼	115¼	10,000
{ " 2d g. 6's, Class C	1906	2,400,000	M & N	116¼	Feb. 23,'98	116¼	115½	3,000
{ " 1st g. 6's P. C. & O	1919	1,035,000	F & A	118	May 23,'92	....	....	....
{ " gen. g. 6's	1931	7,807,000	J & J	119½	Feb. 17,'98	119¾	117½	199,000
{ " gen. g. 5's	1931	12,293,000	J & J	103¼	Feb. 28,'98	105¼	103¼	152,000
{ " 1st Trust g. 5's	1987	1,099,000	A & O	97¼	Feb. 15,'98	97¼	96¾	15,000
{ Ft. Smith & Van B. Bdg. 1st 6's	1910	319,000	A & O	105	Oct. 4,'96	....	....	....
{ Kansas, Midland 1st g. 4's	1937	1,608,000	J & D	....	....	....	....	....
{ St. Louis & San F. R. R. g. 4's	1996	6,388,000	J & D	73¾	Feb. 26,'98	77	72	472,000
{ " South'n div. 1st g. 5's	1947	1,500,000	A & O	96	Feb. 15,'98	96	94½	71,000
St. Louis S. W. 1st g. 4's Bd. ctfs.	1989	20,000,000	M & N	73¾	Feb. 28,'98	76⅞	73	284,000
" 2d g. 4's inc. Bd. ctfs.	1989	8,000,000	J & J	28	Feb. 23,'98	30	28	34,000
St. Paul City Ry. Cable con. g. 5's	1937	2,480,000	J&J15	90	Nov. 8.27	....	....	....
" gtd. gold 5's	1937	1,138,000	J & J	90	Mar. 20,'96	....	....	....
St. Paul & Duluth 1st 5's	1913	1,000,000	F & A	114	Aug. 24,'94	....	....	....
" 2d 5's	1917	2,000 000	A & O	109	Feb. 21,'98	109	109	15,000
St. Paul, Minn. & Manito'a 2d 6's	1909	8,000,000	A & O	122¾	Jan. 29,'98	....	....	....
{ " Dakota ext'n 6's	1910	5,676,000	M & N	122	Feb. 7,'98	122	122	1,000
{ " 1st con. 6's	1933	} 13,344,000	J & J	128	Feb. 26,'98	129	128	4,000
{ " 1st con. 6's, registered			J & J	120	Aug. 19,'95	....	....	....
{ " 1st c. 6's, red'd to 4½'s		} 21,196,000	J & J	108	Feb. 21,'98	108¼	108	20,000
{ " 1st cons. 6's register'd			J & J	105	Nov. 4,'95	....	....	....
{ " Mont. ext'n 1st g. 4's	1937	} 7,805,000	J & D	97½	Feb. 25,'98	99	97	138,000
{ " registered			J & D	96	Feb. 19,'97	96	96	4,000
{ Minneapolis Union 1st 6's	1922	2,150,030	J & J	127¼	Feb. 8,'98	130	127¼	2,000
{ Montana Cent. 1st 6's int. gtd.	1937	} 6,000,000	J & J	127	Jan. 13,'98	....	....	....
{ " 1st 6's, registered			J & J	115	Apr. 24,'97	....	....	....
{ " 1st g. g. 5's	1937	} 2,700,000	J & J	109	Feb. 10,'98	109	109	2,000
{ " registered			J & J	....	....	....	....	....
{ Eastern Minn, 1st d. 1st g. 5's	1908	} 4,700,000	A & O	108½	Jan. 14,'98	....	....	....
{ " registered			A & O	....	....	....	....	....
{ Willmar & Sioux Falls 1st g. 5's	1938	} 3,625,000	J & D	111	Nov. 23,'97	....	....	....
{ " registered			J & J	....	....	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's	1919	3,872,000	J & J	100½	Oct. 20,'97	....	....	....
Sav. Florida & Wn. 1st c. g. 6's	1934	4,056,000	A & O	106⅝	Aug. 2,'97	....	....	....
" 1st g. 5's	1934	1,780,000	A & O	104½	Oct. 18,'97	....	....	....
Seaboard & Roanoke 1st 5's	1926	2,500,000	J & J	104¾	Feb. 5,'98	104¾	104¾	10,000
Seat L.S.&.E.Tr.Co.cts.1st gtg.6's	1931	} 4,991,000	F & A	80	Jan. 25,'98	....	....	....
" assessment paid			F & A	43½	Apr. 28,'96	....	....	....
Sodus Bay & Sout'n 1st 5's, gold	1924	500,000	J & J	105	Sept. 4,'86	....	....	....
South Caro'a & Georgia 1st g. 5's	1919	5,250,000	M & N	96	Feb. 25,'98	98	96	90,000

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	February Sales. High.	February Sales. Low.	February Sales. Total.
Southern Pacific Co.		....	....	....	....	....	....	....
Gal. Harrisb'gh & S. A. 1st g 6's	1910	4,756,000	F & A	107	Jan. 20,'98	....	....	....
″ 2d g 7's	1905	1,000,000	J & D	104⅛	Feb. 15,'98	104⅛	103	9,000
″ Mex. & P. div 1st g 5's	1931	13,418,000	M & N	95¾	Feb. 26,'98	95¼	94	97,000
Houst. & T C 1st Waco & N 7's	1903	1,140,000	J & J	125	June 29,'92	....	....	....
″ 1st g 5's int. gtd.	1937	7,107,000	J & J	110	Feb. 23,'98	110⅝	110	26,000
″ con. g 6 s int. gtd.	1912	3,455,000	A & O	108	Dec. 28,'97	....	....	....
″ gen. g 4's int. gtd.	1921	4,297,000	A & O	79¼	Feb. 26,'98	80	79¼	76,000
Morgan's La & Tex. 1st g 6's	1920	1,494,000	J & J	120⅛	Feb. 17,'98	120⅛	120⅛	10,000
″ 1st 7's	1918	5,000,000	A & O	127	Feb. 26,'98	127	127	5,000
N. Y. Tex. & Mex. gtd. 1st g 4's	1912	1,442,500	A & O	....	....	....	....	....
Oreg. & Cal. 1st gtd. g 5's	1927	18,842,000	J & J	75	Jan. 6,'98	....	....	....
San Ant. & Aran Pass 1st gtd g 4's	1943	18,886,000	J & J	59⅞	Feb. 28,'98	62¼	59½	566,000
Tex. & New Orleans 1st 7's	1905	1,620,000	F & A	111	Mar. 1,'97	....	....	....
″ Sabine div. 1st g 6's	1912	2,575,000	M & S	106¼	Nov. 17,'97	....	....	....
″ con. g 5's	1943	1,620,000	J & J	98¼	Feb. 26,'98	98¾	98	106,000
South'n Pac. of Ariz. 1st 6's	1909–1910	10,000,000	J & J	102¾	Feb. 28,'98	104	102	246,000
South. Pac. of Cal. 1st g 6's	1905–12	30,577,500	A & O	110	Jan. 24,'98	....	....	....
″ 1st con. gtd. g 5's	1937	19,671,000	M & N	97	Feb. 28,'98	97	96	127,000
Austin & Northw'n 1st g 5's	1941	1,920,000	J & J	85	Feb. 26,'98	85⅛	85	21,000
So. Pacific Coast 1st gtd. g. 4's	1937	5,500,000	J & J	....	....	....	....	....
So. Pacific of N. Mex. c. 1st 6's	1911	4,180,000	J & J	108	Feb. 26,'98	108⅛	107¼	105,000
Southern Railway 1st con. g 5's	1994	26,962,000	J & J	91	Feb. 28,'98	94⅛	90	739,000
″ registered			J & J	....	....	....	....	....
East Tenn. reorg. lien g 4's	1938	4,500,000	M & S	100	Feb. 16,'98	100	100	21,000
″ registered			M & S	....	....	....	....	....
Alabama Central, 1st 6's	1918	1,000,000	J & J	112¼	Aug. 17,'97	....	....	....
Atl. & Char. Air Line, income	1900	750,000	A & O	104	May 24,'95	....	....	....
Col. & Greenville, 1st 5–6's	1916	2,000,000	J & J	119	Dec. 22,'97	....	....	....
East Tenn., Va. & Ga. 1st 7's	1900	3,123,000	J & J	107	Feb. 9,'98	107	107	3,000
″ divisional g 5's	1930	3,106,000	J & J	112⅛	Feb. 28,'98	115	112⅛	9,000
″ con. 1st g 5's	1956	12,770,000	M & N	110¼	Feb. 28,'98	111⅛	110¼	60,000
Ga. Pacific Ry. 1st g 5–6's	1922	5,660,000	J & J	120	Feb. 26,'98	121	119⅛	21,000
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	117	Feb. 25,'98	117⅛	117	5,000
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	125	Feb. 14,'98	125	123⅛	6,000
″ equip. sink. f'd g 5's,	1909	897,000	M & S	101	Nov. 2,'97	....	....	....
″ deb. 5's stamped	1927	3,368,000	A & O	105	Feb. 19,'98	105	105	1,000
Vir. Midland serial ser. A 6's	1906	600,000	M & S	....	....	....	....	....
″ small			M & S	....	....	....	....	....
″ ser. B 6's	1911	1,900,000	M & S	....	....	....	....	....
″ small			M & S	....	....	....	....	....
″ ser. C 6's	1916	1,100,000	M & S	....	....	....	....	....
″ small			M & S	....	....	....	....	....
″ ser. D 4–5's	1921	950,000	M & S	....	....	....	....	....
″ small			M & S	....	....	....	....	....
″ ser. E 5's	1926	1,775,000	M & S	....	....	....	....	....
″ small			M & S	....	....	....	....	....
″ ser. F 5's	1931	1,310,000	M & S	....	....	....	....	....
Virginia Midland gen. 5's	1936	2,392,000	M & N	105	Feb. 28,'98	105⅛	105	16,000
″ gen. 5's. gtd. stamped	1926	2,466,000	M & N	105⅛	Feb. 21,'98	106	105¼	6,000
W. O. & W. 1st cy. gtd. 4's	1924	1,025,000	F & A	84	Aug. 10,'97	....	....	....
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	115⅝	Jan. 21,'98	....	....	....
Staten Island Ry 1st gtd. g 4½s	1943	500,000	J & D	....	....	....	....	....
Sunbury & Lewiston 1st g. 4's	1936	500,000	J & J	....	....	....	....	....
Ter. R. R. Assn. St. Louis 1g 4½'s	1939	7,000,000	A & O	110⅛	Feb. 19,'98	110⅛	110⅛	2,000
″ 1st con. g. 5's	1894–1944	4,500,000	F & A	107	Feb. 24,'98	107	106⅛	16,000
St. L. Mers. bdg. Ter. gtd g. 5's	1930	3,500,000	A & O	103	Oct. 27,'96	....	....	....
Terre Haute Elec. Ry. gen. g 6's	1914	444,000	Q JAN	105⅝	Dec. 18,'95	....	....	....
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th	1905	3,784,000	M & S	110⅛	Feb. 14,'98	110⅛	109	10,000
″ 1st gold 5's	2000	21,049,000	J & D	100	Feb. 28,'98	102¾	99	332,000
″ 2d gold income, 5's	2000	23,227,000	MAR.	33¾	Feb. 28,'98	35	31¼	5,083,000
Third Avenue 1st g 5's	1937	5,000,000	J & J	123⅛	Feb. 23,'98	124	123⅛	31,000
Toledo & Ohio Cent. 1st g 5's	1935	3,000,000	J & J	104⅛	Feb. 26,'98	104¾	104	25,000
″ 1st M. g 5's West. div.	1935	2,500,000	A & O	103½	Jan. 6,'98	....	....	....
″ gen. g. 5's	1935	1,500,000	J & D	....	....	....	....	....
″ Kanaw & M. 1st g. g. 4's	1990	2,340,000	A & O	82⅛	Feb. 23,'98	82⅛	80⅛	38,000
Toledo, Peoria & W. 1st g 4's	1917	4,900,000	J & D	72⅛	Jan. 12,'98	....	....	....
Tol., St.L.&K.C. Tr. Rec. 1st g 6's	1916	8,234,000	M & N	86	Feb. 28,'98	88	86	51,000

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	*Date.*	FEBRUARY SALES. *High.*	*Low.*	*Total.*
Ulster & Delaware 1st c. g 5's....1928	1,852,000	J & D	103½	Feb. 3,'98	103½	103½	16,000
Union Elevated (Chic.) 1st g.5's.1945	3,925,000	A & O	....	....	....	....	....
Union Pac. g.6's Tr.Co.cfs.ex mat cps 1896.....................	9,802,000	......	127⅛	Feb. 10,'98	127⅛	127⅛	11,000
" g.6's Tr.Co. cfs.ex mat cps 1897.....................		......	125¾	Jan. 31,'98	....	....	....
" g.6's Tr.Co. cfs. ex mat cps 1898.....................		......	124	Jan. 29,'98	....	....	....
" g. 6's Tr.Co. cfs.ex mat cps 1899.....................		......	129¼	Feb. 9,'98	129¼	129¼	1,000
" collat. trust 6's...........	3,983,000	J & J	100	Feb. 1,'98	100	100	1,000
" col. trust g. 5's........1907	4,970,000	J & D	83	Aug.31,'97	....	....	....
" col. Tr.Co. cts.g. 4½'s.1918	2,000,000	M & N	51	Feb. 28,'98	51	51	10,000
" collat. Tr. 6's g. notes.1902	8,150,000	F & A	103	Sept.15,'97	....	....	....
" col.Tr. 6's g.nts. 62½ p.pd.	....	......	50⅛	Feb. 7,'98	50⅛	47⅝	15,000
Kansas Pacific 1st 6's...........1895	1,436,000	F & A	111¼	June 7,'97	....	....	....
" eng.Tr.Co. cfs. ex mat cps	805,000	......	122½	Feb. 9,'98	122½	121	52,000
" 1st 6's.................1896	1,990,000	J & D	114	Sept.29,'97	....	....	....
" eng.Tr.Co. cfs. ex mat cps	2,073,000	......	125	Feb. 11,'98	125	121	267,000
" Denver div. assd. 6's..1899	2,838,000	M & N	130⅛	Feb. 15,'98	130⅛	130⅛	13,000
" eng.Tr.Co. cfs. ex mat cps	3,051,000	......	131¼	Feb. 18,'98	131¼	127	159,000
" Tr.Co. ctfs. 1st con. 6's1919	11,474,000	......	107¼	Feb. 28,'98	115⅝	103⅛	4,343,000
Cent. Br. Un. Pac. f'd cpns 7's.1895	630,000	M & N	96	June 22,'93	....	....	....
Atch., Colo. & Pac., 1st 6's.......1905	4,070,000	Q F	32	Feb. 25,'98	38	32	32,000
U. P., Lin. & Colo. 1st gtd g. 5's.1918	4,480,000	A & O	35	Feb. 26,'98	39	35	8,000
U.P. Den.&G T.Co.cf.1st c.g.5's.1939	15,288,000	J & D	56¾	Feb. 28,'98	58⅞	54⅛	2,882,000
Wabash R.R. Co., 1st gold 5's....1939	31,664,000	M & N	108	Feb. 28,'98	110	107⅞	486,000
" 2d mortgage gold 5's..1939	14,000,000	F & A	78	Feb. 28,'98	82¾	78	739,000
" deben. mtg series A..1939	3,500,000	J & J	....	....	....	....	....
" series B...............1939	25,740,000	J & J	27½	Feb. 9,'98	28	27½	23,000
" 1st g.5's Det.& Chi.ex.1940	3,500,000	J & J	104½	Feb. 11,'98	104½	100½	41,000
St. L., Kan. C. & N. St. Chas. B. " 1st 6's.................1908	1,000,000	A & O	110	Jan. 5,'98	....	....	....
Western N.Y. & Penn. 1st g. 5's..1937	10,000,000	J & J	108½	Feb. 25,'98	108½	108	51,000
" gen g. 2-3-4's............1943	10,000,000	A & O	51½	Feb. 28,'98	55	51	652,000
" inc. 5's..................1943	10,000,000	Nov.	15⅞	Feb. 15,'98	16	14½	490,000
West Chic. S. 40 yr. 1st cur. 5's. 1928	3,989,000	M & N	....	....	....	....	....
" 40 years con. g. 5's......1936	6,031,000	M & N	99	Dec. 28,'97	....	....	....
West Va. Cent'l & Pac. 1st g. 6's.1911	3,000,000	J & J	108	Feb. 18,'96	....	....	....
Wheeling & Lake Erie 1st 5's....1926	1,265,000	A & O	101½	Feb. 16,'98	101½	101	11,000
" Trust Co. certificates......	1,735,000	......	100¾	Jan. 31,'98	....	....	....
" Wheeling div. 1st g. 5's.1928	1,500,000	J & J	77	Nov. 1,'97	....	....	....
" exten. and imp. g. 5's...1930	1,624,000	F & A	70	Feb. 3,'97	....	....	....
" consol mortgage 4's....1992	1,600,000	J & J	62¼	July 20,'96	....	....	....
Wisconsin Cent.Co. 1st trust g.5's1937	1,987,000	J & J	34	Nov. 16,'97	....	....	....
" eng. Trust Co. certificates.	10,013,000	......	41½	Feb. 28,'98	45¾	39½	1,868,000
" income mortgage 5's...1937	7,775,000	A & O	6½	Jan. 19,'98	....	....	....

UNITED STATES GOVERNMENT SECURITIES.

NAME *Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1898 *High.*	*Low.*	FEBRUARY SALES. *High.*	*Low.*	*Total.*
United States 2's registered.........Opt'l	25,364,500	Q M	....	....	....	....	......
" 4's registered..............1907	559,634,000	J A J&O	113⅝	111⅞	113⅝	111⅞	21,000
" 4's coupon..................1907		J A J&O	114¾	113	114¾	113	20,000
" 4's registered..............1925	162,315,400	Q F	129⅛	126⅛	128¾	126⅛	180,000
" 4's coupon..................1925		Q F	129¾	124	128¾	124	190,500
" 5's registered..............1904	100,000,000	Q F	115	113⅛	....	....	......
" 5's coupon..................1904		Q F	115	113	113¾	113⅛	39,000
" 6's currency.................1899	14,004,560	J & J	104	103½	103⅛	103⅛	3,000
" 4's reg. cer. ind. (Cherokee)1898	1,660,000	MAR	....	....	....	....	......
" " 1899	1,660,000	MAR	....	....	....	....	......
District of Columbia 3-65's...........1924	14,033,600	F & A	....	....	....	....	......
" small bonds.....................		F & A	....	....	....	....	......
" registered........................		F & A	....	....	....	....	......
" funding 5's...................1899	800,400	J & J	....	....	....	....	......
" " small...................		J & J	....	....	....	....	......
" " registered.............		J & J	....	....	....	....	......

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS.

NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	FEBRUARY SALES. High.	FEBRUARY SALES. Low.	FEBRUARY SALES. Total.
American Cotton Oil deb. g. 8's	1900	3,068,000	Q F	106⅛	Feb. 17,'98	106⅛	106	6,000
Am. Spirit Mfg. Co. 1st g. 6's	1915	2,000,000	M & S	73	Feb. 28,'98	77	73	10,000
Atlanta Gas Light Co. 1st g. 5's	1947	1,150,000	J & D	....	....	....	....	....
Barney & Smith Car Co. 1st g. 6's	1942	1,000,000	J & J	....	....	....	....	....
Bost. Un. Gas tst ctfs s'k f'd g. 5's	1939	7,000,000	J & J	90¼	Jan. 26,'98	....	....	....
B'klyn Union Gas Co. 1st con. g. 5's	1945	13,081,000	M & N	113⅛	Feb. 28,'98	114⅛	112⅛	99,000
B'klyn Wharf & Wh. Co. 1st g. 5's	1945	17,500,000	F & A	97	Feb. 26,'98	100⅛	97	55,000
Chic. Junc. & St'k Y'ds col. g. 5's	1915	10,000,000	J & J	109⅛	Feb. 9,'97	....	....	....
Colo. Coal & Iron 1st con. g. 6's	1900	2,954,000	F & A	100	Feb. 17,'98	100	99	30,000
Colo. C'l & I'n Devel. Co. gtd g. 5's	1909	700,000	J & J	81	Feb. 11,'97	81⅝	80¾	81,000
" Coupon off	....	....	......	....	....	....	....	....
Colo. Fuel Co. gen. g. 6's	1919	1,043,000	M & N	104	Jan. 18,'98	....	....	....
Col. Fuel & Iron Co. gen. sf g 5's	1943	2,021,000	F & A	83⅛	Jan. 18,'98	....	....	....
Columbus Gas Co., 1st g. 5's	1932	1,175,000	J & J	104⅛	Jan. 28,'98	....	....	....
Commercial Cable Co. 1st g. 4's	2397	13,000,000	Q & J	105⅛	Feb. 3,'98	105⅛	105⅛	3,000
" registered			Q & J	104	Feb. 16,'98	104	104	5,000
Detroit Gas Co. 1st con. g. 5's	1918	2,000,000	F & A	103	Feb. 17,'98	103	96⅛	112,000
Edison Elec. Illu. 1st conv. g. 5's	1910	4,312,000	M & S	112	Feb. 28,'98	112¾	111⅛	18,000
" 1st con. g. 5's	1995	2,156,000	J & J	116	Feb. 28,'98	116	116	6,000
" Brooklyn 1st g. 5's	1940	1,500,000	A & O	110⅛	Feb. 4,'97	....	....	....
" registered			A & O	....	....	....	....	....
Equitable Gas Light Co. of N. Y. " 1st con. g. 5's	1932	2,500,000	M & S	102	Feb. 14,'98	102	102	1,000
Erie Teleg. & Tel. col. tr. g s fd 5's	1926	1,960,000	J & J	....	....	....	....	....
General Electric Co. deb. g. 5's	1922	8,000,000	J & D	101¼	Feb. 28,'98	101⅛	100⅛	29,000
Grand Riv. Coal & Coke 1st g. 6's	1919	780,000	A & O	90	Nov. 26,'95	....	....	....
Grand Rapids Gas Light Co. 1st " g. 5's	1915	1,225,000	F & A	92⅛	Mar. 11,'95	....	....	....
Hackensack Wtr Reorg. 1st g. 5's	1926	1,090,000	J & J	107⅛	June 3,'92	....	....	....
Hend'n Bdg Co. 1st s'k. f'd g. 6's	1931	1,728,000	M & S	111	Aug. 23,'97	....	....	....
Hoboken Land & Imp. g. 5's	1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Illinois Steel Co. debenture 5's	1910	6,200,000	J & J	86	May 8,'96	....	....	....
" non. conv. deb. 5's	1910	7,000,000	A & O	70	Apl. 23,'97	....	....	....
Iron Steamboat Co. 6's	1901	500,000	J & J	75⅛	Dec. 4,'95	....	....	....
Jefferson & Clearfield Coal & Ir. " 1st g. 5's	1926	1,975,000	J & D	107	May 27,'97	....	....	....
" 2d g. 5's	1926	1,000,000	J & D	80	May 4,'97	....	....	....
Kansas City Mo. Gas Co. 1st g 5's	1922	3,750,000	A & O	....	....	....	....	....
Lac. Gas L't Co. of St. L. 1st g. 5's	1919	10,000,000	Q F	102⅞	Feb. 28,'98	104⅛	102⅞	132,000
" small bonds				97⅛	Nov. 1,'95	....	....	....
Madison Sq. Garden 1st g. 5's	1919	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim. gen. g. 4's	1940	1,300,000	M & N	55	Aug. 27,'95	....	....	....
Metrop. Tel & Tel. 1st s'k f'd g. 5's	1918	2,000,000	M & N	103¼	Jan. 5,'92	....	....	....
" registered			M & N					
Mich. Penins. Car Co. 1st g 5's	1942	2,000,000	M & S	85	June 5,'97	....	....	....
Nat. Starch Mfg. Co., 1st g 6's	1920	3,837,000	J & J	106	Feb. 2,'98	106¾	105¾	7,000
Newport News Shipbuilding & Dry Dock 5's	1890–1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. & N. J. Tel. gen. g 5's cnv.	1920	1,261,000	M & N	100	June 4,'95	....	....	....
N. Y. & Ontario Land 1st g 6's	1910	443,000	F & A	92¼	May 5,'96	....	....	....
Peop's Gas & C. Co. C. 1st g. g 6's	1904	2,100,000	M & N	114¾	Dec. 18,'97	....	....	....
" 2d gtd. g. 6's	1904	2,500,000	J & D	109	Feb. 1,'98	109	109	14,000
" 1st con. g 6's	1943	4,900,000	A & O	119⅛	Feb. 19,'98	119⅛	119⅛	2,000
Chic. Gas Lt & Coke 1st gtd g. 5's	1937	10,000,000	J & J	105⅛	Feb. 25,'98	106¼	105⅛	84,000
Con. Gas Co. Chic. 1st gtd. g. 5's	1936	4,346,000	J & D	104	Feb. 26,'98	105⅛	104	18,000
Eq. Gas & Fuel, Chic. 1st gtd. g. 6's	1905	2,000,000	J & J	107	Dec. 24,'97	....	....	....
Peoria Water Co. g 6's	1889–1919	1,254,000	M & N	100	June 23,'92	....	....	....
Pleasant Valley Coal 1st g 6's	1920	590,000	M & N	106⅞	Oct. 14,'95	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	FEBRUARY SALES. *High.*	FEBRUARY SALES. *Low.*	FEBRUARY SALES. *Total.*
Procter & Gamble, 1st g 6's......1940	2,000,000	J & J	117	Dec. 12,'95	....	....	....
St. Louis Terml. Cupples Station. & Property Co. 1st g 4⅛'s 5-20..1917	2,000,000	J & D	....	....	....	....	....
So. Y. Water Co. N. Y. con. g 6's..1923	478,000	J & J	101	Feb. 19,'97	....	....	....
Spring Valley W. Wks. 1st 6's....1906	4,975,000	M & S	....	....	....	....	....
Standard Rope & Twine 1st g. 6's. 1946	2,955,000	F & A	57	Feb. 28,'98	61⅛	56	127,000
" " inc. g. 5's. 1946	7,500,000	......	13⅛	Feb. 28,'98	16⅛	11⅛	309,500
Sun. Creek Coal 1st sk. fund 6's..1912	400,000	J & D	....	....	....	....	....
Ten. Coal, I. & R. T. d. 1st g 6's...1917	1,244,000	A & O	84	Feb. 24,'98	86	84	11,000
{ " Bir. div. 1st con. 6's...1917	3,399,000	J & J	86⅛	Feb. 18,'98	86⅛	86	41,000
{ Cah. Coal M. Co. 1st gtd. g 6's..1922	1,000,000	J & D	84	May 2,'95	....	....	....
{ De Bard. C & I Co. gtd. g 6's...1910	2,428,000	F & A	83	Jan. 26,'98	....	....	....
U. S. Leather Co. 6% g s. fd deb..1915	6,000,000	M & N	115¾	Feb. 24,'98	116	115	30,000
Vermont Marble, 1st s. fund 5's..1910	640,000	J & D	....	....	....	....	....
Western Gas Co. col. tr. g. 5's....1933	3,805,500	M & N	103	Sept. 28,'97	....	....	....
Western Union deb. 7's.....1875-1900	3,680,000	M & N	105⅛	Feb. 25,'98	105⅛	105⅛	3,000
{ " 7's, registered..........1900		M & N	105⅛	Jan. 14,'98	....	....	....
{ " debenture, 7's......1884-1900	1,000,000	M & N	105⅛	July 7,'97	....	....	....
{ " registered..................		M & N	104⅛	Nov. 12,'97	....	....	....
{ " col. trust cur. 5's.......1938	8,502,000	J & J	110¾	Jan. 29,'98	....	....	....
{ Mutual Union Tel. s. fd. 6's....1911	1,957,000	J & J	112	Dec. 29,'97	....	....	....
{ Northwestern Telegraph 7's...1904	1,250,000	J & J	....	....	....	....	....
Wheel L. E. & P. Cl Co. 1st g 5's. 1919	846,000	J & J	68	Dec. 23,'96	....	....	....
Whitebrst Fuel gen. s. fund 6's..1908	570,000	J & D	....	....	....	....	....

BANKERS' OBITUARY RECORD.

Abbott.—Henry Abbott, Cashier of the Winchester (N. H.) National Bank, died February 12, aged sixty-five. He had been a member of both houses of the New Hampshire Legislature.

Bolles.—Matthew Bolles, the oldest member of the Boston Stock Exchange, and head of the banking firm of Matthew Bolles & Co., died March 3, aged about ninety years.

Brigham.—George O. Brigham, Treasurer of the Westboro (Mass.) Savings Bank, Town Treasurer for thirty years, and ex-memberof the Legislature, died February 13, aged seventy-six years.

Brown.—Frederick T. Brown, one of the Stock Exchange members of the firm of H. L. Horton & Co., New York, died February 24. Mr. Brown was born in Boston in 1838, and was engaged in banking there for many years. He came to New York in 1871 and became associated with the firm of H. L. Horton & Co.

Campbell.—Thomas H. Campbell, President of the First National Bank, Huron, So. Dak., died in Chicago February 23.

Eno.—Amos R. Eno, one of the organizers and principal stockholders of the Second National Bank, New York, died February 21. In 1884 the bank, of which Mr. Eno's son, John C. Eno, was then President, lost a large sum of money through the President's speculations. This amount was made good by Mr. Amos R. Eno at a large personal sacrifice. He was the owner of the Fifth Avenue Hotel and a large amount of other valuable real estate.

Howe.—Henry C. Howe, President of the Wamesit National Bank, Lowell, Mass., and one of the best-known business men of that city, died February 17 in Chicago. Mr. Howe was very extensively interested in manufacturing enterprises in Lowell and other New England cities.

Just.—Josiah E. Just, Commissioner of the State Banking Department of Michigan, and also a banker, died February 19.

Lazard.—Simon Lazard, of the firm of Lazard Frères, New York, Paris and London, died in Paris February 24. Mr. Lazard was born in Alsace-Lorraine in 1830. In early life he came to America and engaged in the dry goods business at New Orleans, and later at San Francisco. The banking business of the firm was established in 1875, and has been carried on with great success. Mr. Lazard was a financier of great ability and was possessed of personal qualities that won him many friends.

Little.—James T. Little, President of the Deseret Savings Bank, Salt Lake City, Utah, died February 28. He was one of the popular and progressive men of Salt Lake, and possessed considerable property.

McClellan.—C. A. O. McClellan, President of the First National Bank, Auburn, Ind., died January 31. He had been a circuit judge, and was twice elected to Congress.

Norris.—Wm. Henry Norris, formerly Cashier of the Western National Bank, Baltimore, died February 7. He entered the bank as a messenger in 1849, and ten years later became Cashier, holding this position until October last, when he resigned because of failing health. Mr. Norris was born in Baltimore in 1826.

Pinkerton.—James C. Pinkerton, Assistant Cashier of the Bank of North America, Philadelphia, died February 14, at the age of forty-nine. He had been connected with the bank for thirty years.

Rabb.—Dr. John H. Rabb, President of the First National Bank, Vincennes, Ind., died February 13, aged sixty-nine. His wealth was considerable, and he was a leader in business and public affairs.

Rand.—Gardner Rand, one of the best-known citizens of Troy, N. Y., and proprietor of Rand's Opera House and Rand's Concert Hall, died February 21. Mr. Rand was born in Troy sixty-six years ago. For a number of years he was connected with the Commercial Bank of Troy, and when that bank ceased business he became connected with the Bank of Troy. Since his retirement from banking affairs he has devoted his time to the management of his extensive property interests.

Sayles.—Albert L. Sayles, President of the Third National Bank, Providence, R. I., and a director of the Pascoag (R. I.) National Bank, died January 30, aged seventy-one years.

Schwabach.—Julius Schwabach, chief partner of the Bleichroeder's banking firm, Berlin, died February 23. He was also a special partner in the firm of Ladenburg, Thalmann & Co., New York.

Sheppard.—Isaac A. Sheppard, President of the National Security Bank, Philadelphia, and active in religious, educational and benevolent work in that city, died March 6. Mr. Sheppard was born in Cumberland County, N. J., about seventy-one years ago. He was a member of the lower house of the Pennsylvania Legislature for three terms.

Singerly.—Wm. M. Singerly, publisher of the Philadelphia "Record," and President of the Chestnut Street National Bank and the Chestnut Street Trust and Savings Fund Co., the two banks which failed recently, died February 27. Mr. Singerly was born in Philadelphia in 1832. His business enterprises were numerous and extensive, and until quite recently were very successful.

Smith.—Dr. Joseph A. Smith, President of the Fort Madison (Iowa) Savings Bank, died February 23, aged seventy-seven years.

Straus.—Frederick W. Straus, a well-known investment banker of Chicago, died February 8. Mr. Straus was born in Germany, in 1832, coming to this country in 1853 and locating at Ligonier, Ind., where he engaged in merchandising, and afterwards established the Citizens' Bank. In 1883 he removed to Chicago.

New Counterfeit $10 National Bank Note.—On the Hibernia National Bank of New Orleans, La., series 1882, check letter B, W. S. Rosecrans, Register, E. H. Nebeker, Treasurer. Treasury number H343248; charter number 2086; bank number 524. This is a photographic production of poor workmanship, an attempt has been made to color the numbers, seal and panel containing charter number on back, but the coloring is only applied in spots. The back of the note is printed upside down. It is printed on two pieces of paper but no attempt has been made to imitate the silk threads to be found in the genuine.

Interest Tables for Savings Banks.—Mr. J. Watts Robinson, publisher of the Robinsonian Interest Tables, has just published for the use of Savings banks new tables, printed on heavy card-board, showing interest at 3 and 3½ per cent. for one, two, three, four, five and six months, on every dollar from $1 to $1,000. The price of this table is $2. The table is also published for three and six months only, at $1.50.

THE

BANKERS' MAGAZINE.

RHODES' JOURNAL OF BANKING and THE BANKERS' MAGAZINE Consolidated.

FIFTY-SECOND YEAR. APRIL, 1898. VOLUME LVI, No. 4.

THE HISTORY OF THE MONEY MARKET since October, 1897, and the statistics of the banks in the United States and abroad as well as those of the Treasury, indicate the rivalry of New York city and London for leadership as the supreme money center of the world.

The reserves collected in New York, belonging to the banks and to the United States Treasury, can be fairly compared to the reserves held by the Bank of England. In England the Bank holds the reserves on which not only its own circulating notes but also those of the joint-stock banks are based. In the United States the sub-Treasury in New York holds the greater portion of the gold which forms the reserve of the notes issued by the Government. The banks in New York hold the reserve on which the redemption of their own circulating notes and deposits is based.

A very large part of the deposits of the associated banks of New York consist of the reserves of the banks in all parts of the country both for deposits and circulation. The New York banks and to some extent the banks of the other reserve cities are really the points to which the banks outside of these cities look for help in any emergency. The cash reserves of these reserve city banks are the main security for the deposits of the whole country in much the same way as the cash reserves of the Bank of England are the ultimate basis of the bank deposits in all the banks of that country.

The greater portion of the circulating medium of the United States rests on the coin reserves of the Treasury. Therefore, in making a comparison, the reserves of the reserve banks and the Treasury together perform the same function of protecting both circulation and deposits in the United States that the reserves of the Bank of England do in Great Britain.

The combined specie in the New York associated banks and the Treasury on or about March 1, 1898, amounted to $286,620,150. This is exclusive of the specie reserves of the banks in the other great reserve cities. The gold in the Bank of England at about the same date amounted to 34,037,215 pounds sterling, equivalent to about $164,080,492.

Only one country, France, holds in her great reserve institution, the Bank of France, a greater stock of gold than is now held in the United States, and this stock amounts to about $375,715,922.

In the specie returned by the New York banks there may be some small amount of silver, but it can be but a small percentage, so that all the specie held may be practically regarded as gold.

The accumulation of gold in the New York banks was such during the winter months that the rates for loans were cheaper than abroad, and the result was that until recently, notwithstanding the immense balance of trade in favor of this country, the market for foreign exchange has ruled to prevent importations of gold. In other words the low rates prevailing in the New York market have enabled the holders of foreign bills to secure money on them more advantageously in New York than they could by sending them forward to their drawees for payment.

In 1895, when the BELMONT-MORGAN syndicate undertook to mitigate the run for gold on the Treasury reserve, they attempted to accomplish the result by deferring the settlement of foreign drafts on this country. They borrowed money in London to hold back the bills. The syndicate were, however, unable to effect their object fully as proposed, and they could not prevent the shipment of about $15,000,000 of gold in that year. The balance of trade was unfavorable to them, and there were several partial crises in the London market during the period.

In October of last year the effects of heavy exports of products and merchandise began to be felt. The amount of bills on London was heavy and large imports of gold were expected and did actually begin. But to stop the drain the foreign debtors borrowed money in New York at the low rates then prevailing and held back the drafts on London. These dealers were in hopes that the heavy export of American manufactures would cease, or that American securities held abroad would be sold, or that foreign goods would be imported, or that the low rate of interest would continue to prevail in New York.

In the November number of the MAGAZINE, commenting on the state of foreign exchange, it was said:

"If importations from foreign countries do not increase very largely it is not at all probable that the situation of financial advantage now occupied by the United States will be much changed by January, and then additional importations of gold may be expected."

The conditions which enabled the settlement of the drafts on

London to be deferred continued favorable for a longer period than was expected, and if importations had increased and the New York money rates had continued at the same level, the settlement might have been attained without any drain of specie from abroad. But this was not to be, and the gold in payment of these drafts is now coming to this country. But the practice of taking advantage of the varying rates in the different markets of London and New York will now be continued at every opportunity. The country with the balance of trade in its favor, when its securities are in good credit, can when its money rates happen to be low enough not only have the advantage of the payments on account of these balances, but the additional advantage of receiving interest upon them.

It is rather a new thing for the rates of discount in New York to be lower than those in London, and indicates the growth of the former place in relative importance as a financial centre. The advantage of London over other Continental money markets has been in the comparative isolation of England from the danger of war invading her immediate territory. Immense sums have been sent to London for safety from all parts of the world on account of this immunity from attack. In this respect, New York is even more favorably situated than London, and if there could be established the same faith in the dollar as an immutable standard of value that has for a long time existed as to the pound sterling, there is no reason to doubt that with a just and impartial administration of law as to investments, that New York city would soon come to be looked upon as the safest place in the world for the deposit of surplus funds. That so great an advance has been made by New York city notwithstanding the disadvantage of an uncertain standard, indicates that her advantages in other respects are highly appreciated.

WHATEVER IS, IS RIGHT appears to be the motto of those who oppose all efforts to effect any reform of the currency. The superficial observer, noting only that in the ordinary transactions of business all kinds of money pass from hand to hand with equal readiness, is apt to infer that all are equally good. In a recent communication to the New York "Commercial," Dr. E. P. MILLER takes this view, opposing the suggestions made by the Editor of the MAGAZINE to a newspaper correspondent at Washington favoring a more scientific and elastic currency.

The dangerous fallacy that all kinds of our present legal-tender currency are equally good seems to have gained wide acceptance. In keeping afloat the large mass of legal-tender notes and overvalued silver the country has paid an enormous price in the way of principal and interest on the bonds issued to maintain the silver and legal tenders at the gold par. This price has been calculated by the Actuary of the Treasury at several hundred millions. But a far greater price has been paid in the incalculable losses which have been visited upon the commercial interests of the country by the many panics engendered by legal-tender paper money and its twin brother depreciated silver.

Within the past six months we have seen enormous accumulations of money at New York, more even than the banks could loan at the very low rates prevailing. During this same period speculation has been very heavy and prices of securities have risen much more rapidly than the slow improvement in general business conditions warranted. The glut of money at New York unquestionably encouraged this era of speculation. Money in this city has ruled lower than in London or Berlin, and while money could be had in the financial centre at these low rates for the purpose of stock speculation, the banking system is so poorly adapted to the needs of the country that other sections have been without the currency needed to develop legitimate business enterprises. It is idle to assert that these sections are lacking in credit, for that they have credit is shown by the fact that the banks of the South and West borrow large sums at certain seasons from the banks of New York in the shape of rediscounts. Why should not the Southern and Western banks be permitted to issue circulating notes on their credit instead of borrowing, thus saving a large amount of interest to their customers? Why is not the collateral of a bank that is good enough to borrow on in New York good enough security for local credit currency?

Dr. MILLER assumes the following as representing the views of the Editor of the MAGAZINE:

"While Mr. RHODES does not say it in so many words, he evidently wants the Treasury to get out of the banking business so far as making paper money for the people is concerned, and have it all made for the banks, thus giving to them the profit on its circulation. He would have all the legal-tender notes retired and bonds issued instead, on which the people must pay interest; he would have the banks allowed to purchase these bonds at par and by depositing them in the Treasury and drawing interest upon them, he would have the Treasurer give the entire face value of the bonds in bank notes, that are not legal-tender for private debts, and let the banks lend these notes to the people at such rates of interest as the laws of different States allow."

If the writer of the above knew anything about the views of the MAGAZINE he would know that it has been the advocate of a plan for retiring the legal-tenders without adding a dollar to the bonded debt.

Again Dr. MILLER states that "but little coin has been demanded on the coin liabilities of the Government."

The Bureau of Statistics of the Treasury Department reports that from 1879 to 1898 (the figures being for only three months of the latter year) $595,599,051 of the United States notes and Treasury notes were redeemed in gold, and to procure this gold the Government has been forced to add $357,815,400 to the bonded debt bearing a very heavy annual interest. So that notwithstanding the United States and Treasury notes have all been redeemed, they are (except a part of the Sherman notes) either all outstanding or held in the Treasury subject to reissue and liable to cause an unlimited increase in the bonded debt to maintain them at par with gold.

We can not see how it is possible, in view of recent financial events in this country, for any one to advocate a policy of letting well enough alone. The lessons of the financial panics since 1872 have been of little value if they have not shown the defects in our existing banking and Government note system, which provides a currency that neither expands in volume when needed nor contracts when not needed.

So far as the profit to the banks is concerned, that is a minor question. If by the nature of their organization and the fact that they are scattered all over the country, these institutions can supply a secure and satisfactory currency, and do it better than the Government, that is a service for which they should received a reasonable compensation. The great number of banks and the consequent competition make it certain that no undue profits would be possible.

But the great underlying principle to be considered in any proper reform of the currency is not what profits the banks would derive from it, but whether it is not possible and feasible to provide a currency sound and secure and fully adapted to the needs of the whole country. As the business of the banks is indissolubly associated with and dependent upon the prosperity of the people, whatever assures a fair reward to energy and industry in other lines of human endeavor can not fail to be of benefit to the banks.

IN VIEW OF THE THREATENED WAR it is not out of place to consider how the expenditures attendant on a war can best be met with the least interference with existing contracts, and this can only be accomplished by adopting such financial measures as will insure against the suspension of specie payments. All the most important wars carried on by the United States have been financed on a basis of paper money, and have been followed by a period of monetary demoralization and slow recovery of prosperity.

The Revolutionary War was waged with Continental money, which in large part was never redeemed, and which at times during the struggle became almost destitute of purchasing power. The War of 1812 was the signal for the suspension of specie payments by all the State banks, and the Government was obliged to sell the securities issued at that time for the depreciated notes of these banks, and the use of this form of money for the purchase of the necessary material increased the prices paid three or four fold. The Mexican War was fought without the suspension of specie payments, but the forces employed were small and no real strain was at that time put upon the resources of the country. The Civil War was commenced on a specie basis, and had it not been for two serious mistakes made by the Secretary of the Treasury in 1861, it was and is the opinion of many competent authorities that specie payments need not have been suspended. It has been estimated on grounds that appear sound that the suspension of specie payments in 1861, and the ensuing necessity of the legal-tender Acts, increased the necessary expense of the war by at least one-third. The business of the country in 1861 presented many features very similar to those that exist to-day. Speaking of the earlier period the late GEO. S. COE, in a letter dated October, 1875, to the Hon. E. G. SPAULDING, said:

"Fortunately the commercial conditions of the Northern States were altogether favorable. The panic of 1857 had been followed by three or four years of great productiveness and economy, which had so turned international exchanges in favor of this country that larger balances in coin than ever before had, during 1860 and 1861, been imported from Europe."

The banks in New York city held fifty millions of dollars in coin, which was equal to about fifty per cent. of their liabilities. Of the present time it may be said in almost the same language that the commercial conditions of the whole country are now altogether favorable. The panic of 1893 has been followed by four or five years of great productiveness and economy, which has turned international exchanges in favor of this country so that large balances in coin are now being imported from Europe. The New York city banks hold $136,000,000 in specie and show large surplus reserves; and this sum in coin is supplemented by over $170,000,000 in gold in the Treasury.

In 1861, after the disastrous battle of Bull Run, a combination of the banks in New York, Boston, and Philadelphia agreed to take $150,000,000 of 7.3 notes and furnish the Government $150,000,000 of specie in installments of $50,000,000. It was hoped that a general combination of all the banks in the Northern States could be effected, but there was so little unity among the banks of that period that this plan proved futile, and the banks of New York, Boston, and Philadelphia had to stand alone. The three installments of specie were furnished to the Government between August 7 and December 7, 1861. On August 7 the specie in the New York banks was $49,733,-990, and on December 7, after the three installments of $50,000,000 each had been furnished, there was still $42,318,610 in specie in the vaults of these banks. The disbursements of the Government were so rapid, the internal trade movement so intense, that the coin paid out in installments of five millions every six days came back to the banks through the community in about one week. In the meantime the banks were disposing of the 7.30 notes among the people, and there is every reason to believe that the banks could in this manner have furnished the Government with fifty millions in specie every sixty days for an indefinite period, sufficient with the use of the bank circulation to have met all expenses at prices on a specie basis. This promising outlook was dimmed and finally totally obscured by the issue of demand notes. The issue of these notes convinced the public that the war was to be fought on a paper basis, and all who could get hold of specie began to hoard it. The banks lost thirteen millions of specie in three weeks, and as the drain was increasing they were obliged to suspend specie payments.

It must be noticed that the specie furnished by the banks was not drawn upon in the usual way by checks, but was actually taken from the vaults of the banks and deposited in the sub-Treasury. This was the other mistake of Secretary CHASE. If he had consented to act under the suspension of the sub-Treasury Act which had been agreed to by Congress, and treated the banks as depositories and drawn checks on them, these checks backed by the specie in the banks would have served as a circulating medium constantly issued and redeemed, and the specie itself would have remained untouched in the banks, while the loans to the Government could have been increased by degrees to any amount demanded. These two mistakes, the refusal to use banking machinery to economize the use of specie, and the issue of demand Treasury notes, precipitated the suspension of specie payments and so damaged the Government's credit, as well as that of the banks, as to create the necessity which was the plea on which Congress issued the legal-tender notes of 1862.

The preparation for the apprehended war of 1898 has already commenced with the appropriation of $50,000,000 out of money already in the Treasury. This sum is merely preparatory, but if war is actually declared, to be effective on the part of the United States it must be an offensive war carried on either in Spain or Cuba. Such a war involves for the equipment and transportation and maintenance of armies of adequate size an immense amount of material and transport ships. The expense will be as much greater than that of the Civil War as the expense of the Civil War was greater than that of the War of 1812, that is for the time the war may last. On a depreciated paper basis the expense of the Civil War at times reached three millions of dollars a day. It behooves the country to learn well and rightly the lessons of that period, and to avoid the rocks on which the financiers of 1861 virtually came near total wreck from which they were only saved by desperate methods.

It is well then to remember first, if bond issues become necessary, that the banks to-day, not only in New York, Philadelphia, and Boston, but of the whole country, stand ready to combine to assist the Government in bringing forward the resources of the country. But in using them let no mistake be made in depriving them of the machinery and methods of business to which they are accustomed. Let them combine to furnish the Government, in return for bonds, such credits as may be required, but let these credits be drawn upon by checks which will furnish a currency issued as needed and redeemed at once through the clearing-house machinery of the country. Let the sub-Treasury system act a subordinate part. In this way the resources of the country can be brought to the front as wanted and paid for on a coin basis. Prices may and will rise to some extent with the increased demand, but the price of labor will not lag behind as it did during the Civil War. Specie payments can be maintained, and when the war is over there will be no long period of depression as there was between the years 1873 to 1879.

THE SENDING OF CURRENCY BY REGISTERED MAIL, instead of by express, has been very generally adopted by the banks. The cost of transportation and insurance together is for most of the routes much less than the charges made by the express companies. Naturally the express companies are reluctant to surrender so lucrative a portion of their business. The use of the registered mail therefore has involved some friction between the insurance business and that of the express companies. But it is probable that the result in the end will be a reduction in the express rates charged. It does not seem possible that any thing can be gained by legislative warfare on the insurance companies. The banks are willing to pay reasonable rates for safe transportation of money, and it is not as yet at all certain that the rates now charged for the insurance of registered packages are sufficient to protect the companies in the long run. There have been some losses incurred recently in this business, and it remains to be seen what the effect on the companies will be. It is understood that as a rule the insurance of registered packages has been quite profitable.

The Government, as is well known, does not guarantee the absolute safety of registered mail, but it makes loss very unlikely by extra precautions in the care of each registered package. Among the losses so far encountered in this business was that of a package containing $15,000 sent from a bank in Chicago to one in Butte, Montana, sometime in September last. The package was insured by the Union Marine Insurance Co., Limited, of Liverpool. It was bulky and made up of $50 and $100 bills. It was placed in a pouch and dispatched over the Chicago and Burlington postal car line. At Cheyenne a new postal clerk by some error receipted for all except the Chicago pouch. He discovered the fact, took all the money in the pouch and destroyed the latter and its other contents. The detectives found a confederate of the clerk spending money freely and in this way fastened the crime on him and recovered most of the money.

This incident shows the risks attendant on the transportation of valuables by registered mail. These packages arrive at all hours of the day and night. There is often an accumulation at unprotected points, and the business of receipting and transferring is often hastily done and with some confusion. On the other hand detection of the point of loss, and of the criminal when the packages are stolen, does not seem to be specially difficult. Money in unusual amounts, possessed by persons liable to suspicion, can hardly be used either by the guilty person or those associating with him without its being observed. When the United States Treasury was robbed of a $50,000 package made up of $500 bills, by a clerk in the Treasurer's office, the first clue to the criminal was laid hold of on the Saratoga race course, where an associate of the clerk was observed betting and displaying bills of the denomination mentioned.

The insurance of registered packages is an operation that is very quickly done, the transactions over the longest routes not extending much over a week. Where the money is stolen, as in the case of the $15,000 package, there is a chance of recovery, but where absolutely lost by fire, floods, collisions, etc., there is no chance of this. One large loss will absorb the premium of the transactions for a long period, at the low rates charged.

It would seem that the insurance of registered mail is a business that might well be undertaken by the Government itself. This would be much more appropriate than undertaking the operation of postal Savings banks. All registered mail would not be insured, and a rate could be charged that would compensate for the extra care required in guarding the insured packages. Direct routes could be marked out for most of the insured matter, and such precautions taken as would render any loss almost impossible. The transaction of registering and insuring a letter or package could be accomplished at one operation, and if the rates were reasonably fixed there would be large amounts of mail insured on which people now take their own risks.

This would give the Government an amount of business about which no one would think of troubling the insurance companies. The Government is in a position to do this business and ought to undertake it.

THE EXECUTIVE COMMITTEE OF THE MONETARY CONFERENCE is said to be making very satisfactory progress in organizing the campaign for financial reform. The States of Massachusetts, Vermont, New Hampshire, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Maryland, North Carolina, Georgia, Tennessee, Kentucky, Ohio, Indiana, Michigan, Wisconsin, Minnesota, Iowa, Missouri, Washington, Oregon, California, Texas and Arkansas are now largely organized. Each of these States has a representative on the Executive Committee who also acts as State chairman. In some of the States the organization has proceeded further than the State committee, and in many there are committees in the Congress districts. It is proposed to proceed with the work until each county and election district is reached.

The lull in active proceedings in the present Congress caused by the excitement of the strained relations with Spain will give ample time to fully complete the organization in readiness for the next campaign. By some the interference of the war spirit is looked upon as likely to postpone indefinitely the success of the cause of monetary reform. But it is certain that these distractions do not affect the reform cause any more than they do the cause of so-called bimetallism. The silverites and Populists have as much apprehension that their propaganda will suffer as their opponents. They are quoted as speaking regretfully of the war scare, because according to them the great American people cannot seriously take up more than one great idea at a time. The American public is estimated by the Populist leaders to have about as much intellect as a balky horse, which when its mind is occupied with the idea of standing still, can only be got to move by rubbing mud in its mouth. The taste of the mud substitutes itself for the idea of standing still, and the driver regains his influence until some other notion occupies the mental sensorium.

This alleged opinion of the Populist leaders, whether admitted by them or not, is the real opinion of the voters entertained by agitators and demagogues. To their faces they tell the people how great and noble and intelligent and fair-minded they are, but in their hearts they conceive of the masses as an entity to be handled on the same principles as those on which the control of a horse or mule is based.

The literature sent out by the silver propagandists contains statements of alleged facts that no sane man who had a high opinion of the education and intelligence of his readers would dare to present to them. The main hope of success of the silver and inflation parties has always been based on the presumed ignorance of the masses.

If the people were really so uneducated and unintelligent as is assumed by those who seek to mislead them on financial subjects, there would be little hope for those who seek to secure currency reform. But that they are not so is proved by the result of the campaign of 1896, which though it may not have been an absolutely decisive and conclusive victory, at least indicated that the people were intelligent enough to know that chaff was not grain even if they had heard nothing else for many years. Ever since the burial of the rag baby in the campaign of 1878, the advocates of depreciated silver were allowed to promulgate their doctrines, with very little organized resistance on the part of the sound money advocates. The national bimetallic committee has been sowing its evil seed continually during the past twenty years. The producers of silver have been contributing money to keep up a continual agitation in favor of that metal. Speakers and men high in public station have been subsidized and kept in the field, and an "extensively fabulous blockhead," by the name of HARVEY, put out a work entitled "Coin's Financial School," a most curious tissue of plausible falsehoods and glaring absurdities, which was given a wide circulation. But notwithstanding this preparation of twenty years, in the campaign of 1896 the supporters of sound money, meeting this shifty adversary before the people, said in the language of Prince Hal to windy Falstaff, "Mark now, how a plain tale shall put you down," and carried the majority of the people away from the false idols set up for so long a time.

The distraction of the greater excitement of war should not be permitted to stop the work of the sound financial education of the people. It is the more necessary, in the face of increased expenditures, that the sound money men should keep at work to show that any expenditure however great can, if correct methods be adopted, be borne on a sound money basis much better than by any system of inflated and depreciated currency. If war is declared the sound money men of the country have an immediate and definite task before them to oppose and prevent any measures of raising money that will jeopardise the specie basis on which all contracts to-day rest. It was the lack of a public sentiment organized in favor of specie payments that permitted the paper money excesses of the Civil War. In case of a war with Spain, or any complication of the Cuban situation necessitating the enlargement of the loans of the United States, the sound money party has it in its power to enforce and sustain sound methods. But should the war scare subside, and a peaceful settlement of the Cuban difficulties ensue, the work of the sound money party is still before them.

One great difficulty with the sound money party is that there exists considerable difference of opinion among its leaders. In the last MAGAZINE an extract from an address by Assistant Secretary VANDERLIP was given which calls attention to this point. The opponents of sound money seem to be united on one plan, the free and unlimited coinage of silver at 16 to 1. While those who oppose the free coinage of silver are neither united nor equally aggressive. Mr. VANDERLIP'S advice is to crystallize the sound money sentiment into one specific and definite measure and to put aside small differences. The same advice was previously given by BRADFORD RHODES, Editor of the MAGAZINE, in his address before the convention of the Ohio Bankers' Association at Toledo in October last. He said: "We must sink our personal ambitions and pride in our individual ideas and rally unanimously to the support of some plan which shall practically embody the principles we all agree upon." There has been a well considered plan adopted by the Monetary Commission, and this is now being sent in printed form all over the United States. The principles that this plan embodies are entirely satisfactory to those acquainted with financial subjects, and it ought to prove a good working basis for legislation.

THE TAXATION OF NATIONAL BANK SHARES has been a frequent subject of litigation in almost all the States. The law creating National banks as it now stands provides that the States may tax the shares of stock of National banks in the hands of shareholders, but not at a greater rate than other moneyed capital in the hands of individual citizens.

The intent of Congress in providing for the taxation of National bank shares was at first overlooked or evaded in collecting taxes on such shares under the laws of many of the States, and it was necessary to present many questions to the Federal court of last resort for settlement. There were many methods of discrimination adopted between National bank shares and other moneyed capital. There were differences in valuation for assessment and in the allowances for the deduction of debts and disputes as to what constituted moneyed capital in the hands of individual citizens. The rates of taxation might be exactly the same, but the difference in valuation and the exemption of some classes of moneyed capital would still throw the heavier burden on National banks or subject them to undue competition. Moneyed capital naturally flows into the business where it is freest from the imposition of the burden of taxation and therefore commands a greater profit.

The Supreme Court of the United States by degrees gave relief and protection from that form of discrimination founded on valuation and unequal deduction of debts, but it has not yet freed the National banks from inequalities arising from the competition of moneyed capital employed in modified or disguised forms of banking, where the State law either exempts such moneyed capital from taxation altogether, or assesses and collects the tax in such a way that the result is serious discrimination against National bank shares.

The Supreme Court has decided that the main purpose of Congress in fixing limits to State taxation on investments in the shares of National banks was to render it impossible for the State in levying such a tax to create and foster an unequal and unfriendly competition by favoring institutions or individuals carrying on similar business and operations and investments of like character.

The exemption of shares of stock in railroads, in insurance, and manufacturing companies, does not, the court held, invalidate a tax on National bank shares. This seems to be sound enough unless the railroads, as has in some instances been done, should undertake indirectly to perform some of the functions of a bank and thus bring about competition. The court also held that deposits in Savings banks, although under any possible definition falling under the head of moneyed capital in the hands of individual citizens, were not such moneyed capital that if exempted from taxation such exemption required a like exemption of National bank shares. This seemed to many at the time the decision was rendered a distinction without much difference. It was grounded somewhat on the charitable character of some of the Savings banks.

Under the rule laid down by the court relative to the exemption of corporations that did not come into competition with the business of the banks, it was evidently very difficult to get around the exemption of moneyed capital invested in Savings bank deposits. These institutions do certainly to some extent come into competition with the ordinary banks. It was however more surprising still that the court should not find in the lighter taxation of trust companies a reason for the relief of the banks. A suit has been brought by a National bank in New York to test whether there is undue discrimination in taxing trust companies and National bank shares. There has been a manifest intention to foster trust companies under the State laws, and it now remains to be seen whether this tendency has gone to such an extent as to create a discrimination which on the basis of former decisions the courts will notice.

IF THE SETTLEMENT OF THE SPANISH TROUBLE should take the form of the purchase of Cuba, what an opportunity would be afforded the country to get rid of its stock of silver, at least at its bullion value.

If a sale of Cuba was agreed upon the United States would undoubtedly have to issue bonds to meet the price. It would be good policy to prevail upon Spain to take the silver dollars and silver bullion at its bullion price, making the silver certificates now outstanding a direct charge on the gold reserve, which could be increased to the necessary amount by an issue of bonds. The United States would gain largely by this operation, even if the loss on the silver was considerable.

On March 1, 1898, the Treasury had on hand $399,079,443 in silver dollars and silver bullion valued at coinage price at $100,819,300. Assuming that it was all coined money, the total would be $499,898,-748. It would need $101,257 more to make up an even half million and these could be easily obtained from the $59,020,914 in circulation in the hands of the people, leaving $58,918,657 outstanding which could be eventually placed on the same footing as the fractional subsidiary coinage. Supposing the price paid for Cuba to be $300,000,000. At 55.875 per ounce for silver bullion the dollar is worth 43.24 cents and the 500 millions of dollars would be worth $216,200,000. If Spain would accept these dollars at the bullion value there would remain $83,800,000 to be liquidated by the issue of bonds. On March 1, 1898, there were outstanding $391,908,504, silver certificates, $104,669,280 Treasury notes, and $346,681,016, legal-tender notes, a total of $843,268,800. Against these as a reserve there was in the Treasury net gold amounting to $167,000,000. By adding $100,000,-000 more gold to this, procured by the issue of bonds, the total reserve would be $267,000,000 or about 31.66 per cent. To make an even reserve of 33 1-3 per cent. would require $281,089,600 and necessitate adding $114,089,600 to the gold reserve on March 1, instead of $100,-000,000. The present gold reserve is 37 per cent. of legal-tender and Treasury notes, but as it has also to indirectly sustain silver certificates at the parity, it is certain that 33 1-3 per cent. on the entire paper issues of the Government would be ample especially after the entire removal of the silver bugbear. The Government could in this way pay $300,000,000 for Cuba by the issue of $197,889,600 in bonds, if these bonds were placed at such a rate of interest as to be worth par. If they were worth more than par the principal necessary would of course be less. But the Government will lose on the silver, that is the present market price is less than the market price at the time the silver was purchased. But the probability is that provided the silver is to be got rid of in this way, nothing will be gained by waiting. The price is more likely to fall further than it is to rise. Of course by maintaining the silver dollars in their present condition the Government apparently makes a gain by the seigniorage. But is not this gain offset by the risk and possible loss of attempting to perpetually maintain so large a mass of depreciated silver at par in gold?

GOLD IMPORTS AND THE SPANISH WAR CLOUD.

The importation of gold still continues and at the present writing the conditions are favorable for a further continuance of the flow in this direction. Already about $40,000,000 has either been received or is on the way to the United States, including the imports at San Francisco.

In a short time all the balances at the clearing-house will be paid in gold, and the progression of this movement will of necessity bring the gold into the Treasury through the payment of customs duties. The expenditures and receipts of the Treasury are very near an equality. For the month of February the revenues exceeded the expenditures although a part of the receipts were derived from the payments of the railroads to the Government.

The large exports of merchandise from New York city are unprecedented, while there has been a falling off in imports. There has also been an improvement in the rates in the money market. If these conditions had not been offset by the apprehensions of serious difficulties with Spain, it is highly probable that the rise in the tide of prosperity throughout the whole country would have been of such a marked character as to inspire the widest confidence. As it is there is a marked gain in most lines of business, and a feeling that as the season advances the expectations of permanently better times will be realized.

On the whole the year 1898 is opening with a feeling of encouragement throughout the business world that has not existed for several previous years. The Klondike excitement, although just now overshadowed by the greater agitation based on apprehensions of a war with Spain, has stimulated business, while the preparations for defense in case of war have also had the same effect. The war scare however has produced more evil than good by stifling enterprise in many other lines, and by throwing a veil of uncertainty over the future. It is to be hoped that some method of peaceful settlement of the question may yet be arrived at, although there are many reasons for believing that the solution of so radical a difficulty is not very easy. Cuba lies so near our shores, and the interests of many of our citizens are so involved in the commerce and productions of the island, that to protect these interests it seems almost impossible to avoid the conclusion that the United States will have eventually to force the establishment of fair and reasonable government. Any settlement short of the establishment of a government under which enterprise and industry can be protected both from lawless violence and excessive and unreasonable taxation, will prove fallacious, and secure only temporary repose.

The government of the world to-day is growing more and more a question of economics. A weak empire with dependencies is almost sure to lose the latter, and even its own autonomy, if it does not govern according to economical principles. Turkey has lost Egypt and other provinces through the neglect of these laws of wealth. A nation that borrows foreign capital, and in fact mortgages its resources to foreigners, must expect when it becomes unable to pay to be interfered with from without. It is the strength or weakness of a nation that determines the time and manner of this interference. Foreign capital invested in private enterprises in a country has the same effect as such capital invested in the public debt. While the sovereignty of a state, an idea that has survived from an earlier period, still commands some respect, this respect is soon overcome when the sovereign state dissipates its resources by bad government to such an extent as to fail to pay its creditors, and at the same time weakens its powers of defense.

Cuba seems to have been overtaxed and misgoverned by Spain, until a large portion of the population have become so impoverished as to be desperate. Those who still retain any wealth are now harassed on the one side by the crowds driven to spoliation by poverty, and on the other by the tax-gatherers of the mother country. Foreigners who have invested capital in the industries of the island are in this last condition.

Any settlement that does not restore the means of making a living to the masses of the inhabitants, and does not relieve the industries of the country from suppressive taxation, will be futile. The difficulty will shortly break out again in a worse form than before. During Grant's Administration the trouble seemed to be settled. But since that time the condition of Cuba has been growing continually worse.

It is true that the United States does not want Cuba. If Cuba was a a colony of Great Britain or any other power governing on modern economic principles, this trouble would never have arisen. But governed as it has been, and as it is always likely to be under the dominion of Spain, with its intimate business and commercial relations with the United States, the only effective and permanent settlement which will prevent the recurrence of threats of war every ten or fifteen years is the independence of Cuba and the establishment of a government under the protection of the United States.

Whether this can be done peacefully or not is a serious question. Spain is said to be a country possessed of a high sense of national honor. This when analyzed seems to mean that she will fight to exhaustion for what she will have to surrender in the end. The United States is willing to pay for Cuba, but there is a large party in this country who think they can secure it by war. The last method would no doubt be more costly than the first, both to this country and Spain. But if the latter country should before a warlike contest express a willingness to let the United States assume a protectorate over the island on reasonable terms, the whole trouble would be easily and permanently settled. This purchase of Cuba would not by any means be a profitable one for the United States. It would, however, relieve Spain of a great burden, and the benefit to the United States would come in the relief from periodical threats of war which depress all the industries of the country. It is better if possible to peaceably remove such a source of involvement in the contentions of Europe, especially as Cuba is now in the hands of a nation that is behind the times in economic ideas, in governing her dependencies.

The large imports of gold and the great increase in the production of the metal in the United States and in the Klondike country have strengthened the gold reserve of the Treasury and the banks. Therefore, while not desiring war, it is apparent that the country now has an ample coin basis for sustaining the credit operations which a conflict would probably make necessary. In such a crisis the gold standard will prove a bulwark of confidence.

FOREIGN BANKING AND FINANCE.

The Taxation of Foreign Securities. The opposition to the increase of the tax on foreign securities in circulation in France has been such that the plan has been practically abandoned. The budget committee of the Chambers now propose to limit the new duty to foreign securities which at present escape taxation and to make no change in the rate upon others. The stamp duty on foreign State funds, which went into operation on January 1, 1896, raised the duty from an average of fifteen centimes to fifty centimes (half of one per cent.) per 100 francs of capital on Government stocks and from 1.20 to two per cent. on other foreign bonds or shares. The law was retroactive in its operation, all securities then circulating in France being required to be restamped and the additional duty paid before they could be again negotiated. The results of this tax and of the Bourse tax of 1893 are discussed by the Paris correspondent of the London "Economist" in the issue of February 12, 1898, as follows:

"During the first year of the operation of the law new Government bonds for the sum of 861,259,490 francs ($170,000,000) were presented at the Stamp Office to be stamped at the full duty, and shares or bonds for a sum of 1,535,617,503 francs to be restamped at payment of the supplement. In 1897 those sums had declined to 736,526,520 francs and 786,862,722 francs. The higher duty apparently diverted some new foreign State loans from the Paris market to other European bourses, as opponents of the increase in the tax predicted would be the case, and the new capital raised in France for foreign States declined on the year 125,000,000 francs. The decrease in the value of securities restamped was natural. The law did not, however, produce the same effects on the shares or bonds of foreign companies and corporations, as the new capital raised rose on the year from 69,831,644 francs to 100,219,118 francs. More companies and corporations consented to pay two per cent. of the capital they required for the admission of their titles to the Paris market. The value of the shares and bonds already dealt in here and restamped fell on the year from 342,062,895 francs to 83,387,873 francs. The total yield of the stamp duty on foreign securities fell from 13,814,045 francs in 1896 to 9,146,216 francs last year.

In 1893 a bourse tax of five centimes per 1,000 francs was established on all purchases and sales of public securities, and was estimated to produce an annual sum of 10,000,000 francs. That sum was more than realized in 1894 and 1895, but since January 1, 1896, the tax has been reduced by three-fourths on dealings in French Rentes. The consequence was that in that year the yield of the tax fell one-half, or to 5,064,000 francs. Judging from an increase in the revenue from the tax to 5,526,000 francs in 1897, there was an appreciable revival of activity on the market last year."

The Swiss Banking System. The annual report of the official inspectors of the Swiss banks for the year 1897 contains much interesting matter regarding the development of the system during the year and the persistence of the movement for a central bank. Switzerland enjoys the advantage of a large supply of gold and a very small supply of silver in her bank reserves, but there have been complaints in recent years, on the one hand, that the circulation was inadequate to the demands of business and, on the other hand, that the absence of a central bank and the constant issue of new notes was driving gold across the frontier. The demand for increased banking power appears to be a real one, in spite of these fears, and resulted during 1897 in a net increase of the capital of the banks by 13,750,000 francs, ($2,700,000), and an increase in the average circulation of 8,118,000 francs, ($1,600,000). The increases of capital granted were to six different banks and carried the total capital of the thirty-four Swiss banks of issue to 164,275,000 francs, ($32,500,000). Authority to issue additional notes was granted to ten different banks to the amount of 19,050,000 francs. The following table, taken from the article on "The Banking System of Switzerland" in the BANKERS' MAGAZINE for June last, and brought down to date, shows the maximum and minimum points of the effective circulation for the past six years:

YEAR.	*Maximum.*		*Minimum.*	
	Week.	*Amount.*†	*Week.*	*Amount.*†
1892*	Jan. 2	168,531	Aug. 27	141,144
1893	Nov. 11	172,923	Feb. 25	142,905
1894	Nov. 10	175,111	Feb. 24	147,687
1895	Nov. 9	185,146	Feb. 23	154,264
1896	Nov. 14	190,194	Feb. 22	165,711
1897	Dec. 31	211,590	Mar. 6	172,877

* The apparent departure from the usual rule in 1892 is not nearly so wide as the dates would indicate. The circulation fell as usual in the winter, touching 141,604,000 francs for February 20, and afterwards passed through the usual fluctuations, but the low point of August happened to fall a little lower than usual and below the February minimum.
† In thousands of francs.

The circulation outstanding, including that held by the banks, reached a maximum of 218,531,000 francs in 1897 and touched a minimum of 188,476,000 francs. The average outstanding circulation was 163,487,000 francs for 1891, 163,344,000 francs for 1892, 167,369,000 francs for 1893, 171,285,000 francs for 1894, 179,221,000 francs for 1895, 190,155,000 francs for 1896, and 199,415,000 francs for 1897. The required coin reserve is forty per cent. The entire coin reserve, the excess of which above forty per cent. is considered as held against general liabilities, was 51.9 per cent. in 1891 and fifty-four per cent. in 1894. There has been since that date a decline to 52.3 per cent. in 1895, 50.3 per cent. in 1896 and 50.1 per cent. in 1897. The actual amount of metallic reserve has not failed to increase, but the increase has not kept pace with the liabilities. The amount in 1891 was 84,892,000 francs; in 1892, 88,933,000 francs; in 1893, 89,413,000 francs; in 1894, 92,492,000 francs; in 1895, 93,649,000 francs; in 1896, 95,713,000 francs; and in 1897, 99,975,000 francs. The maximum metallic reserve during 1897 was 107,129,000 francs, for the week of November 20, and the year closed with a reserve of 103,774,000 francs. The minimum was 94,863,000 francs, for the week of January 2, 1897. The proportion of gold held upon the average for 1897 was ninety per cent. of the reserves, the amount being 90,005,000 francs, while the silver held was only 9,970,000 francs.

The discount rate of the Swiss banks averaged 3.92 per cent. during 1897 against 3.94 per cent. during 1896. The rate at the beginning of the year was 4½ per cent. which was reduced on January 14 to four per cent. and on January 28 to 3½ per cent. The rise in foreign exchange led to a restoration of the rate on March 25 to four per cent., which was reduced on May 13 to 3½ per cent. Unfavorable crop conditions led to an increase again to four per cent. on August 14, which was increased to 4½ per cent. on October 7. The increase on the latter date, which remained in force until the end of the year, was half of one per cent. less than for the same period of 1896. The average rate in Switzerland was higher than in France, Germany, Belgium or England, but only 0.11 per cent. higher than in Germany. The rates of foreign exchange were generally against Switzerland, which leads the official inspectors to remark that "This tendency to the rise of foreign bills coincides naturally with a decline in the course of Swiss paper abroad, from which necessarily results a depreciation of our exchange. It would require too much space to seek here the conflicting and numerous causes of this unfortunete phenomenon, but the commercial balance of Switzerland abroad is the principal factor which must be invoked for forming an idea of the exceptional situation in which the country finds itself towards other nations."

The report refers to the defeat of the proposition for the creation of a State bank by the popular vote, for which the corrected figures were 195,764 votes in favor of the bank and 255,984 votes in the negative. Reference is made to propositions still pending before the Federal Council for the creation of a National bank with limited responsibility, clothed with a corporate existence independent of the Government, but provided with capital by the Confederation, the Cantons and eventually by the Cantonal banks. This proposition came from the opponents of the State bank, and the Swiss Union of Commerce and Industry has promised to present a new project for a central bank with a share capital, but supervised and administered with the approval of the Confederation. If this proposition has not taken a definite form, the report declares, it is partly because a truce of a few months, after the defeat of the proposition submitted on February 28, 1897, was likely to have a salutary influence and partly because public attention had been so much absorbed in the discussion of State insurance against sickness and accidents and Government ownership of the railways. The Government has received assurances from the Union of Commerce and Industry that their project for a central bank shall be presented during the spring of the present year.

Banking Reform in Italy.

The Italian Chambers have been recently engaged in the discussion of the plans of banking reform prepared by Signor Luzzatti, the Minister of Finance. He declared, in opening the debate, that it was the purpose of the new measures to protect the notes outside of the general operations of the banks in order that every note in circulation should have a special lien upon the metallic reserve and a preference upon the national securities at market rates and upon the commercial paper of the best character. He maintained that in order to obtain the desired results it was necessary to separate sharply land banks from banks of issue and to spare the country such a catastrophe as would have met the Bank of Naples if the Bank had been abandoned to its fate. The Minister recalled the fact that the law of 1893 had for its principal object the improvement of exchange rather than the protection of note holders. The law of 1897 was intended to complete that of 1893 by fixing an adequate metallic reserve destined exclusively to cover an equal amount of notes in circulation. The gradual reduction of the circulation had already increased the ratio of the metallic reserve automatically from forty to forty-eight per cent. The new law differs from that of 1893 in respect to giving a first lien to note holders upon all the assets of the bank and in placing restrictions upon the amount of circulation. It also proposes the separation of the bank from its land credit department and provides adequate resources for the latter department. A proof of the improvement in banking conditions was the increase of current accounts from 66,200,000 lire to 98,000,000 lire from February 20, 1894, to the close of 1896.

The propositions of the Minister were accepted early in February in the Chambers by a vote of 176 against 55.

The Savings Banks in France.

The provisional report of the transactions of the French Savings banks for 1897 shows that eleven branch banks were created during the year. The number of banks now stands at 545, with 1,163 branches and 365 subordinate collectors. The number of new books opened during the year was 482,627, but the net increase over the number at the close of 1896 was only 119,479, leaving the number of accounts open on December 31, 1897, at 6,752,926. The deposits during 1897 amounted to 712,093,279 francs ($140,000,000) and the withdrawals to 760,174,780 francs. The difference between these figures does not represent a decline in the balance due depositors, since allowance is not made for interest, for the purchase of securities when the deposits reach a certain point, and for other items. The actual change in the balance due depositors was from 3,382,355,533 francs at the close of 1896 to 3,419,339,822 francs ($660,000,000) at the close of 1897. The average credit per book is now 506.35 francs ($100), the average number of depositors per 1,000 inhabitants is 175, and the average deposit per inhabitant of France is 88.77 francs. The latter figure at the close of 1896 was 87.81 francs. The interest paid at the rate of 3.25 per cent. amounted to 111,397,300 francs. The purchase of national securities made in 1897 on account of depositors absorbed a capital of 16,174,277 francs.

The Austro-Hungarian Bank in 1897.

The full official report of the Austro-Hungarian Bank, which has been transmitted to the BANKERS' MAGAZINE through the courtesy of the Governor of the Bank, affords some interesting facts beyond those published in the MAGAZINE for March.

It appears that the circulation was only once during 1897 above the prescribed limit, beyond which the excess becomes subject to a tax of five per cent. This was in the week ending January 1, 1897, when the excess was 6,503,000 florins ($2,600,000), so that substantially there was no excess during the year. The margin within which currency might be issued without reaching the limit was at its lowest point on December 31, 1897, when it was 6,387,000 florins. The widest margin, indicating large gold holdings and a restricted circulation, was 120,021,000 florins for the week ending July 23. The maximum circulation outstanding was 706,552,000 florins ($280,000,000) on October 31 and the minimum was 574,368,000 florins on March 23. The Government notes held in the reserves of the Bank, which rose on January 31, 1897, as high as 8,927,000 florins, were gradually reduced during the year until the amount on December 31 was only 651,000 florins. The changes in the circulation during the past eight years, completing the table given in the special article on "The Austro-Hungarian Bank" in the November number of the BANKERS' MAGAZINE, have been as follows:

YEAR.	*Maximum.**	*Minimum.**	*Mean.**	*Outstanding Dec. 31.**
1890	471.376	387,888	415,570	445,934
1891	466.687	392,798	421,099	455,222
1892	491,709	381,371	425,959	477,987
1893	504,282	427,291	463,988	486,623
1894	517,742	4 9.349	458,911	507,808
1895	620,400	446,600	527,400	619,854
1896	668,009	536,832	587,656	659,726
1897	706,552	574,368	630,714	699,907

* In thousands of florins.

The discount rate at the Bank remained uniform throughout the year at four per cent. The total value of the commercial paper discounted during 1897 was 1,217,490,667 florins, representing an increase of about 17,000,000 over 1896. Commercial paper on hand at the close of 1896 represented a value of 217,592,164 florins, and the amount paid during the year was 1,228,145,905 florins. The result of these operations was a balance on December 31, 1897, of 206,936,926 florins, or 10,655,238 florins less than at the close of 1896. The pieces of paper held at the close of the year at Vienna and Buda-Pesth showed a very considerable increase, but the amount was less at Vienna than in 1896, while the figures at the branches were more nearly stationary. The pieces of paper discounted at Vienna stood at 42,241 with a face value of 54,439,768 florins; at Austrian branches, 79.326, with a value of 61,342,058 florins; at Buda-Pesth, 37,689, with a value of 57,020,762 florins; and at the Hungarian branches 72,661, with a value of 34,134,337 florins. The number of small pieces discounted appears to be increasing from year to year, although the number below 50 florins ($20), was a trifle less in 1897 than in 1896. The following table continues one of a similar character, printed in the MAGAZINE for November, showing the number of pieces of paper discounted by classes for a series of years:

AMOUNT IN FLORINS.	*1892.*	*1894.*	*1896.*	*1897.*
Under fifty	15,418	20,609	29,147	28,040
Fifty to 150	176,349	239,617	325,593	346,198
Over 150 to 300	219.285	267,466	333,086	348,109
Over 300 to 600	181,283	216,405	255,037	269,243
Over 600 to 1,000	124,509	152,503	163,235	163,145
Over 1,000 to 2,000	96,686	123.391	128,521	129,272
Over 2,000	71,315	92,791	99,143	96,398
Total	884,840	1,112,782	1,333,762	1,380,405

Some discussion has arisen recently between the Bank and the Government in regard to the division of profit derived from the change in the denomination of the gold reserve of the Bank when the new monetary system was adopted in 1892. Gold which had previously been carried in the reserve had been counted at its face value, but the decision to convert the paper money at the rate of two of the new crowns, worth 20.3 cents each, for one of the old florins, whose nominal value was 48.2 cents, resulted in a profit of about 13,500,000 florins upon the gold then held in the bank reserves. The Bank at that time carried this amount in foreign bills to its special reserve fund, but the Government is now claiming that half of this profit should be divided between the two Governments of Austria and Hungary. The Bank has taken the ground that the gold was the property of its shareholders and that no claim upon it can be recognized on behalf of the State. The question has not yet been finally determined.

The Bank of France in 1897.

The annual report of the Bank of France for 1897, which has been received by the BANKERS' MAGAZINE, shows a large volume of business during last year, in spite of the discussion in the Chambers over the renewal of the charter.

The whole volume of operations for the year was 81,311,369,300 francs ($16,000,000,000), of which 58,063,523,100 francs were paid at Paris and 23,247,846,200 francs at the branches. The payments of specie were 2,702,488,100 francs, of notes 35,470,883,800 francs, and of transfer checks 43,137,997,400 francs.

The Bank of France, through the volume of its business and its monopoly of note issues, fulfils in a considerable measure the mission of a clearing-house among a network of independent banks and the transfer checks (*virements*) represent checks drawn upon the Bank by those having accounts there in favor of other persons having such accounts, many of which checks would pass through a clearing-house if these accounts were kept in independent banks. The whole volume of these transfers of money and credit exceeds several times the net incomes of all Frenchmen, the excess being due to the fact that the receipts of traders represent many times their net profits. The whole volume of operations in 1895 was 89,179,780,500 francs and in 1896, 80,393,747,600 francs.

The volume of the operations of the Bank affording a profit was 15,308,125,000 francs ($3,000,000,000), as compared with 15,021,429,000 francs in 1896. The increase in 1897 was wholly at the branches, there having been a slight loss at Paris. The expenses at the central Bank at Paris were 7,348,400 francs and at the branches 6,511,600 francs, exclusive of general expenses in the way of taxes and transportation, amounting to 5,326,630 francs, making a total of 19,186,630 francs. The net profits were 23,090,134 francs, of which 935,416 francs were covered into the reserve, 1,372,000 francs was paid to the Government under the requirements of the new charter, and 61,364 francs in interest upon securities. The profits were distributed in dividends amounting to 109 francs per share, after the deduction of the tax. This dividend was distributed among 28,221 shareholders, representing 124,441 shares belonging to individuals and 58,059 shares to public institutions and trustees. The number of 97,400 shares is held at Paris by 10,639 shareholders and 85,100 shares at the branches by 17,582 shareholders. The report reviews the services of the retiring Governor, M. Magnin, in a manner which summarizes some of the events in the financial world during the last twenty years. M. Magnin became Governor on November 18, 1881. The report declares :

"From the beginning of his duties, he contributed in a large measure to ameliorate the disastrous consequences of the crisis of 1882 and later by his decision, energy and good sense, he was enabled, with the aid of the General Council, to bring to a successful termination the liquidation of the *Comptoir d'Escompte* and of the *Société des Dépots et des Comptes Courants*, and to rescue the public credit from the serious dangers to which it was exposed by the fall of these institutions. Through these crises, so happily terminated, his financial policy raised our reserve to the considerable amount which to-day gives strength to the Bank and constitutes a precious resource for the national defense. It is to his attitude on the occasion of the Monetary Convention of 1885 that the Bank and the country owe the clause providing for the liquidation of silver money, which modified so favorably the international compact of 1878 known under the name of the Latin Union. It is due to his initiative and incessant seeking after progressive methods, moreover, that all the improvements in service have been created, which have permitted the Bank to enter upon a new course, extending its action and influence and rendering it more popular and more accessible to all. Finally, the renewal of the privilege, which is due in part to his important and legitimate influence, has come to crown with dignity a career so well filled with achievement."

The London Joint-Stock Banks.

The compilation of the returns of the leading London banks for the second half-year of 1897 shows that eleven of these institutions represent a total subscribed capital of about £74,000,000, of which £15,000,000 is paid up, while their accumulated reserve funds amount to £9,380,000 additional. At the end of December the total deposits and acceptances amounted to £194,000,000, while the cash in hand and with the Bank of England was £26,594,000, or 13.69 per cent. of the liabilities. The aggregate investment in Government and other stocks was £36,465,000; in bills discounted and other securities, £129,611,000. The net profits for the half-year were £1,314,000, or 17.16 per cent. on the paid-up capital.

The actual dividends paid average 13.87 per cent., being an increase of 1.76 per cent., or £167,000, over the dividends for the corresponding half of 1896. If to these figures are added the capital and operations of fifteen other joint-stock and private banks which do not furnish full statistics, the total paid-up capital of the twenty-six institutions amount to £30,052,000, and the reserve funds to £16,000,000. Deposits aggregate £369,452,000 ; the acceptances, £16,500,000; investments in Government and other securities, £91,000,-000; and bills discounted and loans, £236,336,000; the ratio of investments to deposits and acceptances being 23.56 per cent.

Issues of Securities in 1897.

The valuable computation of the issues of negotiable securities throughout the civilized world, made annually by the *Moniteur des Interêts Matériels* of Brussels, is published in the *Bulletin de Statistique* for February. The issues of 1897 were only 9,596,755,180 francs ($1,800,000,000) as compared with issues in 1896 of 16,722,067,625 francs ($3,300,000,000).

The fluctuation in the issue of securities is more considerable than in most other credit statistics, because of the paralysis of such enterprise in time of business depression. In the flush year 1872 the issues were 12,600,000,000 francs, but fell in 1875 to 1,700,000,000 francs. The year 1879 witnessed the maximum for a considerable period, the total issues rising to 9,400,000,000 francs. The year 1885, with issues of 3,300,000,000 francs, marked the minimum point for the decade and 1889 showed issues of 12,700,000,000 francs. The year 1892 was a prosperous one in the United States, but the shortage of crops in Europe absorbed capital there and the security issues for the world were only 2,500,000,000 francs. The figures for 1893 were 6,000,000,000 francs; for 1894, 17,800,000,000 francs; and for 1895, 6,500,000,000 francs. The issues for 1897 included 684,885,350 francs in conversions of old securities.

The total issues for 1897 included 3,398,767,500 francs ($630,000,000) in Great Britain; 2,373,436,500 francs ($460,000,000) in Germany; 823,102,900 francs ($160,000,000) in France and her colonies; 758,604,530 francs ($150,000,000) in Russia; 317,602,150 francs ($60,000,000) in Latin America; 272,230,300 francs ($54,000,000) in Austria-Hungary; 224,932,500 francs ($44,000,000) in Spain; 193,210,550 francs ($38,000,000) in Belgium; 162,171,700 francs ($32,000,000) in Switzerland; 155,341,200 francs ($31,000,000) in the Netherlands; 137,689,500 francs ($27,000,000) in Canada; 131,150,000 francs ($26,000,000) in the United States; 123,685,000 francs ($24,000,000) in Africa; and 100,800,000 francs ($20,000,000) in Denmark. The largest items of conversions included in these figures were 427,473,000 francs for France and her colonies, 84,829,000 francs for Latin America, 17,149,000 francs for Germany, and 44,168,850 francs for Belgium. The character of the issues of the leading countries was as follows:

COUNTRY.	*State and other public securities.*	*Credit societies.*	*Railways and manufactures.*
	Francs.	Francs.	Francs.
Germany	457,512,500	429,100,000	1,469,675,000
Latin America	180,620,000	7,500,000	44,653,150
Austria-Hungary	167,005,050	43,319,000	61,906,250
Belgium	77,377,600	14,110,000	57,554,100
Canada	57,732,000	....	69,957,500
Spain	184,000,000	....	40,932,500
United States	....	....	131,150,000
France and colonies	15,343,150	18,400,000	361,886,750
Great Britain and colonies	513,775,000	32,725,000	2,822,267,500
The Netherlands and colonies	14,710,150	7,586,450	133,044,600
Russia	120,000,000	278,700,000	355,407,080
Switzerland	84,272,150	19,900,000	33,751,550

Savings Banks in Belgium and Saxony. The evidence of the rapid increase of savings deposits in Belgium published in the BANKERS' MAGAZINE for October last, including the returns up to the close of 1895, has been supplemented by the official returns for 1896, which have now been verified and compiled by the Government and appear in the *Bulletin de Statistique* for February. The savings system was inaugurated in Belgium on September 15, 1865, and before the close of that year 803 books were outstanding, showing net deposits of 529,632 francs, or an average of 659.56 francs ($130) per book. The tendency since that time has been toward the increase of the smaller savings, and the course of the average deposit has

DECEMBER 31.	*Number of accounts.*	*Net deposits.*	*Average per depositor.*
		Francs.	Francs.
1866	6,016	2,293,422	381.22
1870	52,346	19,620,728	374.82
1875	106,212	44,857,001	421.93
1880	200,565	125,098,287	623.73
1885	444,087	189,061,089	425.72
1890	731,057	325,415,412	445.18
1891	800,074	333,428,782	416.75
1892	869,947	351,308,338	403.83
1893	960,468	390,181,775	407.24
1894	1,053,699	427,317,065	405.54
1895	1,145,408	453,429,300	395.87
1896	1,238,601	481,160,337	388.47

been downward for several years, not because the large deposits have fallen off but because many small deposits have been added. The number of deposits made during 1896 was 2,370,080 and the amount of these deposits was 214,028,743 francs. The development of the system in representative years, showing the condition at the close of each year, appears in the preceding table.

The recent official publication of the statistics of the Saving banks of Saxony shows the same rapid increase in deposits within the past generation which has been shown in other countries. There existed in Saxony in 1870 only 142 Savings banks. The number had increased in 1880 to 175, in 1890 to 220, and in 1895 to 247. The aggregate deposits in 1870 were 115,720,000 marks ($28,000,000); in 1880, 338,807,000 marks; in 1890, 581,720,000 marks; and in 1895, 741,898,000 marks ($180,000,000). The deposits have not only increased in the aggregate, but the average to each bank has increased from 814,800 marks in 1870 to 3,003,600 marks in 1895.

Banking and Financial Notes.

—The fact that the financial world now demands a larger gold reserve at the Bank of England than was carried in former years is explicitly stated in the money article of the London "Economist" of March 5. It is declared, "Some gold has already been taken for the States, and if any large withdrawals are made, money here must become dearer, for it may now be taken as the settled policy of the Bank to maintain a much larger reserve than was formerly considered necessary, and big though its present reserve of £23,600,000 may be when measured by former standards, any material encroachment upon it would be met by an advance of the official rate."

—The half-yearly returns of banking in Ireland show that the amount of the deposits and cash balances of the Irish joint-stock banks amounted at the end of December last to £39,300,000, being an increase of £62,000 over the total at the end of 1896, the highest that had been recorded up to that time. The balances in the Trustee and Post Office Savings banks, which at the close of 1896 amounted to £8,319,000, had increased at the end of last year to £8,942,000, thus showing an augmentation of £623,000. An increase of £62,000 in the average note circulation of the Irish banks in December last, as compared with the corresponding period of 1896, has also to be noted.

—At the half-yearly meeting of the Bank of England, the Governor, Mr. H. C. Smith, stated that the "rest" amounted on March 2, to £3,745,379. The directors proposed a dividend of five per cent. for the half year, being the same as for the corresponding period of last year.

—The German-Asiatic Bank is about to open seven new branches in China, all of which will undertake agencies for German home firms.

—The National Brazilian Bank is being reorganized with a capital of 5,000,000 milreis ($2,600,000), of which 3,500,000 milreis come from the assets of the old bank and 1,500,000 from new subscriptions. The council of the new bank includes the local agent of the Bank of Paris and The Netherlands.

C. A. C.

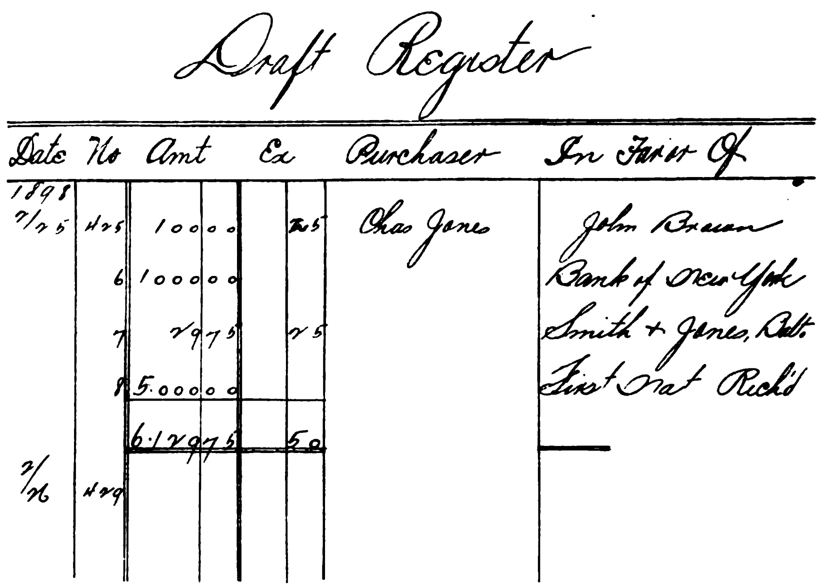
PRACTICAL BANKING DEPARTMENT.

HELPFUL HINTS DERIVED FROM EXPERIENCE.

IMPROVED FORM OF CHECK BOOK.

I noticed in the January number of the BANKERS' MAGAZINE a very able and suggestive article on the interesting query, "Can the Conventional Check Book be Improved?" There are few men of business who have not given this question thought. In their efforts to economize time and labor, at the same time insure accuracy in their accounts, they have long felt the need of something other than the present conventional check book.

Notwithstanding the fact that much simpler and more improved forms have been suggested, we find to-day the conventional check book still used in a large number of banks. Most of our leading banks, however, have done away with this form, and use in its place drafts or checks in pads, which are recorded in a draft register. Of course, the draft registers differ; yet all of them, in my judgment, are superior to the old form of stub draft book.



Draft Register

Date	No	Amt	Ex	Purchaser	In Favor Of
1898 7/25	425	100 00	25	Chas Jones	John Brown
	6	1000 00			Bank of New York
	7	29 75	25		Smith + Jones, Balt.
	8	5.000 00			First Nat Rich'd
		6.129 75	50		
7/26	429				

The form here shown was adopted by us several years ago, and on examination will be easily understood. The column assigned to purchaser is only to be used when a draft is sold to an individual. If said individual be a stranger, the name of person by whom he was identified must also be recorded.

The drafts are padded and *numbered*. This serves as an absolute guarantee against the possibility of issuing one without recording it in the draft register, for the error would necessarily be discovered in issuing the next draft, since the numbers would not agree.

Nearly all banks have their principal correspondent in New York city on which they draw nine-tenths of their checks for credit with other correspondents, and also in payment of collections received from banks and private firms throughout the country.

All banks making a specialty of collecting would do well to discard the stub draft book, or in other words, the conventional check-book, and to use only the register, not both, as I have seen certain banks do. Of course, only the total of the register is posted to the credit of the bank against which the drafts are drawn.

Why not also introduce this advanced step of bookkeeping in mercantile houses? It would greatly simplify and lessen the work of the bookkeeper. Where as now they necessarily have to copy from their stubs, then they would only credit *cash* with the total checks drawn for the day. It is surprising to find how many mercantile houses, even of considerable size, keep such poor and incomplete books; which fact must in time result in considerable, if not serious trouble.

The best form I know of in a pocket check book for keeping an accurate account is one with a folding leaf attached to the cover, and ruled so as to record date, number, to whom payable, amount of check, amount of deposit, and column for balance. This, however, can not satisfactorily be done in any other check book than those which open lengthwise; and since the record sheet can only be ruled for about twenty-five lines, a greater number of checks could not be bound to a book. It does, however, insure accuracy, and is also very convenient.

L. M. VON SCHILLING,

NEWPORT NEWS, Va. (*First National Bank.*)

BANK BALANCES AND CHARGING FOR BANKING FACILITIES.

Bankers are not in business for amusement nor yet for their health. They must have a profit or else they cannot exist. Shall the facilities they furnish to their dealers be compensated indirectly, or would it better to call a spade a spade, and charge specifically for what is done for the merchant, the manufacturer and the private man of means whose accounts they keep? It costs something to run a bank, even when it is a very small one, while in the case of a large institution with high rent and a considerable salary list, the expenditure runs into very large figures. All that is thus paid out must be taken from earnings before a profit available for dividends can be shown.

A short time since I had a long conversation with a banker doing business in the neighborhood of Wall Street, New York, who entertains very radical ideas upon this point. He is a gentleman who has had an international experience, and one who in addition to being a very careful observer of current financial events is a close student of finance. The ideas which he entertains may be of interest to bankers in general and therefore I present them. For obvious reasons I am not permitted to make public the banker's name. He was inspecting a recent statement of the banks and trust companies of New York, and said:—

"I have before me a recent statement of the New York banks. The figures presented are suggestive. What principally commands my attention is the ever increasing amount of deposits. These have now reached the enormous sum of seven hundred and fourteen millions of dollars. In the way of a legal reserve against this amount the banks hold of specie one hundred and ten millions and of legal-tenders ninety-nine millions, making a total of two hundred and nine millions. This, of course, is in excess of legal requirements by over thirty millions of dollars.

The loans, which include discounts and time loans and loans on call, amount to six hundred and twenty-three millions. Thus the banks, working with a total capital of fifty-nine millions, to which is to be added the sum of seventy-four millions of undivided profits, making in all one hundred and thirty-three millions of dollars of investment, are only able to loan out a part of the funds deposited with them. Their entire capital, their surplus and more besides, lies idle in their vaults as a legal cash reserve of no practical use to any one, save as a guarantee.

It has always been supposed that commerce and industry apply to the banks to furnish the capital they require and which is necessary to carry out legitimate enterprises, and that the actual capital of a bank is engaged in furthering the interests of merchants and manufacturers whose credit-worthiness entitles them to such aid and support. A glance at a bank statement, however, will convince any one that the capital of the banks is untouched, that it remains idle and that only a portion of the funds deposited with the banks is loaned out by them.

The cause of so much money being idle is the fact that a twenty-five per cent. margin of the deposits must be kept on hand by the banks. Therefore, the bigger the deposits, the larger the margin and less the amount in circulation. The banks, therefore, are merely acting as a scale between depositors and borrowers. The scale, however, always falls on the side of the depositors because it is always the heaviest. The question then which confronts us is how is it possible to release from the banks the money that is lying there idle, apparently to no purpose, while the whole community is short of small bills and change?

I wish to discuss the matter from a conservative point of view. On no account would I suggest that the banks should be authorized to hold less than twenty-five per cent. of their deposits in cash. The way to accomplish a reform is not to lessen the margin, because in any event the banks are unable at this time, for example, to loan as much as the law permits them to put out. The amount of deposits, however, should be lessened.

This proposition may at first appear absurd and ridiculous. I am willing to admit this view, if it is to be looked at only in the way in which people usually regard such matters at present. Do not forget, however, that a large percentage of deposits in the New York banks is in fact fictitious. When I say 'fictitious' I mean just that and nothing more. Many a man has ten thousand dollars to his credit in the bank, while at the same time he owes the bank five thousand for notes discounted. This illustration represents only a very mild case. Good customers of a bank often have a larger line of discount than the amount of their average deposits.

Merchants and manufacturers, wishing to stand well at the bank, keep a large deposit all the time—that is, they keep in the bank to their credit a large sum of money, entirely useless to them except as an outward show of how much money they can get along without in their business. On the other hand they have to put forth stupendous endeavors to maintain that balance, even to the extent of mortgaging their real estate. The object in view is to show the bank that they are easy in ready cash and thus lay the foundation for obtaining from the bank a large line of discount or accommodation. This is what I mean by fictitious deposits. They are deposits which a business man would not leave idle in the bank for a single day, if only he thought that he could withdraw them without injuring his standing with the bank.

The banks encourage customers in pursuing this general course. They make it clear to them that if a depositor does not keep a good balance, his account will not prove satisfactory to the bank and that therefore he must not expect any favors of the bank in the way of discount.

The services of a bank in attending to the business of its dealers—that is, paying their checks and attending to their collections without any direct remuneration, restricts the bank's profit to the one thing—namely, loaning out large sums of money which it gathers from the aggregate balances left idle on deposit. It is to be admitted that the banks have good reason for insisting upon such an arrangement when every depositor emphatically protests whenever the bank charges him a miserable twenty-five cents for a collection made on some out-of-the-way place. The average depositor has come to think that it is his right to have his business attended to free of charge, simply because he keeps a good balance in the bank all the time. He little realizes that the interest on the idle funds would vastly exceed the amount of commission he would pay if the bank only treated him in the European fashion—namely, charging him specifically for whatever it does for him.

And now a word with respect to the plan that prevails abroad in this regard. It is there the rule for the bank to plainly state to its dealers that it is not in business for its health and therefore it will charge the depositor a commission on all the business it does for him. This, according to the importance of his transactions, will range from one-eighth of one per cent. to one-quarter of one per cent. Whatever may be the rate, the commission will always be charged. The reason for this, it will be explained, is that the bank has clerks to pay, rent to pay and various other expenses. It says further to the depositor: 'You need not bother about keeping a single cent on deposit more than the amount of the checks that you draw.' It goes further and says: 'By the way, if you need accommodations, we shall be pleased to give you a line of discount. We know you to be a responsible man, doing a good business with sufficient capital. Therefore we are ready at any time, as you may require to discount your purchases, to advance you say eighty per cent. of the amount of your drafts on your customers which have been duly accepted. We are willing to do this because we know you would not sell to anybody who is not good pay. Even in case of disaster only a small percentage of your customers' acceptances would be dishonored. We would have no difficulty in obtaining reimbursement from you under these circumstances. On the other hand we would object to loaning you money on single name notes for we want every bill of exchange in our portfolio to represent, and in fact to be, the result of a sale of merchandise.'

Any bank acting upon this plan would quite likely have a very small amount of deposits and consequently it would need to keep on hand only a very small amount by way of legal reserve. But would that bank make less profits than under the present system? Certainly not, and this is true because every account it had, however small, would be productive of a commission without any risk whatever being taken. The larger the deposits the larger the responsibility in loaning them out, and, as before stated, the larger, of necessity, the (idle) legal reserve.

In order to get down to a true level of loans and deposits, all fictitious operations must be eliminated. The way to do this is for merchants and manufacturers on the one hand to give up the practice of keeping balances in the banks simply for show. On the other hand the banks should stop inducing customers to follow that unreasonable method. They should cease offering advantages to those who maintain balances. They should stop keeping their accounts free of charge simply because there is a balance on deposit.

So far in these remarks I have only made mention of merchants and manufacturers. I have entirely ignored stock brokers and dabblers in stocks and bonds and in various articles of speculation. It is not unintentionally that I have done this. A bank, according to my notion, is an institution whose object is to foster trade and commerce. Its object should never be to lend help to speculators to manipulate markets, etc. How many banks in this great city of New York conform to my definition? I shall not attempt to answer the question, but a shudder goes through me at the thought of the possible answer that might be made to it.

It is a fact that all the money of the community is in the hands of the banks. Not only are the funds of New York merchants and manufacturers deposited in the banks of New York but also the funds of the whole United States, for the country banks keep large balances in New York, thereby depriving their own depositors of the use of it. This is on the plea that in their neighborhoods there are no legitimate enterprises that they can foster or help along with any feeling of security. Therefore the banks of New York may be fairly said to have control of the finances of the entire nation. They are able to play ducks and drakes as they please. It may be said in answer to this that the New York banks have never done anything of this kind and that it is unjust even to suggest the possibility of such a thing. I do not accuse them of ever having made a dishonest coup by using their power to an illegal end, but that they have the power no one can deny.

In my opinion they should not have that power, however good their real intentions may be. Moreover I have shown that the banks cannot help any one out of their own capital, nor yet out of their enormous surpluses. Nor are they even able to loan out the full amount of the deposits they hold, although there may be a demand for it, for the reason that they must keep that dreadful, unnecessary twenty-five per cent. legal reserve intact. The only relief in the case of panics has been the resort to clearing-house certificates, but the very mention of clearing-house certificates disturbs the business community and throws the commercial world into spasms.

The remedy, therefore, that is suggested—namely, the elimination of fictitious, involuntary and often forced deposits on the one hand, as well as the obligatory loan to counterbalance it on the other, would at once materially reduce the figures of the bank statements. It would increase the amount of circulation to an almost incredible extent. As the bank's funds diminish, so would the loans to speculators diminish. Thus a great deal of money now wrenched from the channels of legitimate trade would no longer be used by speculators who at present are able to employ large sums from day to day or

on time, and who secure the money at much lower rates against deposits of collaterals, many of which are of doubtful value, than merchants are required to pay on first-class commercial paper. Some one may object to my insinuation that the banks at present loan money on doubtful collateral. Let me make my position clearer. No bank should loan money on any stock or bond that is not a regular dividend or interest payer. All others than income securities should be unconditionally refused. When the banks adopt this platform, it will be found that dividend-paying stocks and interest-paying bonds will rapidly advance in value, and that the prices of such securities will fluctuate much less than at present. On the other hand mere speculative securities, which will then have to rely upon the support of speculators and gamblers alone, will fall lower and lower, until they are entirely discredited.

What I have presented is not an overdrawn picture of the results of the methods suggested. It has been demonstrated time and again that speculators would be unable to play their games if they were unaided by the banks. If the banks were to be restrained from giving them financial assistance, which means lending the funds that are on deposit that have come from merchants and manufacturers, the speculators' range of activity would be materially diminished. On the other hand merchants and manufacturers, being relieved of the burden of keeping useless balances in bank, would use their funds in their business. Any surplus that they might have they would invest in good securities, well out of the range of the speculator's grasp, and by this means they would do much to sustain market quotations of dividend earners."

I have given only the substance of the interview in what precedes. Many illustrations which I have omitted for fear of making the story too long, added greatly to the interest of the narrative. A. O. KITTREDGE, F. I. A.

MR. W. H. BURNS' WILL.—The personal estate of Mr. Walter Hayes Burns, of 96 Brook street, and of North Mymms Park, Hatfield, has been valued at £886,122 gross, and £793,675 net. Mr. Burns was a partner in the firm of J. S. Morgan & Co., merchant bankers, of 22 Old Broad street, and formerly of the firm of Levi P. Morton, Burns & Co., London. He was a citizen of the United States of America, and died on the 22d November, aged fifty-nine years. The will bears date June 18, 1892, with a codicil made the 22d January, 1895, after he had bought the freehold of North Mymms Park. The executors are his widow (daughter of the late Junius Spenser Morgan), his son Walter, and his brother-in-law, John Pierpont Morgan, of 22 Old Broad street. To his son the deceased bequeathed £100,000, to Mrs. Burns, £100,000 and his furniture and household effects, and to his daughter, Mary Ethel Burns, £25,000. The testator bequeathed also upon trust for his said daughter and her issue, £75,000, and to his partners, Robert Gordon and Frederick William Lawrence, £1,000 each; to the clerks and messengers in the employment of his firm, each six months' wages, and smaller sums to other relatives. Mrs. Burns is to have the use and enjoyment during her life of the North Mymms Park estate, and subject to her life interest the testator's son and daughter are to have successively the option of purchase of the estate at a valuation. The testator's real estate in the United States and in the United Kingdom (excepting the North Mymms estate) is to be realized, and the proceeds of sale, together with the residue of his personal estate, are to be in trust as to one-third for Mrs. Burns absolutely, as to one-third for the testator's son Walter, and as to one-third for his daughter Mary Ethel Burns. The trustees are left with absolute discretion as to the investment of the testator's estate.—*London "Bankers' Magazine,"* March, 1898.

ARTHUR REYNOLDS.

A SUCCESSFUL YOUNG BANK PRESIDENT.

In these days of active competition the success of a bank is largely dependent upon the vitality of its management. The conservative conduct of a bank does not mean that fossilized methods must be adhered to, or that energy, when properly directed, should be discarded. Some of the most responsible bank offices in the country are now held by young men who combine the sound judgment of those of maturer years with the young man's activity and capacity for work. A bank may be progressive in its management without in the least diminishing the security afforded to its depositors and shareholders. Indeed, a bank located in any live business community must be progressive if it would escape death by the slow process of decay.

While the subject of this sketch is a young man, particularly in view of the responsibility of his office, it must not be inferred that he is young in banking experience. He has gone through all the round of duties in a bank from janitor up, and in this way has acquired a practical training in all the details of the business.

Arthur Reynolds was born at Panora, Iowa, March 10, 1868. In 1886 he entered Iowa College at Grinnell, leaving there one year later to engage in mercantile business. With M. M. Reynolds, an elder brother, as a partner, he became interested in the drug business at Panora, the firm being Reynolds Bros. A year later he entered the Guthrie County National Bank, at Panora, his father, E. J. Reynolds, having been one of the organizers and also an officer of the bank since its organization, and with which Arthur Reynolds is still connected as a director, his elder brother, M. M. Reynolds, being now Cashier. However, he retained his interest in the drug firm until 1895, when the store was sold. In the bank his duties at first were merely nominal, sweeping out the office, running errands and occasionally helping on the books, and gradually he worked into the details of operating the bank until he was promoted to the position of Assistant Cashier.

When his brother, Geo. M. Reynolds, was elected Cashier of the Des Moines National, Arthur Reynolds succeeded him as Cashier of the Guthrie County National, and two years after, when his brother was promoted to the Presidency of the Des Moines National, he removed to that city and became Cashier of this bank, holding this position until November 20, last, when he was elected President, his brother having been chosen as Cashier of the Continental National Bank, Chicago.

Mr. Reynolds became President of the Des Moines National Bank by the unanimous vote of the board of directors. This was but a proper recognition of his ability as a banker, for it is conceded that a large share of the credit for the bank's progress to its present status as one of the largest banks in the State was in a considerable measure due to his hard work and natural fitness for the office which he held. He has shown sagacity of the highest

Arthur Reynolds

A[illegible] R[illegible] REYNOLDS.

A S[illegible] [illegible]L YOUNG BANK PRESIDENT.

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order, and under his management it may be expected that the Des Moines National Bank will continue to hold its present high rank amongst Western financial institutions, and that its growth will keep pace with the commercial and industrial development of its tributary territory. As regards capital, deposits and loans the bank is now the largest in Des Moines, and there is but one other National bank in the State of equal magnitude. In addition to its very large volume of local business the Des Moines National has established excellent facilities for handling Eastern business, especially as relates to the handling of collections.

Mr. Reynolds is courteous in his treatment of the patrons of the bank, and has made many friends for the institution. Aside from his interests in the bank, he is President of the Northwestern Life and Savings Company, of Des Moines, which has been remarkably successful, and is now one of the leading Iowa companies.

The basis on which Mr. Reynolds' success as a banker rests is of the most solid character—natural fitness and thorough experience in every practical detail of the banking business. Whether young or old, such bank officers are generally sure to be more competent than those who have reached the highest position because of their wealth or on the strength of a financial reputation gained outside of a banking house.

AMERICAN BANKERS' ASSOCIATION.—The selection of Denver as the place for holding the next annual convention of this organization is an act of the executive council which will be generally applauded by the membership of the association. There are few more attractive cities in the country than Denver, and though the people of Colorado may differ with the bankers on finance, they will not be less hospitable on that account but will give the convention as cordial a welcome as it has received anywhere. The scenic beauties of the State, its great resources and the attractiveness of its capital city will no doubt tend to secure a large attendance.

NOTES SECURED BY STATE AND COUNTY BONDS.—Mr. W. W. Wood, of Chicago, presents on another page an argument for allowing National banks to issue notes on the security of State and county bonds (the latter endorsed by the State) deposited with the Government. Under the restrictions proposed there would probably be no default in payment of the notes, as other provisions are made for their redemption in addition to the bond security.

But it is almost certain that such a system would encounter many of the difficulties inherent in the present circulation, which makes the issue of notes dependent upon the State of the bond market and not upon the business demand for currency, which alone should control the issue of bank notes. The issue of a bank currency, which is no more than an additional credit instrument for facilitating business, should be governed by the rise and fall in the volume of business and not by the capacity of States and counties to add to their bonded debts.

There are many people who oppose the granting of the right to issue notes against bank assets, and no doubt great care should be exercised in extending this privilege only to solvent and well-managed banks, and that the Comptroller should be allowed considerable discretion in the matter.

*LOANS OF THE UNITED STATES.

BOUNTY LAND SCRIP.

The Act of February 11, 1847, gave to each non-commissioned officer, musician, or private, enlisted or regularly mustered in the service for not less than twelve months, and who had actually served in the war with Mexico and received an honorable discharge, a warrant for 160 acres of land, or a Treasury scrip for $100. If the soldier was killed in battle or died of wounds and sickness, incurred in the course of his service, the warrant or scrip was to be issued to his heirs. Each soldier who had enlisted for less than twelve months, and who had actually served in the war to the end of his term, or until he was honorably discharged, was to receive a warrant for forty acres of land or a Treasury scrip for $25 to be issued to his heirs if he died in the service. The warrants might be located at any land office in the United States.

When it was first proposed to give lands to those who served in the Mexi- War, the measure met with much opposition in Congress. It was alleged that of the great body of lands which had been given to soldiers of foreign wars but very little had inured to the benefit of the grantees, and that cases were very rare indeed where a soldier had in fact become the occupant of lands intended for his benefit, most of the lands having passed into the hands of speculators at a merely nominal price. It was said that as soon as the bill was signed hundreds of men would start for the army, and every sutler's tent, every petty grocery, would become a broker's office, where the rights to warrants, covering millions of acres of the public domain, would be obtained from the soldiers for very trifling sums. To prevent this it was proposed to make the warrants, or the land which might be located under them, not transferable for a period of seven years, but to this it was objected that in the case of those who might wish to sell and not to occupy their lands, it was putting the reward of their labors off to a time so distant as to make it of but little advantage to them. It was finally decided to give to each the option of receiving a land warrant, not transferable until after issue, or a Treasury scrip for $100 or $25 according to the terms of enlistment and service. The scrip was to bear six per cent. interest, and to be redeemable at the pleasure of the Government. It was supposed that those whose want of money was immediate would prefer the scrip, which was equivalent to an interest-bearing Treasury note, but it was found that most of the soldiers preferred the land warrants. That this result might have been foreseen is evident, inasmuch as a land warrant for 160 acres was worth, at the going price for Government land, $200. In fact only $233,075 in the bounty land scrip was issued.

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*Continued from the August, 1897, number of the BANKERS' MAGAZINE, page 182.

This series of articles, which began in RHODES' JOURNAL OF BANKING for October, 1893, page 1074, will be continued from time to time until it includes a complete historical sketch of the loans of the United States from the foundation of the Government up to the present.

This scrip was redeemed out of the general funds of the Treasury, the larger part of it by the year 1851. Small amounts are still unredeemed.

Loan of 1848.

The President of the United States, in his message of December 7, 1847, informed Congress that if the war with Mexico continued until July 1, 1848, the expenditure would probably exceed the revenue provided by law about $16,000,000, while the Secretary of the Treasury, in his report of December 8, estimated that, adding the sum necessary to be kept in the Treasury to meet the wants of the Government, and maintain the enlarged operations at the mints, there would be required $18,729,114.27 in addition to the probable revenue.

A bill to authorize a loan not to exceed $18,500,000 was introduced in the House of Representatives January 19, 1848. The chairman of the Committee of Ways and Means informed the House, during the debate, that an error had been discovered in the financial statement of the Secretary of the Treasury, which disclosed the gratifying fact that there was in the Treasury nearly $7,000,000 more than had been stated to the House, in consequence of which it was supposed that the loan might be reduced to $12,000,000, but that the Secretary of War had since asked an appropriation of nearly four millions to supply certain deficiencies in that branch of the public service, and it would therefore be necessary to make the amount $16,000,000, and he moved an amendment making the alteration, avowing at the same time his utter want of confidence in the estimates of the Secretary of the Treasury and stating that he believed at least $25,000,000 would be required.

The bill passed both houses after an extended debate and was approved March 31, 1848. It authorized the President to borrow on the credit of the United States, at any time within one year from the passage of the Act, a sum not exceeding $16,000,000, at an interest of not more than six per cent. per annum, payable quarterly or semi-annually, reimbursable at any time after July 1, 1868. No certificate of stock was to be issued for a less amount than $50. The expenses attending the execution of the Act were not to exceed $16,000. The Secretary of the Treasury was authorized to purchase the stock of the loan, at any time before the date at which it became reimbursable, at the market price, not below par.

Under this Act stock to the amount of $16,000,000 was issued. Proposals for the loan were invited April 17, 1848, and the premium realized varied from 3.02 to 4.05 per cent. The net premium realized on the whole loan was $487,191.16. From 1849 to 1858 inclusive the Secretary of the Treasury purchased $7,091,658.20 of this stock at various rates, ranging from 8.185 to 22.46 above par. The total premium paid on these purchases exclusive of commissions was $1,251,258.04. The whole loan was paid off by 1873.

Texas Indemnity Stock.

The State of Texas, when first annexed to the United States, had doubtful claims to an extensive territory. It was said in the debates on the subject, that her southeast corner was at the mouth of the Rio Grande, the region of perpetual flowers, her northeast corner near the south pass in the Rocky Mountains in a region of perpetual snow, that she had a front on the Gulf of Mexico of 1,000 miles, and that within her boundaries she claimed an area of 350,000 square miles, more than equal to seven States as large as Pennsylvania.

To somewhat reduce this enormous territory, to pay her somewhat shadowy claims to all the public lands within her alleged boundaries, and to obtain from her a release of her claims on the United States for liability for her debts, and to indemnify her for the surrender of her ships, forts, arsenals, custom houses, munitions of war and public buildings, a bill was introduced in the Senate August 5, 1850.

The bill, notwithstanding strenuous opposition, was passed and approved September 9 of that year. It provided that if the State of Texas should consent that her boundary on the north should commence at a point at which the meridian of one hundred degrees west from Greenwich is intersected by the parallel of thirty-six degrees thirty minutes north latitude, and run thence due west to the meridian of one hundred and three degrees west from Greenwich, then south to the thirty-second degree of north latitude, then on said parallel to the Rio Grande del Norte and thence with the channel of said river to the Gulf of Mexico, and should cede to the United States all her claims to territory exterior to these boundaries, and relinquish all claims on the United States for liability for her debts, and for compensation for her ships, forts, custom houses, public buildings, etc., then the United States, in consideration for the same, should pay her the sum of $10,000,000 in stock, bearing five per cent. interest, payable semi-annually, redeemable at the end of fourteen years. No more than $5,000,000 of the stock was to be issued, until the creditors of the State holding bonds and certificates of stock of the State, for which duties on imports were specifically pledged, should file first at the Treasury releases of all claims against the United States on account of said bonds and certificates.

Under this Act only $5,000,000 in stock was issued as a subsequent Act, approved February 28, 1855, provided that the creditors of Texas should be paid in cash, and increased the amount to be paid them to $7,750,000 to be divided pro rata among such creditors of the State as were comprehended in the Act of September 9, 1850. From 1854 to 1858 inclusive the Secretary of the Treasury purchased $1,539,000 of this stock at various rates ranging from 5.14 to twelve per cent. above par. The total premium paid exclusive of commissions amounted to $117,534.26. The stock with the exception of $21,000 was all redeemed by 1880.

Treasury Notes of 1857.

The Secretary of the Treasury, in his annual report of December 8, 1857, informed Congress that although there was a balance on hand at the close of the fiscal year last closed, amounting to $17,710,114.27, yet so great was the falling off in the revenues from customs, owing to the financial crisis of the year, that it would be absolutely necessary to provide the Treasury with some additional means to meet the demands on it. Such provisions, he said, should be made at the earliest practicable moment, as it was likely that a failure of sufficient means in the Treasury might occur at an early day. The exigency being only temporary, the mode of providing for it should also, the Secretary thought, be of a temporary character, and therefore recommended that authority be given to his department to issue Treasury notes to an amount not to exceed $20,000,000, payable within a limited time, and carrying a specified rate of interest, whenever the immediate demands of the public service may call for a greater amount of money than shall happen to be in the Treasury, subject to the Treasurer's drafts, in payment of warrants. The fact that such temporary exigency may arise under unforeseen circumstances, renders an adequate provision indispensable to the public security.

A bill to meet the recommendations of the Secretary was introduced in the Senate on December 17 by the Committee on Finance, and on the following day in the House of Representatives by the Committee of Ways and Means, and was at once followed by an exciting debate. Serious charges of mismanagement and extravagance in the administration of the several departments were made on the one side, while on the other the cause of the recent monetary crisis was charged to the action taken by the banks in suspending specie payments. Notwithstanding the strong opposition manifested in both Houses, the necessity of the passage of some measure for the immediate relief of the Treasury was conceded, and the bill finally passed the Senate on December 19 by a vote of 31 yeas to 18 nays. On December 22 it passed the House of Representatives by a vote of 118 yeas to 86 nays, and being approved by the President on the following day, became a law December 23, 1857. This Act authorized the issue of Treasury notes for such sum as the exigencies of the public service might require, not at any time to exceed $20,000,000, and of denominations not less than $100, payable at the Treasury of the United States after one year from the date of the notes, with interest not to exceed six per cent. The first issue was not to be in excess of $6,000,000. The residue to be issued in whole or in part, after public advertisement of not less than thirty days, by exchanging such notes at their par value for specie, to the bidder or bidders agreeing to make such exchange at the lowest rate of interest not in excess of six per cent., interest to cease at the expiration of sixty days' notice by the Secretary of the Treasury of readiness to pay such notes at their maturity. The faith of the United States was solemnly pledged for their redemption, and they were made receivable for all dues of the United States.

Including reissues $52,778,900 was issued under this Act. The interest on these notes ranged from three to six per cent. The details are as follows: $6,323,600 at three per cent.; $107,000 at 3½ per cent.; $110,000 at 3¾ per cent.; $768,000 at four per cent.; $688,000 at 4¼ per cent.; $10,055,700 at 4½ per cent.; $4,532,500 at 4¾ per cent.; $7,533,900 at five per cent.; $8,204,500 at 5½ per cent.; $3,514,100 at 5¾ per cent.; and $10,941,600 at six per cent.

The most of these notes were redeemed by 1862.

Loan of 1858.

The prediction made in the debate on the bill to issue the Treasury notes of 1857, that the amount asked for was not enough, and that at least $20,000,000 more would be required, was speedily realized. In May, 1858, the Secretary of the Treasury informed Congress that, owing to the appropriations having been increased by legislation nearly $10,000,000 over the estimates, while the revenue from customs had fallen about $10,000,000 below the estimates, it would be necessary to provide some means of meeting the deficit.

A bill to authorize a loan not exceeding $15,000,000 was reported in the House of Representatives May 26, 1858, and this amount was subsequently increased to $20,000,000.

The chairman of the Committee of Ways and Means, who reported the bill, said that the public debt was then $25,157,058.27 all of which would fall due in ten years, and the date of the redemption of the proposed loan had therefore been made fifteen years, or five years beyond the period within which the then existing debt would mature. He estimated that, even if authority were given to borrow $15,000,000, there would still be a deficit at the close of the fiscal year of nearly $1,000,000. On account of this probable deficit, and of an increase in the amount of appropriations, the Senate raised the proposed loan to $20,000,000. The bill was approved June 14, 1858. It authorized the President to borrow on the credit of the United States at any time within twelve months from the date of the Act, a sum not exceeding $20,000,000 reimbursable at any time after January 1, 1874. The interest was not to exceed five per cent. per annum payable semi-annually with coupons for the semi-annual interest attached to each certificate of stock. No certificate was to be issued for less than $1,000, and none was to be sold for less than its par value.

Under this Act the sum of $20,000,000 was obtained the premium varying from two to seven per cent., the average being 3.59 per cent. Proposals for this loan were invited June 26 and September 17, 1858. $10,000,000 being offered at each date. The premium received amounted to $719,365.72. This loan was paid between 1874 and 1880.

Loan of 1860.

The annual report of the Secretary of the Treasury dated December 22, 1859, contained the following clause:

"In the estimated means of the Treasury for this and the next fiscal year, it will be seen that no provision is made for the permanent redemption of any portion of the $20,000,000 of Treasury notes. The authority for the reissue of these notes will expire on June 30, 1860, and it will, therefore, be necessary for Congress to extend the law for that purpose for another period."

Congress appears to have differed with the Secretary as to the propriety of reissuing the notes, as, instead of giving this authority, a bill providing for their redemption by means of a loan was introduced in the House of Representatives June 21, passed both houses almost without debate, and was approved June 22, 1860. It authorized the President to borrow at any time within twelve months after the passage of the Act a sum not exceeding $21,000,000, on the credit of the United States, the money to be used only in the redemption of Treasury notes, and to replace in the Treasury any amount of such notes which should be paid in for public dues.

The stock was to bear interest not exceeding six per cent. per annum, and was to mature within a period not more than twenty nor less than ten years. No certificate was to be issued for less than $1,000. The Secretary of the Treasury was authorized to cause coupons of semi-annual interest to be attached to the bonds and any such bond bearing such coupons was to be assignable by delivery. No bond was to be disposed of at less than par.

Under this Act the sum of $7,022,000 was borrowed at five per cent. interest, the bonds selling at from par to 1.45 per cent. premium. The failure to realize the whole amount of the loan was caused by the political troubles culminating in the Civil War. Bids were invited for $10,000,000 on September 8, 1860, and the whole amount was speedily taken. It soon became evident that war was inevitable, and a commercial crisis ensued, during which a portion of the bidders forfeited their deposits, and the loan was withdrawn from the market after the $7,022,000 had been realized. This loan was redeemed by 1872.

TREASURY NOTES OF 1860.

Authority for the issue of these notes became necessary when it was found that but a portion of the $21,000,000 loan authorized by the Act of June 22, 1860, could be obtained, and was recommended by the Secretary of the Treasury in his annual report of December 4, 1860. The Secretary said:

"To meet the remaining outstanding Treasury notes and interest thereon, there is yet to be negotiated eleven millions of stock authorized by the Act of June 22, 1860. The statement just made of the difficulties attending the payment of the stock already sold, in connection with the fact that capitalists, in the present condition of the country, seem unwilling to invest in United States bonds at par, render it almost certain that this remaining eleven millions cannot now be negotiated upon terms accceptable to the Government The condition of the Treasury is such that no serious delay can be indulged. I recommend therefore a repeal of so much of the Act of June 22, 1860, as authorizes the issue of this additional eleven millions of stock, and that authority be given for the issuing of Treasury notes to the same amount, to be negotiated at such rates as will command the confidence of the country. To create that confidence, I recommend that the public lands be unconditionally pledged for the ultimate redemption of all the Treasury notes which it may become necessary to issue. I make this recommendation of substituting Treasury notes for the stock the more readily from the conviction that there should always exist in the department power to issue Treasury notes for a limited amount, under the direction of the President, to meet unforeseen contingencies. It is a power which can never be abused, as the amount realized from such source can only be used to meet lawful demands upon the Treasury."

A bill to allow the issue of Treasury notes to an amount not exceeding $10,000,000 was introduced in the House of Representatives December 10. There appears to have been but little opposition to the bill as a whole, but an effort was made to change some of its features. An attempt was made to pledge the receipts from the public lands specifically for the redemption of the notes. In the Senate an unsuccessful effort was made to authorize the issue of notes as low as $20, it being urged that notes of the smaller denominations would be more readily taken at par, as they could be paid to laborers and others having small demands against the Government. The Senate rejected this amendment, but altered the bill so as to allow of the issue of notes of as low a denomination as $50. The same attempt was made as in the House to pledge the proceeds of the public lands for the specific redemption of the notes, and objected to on the ground that it would interfere with the homestead bill then under discussion in Congress. The bill passed and was approved December 16, 1860. It authorized the President to cause the issue of Treasury notes for such sums as the exigencies of the public service might require, not exceeding at any time the amount of $10,000,000, of denominations of not less than $50 for each note, redeemable at the Treasury, after the expiration of one year from the date of issue bearing interest until redeemed or called, at the rate of six per cent. per annum; but the Secretary was authorized to issue them, after advertisement, at such rates of interest as might be offered by the lowest responsible bidders.

Under this Act Treasury notes were issued, redeemable at the expiration of one year from date, bearing interest as follows: $70,200 at six per cent.; $5,000 at seven per cent.; $24,500 at eight per cent.; $33,000 at 8½ per cent.; $10,000 at 8¾ per cent.; $65,000 at nine per cent.; $10,000 at 9¼ per cent.;

\$160,000 at 9½ per cent.; \$77,000 at 9¾ per cent.; \$1,027,500 at ten per cent.; \$266,000 at 10¼ per cent.; \$623,000 at 10½ per cent.; \$1,367,000 at 10¾ per cent.; \$1,432,700 at eleven per cent.; \$4,840,000 at twelve per cent.; making a total of \$10,000,000. Additional offers were received and declined ranging from fifteen to thirty-six per cent. These notes were mostly redeemed by 1862.

Loan of February, 1861.

So low had the credit of the Government fallen at this time that Secretary John A. Dix in a letter to the chairman of the Committee of Ways and Means of the House of Representatives, dated January 18, 1861, suggested to the committee as an additional financial resource, that the several States be asked, as a security for the repayment of any money the Government might find it necessary to borrow, to pledge the deposits received by them from the Government under the Act for the distribution of the surplus in 1836, believing that a loan contracted on such a basis of security superadding to the plighted faith of the United States that of the several States, could hardly fail to be acceptable to capitalists.

The committee reported on February 1 a bill to authorize a loan of \$25,000,000, with a statement that the Secretary of the Treasury had reported that there would be an actual deficit in the revenue of \$21,677,524. In addition to this the chairman of the committee stated that the deficiency bill appropriated between two and three millions of dollars, making an estimated deficiency of \$24,000,000, while the amount in the Treasury on January 1 was but \$2,233,220. At least \$5,000,000 were required to carry on the daily operations; there should therefore be provided, in addition to the revenues at least \$25,000,000. It was said in debate on the bill, that the amount was needed to pay off the debts of the retiring Administration. The falling off of the revenue was caused by the political troubles ending in the Civil War, and which had already diminished the imports to a very large extent.

The bill was objected to on the ground that the Secretary already possessed the power, under the Act of June, 1860, to borrow \$14,000,000, and that this amount, at least, should be deducted from the proposed loan. To this it was answered that the balance of the loan of June 22, 1860, could not be sold upon the terms prescribed in the law, and that if it could, the money was specifically pledged to the redemption of the Treasury notes of 1860.

The bill was approved February 8, 1861. It authorized the President to borrow, at any time before July 1, 1861, a sum not exceeding \$25,000,000 to be used in the payment of current demands on the Treasury, for the redemption of Treasury notes, and to replace in the Treasury such notes as had been paid in for public dues. The stock was to bear interest not exceeding six per cent. per annum, and to be payable within not less than ten nor more than twenty years. The Secretary of the Treasury was authorized to cause coupons of semi-annual interest to be attached to the bonds whenever required. No certificate of stock was to be issued for less than \$1,000.

Under this Act bonds were issued amounting to \$18,415,000 at an aggregate discount of \$2,019,776.10 or an average rate of \$89.03 per one hundred dollars. Proposals for this loan were invited February 13, March 26 and May 11, 1861. Stock was issued as follows: \$8,006,000 at an average rate of \$90.478; \$3,099,000 at an average rate of \$94.01; and \$7,310,000 at an average rate of \$85.3427 per \$100. This loan was paid or funded in 1881.

TREASURY NOTES OF 1861.

The Secretary of the Treasury in his report on the finances, dated December 22, 1859, had estimated that there would be a balance in the Treasury, June 30, 1861, of only $3,530,196.61, which left no margin for additional appropriations. If, therefore, the appropriations should exceed the estimates, or Congress should determine within this period for the payment of any portion of the public debt, which then amounted to nearly $60,000,000, it would be necessary to make adequate provision for such contingencies. The Secretary expressed himself as of the opinion that the idea of increasing the public debt to meet the ordinary expenses of the Government should not be entertained for a moment. If additional demands on the Treasury were created by legislation, provision must be made to meet them by such an increase of tariff duties as might be necessary.

A bill for the repayment of outstanding Treasury notes, to authorize a loan, and to regulate and fix the duties on imports, was introduced in the House May 12, 1860. It was said in debate on the bill that the idea of not increasing the debt to meet current expenses was a very patriotic one, and that it would hardly be suspected that the Administration had practically illustrated the sentiment, by steadily increasing the debt to meet those expenses during every year that it had been in power, with the following result:

Balance in Treasury July 1, 1857	$17,710,114.27
Public debt July 1, 1857	29,060,386.90
Public debt July 1, 1858	44,910,777.66
Public debt July 1, 1859	58,754,699.33

Adding the balance in the Treasury on July 1, 1857, to the debt at the close of the year 1859 and deducting the debt of 1857, it appeared that the sum total of an idea, "not to be entertained for a moment," was an increase in the public debt of $47,404,426.70. It was furthermore charged that this had taken place under a tariff that practically discriminated against our own people, compelling us for every fourteen or fifteen millions of revenue collected at home to foot a bill of a hundred millions abroad.

The debate on the bill took a very wide range, including the subjects of the tariff, and of protection to American industry, and often branching off to the state of the Union and the political troubles which brought on the Civil War; but the bill failed to pass both houses at that session. It was taken up at the next meeting of Congress, but did not become a law until March 2, 1861, after many of the southern members had left Congress. The opposition was not to the proposal to issue the notes, admitted to be necessary to supply the current demands on the Treasury, exhausted on the eve of a great war, but to the provisions for an increase of the tariff contained in the same bill. The Act authorized the President to borrow, at any time within twelve months from the passage of the Act, a sum not exceeding $10,000,000, to be applied to the payment of appropriations made by law and the balance of Treasury notes then outstanding, and to no other purpose. No stipulation or contract was to be entered into which would prevent the United States from paying the amount borrowed at any time after the expiration of ten years from the first day of July next ensuing, after due notice given. If the proposals made for the loan were not satisfactory, the President was authorized, instead of borrowing the money, to issue Treasury notes, in lieu thereof, for the full amount of the loan authorized, and also to substitute Treasury notes for the whole or any part of the money which he was authorized to borrow by previous Acts. The notes were to be for sums not less than fifty dollars each, bearing interest at the rate of six per cent. per annum, payable semi-annually and were to be redeemable at the pleasure of the United States within two years from the passage of the Act, and were to cease to bear interest after being called in by the Secretary of the Treasury.

Under this Act Treasury notes to the amount of $35,364,450 were issued of which amount $22,468,100 was payable in two years and $12,896,350 in sixty days after date. The Civil War, which began a few weeks after this law was enacted, necessitated an increase so far in excess of the amount originally contemplated. This increase was however warranted by the letter if not by the intent of the Act. These notes were receivable for all debts due to the United States, including customs duties. Proposals for $4,901,000 of this loan were invited April 6, 1861. They were nearly all redeemed by 1865.

Oregon War Debt.

The settlement of Oregon appears to have commenced in 1839, but was confined to a few adventurous pioneers, who made their way across the plains from Missouri through friendly or hostile Indian tribes, until the year 1850, when emigration was stimulated by the passage of an Act giving 320 acres of land to each settler, and if married the same amount to his wife. In 1851 the gold washings of the Rogue River valley were discovered, which caused a sudden increase of population from the mining districts of California. Shortly after these miners arrived the troubles with the Indians commenced. In 1855 hostilities broke out and a general war ensued, which continued for more than a year, after which there was a short and hollow peace. In 1858 another war began but was of short duration, the increased white population and the military forces of the general Government soon overpowering the Indians. At the breaking out of the war in 1855 the militia were called out by the Governors of Oregon and Washington and heavy expenses incurred. After the war was closed a demand was made on the general Government for the payment of these troops, and for the expense of their maintainance in the field.

A commission appointed under an Act of Congress was sent out to investigate the subject and audit the claims. The report of the commission stated the amount due to Oregon at $4,449,949.33 and to Washington $1,481,475.45. A supplemental report added about $80,000, making the total $6,011,424.78. The Committee on Military Affairs referred this report and the papers to the Third Auditor of the Treasury, under a resolution of the House, with directions to audit the claims, and in so doing to allow the militia the same pay as was given to regular soldiers of the same grade in the United States army, and for the supplies a reasonable approximation to what was already authorized by existing laws. On February 7, 1860, the Third Auditor transmitted his report to the House, showing that the claims, if settled on this footing, would aggregate $2,714,808.55. Against this the delegates from Oregon and Washington protested.

A bill passed the Senate in 1861, appropriating between three and four millions of dollars for the payment of these claims, but it never reached a

vote in the House. A bill for the payment of the Oregon and Washington war debt was introduced in February, 1861, passed both Houses with some slight amendments, and was approved March 2, 1861. It appropriated for the pay of the volunteers in the war $400,000, the claims to be examined and audited by the Third Auditor, and the volunteers to be allowed the same pay as United States officers and soldiers serving in Oregon and Washington. For the claims for services, supplies, transportation, etc., incurred in the maintainance of the volunteers, $2,400,000 was appropriated, the claims to be also settled by the Third Auditor, and the prices allowed to be as nearly as possible the same as had been paid for supplies to the regular forces of the United States; horses and other property lost or destroyed in the military service to be settled for on the principles laid down in previous Acts. The Secretary of the Treasury was authorized, if he deemed it expedient, to issue to the claimants, or their representatives, in payment of their audited claims, bonds of the United States of a denomination not less than $50, payable in twenty years and bearing interest at the rate of six per cent., with coupons attached payable annually or semi-annually at the discretion of the Secretary.

Under this Act bonds to the amount of $1,090,850 were issued. This loan was redeemed or funded by 1881.

A New Currency Bill.—For some time a sub-committee of the Banking and Currency Committee of the House of Representatives has been at work preparing a bill which would be acceptable to the friends of currency reform in and out of Congress. We publish the report of this committee elsewhere in this number of the Magazine, and would be pleased to have the opinion of our readers as to the practicability of the measure.

The purpose of the bill, as declared by its title, is the strengthening of the public credit, the relief of the United States Treasury, and the amendment of the laws relating to National banking. Most of the provisions of the bill appear to be calculated to effect these results. The bill embodies a number of the proposals contained in the recent Report of the Monetary Commission.

Another important feature is the plan of Mr. Walker for making the banks responsible for the current redemption of the legal tenders. In return for this service the privilege of issuing notes on their general assets is to be gradually extended to the banks.

A new form of note is created, to be known as National reserve notes, which are to be issued to the banks in return for deposits of legal tenders with the Treasury, and to the extent of these deposits the banks may issue their own notes unsecured by any specific pledge.

The problem to be considered is this: Would the cost of providing gold for the redemption of legal-tender notes be offset by the added profits which would inure to the banks by allowing them to issue notes on their general assets. It would be interesting to learn how this matter is viewed by the banks themselves.

The gentlemen composing the sub-committee have evidently tried to harmonize the differences of those who desire financial legislation, certainly not an easy task. Their report would seem to indicate that the bill is somewhat complex and not altogether clear as to some of its provisions. This impression, however, may not be sustained when the bill itself shall be published in full. As the aims of the sub-committee are altogether laudable, their report must be considered as a substantial gain for the cause of monetary reform, which is making slow but certain progress.

*BANK MONEY.

Bank money was the highly expressive and appropriate term applied by the late Thomas Joplin (the founder of joint stock banking in England) to current account credit balances with bankers payable on demand. Mr. Joplin was the first to discern the fact that such accounts were in themselves currency or money, but this great and important truth was not then, nor is it now, fully grasped by political economists or writers on the currency.

Bank money properly so called may be defined as consisting of current account credit balances with bankers, which, although in a literal sense intangible, are nevertheless practically existent and transferable by check or exchangeable on demand into the legal tender, constituting a vast proportion of the ready money or currency by which the trade of the country is carried on.

The generally received idea is that bankers' current account credit balances are not currency but only show or represent an economizing of money. That by the operation of banking a small sum of money in the banker's till does the work of a large sum of money belonging to his customers (their current account balances), thereby by so much economizing the use of the legal tender.

With this explanation, which is, of course, perfectly correct so far as it goes, the subject is dismissed from further consideration, and the extraordinary conclusion jumped at, that therefore bankers' current account balances are not in themselves currency.

But the fallacy in the deduction is apparent. Is not the country bank note currency, and does it not economize the use of the legal tender, the banker keeping for his own use the money represented by his £5 note (as he does that represented by the current account), thereby by so much economizing the use of the legal tender, or does the economy effected by the note in any way prejudice its title to be considered currency? On the contrary it confirms its title to be considered currency, as it does also the bankers' current account balance.

Let us compare the two more closely. The banker's note and current account are both payable on demand, and represent money which he applies to his own use, and both circulate, the one by hand and the other by check. A has in his pocket £100 in country bank notes; he circulates, he pays away a £10 note, but he does not pay away the remaining £90 until he has occasion to do so—the £90 in bank notes he keeps in his pocket or in his house, and have they therefore ceased to be currency? Clearly not—and they answer exactly to the bankers' current account balance. If A had had £100 to the credit of his current account instead of £100 in notes in his pocket, and had he paid away a check for £10, the balance standing to his credit on his current account would be £90.

In both cases the £90 is equally out of circulation, or, to speak correctly, dormant; but the circumstance of being dormant does not render them the less currency, otherwise even the money carried in the pocket until required to meet ordinary expenses could not be currency, being for the time no less dormant.

It follows that the current account and the country bank note are equally currency, both effectually substituting the legal tender, so effectually indeed that if tomorrow all the banks in the kingdom were to hand back to their customers the

*"Suggested Alterations in the Bank Act of 1844," by an ex-Bank Manager; London: Effingham Wilson.

amounts standing to the credit of their current accounts, and were all the country bank notes in circulation to be exchanged for the legal tender, no person would feel himself to be possessed of one penny more ready money than before. Nor, of course, would the efficiency of the current account currency be in any way increased if we suppose bankers to hold in their possession legal tender to its full amount.

In short, whatever differences exist between the sovereign, the bank note, and the banker's current account in intrinsic value or constitution, their efficacy as currency is the same.

The bank note is tangible, and so practically is the current account—the owner of the one can go to his cash box and take out his note, the other to his bank and take out his balance—to all intents and purposes it is as if the latter kept his cash box at the bank with power at all times to take out his money, or by check to transfer to another the whole or any portion of its contents.

Such is bank money properly so-called, adding its enormous volume to the currency or ready money by which the trade of the country is carried on, and until the distinctive existence of the current account in this capacity is fully recognized, it were vain to think of understanding the intricacies of the currency question.

CURRENCY BASED UPON GOLD.—The high intrinsic value of gold and the steadiness of that value render it pre-eminently fitted for use as a measure of value and medium of exchange. It attains its approximately fixity of value, first, because hitherto the average cost of its production has almost equalled its normal or current value; and, secondly, because in consequence of its being so universally received by civilized nations as a measure of value and medium of exchange its absorption may be said to have equalled its production.

For convenience as a medium of exchange, containing great value in a small compass, and for fixity of value, it is imcomparably superior to other of the precious metals, or indeed to anything that can be named.

The importance of fixity of value in a medium of exchange may perhaps be best seen by putting a parallel case. Imagine the consequences if the tables of weights and measures could not be relied upon. If, for instance, instead of twelve sometimes it took thirteen, sometimes eleven inches to make a foot, or that the pound weight instead of being fixed at sixteen ounces sometimes weighed seventeen, or it might be only fifteen ounces! The difficulties and confusion that would result from these variations in weights and measures are analogous to those which would arise were there appreciable fluctuations in the value of gold, and hence in the currency based upon it.—"*Suggested Alterations in the Bank Act of 1844*" (*London*).

ADVERTISING FOR PROFIT.—Robert C. Ogden, head of the house of John Wanamaker in New York, made an address before the Merchants' Association March 16, on "Advertising as a Business Force." Mr. Ogden said that the success of business depended upon three things, merchandise, service and advertising, and he looked upon the latter as the dynamic power of the business. One trouble about it was that merchants did not take it seriously enough. It was the fundamental principle of business, and should receive the attention of the head of the business. It should be made so attractive as to attract the attention of the reader whether he wished it or not. He believed that fully fifty per cent. of the money spent on advertising was wasted through being improperly placed.

BANKING LAW DEPARTMENT

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States Courts and State Courts of last resort will be found in the MAGAZINE'S Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

STOPPING PAYMENT OF CHECK—RIGHT OF HOLDER.

Supreme Court of Illinois, February 14, 1898.

GAGE HOTEL COMPANY *vs.* UNION NATIONAL BANK.

Where a bank has on hand sufficient funds to pay a check it can not refuse payment because the drawer has ordered payment stopped.

This rule applies though when the check is issued there are not on deposit sufficient funds to pay it, if further deposits sufficient for this purpose are made before presentation.

CARTWRIGHT, *J.:* Henry C. Knill was a depositor in the bank of the appellee, and on June 21, 1893, drew his check on appellee for $300, payable to the order of Leroy Payne, and delivered it to the payee. Payne on the same day indorsed the check, and delivered it to the appellant, who paid him $300 for it. Appellant deposited the check to the credit of its account with its bank, the Union Trust Company of Chicago; and the latter sent it through the clearing-house, and it was presented to appellee for payment on June 23.

On the day the check was drawn the amount of Knill's deposit was $98.53, but he made subsequent deposits, and when the check was presented he had on deposit with appellee funds in excess of the amount of the check. Appellee refused payment on the ground that Knill had ordered it not to pay the check, and the paying teller marked it, "Payment stopped." On June 24 the dishonored check was returned to appellant by the Union Trust Company, and appellant on that day again presented it to appellee, which still had sufficient money to Knill's credit to pay it; but payment was again refused on the ground that it had been stopped by Knill. Thereupon the appellant brought this suit against appellee for the amount of the check. A jury was waived, and the cause tried before the court, resulting in a finding and judgment for appellee. On appeal the judgment was affirmed by the appellate court for the First district, which granted a certificate of importance, and the case has been brought to this court.

There is no dispute as to the material facts as above stated, and the rights of the parties depend upon the question whether appellee was justified in its refusal to pay the check because of the order of Knill that it should not be paid. This question is presented by the action of the court in refusing and modifying propositions of law presented at the trial.

The relation of the banker to the check holder has been frequently considered by this court, and the right of the check holder to payment on presentation of the check, provided there are sufficient funds on deposit to meet it, has been recognized and upheld in every case.

This court has constantly held that when the check of a depositor is presented to the banker, if the deposit is sufficient to pay the check, it is an absolute appropriation of the amount of the check to the holder, and that the contract implied by law between the banker and his depositor, for the benefit of whoever may become the holder of a check, is one upon which such holder can maintain an action.

A different rule prevails in some other jurisdictions, but this one has been affirmed by many courts and leading text writers as the logical one.

The case of *Munn* vs. *Burch* (25 Ill. 35) has been generally regarded as the leading case in this country stating the nature of the contract, and affirming the right of the check holder to sue and recover from the bank for refusing to honor a depositor's check under such circumstances.

In that case, after stating the universal custom which enters into, and forms a part of, every contract between a banker and depositor, it was said (page 40):

"This universal custom shows us what the contract of all the parties is. It shows us that the banker, when he receives the deposit, agrees with the depositor to pay it out, on the presentation of his checks, in such sums as those checks may call for, and to the person presenting them; and with the whole world he agrees that whoever shall become the owner of such check shall, upon presentation, thereby become the owner and entitled to receive the amount called for by the check, provided the drawer shall at that time have that amount on deposit. Who shall object to that portion of the contract which the law raises by implication on the part of the banker to the third person—to anybody and everybody?"

And it was further said:

"We hold, then, that the check of a depositor upon his banker, delivered to another for value, transfers to that other the title to so much of the deposit as the check calls for, which may again be transferred to another by delivery: and, when presented to the banker, he becomes the holder of the money to the use of the owner of the check, and is bound to account to him for that amount, provided the party drawing the check has funds to that amount on deposit, subject to his check, at the time it is presented."

In *Fourth Nat. Bank* vs. *City Nat. Bank* (68 Ill. 398) this Court said (page 402):

"The universal custom informs us what the contract of all the parties to such transactions is. It informs us that the banker, when he receives the deposit, agrees with the depositor to pay it out, on the presentation of his checks, in such sums as those checks may specify, and to the person presenting them; and with the whole world the banker agrees that whoever shall become the owner of such check shall, upon presentation thereof, become thereby the owner, and entitled to receive the amount specified in the check, provided the drawer shall at that time have that amount on deposit."

The same doctrine has been affirmed in the following cases: *Bickford* vs. *Bank* (42 Ill. 238); *Union Nat. Bank* vs. *Oceana Co. Bank* (80 Ill. 212); *National Bank of America* vs. *Indiana Banking Co.* (114 Ill. 483); *Bank* vs. *Jones* (137 Ill. 634); *Bank of Antigo* vs. *Union Trust Co.* (149 Ill. 343).

It is also the rule that the drawer of a check cannot stop payment of it after it has passed into the hands of a *bona-fide* holder. (*Union Nat. Bank* vs. *Oceana Co. Bank*, *supra.*)

These decisions are not controverted by appellee, but the argument in its behalf is that, after the check was given, Knill could make an arrangement with appellee that future deposits should not be applied to its payment. When the check was drawn the amount to Knill's credit was not sufficient to pay it, and after Knill had given the order not to pay it the bank received deposits before presentation which increased his balance to more than the amount of the check. It is insisted that Knill was free to make, and appellee to receive, deposits under an arrangement that this check should not be paid. Of course, if Knill could make such an arrangement on June 21 as to further deposits, he or any other depositor in a bank could make a special contract, when opening an account, that only certain checks should be paid, or at any time limit the liability of the bank by a secret arrangement between himself and the bank as to checks that might be drawn in the future, in any manner that they saw fit.

We think such a proposition plainly unsound, and in conflict with the decisions above referred to. If such a special agreement could be made, a person about to take a check could not rely upon the contract implied by the law, but would be compelled to go to the bank and ascertain whether the account had been opened under any special or private arrangement between the banker and depositor, or whether any instructions had been given by the depositor as to what checks should be paid. Even if he should find that there was no agreement or instruction, and should take the check, he could not then rely upon the banker's contract to pay it if the funds were on deposit, since they might be checked out or withdrawn, and a new deposit made, under an agreement or instruction that he should not be paid.

The basis of the decisions has been that by universal custom there is a contract between the banker and depositor, created by the deposit and receipt of the money, with the whole world, and for the benefit of every person who shall become the holder of a check. If the funds are in the bank when the check is drawn, the drawing is an appropriation, as between the drawer and the payee, of the sum of money named in the check, which is to lie in the bank until called for by a presentation of the check. It is true that in such a case there is no privity between the bank and the check holder until presentment, and that priority in drawing a check does not give priority of right to the fund, as against the banker, but that such priority of right is determined by the order of presentation.

In *Munn* vs. *Burch* (*supra*) it was said (page 25):

"Surely every sound lawyer will at once perceive a privity of contract between the banker and the holder of the check, created by the implied promise held out to the world by the banker, on the one side, and the receiving of the check for value, and presenting it, on the other. It is a familiar principle, of daily illustration, that a promise made to the public that the performance of a particular act shall entitle the person performing the act to a particular right, is a valid assumpsit to such person. The promise on the one hand, and the performance, on the other, create a privity between the parties as intimate and as obligatory as if the promise had originally been made to the particular person."

In Daniel on Negotiable Instruments (section 1638), the author says:

"The objection to the check holder's suing the bank, on the ground that there is no privity between him and the bank, seems to us utterly untenable. It is true, there is no privity before the presentment of the check; but by that very act they are brought in privity, and the check holder's right to sue the bank completed."

Knill had a right to draw his check in the reasonable expectation that he would have funds, at the time of presentment, adequate to meet it, and he did have sufficient funds to his credit at the time of presentment. By giving the check he assumed the obligation that the funds should be there. Of course, he might have withdrawn his deposit before presentment, or have declined to make a further deposit to meet the check, and have thus committed a fraud upon appellant; but, if he had done so, it would have been his fraud, and not that of appellee, and appellee whould have been in no wise responsible for it. It does not aid appellee that Knill might have committed a fraud in that way, so that appellant is no worse off than it would have been if he alone had committed the fraud. Its duty was to stand indifferent, and perform its obligation. When it accepted his account, it did so with an agreement with the whole world that whoever should become the owner of his check should, upon presentation thereof, become the owner and entitled to receive the amount specified in the check—not as a matter of favor, but as a matter of right—

provided Knill at the time had the amount on deposit. This agreement was for the benefit of such check holder, and we think no special contract could be made to abrogate it, without the consent of the check holder. Appellant, in taking the check, had a right to rely upon the contract implied by the law, and was entitled to enforce it.

The judgments of the appellate court and circuit court are reversed, and the cause is remanded to the circuit court. Reversed and remanded.

PRESIDENT—LIABILITY OF FOR PURCHASING BAD PAPER.

United States Circuit Court of Appeals, Sixth Circuit, December 7, 1897.

STEARNS *vs.* LAWRENCE.

The President of a bank who purchases paper with knowledge of an infirmity therein which is likely to destroy its value, is liable for the loss resulting to the bank therefrom.

Before Taft and Lurton, Circuit Judges, and Clark, District Judge.

Clark, *District Judge* (omitting part of the opinion): When the appellant, as the managing officer of the bank, took the Anderson & Griffin note with knowledge that it was burdened with the guarantee which might destroy its value and cause loss to the bank, it was such negligence as clearly rendered him liable to account for any loss which resulted. In his position of managing officer he was required, in relation to the stockholders as well as the creditors of the corporation, to exercise good faith and reasonable care and judgment.

We are at a loss to see on what reasonable ground it could be maintained that there was either good faith or good judgment in purchasing with the assets of the bank paper representing so large a sum, affected with an infirmity liable, if not certain, to destroy its value.

As trustee Stearns was under a duty of fidelity and prudence such as a careful man would exercise in his own affairs of like magnitude and importance. He is presumed to contemplate and to intend the natural consequences of his acts. Certainly, in the exercise of reasonable caution and prudence, it must have been foreseen that a loss on the Anderson & Griffin note was not only liable but likely to result.

In *Agnew* vs. *U. S.* (165 U. S. 53) the court below had given an instruction in the following language:

"The law presumes that every man intends the legitimate consequence of his own acts. Wrongful acts knowingly or intentionally committed can neither be justified nor excused on the ground of innocent intent. The color of the act determines the complexion of the intent. The intent to injure or defraud is presumed when the unlawful act which results in loss or injury is proved to have been knowingly committed. It is a well-settled rule, which the law applies in both criminal and civil cases, that the intent is presumed and inferred from the result of the action. If, therefore, the funds, moneys, or credits of the First National Bank of Ocala are shown to have been either embezzled or wilfully misapplied by the accused, and converted to his own use, whereby, as a necessary, natural, or legitimate consequence, the association's capital was reduced or placed beyond the control of the directors, or its ability to meet its engagements or obligations or to continue its business was lessened or destroyed, the intent to injure or defraud the bank may be presumed."

This instruction was declared by the supreme court to be "unexceptionable as matter of law."

See also *Trustees* vs. *Bosseiux* (3 Fed. 817).

In the amount of the recovery against Stearns was included the expense incurred by the bank in the defense of the suit brought by Anderson & Griffin against the bank to enforce the Baker guaranty; and it is said there is error in this respect because no demand was made on appellant to defend that suit. Any formal demand would have been an idle ceremony, as process in the case was evidently served on Stearns; and it appears that he actively conducted the defense for the bank as well as himself. It is certain that a recovery which did not include this item of expense would come short of doing full justice to the bank, its shareholders and creditors. The expense incurred in the defense of that suit was a natural, legitimate consequence of the wrongful act of Stearns, knowingly and deliberately committed in violation of his trust, and was a result which no prudent man could fail to foresee and contemplate as natural and probable. We think the sum thus expended constitutes properly an item in the amount of damage for which decree was rendered against the appellant.

CASHIER—REPLIES OF TO INQUIRIES.

United States Circuit Court of Appeals, Sixth Circuit, December 7, 1897.

FIRST NATIONAL BANK OF MANISTEE, MICH., *et al.*, *vs.* MARSHALL & ILSLEY BANK OF MILWAUKEE.

A bank is not bound by the answer of its Cashier to an inquiry as to the business standing of a third person.

This was a bill in equity to foreclose a mortgage. The question involved was whether a lien held by the Manistee Bank should be postponed to the mortgage owned by the Milwaukee Bank.

Before Taft and Lurton, Circuit Judges, and Clark, District Judge.

CLARK, *District Judge* (omitting part of the opinion): The estoppel urged against the Manistee Bank, and on account of which its lien was postponed, is predicated mainly on a letter written by Dunham, Cashier of that bank, to Ilsley, Vice-President of the Milwaukee Bank, which is as follows:

MANISTEE, Mich., Jan. 2, 1894.

Marshall & Ilsley Bank, Milwaukee, Wis.—Gentlemen: In reply to yours of the 29th ult., would say Mr. Hale has a fine reputation as a competent, careful and industrious business man. He has no bad or expensive habits, but always gives his business the closest attention, and is very careful in his expenses. As near as I can judge, he has invested in his business about $40,000 above his indebtedness. Had lumber held up as well as it opened in the spring. I understand he would have cleared up nearly all of his indebtedness.

Yours truly, GEO. A. DUNHAM, *Cashier*.

The letter to which this was an answer was as follows:

MILWAUKEE, Wis., Dec. 29, 1893.

Geo. A. Dunham, Esq., Cashier, Manistee Michigan—Dear Sir: Will you be kind enough to give us what information you can in regard to the character and financial standing of Leo F. Hale, of Watervale, which will be regarded as entirely confidential. Thanking you in advance, we remain, Yours very truly, C. F. ILSLEY, *Vice-Pres.*

The inquiry was the result of an application for a loan made by the Watervale Manufacturing Company through Ellis, who presented a statement of the property and assets of that corporation prepared by Leo F. Hale, treasurer and general manager of the company. In this statement the real estate in question was included.

In considering this letter and its effect, it becomes necessary to first determine whether it is to be treated as the letter of the bank, and affecting it as such, as seems to have been the view of the circuit court and certainly the view presented by counsel for the Milwaukee bank in argument at the bar.

We are clearly of the opinion that Dunham cannot be regarded as acting for or as the agent of the bank in writing this letter. The acts and declarations of a Cashier of a bank are binding on the bank and affect it only when the Cashier is in the discharge of his duty as such Cashier, acting either in the general line of duty, or in regard to some business transaction with the bank pending at the time and coming within his duty and authority. It is not insisted that there was any express authority conferred upon Dunham, Cashier, to make voluntary answers of this kind to other banks, or the customers of other banks, although the practice of doing so is very common in the nature of the case. It is well understood to be a mere favor or courtesy, such as one banking institution extends to another. It was no part of the duty of Dunham, as Cashier, to furnish such an answer as he did; and, not being a duty belonging to his position, there was no implied authority from the bank to do so. To require that the bank shall make good statements of this kind would be to impose on banks extraordinary liability for the acts of their agents, such as belongs to the relation of principal and agent in regard to no other line of business. To hold the bank liable for a mere voluntary statement made by its Cashier, without consideration, and having no relation to any business transaction with the bank, would be to subject the property of the bank to such risk as would tend to prevent the investment of capital in such an institution. We regard this question as now well settled by the adjudged cases. (*Horrigan* vs. *Bank*, 9, Baxt. 137; *U. S.* vs. *City Bank of Columbus*, 21 How. 356–365; *Mapes* vs. *Bank*, 80 Pa. St. 163–165; *Bank* vs. *Dunn*, 6 Pet. 51, 59, 60; *Bank* vs. *Jones*, 8 Pet. 12–16; *First Nat. Bank* vs. *Ocean Nat. Bank*, 60 N. Y. 278, 291, 296.) The same principle has been announced in many other cases, but we refer to only some of these, as follows: *Gray* vs. *Bank* (81 Md. 631); *Bank* vs. *Foote* (12 Utah, 157); *Louisville Trust Co.* vs. *Louisville, N. A. & C. Ry. Co.* (43 U. S. App. 550 and 75 Fed. 433); *Surety Co.* vs. *Pauly* (38 U. S. App. 254).

USURY—ACTION TO RECOVER FROM NATIONAL BANK.

United States Circuit Court, District of Oregon, September 4, 1897.

COX *vs.* BECK, *et al.*

Where illegal interest has been paid to a National bank the person paying the same must resort to his penal action to recover double the amount of interest paid; and he can have redress in no other form of procedure.

This was a suit in equity by the plaintiff as Receiver of the First National Bank of Arlington to determine claims to certain funds.

BELLINGER, *District Judge* (omitting part of the opinion): The defendants contend that complainant has received upon his mortgage a higher rate of interest than that allowed by law, and that, under section 5198 of the Revised Statutes of the United States, the complainant has forfeited all right to interest on his debt. The statute in question provides as follows:

"And the knowingly taking, receiving, reserving, or charging a rate of interest greater than aforesaid shall be held and adjudged to be 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; and in case a greater rate of interest has been paid the person or persons paying the same, or their legal representatives, may recover back, in any action of debt, twice the amount of interest thus paid from the association taking or receiving the same, provided that such action is commenced within two years from the time the usurious transaction occurred."

This statute was construed, in *Barnet* vs. *Bank* (98 U. S. 555), to define two categories, with their consequences, as follows: (1) Where illegal interest has been knowingly stipulated for, but not paid, there only the sum lent without interest can be recovered. (2) Where such illegal interest has been paid, then twice the amount so paid can be recovered in a penal action of debt or suit in the nature of such action, brought by the persons paying the same or their legal representatives. In this case it was held that the remedy given by the statute is a penal suit, and that the party aggrieved, or his legal representatives, must resort to that remedy; that he can have no redress in any other form of procedure. Under such a rule the fact, if it is a fact, that the complainant received a higher rate of interest than that provided for by law, can only be available in the manner indicated. The penal character of the statute requires that the fact be clearly made out in a proceeding instituted for that purpose, where the party accused of the violation of the statute can have a trial of that question by jury. In this proceeding such a defense is not available.

NATIONAL BANKS—GUARANTY.

United States Circuit Court of Appeals, Eighth Circuit, September 13, 1897.

COMMERCIAL NATIONAL BANK, *et al.* *vs.* PIRIE, *et al.*

The officers and directors of a National bank have no authority to bind the bank by a guaranty of the debt of a third person contracted for his own benefit.

This was a suit to recover the value of certain goods. The case as developed by the evidence produced at the trial was substantially as follows: In February, 1892, and for some time previous thereto, R. T. Webb was President of the Cherryvale National Bank, located and doing business at Cherryvale, Kan. He was also doing a mercantile business at the same place, having first become engaged in the latter business in September, 1891. On the 17th or 18th day of February, 1892, Webb applied to the firm of Carson, Pirie, Scott & Co., at their place of business in Chicago, Ill., to purchase a bill of goods, and on being asked by a member of the firm to make a property statement as a basis for obtaining credit, he produced and exhibited the following document, which had been executed by T. C. Molloy, Cashier of the Cherryvale National Bank at the instance and request of Webb, prior to the latter's departure for Chicago for the purpose of buying goods:

R. T. Webb, President. T. C. Molloy, Cashier. A. H. Harding, Vice-President.
C. F. Godbey, Assistant Cashier.

CHERRYVALE NATIONAL BANK. Capital, $50,000.

CHERRYVALE, Kansas, February 15, 1892.

Carson, Pirie, Scott & Co., Chicago, Ill.

GENTLEMEN:—We will guarantee the payment of any bill of goods which Mr. R. T. Webb may buy of you while in Chicago during the present week. If this guaranty is not specific enough we will make it satisfactory to you. Yours very truly,

THE CHERRYVALE NATIONAL BANK,
By T. C. Molloy, *Cashier.*

On the production of the aforesaid guaranty, Webb was allowed to purchase a bill of merchandise amounting to $6,395.25. Webb having failed to pay for the goods, and having become insolvent, this action was brought to recover the goods on the ground of fraud. The trial court directed a verdict for the plaintiff.

Before Caldwell, Sanborn and Thayer, Circuit Judges.

THAYER, *Circuit Judge* (omitting part of the opinion): We think that the trial court erred in withdrawing the case from the consideration of the jury and that its action in that respect cannot be upheld.

It is not claimed that any oral representations were made to induce the firm of Carson, Pirie, Scott & Co. to sell the goods in question on credit or to ship them to the purchaser. The representative of the firm who negotiated the sale confessedly acted on the assumption that the written guaranty executed by T. C. Molloy as Cashier of the Cherryvale National Bank bound the bank, and that the bank was able to meet all its engagements. For this reason he made no inquiries concerning the financial condition of the buyer or the bank and no representations were made on that subject.

The first of these assumptions—that the bank had power under its charter to guaranty the payment of the indebtedness contracted by Webb for merchandise—was due to a mistake of law for which Webb is not legally responsible. The Act of Congress under which the bank was organized confers no authority upon National banks to guaranty the payment of debts contracted by third parties, and acts of that nature, whether performed by the Cashier of his own motion or by direction of the board of directors, are necessarily *ultra vires.*

A National bank may indorse or guaranty the payment of commercial paper which it holds when it rediscounts or disposes of the same in the ordinary course of business. Such power it seems a National bank may exercise as incident to the express authority conferred on such banks by the National Banking Act to discount and negotiate promissory notes, drafts, bills of exchange, and other evidences of debt (*People's Bank* vs. *National Bank* (101 U. S. 181; *U. S. Nat. Bank* vs. *First Nat. Bank*, 49 U. S. App. 67); but it has never been supposed that the board of directors of a National bank can bind it by contracts of suretyship or guaranty which are made for the sole benefit and advantage of others.

The National Banking Act confers no such authority in express terms or by fair implication, and the exercise of such power by such corporations would be detrimental to the interests of depositors, stockholders, and the public generally. (*Norton* vs. *Bank*, 61 N. H. 589; *State Nat. Bank of St. Joseph* vs. *Newton Nat. Bank*, 32 U. S. App. 52,58, 14 C. C. A. 61, 64, and 66 Fed. 691, 694; *Bank* vs. *Smith*, 40 U. S. App. 690, 28 C. C. A. 80, and 77 Fed. 129.)

In contemplation of law, therefore, the vendors knew when they sold the goods in controversy that the guaranty in question was of no avail as a security, even though they supposed that it had been executed with the sanction of the board of directors.

NATIONAL BANK—PURCHASE OF ITS OWN STOCK.

United States Circuit Court of Appeals, Seventh Circuit, January 3, 1898.

BURROWS *vs.* NIBLACK.

Where a purchase of its own stock is made by a National bank for cash, and not for the purpose of preventing loss upon a debt previously contracted, the Receiver of the bank may recover from the seller the amount of money so paid to him.

This was an action by the Receiver of the Chemical National Bank of Chicago to recover of William F. Burrows, the sum of $10,000 which the said bank had paid to him as the purchase price of 100 shares of its own stock. The sale took place on March 10, 1893, and on the 8th of May following the bank became insolvent.

Before Woods, Jenkins and Showalter, Circuit Judges.

Woods, *J.* (omitting part of the opinion): The principal objections urged are: (1) That the validity of the purchase by the bank of its own stock can be questioned only by the Government; (2) that the alleged liability of the bank for the return of the money can be enforced only in a court of equity; and (3) that a tender back of the shares of stock purchased was essential to the right of recovery of the price paid.

The first objection is based upon that line of decisions of which illustrations are found in *Bank* vs. *Matthews* (98 U. S. 621); *Bank* vs. *Whitney* (103 U. S. 99) and *Thompson* vs. *Bank* (146 U. S. 240); but the present case, as we think, is governed rather by the principles declared in *McCormick* vs. *Bank* (165 U. S. 538) and *Bank* vs. *Kennedy* (167 U. S. 362), where the line of cases mentioned is distinguished.

The transaction here in question was not a purchase made for the purpose of preventing, or which was necessary to prevent, loss upon a debt previously contracted, but, as set forth, it was a bald purchase by the bank of its own stock for cash, and necessarily involved for the time being a reduction *pro tanto* of the corporate stock. Even if it were not forbidden by the statute, the transaction would be inconsistent with public policy and with established principles of law.

The suggestion that a reduction of stock by a National bank may be lawfully made under section 5143 of the Revised Statutes is irrelevant, because it is not shown, and without proof is not to be presumed, even if it were conceivably possible, that this transaction could have been justified under the provisions of that section. The purchase was outside of and beyond the powers of the bank, and therefore, as a corporate act, was void from the beginning; and, while it appears from the agreement that the certificates of stock were indorsed in blank, and delivered to the President of the bank, the latter did not thereby acquire, nor the plaintiff in error part with, title to the stock. The money having been unlawfully paid out, the bank had an immediate right of action to recover it in an action of assumpsit. It was not necessary to go into equity, nor to offer a return of stock.

The judgment of the circuit court is affirmed.

USURY—WHEN INTEREST IS PAID—RENEWAL.

Supreme Court of the United States, Feb. 21, 1898.

BROWN *vs.* MARION NATIONAL BANK OF LEBANON, KY.

The forfeiture declared by the National Bank Act for taking illegal interest is not waived or avoided by giving a separate note for this interest, or by giving a renewal note in which is included the usurious interest.

The interest is not to be deemed "paid" simply by including it in a renewal note.

This was an action by John Q. Brown, as assignee, against the Marion National Bank of Lebanon, Ky., to recover back usurious interest paid on certain notes. It was consolidated with proceedings in which the bank sought to have allowed against the assigned estate renewal notes executed to it by plaintiff's assignors. From the judgment of the Court of Appeals of Kentucky on a second appeal (35 S. W. 926), the plaintiff brings error.

Mr. Justice Harlan delivered the opinion of the court.

This case was twice before the Court of Appeals of Kentucky. The first judgment of the court of original jurisdiction was reversed in that court, and the cause was remanded for further proceedings. (92 Ky. 607, 18 S. W. 635.)

The present appeal brings up for review the final judgment rendered by the Court of Appeals of Kentucky on a second appeal to that court. (35 S. W. 926.)

The case requires the construction of certain provisions of the Revised Statutes of the United States relating to National banking associations.

Section 5197 authorizes a National banking association to take, receive, reserve and charge on any loan or discount made, or upon any note, bill of exchange, or other evidences of debt, interest at the rate allowed by the laws of the State, territory or district where the bank is located, and no more, except that where, by the laws of any State, a different rate is limited for banks of issue organized under State laws, the rate so limited shall be allowed for associations organized or existing in any such State. When no rate is fixed by the laws of the State, territory or district, the bank may take, receive, reserve, or charge a rate not exceeding seven per cent., and such interest may be taken in advance, reckoning the days for which the note, bill, or other evidence of debt has to run.

Section 5198 provides: "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. That suits, actions and proceedings against any association under this title may be had in any circuit, district or territorial court of the United States held within the district in which such association may be established, or in any State, county or municipal court in the county or city in which said association is located having jurisdiction in similar cases."

The last section clearly makes a difference between interest which a note, bill, or other evidence of debt held by a National bank "carries with it, or which has been agreed to be paid thereon," and interest which has been "paid." Interest included in a renewal note, or evidenced by a separate note, does not thereby cease to be interest, within the meaning of Section 5198, and become principal.

If a bank which violates by that section sues upon the note, bill, or other evidence of debt held by it, the debtor may insist that the entire interest, legal and usurious, included in his written obligation, and agreed to be paid, but which has not been actually paid, shall be either credited on the note, or eliminated from it, and judgment given only for the original principal debt, with interest at the legal rate from the commencement of the suit. We say "entire interest," because such are the words of the statute, based on the Act of June 30, 1864 (13 Stat. pp. 95, 108, c. 106, § 30), whereas the prior statute of February 25, 1863 (12 Stat. pp. 665, 678, c. 68, § 46), declared that the knowingly taking, reserving, or charging a greater rate of interest than was allowed should be held and adjudged a forfeiture of "the debt or demand" on which usurious interest was taken, reserved, or charged.

The forfeiture declared by the statute is not waived or avoided by giving a separate note for the interest, or by giving a renewal note in which is included the usurious interest. No matter how many renewals may have been made, if the bank has charged a greater rate of interest than the law allows, it must, if the forfeiture clause of the statute be relied on, and the matter is thus brought to the attention of the court, lose the entire interest which the note carries or which has been agreed to be paid. By no other construction of the statute can effect be given to the clause forfeiting the entire interest which the note, bill, or other evidence of debt carries, or which was agreed to be paid, but which has not been actually paid.

It is said that, within the meaning of the statute, interest is "paid" when included in a renewal note, and when suit is brought upon the last note, calling for interest from its date, only the interest accruing on the apparent principal of that note is subject to forfeiture. We think that the statute cannot be so construed. If, within the meaning of the statute, interest is "paid" simply by including it in a renewal note, it would follow that, as soon as the usurious interest is included in a renewal note, the borrower or obligor could sue the lender or obligee, and "recover back * * * twice the amount of the interest thus paid," when he had not, in fact, paid the debt, nor any part of the interest as such. This cannot be a sound interpretation of the statute. The words "in case the greater rate of interest has been paid," in Section 5198, refer to interest actually paid, as distinguished from interest included in the note and only "agreed to be paid." If, for instance, one executes his note to a National bank for a named sum as evidence of a loan to him of that amount to be paid in one year at ten per cent. interest, such a rate of interest being illegal, and if renewal notes are executed each year for five successive years, without any money being in fact paid by the borrower (each renewal note including past interest, legal and usurious), the sum included in the last note in excess of the sum originally loaned would be interest which that note carried or which was agreed to be paid, and not, as to any part of it, interest paid.

It is difficult to tell from the record when there were actual payments of usurious interest as such. Sometimes interest is said to have been paid when it is evident that it was only included in a renewal note. But that, as we have said, was not payment, within the meaning of the statute. (*Driesbach* vs. *Bank*, 104 U. S. 52.) If the note when sued on includes usurious interest, or interest upon usurious interest, agreed to be paid, the holder may, in due time, elect to remit such interest, and it cannot then be said that usurious interest was paid to him. (*McBroom* vs. *Investment Co.* 153 U. S. 318, 328; *Stevens* vs. *Lincoln*, 7 Metc. [Mass.] 525, 528; *Saunders* vs. *Lambert*, 7 Gray, 484, 486; *Stedman* vs. *Bland*, 26 N. C. 296, 299.) If at any time the obligee actually pays usurious interest as such, the usurious transaction must be held to have then, and not before, occurred, and he must sue within two years thereafter.

It is proper to state that the judgment before us for review was not in accordance with the views of the Court of Appeals of Kentucky, as expressed when the case was first before that court on appeal. (92 Ky. 607, 18 S. W. 635.) The ruling then made by that court was not followed in the subsequent case of *Snyder* vs. *Bank* (94 Ky. 231, 21 S. W. 1050), in which the language of Judge Acheson in *Bank* vs. *Hoagland* (7 Fed. 159, 161) was approved, as follows: "By the terms of the Act of Congress [the National Bank Act], the charging of such rates of interest [in excess of the legal rate] worked a forfeiture of the entire interest which the several notes carried with them. Now, such forfeiture was not waived by the giving of subsequent notes, although, as respects them, the agreed rate of interest was a legal rate. They were mere renewals, and given without any new consideration. Nor did the new notes operate as payment of the debts for which they were given. In so far, then, as the notes in suit embraced the forfeited interest, they are without consideration. Moreover, it is an established principle that, if there be usury in the original transaction, it affects all consecutive securities, however remote, growing out of it; and neither the renewal of the old nor the substitution of a new security, between the same parties, can efface the usury. The bank incorporated in the new notes usurious interest, previously charged, as a part of the new principal, and this illegal consideration pervaded the whole subsequent series of notes. Upon each fresh renewal interest was charged upon usurious interest, which had entered into the prior notes as principal."

It was contended in the Court of Appeals of Kentucky in the present case that its ruling, when the case was first before it, was different from its subsequent ruling in *Sydner* vs. *Bank*. That court conceded that the two cases were not in harmony on the question whether the bank could recover the usurious interest embraced in the renewal notes. "Nevertheless," the Court said, "we hold that the judgment on the former appeal is the law of this case." It was the latter view which made it necessary for the appellants to prosecute the present appeal.

As the judgment in this case did not proceed upon the principles herein stated, but rested upon an erroneous interpretation of the statute, it must be reversed. The necessary calculations can be made in the State court. For the reasons stated, the judgment is reversed, and the cause remanded for further proceedings consistent with this opinion. Reversed.

SET-OFF—DEMAND NOTE.

Supreme Court of Michigan, Dec. 7, 1897.

CITIZENS' SAVINGS BANK *vs.* VAUGHAN, *et al.*

Where a bank holds the demand note of a customer it may set off the same against his deposit.

The Michigan Mortgage Company, Limited, which had an account with the Citizens' Savings Bank, became insolvent. At the time of the failure the company had to its credit with the bank $1,849.96, and the bank held its demand note for $6,000. The bank claimed a right of set-off.

GRANT, *J.* (after stating the facts): 1. Did the bank have the right to offset the deposit of the mortgage company? If the note was due, the offset was properly allowed. It is conceded that banks have a lien upon deposits for debts due from their depositors. No lien, however, attaches until the maturity of the debt. (Bolles, Banks, § 374; *Gibbons* vs. *Hecox*, 105 Mich. 513.)

The learned counsel for the Receivers cite several authorities upon the question of reasonable time to be allowed before a demand note becomes overdue and dishonored. Those cases affect solely the liability of indorsers. They have no application in suits upon a note between the promisor and the promisee. In such a case the universal rule is that the note is due at once, and that no demand is necessary before bringing suit. (*Palmer* vs. *Palmer*, 36 Mich. 487; *Beardsley* vs. *Webber*, 104 Mich. 88; *Bank* vs. *Hosie* [Mich.] 70 N. W. 890.)

If the note be due so that suit may be brought without demand, it is also due, for the purposes of offset, when the promisor sues the bank to recover claims against it.

The Receivers introduced evidence from which they argue that these demand notes were not intended as temporary loans, and would not become due until some future time. The plain terms of the contract cannot be thus changed. The paper is a demand note, pure and simple, and is to be controlled by the rules applicable to such paper. The circuit judge rightly held that the deposit is an offset.

COUNTY FUNDS—LIEN—INSOLVENCY.

Supreme Court of Georgia, May 21, 1879.

GLYNN COUNTY *vs.* BRUNSWICK TERMINAL COMPANY, *et al.*

Where county funds are deposited in a bank, and the bank fails, the county, in a contest over the distribution of the assets, is not entitled to a lien on these assets in preference to the individual depositors.

SIMMONS, *C. J.:* It appears from the record that the treasurer of the county of Glynn deposited a certain amount of the money of the county in the Brunswick State Bank, and that the Brunswick Terminal Company and others were also depositors. The bank failed. A creditors' petition was filed for the purpose of winding up the affairs of the bank and distributing its assets. The county of Glynn was made a party, and, in its intervention, claimed a preference over all other depositors in the distribution of the assets. On the trial of the case the court ruled that the county had no preference over the other depositors, but must share pro rata with them. To this ruling the county excepted.

According to the rulings of this court, the State, in a contest of this kind, would be entitled to a preference. These decisions are based upon our adopting Act of 1784, wherein the common law of England was made the law of this State. By that law, the King of England, by his prerogative right, had a preference over all of his subjects in regard to debts due the crown. This court, in the case of *Robinson* vs. *Bank* (18 Ga. 65), held that the State, on account of its sovereignty, had the same prerogative right in regard to the collection of debts due it as the King of England had with respect to debts due the crown, and ruled in that case that, although the State had a lien junior to that of one of its citizens, the State's lien had preference. This ruling has been followed in other cases, notably that of *Seay* vs. *Bank*, 66 Ga. 609.

While it may be true that the State, on account of its prerogative right, has this preference, we cannot hold that the same right applies to the counties of the State.

If there is such a thing as prerogative right of preference on the part of the State, it cannot be divided among the 137 counties of which it is composed. (8 Bac. Abr., under head "Prerogative.")

We think it safe to hold that the county has no such prerogative right as the State. Not having this right, in order to obtain a preference over the other depositors it must show some statutory right.

We have no statute which gives a county which is a depositor in a bank a lien or preference over other depositors of the same class. It is true there is a statute giving a county a lien for its taxes in preference to others, but a lien for taxes and a lien upon the assets of an insolvent debtor for money deposited stand upon altogether different footings. The lien of the county for taxes as against the property taxed by it (the lien being given by statute) is one thing; and the claimed right of the county to priority over other creditors in regard to an indebtedness for money received from the county, whether or not that money has been collected from taxes, is another and an altogether different thing. In the one case a statute gives the lien for taxes upon the property of the citizen. In the other there is no statute giving any lien. In the absence of any legal right of preference in such cases, the county must stand upon an equal footing with other depositors. Judgment affirmed.

ACTION BY HOLDER OF CHECK—ASSIGNMENT.

Court of Civil Appeals of Texas, Dec. 2, 1897.

HOUSE *vs.* KOUNTZE, *et al.*

The holder of a check cannot sue the bank thereon until the check has been accepted.*

This was an action by T. W. House against Kountze Brothers to recover upon a check drawn on them by Bonner & Bonner, to the order of the plaintiff. At the time the check was drawn Bonner & Bonner had sufficient funds on deposit with the drawees to pay the same, but became insolvent before the same was presented, and the drawees claimed a right of set-off.

Appellant's contention is that the drawing of the check operated as an assignment to him, *pro tanto*, of the amount of the funds deposited to the credit of Bonner & Bonner with Kountze Brothers, and gave him a right of action against Kountze Brothers, although the check was never accepted by them. It is well settled that a bank deposit is a debt owed by the banker to the depositor, and that a part of a chose in action may be assigned, and suit maintained against the debtor for the part so assigned. (*Harris Co.* vs. *Campbell*, 68 Tex. 27.)

But there is a difference of opinion about the right of a holder of a check drawn by a depositor against money deposited by him in a bank, and never accepted by the bank, to maintain a suit thereon against the bank. The weight of authority is that such a suit cannot be maintained. This is the rule in England—made so by an Act of Parliament codifying the law upon the subject of bills of exchange, and the decisions of the English courts before that time. But the Act does not extend to Scotland, where the bill operates as an assignment from the time that it is presented to the drawee. (4 Eng. Rul. Cas. 169.)

The Act referred to defines a check to be "a bill of exchange drawn on a banker payable on demand." It is also the rule adopted by the Supreme Court of the United States and many other courts in this country. On the other hand, quite a number of the States have adopted the contrary rule, and hold the drawing of a check by a banker, against funds upon deposit, is an assignment *pro tanto* of the funds in the hands of the banker to the drawee of the check, or, at least, if there is no assignment, that the check holder has such a privity of contract with

* This is the rule of the Negotiable Instruments Law.

the banker as to authorize him to maintain the action against the bank, upon an implied promise to pay the check of the depositor.

For a collation of the authorities, pro and con, see 5 Am. & Eng. Enc. Law (2d Ed.) p. 1061 *et seq.* and p. 1065 *et seq.* and notes; also for a collation and discussion of the authorities, 2 Morse, Banks (3d Ed.) § 513 *et seq.* and § 528 *et seq.* Notes citing the English and American cases upon the question will be found in 3 Eng. Rul. Cas., at pages 757 and 760.

The courts holding that the drawee of an unaccepted check has no right of action against the banker do so upon the grounds that the contract is with the depositor, and the bank owes no duty to the check holder and therefore can maintain no action, for the want of privity of contract; that the check is simply an order that may be countermanded at any time, and does not act as an assignment, legal or equitable of the deposit upon which it is drawn, or create a lien thereon, at law or in equity; that the contract of the bank with the depositor is entire, and the drawer of the check may not split up his cause of action against it; and that to allow the check holder to sue would be to give the right of action to two persons for the same thing. These courts, however, have recognized the principle that there may be an assignment of the fund in the bank to the drawee of the check, growing out of the intention of the parties, and the circumstances of the case. There are quite a number of cases in the Supreme Court of the United States, and other courts, illustrating this principle, and they are easily distinguished from, and in no wise conflict with, the cases holding to the general doctrine that no action can be maintained.

The leading case relied upon in support of the rule that the check-holder cannot maintain an action against the bank is *Bank* vs. *Millard* (10 Wall. 152).

In that case a paymaster of the Army drew a check on the bank, in favor of Capt. Millard, in payment of a balance due him by the Government. The check fell into the hands of another person, and the bank paid it on a forged endorsement. Millard recovered the check, and sued the bank. The court held that in the absence of proof that the check had been accepted by the bank, or charged against the drawer in a settlement with the bank, Millard could not maintain a suit against the bank; and this rule has been adhered to in all the subsequent decisions of that court. whenever the question has been raised. But, as above stated, there are cases in which the court has held that there was an assignment of the fund to the deposit of the drawer in the bank, in favor of the drawee of the check arising out of the particular transaction.

A case illustrating this principle is that of *Bank* vs. *Yardley* (165 U. S. 634), from which it appears that the President of the Keystone National Bank of Philadelphia solicited the Fourth Street Bank to give his bank $25,090 in gold certificates to meet its balance at the clearing-house. He represented that his bank had about that sum on deposit with the Tradesmen's National Bank of New York, and exhibited a memorandum showing that to be the case, and offered his check for the amount. The check was taken, and the gold certificates delivered. On the next morning, before the check was presented to the New York bank, the Keystone National Bank was closed, by the order of the United States Comptroller of the Currency. The suit was a bill in equity to subject the money which had been paid to the Receiver to the payment of the check; and it was held that the rule that the check-holder cannot sue the bank upon which his check is drawn was recognized, but that the transaction showed an assignment of the particular fund on deposit with the New York bank to the credit of the drawer.

So there is no conflict of decision in the Supreme Court of the United States upon this question. The same principle is recognized by the other courts which hold that the check-holder has no right to sue the bank upon an unaccepted draft.

There are two leading cases in support of the contrary doctrine, which allows the check-holder to sue, decided about the same time. They are *Fogarties* vs. *Bank* (12 Rich. Law 518) and *Munn* vs. *Burch* (25 Ill. 85).

The Supreme Court of South Carolina, in *Fogarties* vs. *Bank*, in the well-considered opinion delivered by Judge Johnson, in sustaining the right of a check-holder to sue, bases it upon the implied contract between the holder of the check and the bank. In *Munn* vs. *Burch* the Supreme Court of Illinois holds that there is not only an implied contract to pay, but an equitable assignment *pro tanto* of so much of the fund on deposit in the bank as the check amounts to, in favor of the drawee of the check.

The authorities are quite numerous on both sides of the question, and reasons are given by judges delivering the opinions of the courts, in support of their views, which are cogent to sustain the position taken. The text writers, in discussing the question, uniformly favor the rule giving the check-holder the right to sue. Tiedeman, who is more conservative than Morse, says:

"The cases which deny the right of the check-holder to sue the bank are by far more numerous than those which recognize his right. And although it is not difficult to demonstrate that the ruling of a minority of the courts is more rational, and more consistent with the general principles of the law, in order to secure the much-desired uniformity of rules throughout the Unithd States, in respect to commercial law it may be best for the minority to yield to the majority, on the ground that *communis error facit jus*."

(Tied. Com. Paper, § 462.)

In this State the question may be said to be *res integra*, since our Supreme Court has never passed on it. It came before the Court of Civil Appeals for the Fourth District, and that court, in an opinion by Chief Justice James, sustained the right to sue. (*Doty* vs. *Caldwell*, Tex. Civ. App. 38 S. W. 1025.) The old Court of Appeals held also to the same effect. (*Bank* vs. *Randall*, White & W. Civ. Cas. Ct. App. § 975.)

Counsel for the appellees Kountze Brothers contend that the law in New York should control the question as presented in this case, because the check was drawn on a bank in New York, to be paid out of a deposit there. It may be conceded that the position is correct. (*Abt* vs. *Bank*, Ill. Sup. 42 N. E. 856.) Yet there was no proof of what the law of New York is. But, as this is a question of the law merchant, the court might, perhaps, take judicial notice of the law merchant as prevailing in the State of New York, in absence of proof to the contrary. (Whart. Ev. § 298.) The court, however, must inform itself as to the state of the law, and, in doing so, finds that there is a hopeless conflict in the decisions, and, in the absence of proof of any statute of New York upon the question, must at last decide it upon general principles. The decisions of the New York courts cannot be more than persuasive, because they cannot be noticed judicially as furnishing evidence of what the law of New York really is.

After a careful examination of the authorities, and a full consideration of the reasons in favor of and against the right to sue, a majority of the court are of the opinion that the weight of reason, as well as of authority, is in support of the rule that the suit cannot be maintained. The writer has reached the opposite conclusion, and is of the opinion that, while the weight of authority is against the rule authorizing the suit, yet, as stated by the text writers, the weight of reason is with those courts which hold that the check-holder has the right to sue the bank, although his check has never been accepted.

In view of the conclusion reached by a majority of the court, it becomes unnecessary to pass upon the right of Kountze Brothers to set-off the deposit against the note of Bonner & Bonner, or to determine the effect of the garnishment. The judgment of the court below will be affirmed. Affirmed.

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

A reasonable charge is made for Special Replies asked for by correspondents—to be sent promptly by mail. See advertisement in back part of this number.

Editor Bankers' Magazine: **BARRE, Vt., March 29, 1898.**

SIR:—Some years ago this bank had stolen from its vault $1,200 of unsigned currency. This, of course, stands charged to us on the books of the Department, but we have never received any benefit from it. The same was signed by the robbers and placed in circulation, and these bills when returned to the Department for redemption were, of course, thrown out. Is there any way we can have new bills issued to us? B. W. BRALEY, _President._

Answer.—There appears to be no statute which empowers the Treasury Department to afford the bank relief in such a case.

Editor Bankers' Magazine: **RANDOLPH, Wis., March 5, 1898.**

SIR:—We have understood that a late decision of our Supreme Court rules that assignment of realty mortgage if it is first mortgage makes it the second and makes second mortgage first, and would like to know if that rule goes in all States, and if so, is it considered constitutional law? FRED. L. WARNER, _President._

Answer.—We think our correspondent must be under some misapprehension. The Supreme Court of Wisconsin may have decided that under the particular circumstances of the case before it the assignee of the first mortgage would hold it subject to the lien of the second mortgage. This often happens because of equities which arise between the parties. But where there are no such equities, the assignee of the first mortgage stands in the place of his assignor; and the assignment does not have the effect of postponing the lien of that mortgage. This rule is so universal and elementary that we cannot believe that the Wisconsin Court would adopt a different view.

Editor Bankers' Magazine: **——— Mich., March 26, 1898.**

SIR:—A ships a car of grain to B on Saturday, both residing in this State, and draws a demand draft for the same with bill of lading attached, shipper's order, "notify B." The same day he deposits the draft with his bankers and receives credit for it. Some time before this he has instructed his bankers to forward all future drafts on B to a certain bank in B's city for collection. Upon receipt of the draft A's bankers immediately forward it to this particular bank for "collection and returns," the draft reaching destination Monday morning. Just before the opening of the bank Monday morning B chattel mortgages all his stock, including "all grain in transit" to this bank for $10,000. We do not know when the draft was first presented for payment, but on Thursday of the same week B paid the freight and obtained the grain, and not until Saturday did his bank return the draft which reached A's bankers the next Monday morning with the information on the back "says return." Prior to this neither A nor his bankers had obtained any information of B's insolvency.

Does not this proceeding look like an effort on the part of the bank to increase their security by allowing B to obtain the grain?

Is the bank in B's city liable for not presenting and returning the draft in time for A to stop the car in transit? CASHIER.

Answer.—If the draft reached the bank on Monday, that bank as collecting agent was bound to use due diligence to protect its customer. As it knew that B was insolvent, it did not have until the following day to make presentment, as in ordinary cases, but was required to do this at once and give immediate notice to the forwarding bank. (*First Nat. Bank* vs. *Fourth Nat. Bank*, 77 N. Y. 320.) In the case cited it was said: "Suppose an agent receives for collection from the payee a sight draft. No circumstances can make it his duty, in order to charge to drawer, to present it for payment until the next day. He has entered into no contract with the drawer, is not employed or paid by him to render him any service, and owes him no duty to protect him from loss. What is required to be done to charge the drawer is simply a compliance with the condition attached to the draft, as if written therein; and that condition is in all cases complied with by presentation, demand and notice on the next day after receipt of the draft. But suppose the agent, on the day he receives the draft, obtains reliable information that the drawee must fail the next day, and that the draft will not be paid unless immediately presented, what then is the duty he owes his principal, whose interest for a compensation he has agreed with proper diligence and skill to serve in and about the collection of the draft? Clearly, all would say, to present the draft at once; and if he fails to do this and loss ensues, he incurs responsibility to his principal; and yet the drawer would be charged if it was not presented until the next day."

Such rule would appear to apply with particular force where, as in this case, the collecting bank has an interest of its own which might conflict with its duty as such agent. If, therefore, it can be shown that loss could have been prevented if the collecting bank had performed its duty, we think that bank would be held liable for such loss.

Editor Bankers' Magazine: **SAVANNAH, Ga., March 22, 1898.**

SIR:—When a time draft is discounted prior to acceptance and the proceeds paid to the drawer, is the bank discounting it a *bona fide* holder for value so as to exclude the equities of the acceptor?

The Supreme Court of Michigan, in a case reported on page 397, vol. 58 of the BANKERS' MAGAZINE, decided this question in the negative, but lawyers to whom I have shown the decision do not regard it as good law. SUBSCRIBER.

Answer.—We do not believe that the rule adopted by the Michigan court is a sound one. It will be observed that the authority cited in the opinion is the New York case of *Farmers and Mechanics' Bank* vs. *Empire Stone Dressing Co.* (5 Bosw. 290.) So far as this case supports the proposition it has been overruled by the Court of Appeals of New York in *Heuertematte* vs. *Morris* (101 N. Y. 63.) In that case the Court said: "It is said that the *Farmers and Mechanics' Bank* vs. *Empire Stone Dressing Co.* (5 Bosw. 290) is authority for the position. It is true that some expressions of the learned judge writing in that case may justify the citation, yet it should be considered that those remarks were unnecessary to the decision of the case, and the same court have twice since then refused to follow it. We conceive the rule there laid down finds no support in the doctrines of the text-writers or the reported cases. If a party becomes a *bona-fide* holder for value of a bill before its acceptance, it is not essential to his right to enforce it against a subsequent acceptor, that an additional consideration should proceed from him to the drawee. The bill itself implies a representation by the drawer that the drawee is already in receipt of funds to pay, and his contract is that the drawee shall accept and pay according to the terms of the draft. The drawee can, of course, upon presentment, refuse to accept a bill, and in that event the only recourse of the holder is against the prior parties thereto; but in case the drawee does accept a bill, he becomes primarily liable for its payment, not only to its indorsees, but also the drawer himself.

The delivery of a bill or check by one person to another for value implies a representation on the part of the drawer that the drawee is in funds for its payment, and the subsequent acceptance of such check or bill constitutes an admission of the truth of the representation, which the drawee is not allowed to retract. By such acceptance the drawee admits the truth of the representation, and having obtained a suspension of the holder's remedies against the drawer, and an extension of credit by his admission, is not afterward at liberty to controvert the fact as against a *bona-fide* holder for value of the bill. The payment to the drawer of the purchase-price furnishes a good consideration for the acceptance which he then undertakes shall be made, and its subsequent performance by the drawee is only the fulfillment of the contract which the drawer represents he is authorized by the drawee to make.

The rule that it is not competent for an acceptor to allege as a defense to an action on a bill that it was done without consideration, or for accommodation, as against a *bona-fide* holder for value of such paper, flows logically from the conclusive force given to his admission of funds, and is elementary."

PRICES OF COMMODITIES.

3 Moorgate Street Buildings, London, E. C.
March 11, 1898.

Editor Bankers' Magazine:

Sir:—The following are the index numbers of the prices of 45 commodities, the average of the 11 years 1867–77, being 100:

	Average.		*Average.*
1878–1887	79	July, 1896	59.3
1888–1897	67	December, 1896	62.0
	—	September, 1897	63.4
1889	72	December, 1897	62.4
1893	68	January, 1898	62.8
1894	63	February, 1898	63.4
1895	62		
1896	61		
1897	62		

During last month (February) there was a slight improvement for several articles, particularly metals and cotton, and the index number is on a par with the best time last year.

The prices and index numbers of silver were as follows (60.84d. per oz. being the parity of 1 gold to 15½ silver = 100):

	Average.
Ending December, 1896, 29 13/16d.	49.0
Ending August, 1897, 23⅞d.	39.2
Ending December, 1897, 26⅝d.	43.8
Ending January, 1898, 26 3/16d.	43.0
Ending February, 1898, 25⅝d.	42.1

In my letter of January 13 I gave an estimate of the Russian currency requirements of silver, and I put the total wanted to replace the 233,000,000 roubles in one and three rouble notes at 4,200,000 kilos. fine, or 146 million oz. standard, assuming that the stock of old silver in Russia will be sufficient for small coins. I also estimated that the purchases for coinage purposes during the last three years must have amounted to 2,700,000 kilos. fine, equal to 94 million oz. standard. The report of the Russian Minister of Finance has since been received, and, in conjunction with his last year's report, the above estimate must be slightly corrected. It appears that the purchases in 1895–96 amounted at coining rate to 100 million roubles, and in 1897 to 39 million roubles. The purchases last year were therefore smaller than in the preceding years, and the large shipments from England to Russia (£6,638,000) must, to a great extent, have consisted of silver bought in 1896. The metal was sent from here to France and Belgium, to be coined for Russian account at the Paris and Brussels mints, and was returned again to England for transhipment to Russia. This explains the large imports here from France and Belgium (£5,600,000), and the enormous figure of the total imports of silver of £18,000,000.

The total purchases by Russia for coinage purposes during the three years amounted to 139 million roubles—equal to 2,500,000 kilos. fine or 87 million oz. standard—leaving still a balance required for exchanging the small notes of 94 million roubles—equal to 1,700,000 kilos. fine or 59 million oz. standard. The actual coinage in 1895–96 reached 45 million roubles and in 1897, 67 million roubles—a total of 112 million roubles; and according to this there would have remained a stock of bullion on hand of about 27 million roubles.

The Russian Minister of Finance believes that the total requirements of the country, including minor coins of low standard (.500 fine), at 2½–3 roubles per head of population, will amount to 320–380 million roubles; he further estimates the quantity of high standard silver (.900 fine) already available at the end of last year at 162 million roubles, and the general supply at 240 million roubles. He must, therefore, assume that the quantity of low standard coins in circulation amounts to about 78 million roubles. On this basis, the quantity still to be purchased would be between 80 and 140 million roubles—equal to 1,440,000–2,520,000 kilos. fine or 51–88 million oz. standard—and the Minister says that the purchases will be on a considerably smaller scale than hitherto. Probably some 50–60 million oz. standard will be sufficient for some time to come, and this will be equal to about 30–33 per cent. of a year's production of the world. Yours faithfully,

A. SAUERBECK.

Views on Currency Reform.—Mr. Bradford Rhodes, the Editor-in-Chief of the BANKER'S MAGAZINE of New York, recently spent a few days in Washington. In addition to his editorial duties, Mr. Rhodes is President of the Mamaroneck Bank and of the Union Savings Bank of Westchester County, both located at his home town of Mamaroneck. He is also proprietor of a large stock farm on Quaker Ridge in Westchester County. Besides his diversity of interests, he is regarded as an authority on banking and monetary affairs, and takes a deep interest in the pending reform of the currency now being agitated in Congress.

Asked what action, in his judgment, Congress should take at the present time, he replied:

"In my judgment, it is essential not only for the success of the Republican party, but to maintain the integrity of the finances of the Government, that something positive should be done at the present session relative to improving existing currency conditions."

"What should be done to bring about the required change in our financial condition?"

"My reply to this question is based on the broad proposition that first of all the business men of the country are honest, and are desirous not only of improving their own conditions, but of maintaining the integrity of the Government as well. The friend of silver is not wedded to his opinions to such an extent but that he is open to conviction and a change of heart as soon as he realizes that the change will be better not only for himself, but for all others with whom he is associated in business enterprises. Speaking something as a politician, the present Administration will necessarily be charged with all the failures to make material progress of the citizen possible, as well as its failures to enact laws tending to improve existing conditions, whatever they may be. The feeling of unrest among the people must be met. The citizen wishes first to improve his own condition, and secondly to look out for the best interests of his immediate neighborhood, his township, his county, his State, and necessarily the larger community of States embraced in the Union. From a purely political standpoint, from my observation, the party in power will gain an immense advantage by promoting and pushing to a vote in the House of Representatives a simple, definite and clearly understood measure for reforming existing currency laws so as to meet the actual demands of business in every section of the country.

While it is generally acknowledged that there is plenty of money in the United States, yet in very many localities it cannot possibly be had to meet actual business requirements. Technically, the gold standard is an absolute fact on the statute books of the United States to-day. The broader and more crying demand of the times is to so distribute the money of the country as to make it available at the places and at the times where and when it is required.

In every community there are hundreds of men who are 'begging for leave to toil,' as Burns so aptly said, but the avenues of vocation are closed for lack of the proper resources with which to start the wheels of industry. Make it possible to issue currency at once safe and elastic and available, as above noted, and the prosperity of the whole people will be materially enhanced.

The issuance of credit currency against well-defined banking capital is a possibility even under existing conditions, and I am well assured that the wisdom concentrated in Congress will solve the vexed question in the near future.

After all, the question of finance is not so complicated as the average politician would make people believe. Apply the common principles of commercial integrity to the side of finance and the question will be more clearly understood."—*Providence (R. I.) Journal.*

HENRY M. KNOX.

The resignation of Hon. Henry M. Knox as Vice-President of the Security Bank of Minnesota, at Minneapolis, temporarily removes from the activities of banking a man who has worked earnestly and successfully in that field for almost a half century, and who has certainly earned a resting spell. There are few more distinguished names in the recent history of American banking than that borne by the subject of this sketch, and the MAGAZINE'S readers will no doubt be interested in an outline of his career as a banker.

Mr. Knox is a native of Knoxboro, Oneida County, New York, and is a graduate of Hamilton College, Clinton, N. Y., of the class of 1851, having as classmates Charles Dudley Warner, Penoyer L. Sherman, of Chicago, Prof. Willard Fiske, and others who have attained distinction.

Henry M. Knox.

After leaving college he took a position as teller in the Bank of Vernon, N. Y., of which his father, John J. Knox, was President, serving there for two years. In 1853 he removed to New York city and became a clerk in the old Merchants' Bank in Wall Street.

An incident in the early career of Mr. Knox affords a striking example of how helpful a kind and thoughtful word often is. The circumstances surrounding his first employment in a New York bank are thus related by Mr. Knox:

"I had no acquaintance in New York when I went there save one college mate. I carried a single letter of introduction from my father to an old business friend who afterward rather reluctantly became surety on my bond at the Merchants' Bank. It was doubtless a piece of presumption in me to ask it. But I had a fixed purpose in going to the city and began it at once by writing each evening several applications for a bank position, which I personally distributed during the day, at the same time seeking a personal interview with the bank officers. Through natural timidity however and the novelty of the situation, I gained no such opportunity until just at the close of the fourth day, when my good fortune (or as I believe a guiding Providence) took me into the Bank of America, then and now at the corner of Wall and William Streets. How the bank looked at that time may be seen by the accompanying illustration. To me it seemed a wonderful building.

Upon inquiring for the Cashier of the bank I was directed to an elderly gentleman, whose name from that hour became and has remained fragrant in my memory during the intervening forty-five years. This gentleman was James Punnett, the Cashier at that time of the Bank of America. I know but little more of him, for I soon became absorbed and loaded down with the duties of my desk. But his kindness to a green and home-sick country boy revealed his character to me, and years afterward when I heard of his death he had one sincere and silent mourner whom he never otherwise knew. His opportune kindness also led to the formation of a vow, which has been faithfully lived up to, that that kind and helpful word should be perpetuated at every opportunity that a lifetime would afford.

Mr. Punnett alone of all the officers of banks in the whole city asked me to be seated, and opening my application he read it through. Then noting my penmanship he said that he saw that I was liberally educated, and also that I had had some experience in a country bank, and put me through a sort of civil-service examination on bank duties, and expressing his regret that he had no vacant place to offer me, said that if I would call on his friend next door I might hear of something to my advantage. Thanking him as fully as I could I went home and began writing applications for next day's round, having no idea of 'calling in next door,' as I had been there already and had no desire to go again. However on the second morning I received a line from the Cashier of the Merchants' Bank, who at Mr. Punnett's suggestion, as it proved, asked me to call, and the interview resulted in my 'hanging up my hat' at that very hour and remaining with the Merchants' Bank until my marriage and removal to Minnesota in 1857. The reception I had received at my first call at the Merchants' I learned afterward was owing solely to a fit of indigestion, and the officers of that institution—John J. Palmer, the President, and Augustus E. Silliman, the Cashier—I came highly to esteem."

THE BANK OF AMERICA (1835).
Northwest Corner Wall and William Streets, New York.

In 1857 Mr. Knox resigned his position with the Merchants' Bank and removed to St. Paul, Minn., and with his brother, John Jay Knox, established a private banking business there. This business was discontinued just after the breaking out of the Civil War in 1861, and he was appointed National Bank Examiner for Minnesota and Northern Wisconsin. He was afterward chosen Cashier of the First National Bank of St. Paul, where he remained until 1877, when he resigned and made the tour of Europe. At that time he visited Paris, Munich and Copenhagen in the interests of the United States Treasury Department.

In 1878 he was appointed by Gov. John S. Pillsbury the first Public Examiner for the State of Minnesota under the law creating the office. He was re-appointed by Govs. Pillsbury, Hubbard and McGill, serving in all ten years. To the duties of this office were added those of the Superintendent of Banks, both of which positions with their novel, complex and difficult requirements he acceptably filled. In 1888 he resigned to accept the position of Vice-President of the Security Bank of Minnesota, at Minneapolis, one of the largest and staunchest financial institutions of the Northwest, continuing in that position until the first of April of the present year when he resigned for the purpose of seeking rest and recreation in travel.

Mr. Knox will follow his children, born in Minnesota, to the East, where they are permanently located. His son Henry Cozzens Knox is Cashier of the Paterson National Bank, at Paterson, New Jersey.

A NEW CURRENCY BILL.

Report of the Special Sub-Committee of the Committee on Banking and Currency of the United States House of Representatives on the Bill Drafted by It, Entitled "A Bill to Provide for Strengthening the Public Credit, for the Relief of the United States Treasury, and for the Amendment of the Laws Relating to National Banking Associations."

The purpose of this bill, as declared by its title, is the strengthening of the public credit, the relief of the United States Treasury, and the amendment of the laws relating to National banking. These objects, we believe, will be best attained by relieving the Treasury Department of the current redemption of demand notes, casting that burden upon the National banks, and permitting the banks to provide the elastic element of the paper currency of the country. These results are sought in the bill herewith reported by the following provisions:

The General Scope of the Bill.

1. A Division of Issue and Redemption is established in the Treasury, for which the Secretary of the Treasury is authorized to set aside the general cash balance in excess of $50,000,000. This excess on March 17, 1898, was $176,139,532. United States notes received by this division for redemption in gold are to be cancelled and retired in proportion as certain substitute currency is issued. No note redeemed in gold is to be again paid out except under exceptional conditions, which are carefully guarded.

2. National banks are required to assume the current redemption of United States demand notes in order to obtain circulation based upon their commercial assets. A new class of notes, called "national reserve notes," is to be issued in lieu of legal-tender notes deposited by the banks with the Treasury, and these reserve notes are to be redeemed upon demand by the banks out of the redemption fund which they are required to maintain in gold. These reserve notes are not treated in any respect as bank notes, because the banks are not liable for their ultimate redemption.

3. The basis of National bank note circulation will eventually be the commercial assets of the banks. This result will be reached, however, only after a series of years by a conservative method. National banks will continue to be required, during one year after the passage of this bill, to maintain the same amount of United States bonds as security for circulation which is required by existing law, but they will be permitted to issue notes to the face value of these bonds. This bond deposit may be reduced by one-fourth annually, beginning one year after the passage of the Act.

4. National banks are to be permitted to issue "national currency notes" upon their commercial assets to the amount of the reserve notes issued to them in return for deposits of United States notes. The purpose of this provision is to induce the conversion of United States notes into reserve notes, as well as to limit the issues of currency upon commercial assets.

5. Treasury notes issued under the Act of July 14, 1890, are to be dealt with eventually upon the same basis as United States notes.

6. A tax of two per cent. is levied upon national currency notes issued in excess

of 60 per cent. of the capital of any National bank. A tax of six per cent. is levied upon circulation of the same character in excess of 80 per cent. of the capital.

7. The national currency notes based upon commercial assets are to be secured by a Bank Note Guaranty Fund, made up by the contribution in gold coin of five per cent. of the entire circulation of the banks. This fund may be replenished by calls upon the banks, if reduced by the redemption of the notes of failed banks; but no bank shall be required to pay more than one per cent. in addition to its original deposit of five per cent., in any one year. The currency notes are also secured by a first lien upon the bonds on deposit as security and upon all the other assets of the bank.

8. The national reserve notes will continue to be legal tender until received into the Treasury from failed and liquidating banks, when liability for them will be assumed by the Government and they will be redeemed and cancelled. Provision is made that they shall cease to be required as a basis of circulation when the Secretary of the Treasury is satisfied that there is no longer a sufficient amount available to meet the demands for new banks and increased circulation.

9. Standard silver dollars are to be redeemable in gold, but silver certificates are redeemable only in standard silver dollars. The parity of silver with gold is secured by a gold redemption fund, deposited in the Division of Issue and Redemption, equal to five per cent. of the amount of silver which has been coined.

10. Silver certificates are hereafter to be issued only in denominations of $1, $2, and $5. No United States notes or bank notes are to be issued in denominations below $10.

11. National banks are required to pay a tax of one-eighth of one per cent. semi-annually upon their capital, surplus, and undivided profits.

12. National banks are permitted to establish branches under regulations to be prescribed by the Secretary of the Treasury.

There are other provisions of the bill changing the existing national banking law in minor particulars, but they are nearly all directed to bringing existing law into harmony with the plan just outlined for the protection of the Treasury and the adoption of a more scientific banking currency. In view of the importance of these objects, your committee have thought proper to limit their discussion substantially to features enumerated above.

Necessity for Protecting the Treasury.

The necessity of so protecting the Treasury as to strengthen the public credit ought not to be a subject of dispute among those familiar with the events of the last five years. The essential purpose of the bill in this respect is to relieve the Treasury from the burden of the constant redemption of Government paper money, and to obviate the necessity of selling interest-bearing bonds running for a long term in order to obtain gold for the continued and repeated redemption of the notes. It does not matter what view is taken of the responsibility for the condition in which the Treasury has been found on several occasions during the last five years, which has resulted in the issue of $262,000,000 in long-term interest-bearing bonds. If any political organization or any error of administration at the Treasury Department is responsible for these events, it only emphasizes the necessity of placing our currency system beyond the reach of political accidents. Our financial system should be such that no administration, without radical change of law, should have the power to involve the commercial business of the country in disaster because the fiscal and banking operations of the Treasury might not be wisely conducted. This is one of the essential purposes of the bill reported by your committee,—to separate the operations of the fiscal service of the Government from the operations of commercial banking.

There can be no question of the benefits to the Treasury and to the public credit in relieving the Treasury of the constant necessity of redeeming demand obligations. Such objections as have been made to methods heretofore proposed for terminating these conditions are, we believe, obviated by the plan herewith reported. The details and operation of that plan will be discussed after a general definition of the purposes of the proposed bill. Your committee propose to relieve the Treasury absolutely of the obligation of finding gold for the redemption of a very large proportion of the legal-tender notes, and they believe that the small amount of such notes left outstanding will be given such enhanced credit by the operation of their plan that they will never again become a menace to the public credit and never bring in question the ability of the United States to fulfill the mandate of the Act of November 1, 1893—"the maintenance of the parity in value of the coins of the two metals, and the equal power of every dollar at all times in the markets and in the payment of debts."

Effects of Doubt About the Parity.

The importance of maintaining unquestioned and unimpaired the parity of all our forms of money is such that it involves almost every transaction of life and peculiarly the volume of business, the safety of investments, the value of pensions and insurance policies, and the legitimate profits of agricultural, industrial and mercantile enterprises. From 1893 to 1896, the United States, by heroic efforts, succeeded in preventing any depreciation of their paper currency, but the mere suspicion of the possibility that such a depreciation might occur was among the potent causes of the shrinkage of values and the paralysis of industry. Some conception of the effects of this uncertainty may be formed from the fact that the transactions of the New York Clearing-House shrunk from $34,421,380,870 for the year ending October 1, 1893, to $24,230,145,368 for the year ending October 1, 1894. The clearings throughout the leading cities of the country showed a shrinkage in the same period from $58,880,682,455 to $45,017,960,736. Figures like these measure, in some slight degree, the reduction in the volume of business, in the earnings of the people and in the employment for labor. There can be no doubt also that the withdrawal of foreign capital as the result of like uncertainty regarding the maintenance of the parity of all our forms of money added to the tendency to panic by the persistent withdrawal of gold, and diminished by the amount withdrawn the productive resources of the country.

The cost to the laboring and industrial interests of the country was many times the amount which could possibly have been saved to the Treasury by the issue of a non-interest bearing for an interest-bearing security. Even under the latter head the maintenance of a mass of Government paper at parity with gold by direct gold redemptions at the Treasury Department required, prior to the resumption of specie payments in 1879, the issue of United States bonds to the amount of $95,500,000 and the issue in 1894, 1895, and 1896 of additional bonds to the amount of $262,315,400. These several issues of interest-bearing bonds, amounting to more than $11,000,000 in excess of the whole volume of United States notes now outstanding, indicates in some measure the lack of economy, even from the narrow standpoint of the operations of the Treasury, in the maintenance of Government paper money unprotected by any of the usual resources of a bank of issue, discount, and deposit. The Treasury, moreover, loses constantly the interest on the entire gold reserve held for the redemption of United States notes. This reserve was officially stated on March 17, 1898, at $170,432,007, so that of the entire amount of United States notes outstanding, amounting to $346,681,016, not much more than half possessed in any true sense the character of a non-interest-bearing debt.

The Disadvantages of Government Banking.

The issue of paper money, redeemable directly by the Treasury, is a system which is not approved by the experience of any civilized state. It is not necessary for your committee to to refer to the notorious incidents of the French *assignats*, nor the discredited issues of our own country during the War of the Revolution. Cases less conspicuous are those of the Austro-Hungarian Monarchy, which resorted to this method of finance in 1847 and gave forced legal-tender character to its Treasury issues. The result was the perpetuation of a premium upon gold which has not yet been terminated. Energetic steps were taken in 1892 to bring this condition to a close and to leave to the Austro-Hungarian Bank the management of the paper currency. One of the first of these measures, recommended by all the leading financiers and political economists of the empire, was the reduction and cancellation of the Government legal-tender notes, and this process has been carried on until the premium upon gold has been reduced to a minimum, the Austro-Hungarian Bank has accumulated a large reserve, and the resumption of specie payments is upon the eve of accomplishment. A like course was taken by the German Empire when the currency system was unified in 1875, and bonds were issued to take up and cancel the outstanding notes of the various German states. The Government of Russia, which has just resumed gold payments through the Imperial Bank, always issued its notes through the Bank, and was thereby able, in spite of some abuses of this power, to exercise banking methods in controlling discount and exchange. The foreign exchanges were thus kept at a fixed point for several years, and the Bank of Russia has been enabled to resume gold payments with an available gold fund of $600,000,000. The experience of the South American countries, if it should be presented by your committee in detail, would afford even more striking proof of the failure of governments to maintain their legal-tender paper currency at parity with the metallic standard.

The history of the world hardly affords an instance of the successful maintenance of government paper at parity with gold. The United States from 1879 to 1893 afforded the most successful illustration of this experiment, but this period was one of prosperity seldom impaired and of a rigid limitation of the note issues. When this limitation was removed by the Act of July 14, 1890, providing for the issue of additional legal-tender Government notes for the purchase of silver bullion, the usual effects of a Government paper currency soon reappeared, gold was largely expelled from circulation, doubt and distrust seized the markets, and the great loss inflicted upon the exchanges and upon the earnings of capital and labor foreshadowed in some slight degree the disaster which would have ensued by the actual suspension of the redemption of Government notes in gold.

The Benefits of a Banking Currency.

The essential objection to a paper currency issued by the Government brings us to the fundamental reasons which justify those portions of the bill reported relating to the banking currency of the country. A currency issued by commercial banks has the advantage that it is responsive in quantity to the demands of business. No such condition can exist with a Government paper currency. Such contraction and expansion as have occurred during recent years have been directly counter to the current of business necessity, as the result of the locking up of an excessive surplus when active business increased the revenues of the Government, and the pumping into the circulation of an excess of money when dull business created small revenues and a persistent Treasury deficit. The operation of a Government paper currency could never be automatic, like that of a bank currency. It must be subject either to the arbitrary will of an individual in the Treasury Department or to the accidents of the public revenue, often resulting in a redundant and excessive circulation in times of business depression, causing the expulsion of gold from the country and intensifying the conditions of panic arising from other causes. These facts are well understood by economists and have condemned Government paper currency in nearly every enlightened country of the world. They have, moreover, justified the issue of currency through the banks, because such issues are governed by commercial conditions. By the law of self-preservation and by the enlightened self-interest which governs commercial operations, banks authorized to issue notes upon commercial assets diminish their issues when redundancy in the circulation is indicated by frequent demands for gold redemption, and expand their issues to meet the needs of business when large gold imports indicate that the means of circulation are deficient.

A banking currency is not only sound in theory, but it is safe in practice. Whatever disasters have attended excessive issues of bank notes, they are not comparable in their effects to the disasters attending the issues of Government paper money, because bank-note issues cannot change the standard of value nor the obligation of contracts. The issues of banks are not usually legal tender in payment of debt, and when they are made by law a legal tender it is almost universally upon the condition that they shall be redeemed, upon demand, in the metallic standard. The removal of the currency from the accidents of politics, by taking it out of the direct management of the Treasury Department, insures the maintenance of the parity of paper and metallic money so long as the maintenance of such parity is possible under any conditions. Conditions sometimes arise which compel specie suspension, but the fact that the banks are responsive to law and are the creatures of law insures the requirement that they shall resume specie payments at the earliest practicable moment. A government, on the other hand, is sovereign and acts within its own discretion in the payment of its debts. The people of the United States can be trusted not to be lenient with banks of issue in permitting them to suspend the redemption of their notes in specie beyond the time when such suspension may be absolutely required by political or economic conditions. No argument is conceivable which would appeal to the masses of the voters in favor of permitting the banks of the country to continue to float their non-interest-bearing notes at a discount in coin for any such period of seventeen years as the Government, in the exercise of its sovereignty, saw fit to take between 1862 and 1879.

The Advantages of Extending Credit.

More important in some respects to a country like the United States is the power for the extension of credit by means of bank-note issues. A bank note is essentially the same in character as the note of an individual or the check of a bank. It comes even closer in character to a certified check. It is substantially the certified check of the bank, printed and issued in such a form as to be conveniently transferable from one holder to another without endorsement. It is a well-reasoned theory of economic students that there is no more justification for imposing an arbitrary limit upon bank-note issues than upon the issue of personal obligations, like promissory notes and checks. The reason which justifies regulation of bank-note issues is that of the convenience of the holder, who should not be compelled to make personal research as to the responsibility of the issuer of each note and distinguish between the notes which he receives. But such regulation should not be of a character to hamper industry or deprive commerce of its legitimate tools of exchange. It would be immaterial in a community closely populated, with banks of deposit within easy reach, and where every member was accustomed to deposit books and checks, whether any currency were in circulation beyond the smallest amount for change. The necessity for a banking currency is derived from the conditions of a thinly-settled community where the substitutes for bank notes, checks and deposit books are not within easy reach and in general use.

It is the belief of your committee, sustained by a great volume of expert evidence, that the present National banking system, with the issues of Government paper from the Treasury at Washington, does not meet the requirements of the country in respect to an elastic and sufficient circulating medium. The issue of a banking currency based upon commercial assets would, in our opinion, permit the extension of banking into communities where such facilities are now lacking, and would tend at once to afford a convenient medium of exchange, to extend credit where it cannot now be readily obtained, and, by competition among the banks and the increased opportunities for making loans, reduce the rate of interest in a degree which would be obvious and advantageous to the community. Such an extension of the means of credit is within the legitimate province of banking and cannot be considered as involving undue inflation, when the banks are held to the maintenance of the parity of their notes with the metallic standard, any more than issues of promissory notes and checks can be considered dangerous or subjected to any other legal regulation than the requirement of payment in the standard at maturity.

The Necessity of Caution in Making Changes.

While the principles thus set forth are the fundamental principles which should govern the issue of currency, your committee have been conscious of the fact that the United States have been long accustomed to a different system of currency and that radical and rapid changes might induce anxiety and disturbance. We have, therefore, proceeded with an abundant measure of conservatism in proposing to apply these principles of currency to existing conditions in the United States. We have provided in the bill herewith reported a system which departs only by degrees from the existing system and which at nearly every step leaves the field open for the competitive trial of the new system along with the old. Such a trial, it is reasonable to believe, would result in adherence to that which proves safest and most advantageous to the community. Wide discretion is given to the Comptroller of the Currency and the Secretary of the Treasury to arrest any undue expansion of bank-note circulation, and to refuse to admit to the new system banks which do not prove their solvency and conservatism. The new system, moreover, is to be substituted only over a series of years for the old, and if at any step the substitution appears to involve danger either to the national credit or to safe rules of banking, it will be in the power of Congress to arrest the change before it has attained a dangerous momentum. Your committee, reinforced by the study of the banking history of all nations, so firmly believe that the new system will vindicate its soundness and benefits to the country that they have so adjusted the provisions of the proposed bill that the relations of the new to the old during the transition period will be essentially a question of the survival of the fittest.

A Loan by the Banks to the Government.

Taking up the details of the first portion of the bill, dealing with the existing legal-tender notes of the Government, your committee have endeavored to adopt a system which would be subject to none of the criticism made against the issue of interest-bearing bonds or the taxation of the people for the payment of this demand debt. While the arguments are strong for the adoption of one of these methods of paying back to the creditors of the United States the money thus borrowed for the preservation of the Union, the system adopted is such as to continue to the Government all the benefits of the loan without any of the disadvantages of its character as a demand obligation. The proposed bill places upon the banks the burden of carrying and sustaining this debt. The form of the proposition submitted by your committee makes that portion of the demand debt which is not now covered by gold in the Treasury a loan by the banks to the Government. This loan is made without interest and without any compensation to the banks except what is afforded them by the power to issue a banking currency which is granted in other sections of the bill. There is no profit or return to the banks in thus carrying the nation's debt, and they are required by the bill to assume this obligation as compensation for the franchise and privileges granted them as National banking corporations. This policy is not without precedent in that of European governments, but the privileges granted by those governments are enormously greater, because they are granted to a single bank having a monopoly of all the note issues of the country. The Bank of France, for instance, makes to the Government a loan without interest, which has just been increased to 180,000,000 francs, or about $35,000,000; but this loan is substantially offset by the deposits of the Treasury with the bank, which amounted on January 7, 1898, to 212,268,560 francs, or 32,000,000 francs in excess of the entire sum advanced to the Government. The Government of Austria-Hungary has an advance from the Austro-Hungarian Bank amounting to about 75,000,000 florins, or $30,000,000, but this is in process of annual reduction by the amount of the profits of the Bank charged as a Government tax, but actually employed for the reductionof the loan. These are illustrations of several similar cases, but they serve to show that no country imposes so heavy a burden upon its banks as this bill provides, unless under the pressure of dire necessity, as in the cases of the Governments of Spain, Portugal and Italy.

This heavy burden assumed by the banks must be given its due weight in measuring any additional privileges which are given them by this bill. The banks are required to redeem this debt of the Government now assumed by them, upon precisely the same terms as the redemption of their own notes while they are conducting a solvent banking business. It is only when, by the refusal to pay such notes, they become insolvent that the Government recognizes again its demand debt and assumes it for the complete protection of the holder of the note and for the benefit of the creditors of the bank by leaving the remaining assets unimpaired for the settlement of their just claims. The form of note thus assumed by the bank with the final redemption guaranteed by the Government combines the strongest of all resources for its ultimate payment. Current opinion sometimes runs into error regarding the whole wealth and resources of the nation as an adequate basis for paper currency. The difficulty with the present redemption system is that this great wealth and these great resources are available only through the power of taxation. The conduct of a proper banking business and the issue of circulating notes, redeemable in coin on demand, requires a mass of assets which can be quickly converted into cash without loss. This security the Government note lacks and the bank note possesses. The note which it is proposed to issue under this bill in lieu of the Government notes is called the National reserve note—a designation which may be taken to imply at once that it has behind it not only the banking resources of the issuing bank, but the reserve strength of the National Government, and also that it is peculiarly available for money reserves of all kinds. It is, moreover, a legal-tender note whose parity with gold is assured so long as the banks maintain the parity of their own notes and for whose parity the Government also is responsible, if it is conceivable that the Government should maintain specie payments while the banks were unable to do so.

An Adequate Supply of Legal-Tender Money.

The country is thus provided with an ample legal-tender currency, consisting of all the notes substituted for the present legal-tender notes, and of all the gold and silver coin in circulation, to the maintenance of whose parity the faith of the Government is sacredly pledged. This mass of legal-tender money, according to the computations of the Treasury for March 1, 1898, consisted of $705,494,037 in gold coin, $458,100,347 in standard silver dollars, $346,681,016 in United States notes, and $104,669,280 in Treasury notes issued under the Act of July 14, 1890. This entire amount of legal-tender money, exceeding $1,600,000,000, will not be replaced by money which is not legal tender under the bill reported by your committee except by the amount of legal-tender notes redeemed in gold now held in the Treasury. This amount cannot exceed in any case about $150,000,000 and would still leave other legal-tender money in circulation in the country to the amount of a billion and a half of dollars. Your committee believe that a very large proportion of the existing amount of legal-tender notes of both classes, amounting in the aggregate to about $450,000,000, will be absorbed by the banks as reserve notes. The inducement to the banks to employ them for this purpose is the power to issue currency upon their general banking assets, which is set forth further on.

There are several possible results which may follow the authority given the banks to assume the Government debt and issue reserve notes. It is conceivable and probable that a large proportion of the present legal-tender notes will be converted into reserve notes, and will cease absolutely to be redeemable at the Treasury except in the occasional cases of the failure or liquidation of the bank through which they are issued. If, however, only a small portion of the legal-tender notes are thus absorbed, the fact that they are cancelled when redeemed in gold by the Treasury will give them a value which will at once remove all question of their prompt redemption and will give them substantially the character of gold certificates. The fact that a note is to be cancelled on redemption and not reissued will tend very greatly to prevent its presentation for redemption. This is illustrated by the recent history of the Treasury gold certificates, whose issue was suspended when the Government gold reserve fell below $100,000,000 in 1893, and has never been resumed. Some of these certificates were received as the equivalent of gold, in payment for the bond issues of 1894, 1895 and 1896, but from July 31, 1886, to March 17, 1898, the whole amount presented for redemption was only $2,851,260 out of a total of $39,293,479 outstanding on the earlier date. The United States notes presented within the same period for redemption, according to the daily statements of the Treasury, amounted to $71,518,332 out of a total of $237,410,538 outstanding on the earlier date.

Even if it should happen that all the outstanding notes not exchanged for reserve notes should be rapidly presented for redemption, their payment in gold would soon terminate the obligation of the Government upon such notes, because they would be cancelled and not reissued. If the entire gold reserve, which stood on March 17, 1898, at $170,432,007, should be thus paid out in the redemption of notes, that amount of notes would be permanently cancelled, and the amount of legal-tender notes of both classes—United States notes and Treasury notes—remaining anywhere in existence would be reduced to about $280,000,000. The National banks held on December 15, 1897, the date of the latest available report, $172,596,-020 in legal-tender notes or certificates of deposit covering the deposit of such notes with the Treasury. These notes are held to a large extent as necessary reserves, and if their amount is deducted from the notes left outstanding the whole remaining amount of notes would be reduced to the moderate sum of $108,000,000. It is probable that a considerable portion of these have either been destroyed or would be so carefully hoarded that they would not for many years reach the Treasury either for redemption or for transformation into reserve notes. In any conceivable situation the burden of demand liabilities outstanding against the Treasury would be so reduced that its present burden would be greatly diminished, and the ordinary gold receipts for customs and through the surrender of Assay Office checks for currency would supply an ample gold fund for all possible demands.

THE BANKS COMPELLED TO PROVIDE GOLD.

The purpose and effect of the proposed bill is to throw upon the National banks the entire burden of finding gold for the notes of the country. There is no doubt of their ability to do this if it is required by law.

The system proposed by your committee provides an easy and adequate method of obtaining gold for export from the banks without exposing the country or the United States Treasury to the alarm and convulsions which have attended gold exports during the last five years. The banks are required by the bill to maintain the five per cent. current redemption fund in gold. Redemption agencies are authorized to be established at the various sub-Treasuries, and such an agency would undoubtedly be established by the Secretary of the Treasury at New York. The actual process of obtaining gold for export would be that any strong bank patronized by exporters would turn over the gold from its own vaults or from its reserves in the New York Clearing-House. It is impossible to evade this obligation. In case of an effort to evade it, the process would be that a bank would deliver its own notes to a depositor making a draft upon his account. He would be under no obligation to accept them, but if he did accept them could at once present them for redemption in lawful money. The bank, still wishing to evade the payment of gold, might then tender him reserve notes issued either by itself or by other banks. But these reserve notes would be redeemable out of the gold redemption fund maintained by the banks, and it would only require their presentation at the sub-Treasury to secure their redemption from this fund. The banks whose reserve notes were thus presented would then be called upon by the Comptroller to make good the deficiency in their coin in the redemption fund, and the burden of obtaining the gold would fall directly upon them. This being the case, it would be immaterial to the people of the United States whether one bank by paying its own notes or reserve notes shifted the burden of maintaining the redemption fund upon another bank. The banks in any case would bear the whole burden and would be compelled to so adjust their loans as to secure favorable exchanges, prevent the undue export of gold, and maintain the credit of the business community and of the Government.

NO CONTRACTION OF THE CURRENCY.

While your committee have thus greatly lightened the burden of the Treasury under any conceivable conditions, they have not provided for any contraction of the existing circulation. The gold now kept in the gold reserve of the Treasury might be paid out in the redemption and cancellation of legal-tender notes, but this operation would simply substitute gold for paper in the circulation and would not in any degree diminish the legal-tender money in the hands of the people. A legal-tender note, under the bill proposed by your committee, might cease to be a menace to the Treasury either by exchange for gold and final cancellation, by the assumption of its current redemption by the banks, or by the enhanced value which it would obtain from the fact that the quantity was diminished; but the legal-tender currency in the hands of the people would not be reduced by either of these operations. Your committee believe that the system of dealing with the Government notes which they propose removes every possible objection which has heretofore been made to relieving the Treasury of their redemption, except such objections as may be based upon the desire that the Government shall issue an unlimited volume of forced legal-tender paper which is not redeemable in coin or capable of being maintained at any fixed value.

The plan proposed regarding the extension of existing credit facilities we believe is equally free from intelligent objection. The permissive feature in regard to the legal-tender notes, which leaves it optional with their holders to turn them into gold or reserve notes, or to continue to hold them, is carried out in regard to the proposed bank-note currency. The existing National banking system is taken as it is, and any bank so desiring may continue to issue circulation exactly as it has issued circulation heretofore. After a period of five years it is proposed to relieve National banks from the requirement of keeping bonds in the custody of the United States Treasurer as the basis of circulation. There is no requirement that the bank shall sell or dispose of the bonds, and in fact the majority of banks would probably continue to hold them as a part of their general assets. There is no ground for fear that this moderate permissive policy would cause any sensible depreciation of bonds, cause any loss by such depreciation to the banks, or throw any excessive quantity of bonds upon the market.

The New Plan for Bank-Note Issues.

Some of the theoretical arguments in favor of a currency based upon commercial assets, flexibly adjusted to the demands of business, have already been set forth. The present National bank note system, under which the notes are secured by a deposit of interest-bearing bonds with the United States Treasurer, does not afford this responsiveness to the demands of business. On the contrary, under the high premiums which now have to be paid for the bonds, the remarkable phenomenon is presented that as interest rates rise in the money market, indicating the scarcity of the circulating medium, it becomes less profitable to issue National bank circulation and more profitable to loan capital directly without putting it into the form of circulating notes. In this respect, as in respect to the accumulation of money in the Treasury in times of prosperity and large revenues, our present currency system works in the wrong direction—fettering trade when it most needs freedom, and flooding the circulation with redundant paper when the markets are most sluggish.

For this reason we believe that the currency should be based upon the commercial assets of the banks, and that there should be no specific pledged security except a safety fund of such amount as, from the experience of our own and other countries, would protect the note-holder against any possible loss. Your committee, however, mindful of the unfamiliarity of this proposition in the United States within the last thirty years, propose that no bank shall issue circulating notes which does not have on deposit as many bonds as are now required by law. It is proposed, however, to permit additional issues of notes equal to the amount of United States legal-tender notes which the banks are willing to assume as reserve notes. They then have the privilege of expanding their circulation, increasing their loans, and facilitating credit in just the degree in which they are willing to protect the Treasury by assuming its current gold liabilities. A bank with a capital of $100,000 is required to deposit bonds with the United States Treasurer, as under existing law, to the amount of $25,000 at par, and may obtain circulation for an equal amount. It may then deposit United States notes and receive in exchange reserve notes for the amount deposited, and may receive in addition notes based upon its general assets. If the bank avails itself of the privilege thus accorded, it would deposit $35,000 in United States notes, receiving therefor $35,000 in reserve notes, and in addition $35,000 in untaxed notes based upon its general assets. The reserve notes would constitute a current liability, but not an ultimate liability in case of failure or liquidation. The notes for which the bank would be ultimately liable would be the $25,000 based upon United States bonds and the $35,000 based upon its commercial assets. This would make a total of $60,000 in notes for which the bank would be directly liable. Against this amount it would hold bonds of a par value of $25,000 and a market value, if they were four per cent. bonds due in 1907 at 114, of $28,500.

Provision is also made that a bank may issue additional notes, with the approval of the Comptroller of the Currency, subject to a tax of two per cent., if the whole currency-note circulation exceeds sixty per cent. of the capital, and is less than eighty per cent., and may issue additional notes subject to a tax of six per cent. when the currency-note circulation exceeds eighty per cent. The national currency notes cannot in any case exceed 100 per cent. of the paid-up capital of the bank. The purpose of this provision is to afford a margin for issues in times of emergency, when currency is hoarded and the demand for it is unnaturally increased. There would be no danger of the abuse of this privilege, because it is left under the control of the Comptroller of the Currency, and he would look with peculiar suspicion upon applications for excessive issues of currency under normal conditions.

The security against the excess of note issues above the value of the bonds would be the general assets of the bank, and the note-holder is given a first lien upon all the assets of the bank. There can be no question of the perfect sufficiency of such security. If there were no other security whatever, the losses to note-holders would be but a fraction of one per cent. in many years. Secretary Gage, in his annual report for the fiscal year 1897, stated. upon statistics prepared by the Comptroller, that of 330 National banks placed in the hands of receivers during the existence of the National banking system for thirty-five years, there were only eighteen whose assets would have failed to fully cover thetr circulating notes under the system which he proposed of issuing twenty-five per cent. of the capital in currency based upon commercial assets. This proposition would remain substantially true under the system proposed by your committee if the banks took out sixty per cent. of their capital in currency notes, and the deficiency would be only slightly increased if they took out all the notes which it is possible for them to issue under the bill reported. If there were no security whatever except the assets of the banks, with the liability of their holders for the amount of their shares, the losses to note-holders would be so small that they would hardly reach an appreciable per cent. of the income of the humblest citizen, and would count for nothing against the safety afforded by a bank-note currency in maintaining the metallic standard, or against the advantages to the country in the extension of credit in communities where it is now obtainable only at extravagant rates of interest.

The Bank-Note Guaranty Fund.

But your committee do not propose to permit even the possibility of a trifling loss to fall upon any holder of a note issued by a National bank of the United States. They propose a tax upon the banks for the creation of a safety fund out of which may be paid the notes of any bank which fails with assets insufficient to pay its note-holders in full. They propose, moreover, that in the case of any bank failure there shall be no delay in the redemption of the notes, but that they shall be paid from the general fund created by taxation upon the banks, and that these payments shall be afterwards reimbursed to the fund when the assets are collected and settled. This Bank-Note Guaranty Fund is to consist at the outset of five per cent. of the whole circulation for which the banks are ultimately liable. No guarantee fund of this kind will be required against the reserve notes. Provision must be made for their current redemption by payment by the banks to the Bank-Note Redemption Fund. But this is distinct from the guaranty fund, and the United States are the ultimate debtor for the reserve notes, and they do not fall as a burden upon the guaranty fund. The experience of all banking history demonstrates that this guaranty fund will be many times more than adequate for the redemption of the notes of failed banks. It cannot be considered an excessive burden upon the banks, for it withdraws from them the use of only a portion of the currency which they are permitted to loan to the community upon commercial paper, in addition to the loan of such portions of their capital and deposits as are not invested in the required legal reserves.

It is proposed that if this five per cent. guaranty fund becomes reduced or impaired by the redemption of notes of failed banks in advance of reinbursement from the assets, the banks may be called upon to make good the fund. The fact that this liability is unlimited in some of the bills introduced into Congress has suggested the fear that strong banks may hesitate to enter the system for fear that they would be called upon to make large contributions for the redemption of the notes of weak banks. We do not believe that this fear is well founded. The very fact that it is not, and that a tax of one per cent. a year would many times cover the possible losses upon such a currency, justify the fixing of such a limit. We have, therefore, provided that the liability of any National bank to the guaranty fund to make up losses caused by the redemption of the notes of failed banks shall never exceed one per cent. annually upon its whole circulation. If it is conceivable that the demands of a given year should slightly exceed one per cent., it is not within the range of probability that they would equal that amount for a series of years, so that the impairment of the fund in a trifling degree for a single year would be made up in the following year or years. A liability of one per cent. upon the circulation of a National bank is only the amount of the present tax upon circulation, so that we propose no added burden in any case, and the small burden proposed becomes contingent and improbable instead of fixed and certain. If the present tax of one per cent. were to continue to be collected upon circulation and the bank-note circulation increased, as we believe it will within a very short period of years, to $300,000,000, the annual collections would be $3,000,000, and this would cover many times not only the losses in cases where failed banks had not sufficient assets to pay their notes, but would many times cover the entire amount of notes of failed banks, even where the assets were more than sufficient. The United States Treasury collected from 1864 to the close of the fiscal year 1897, $81,411,384 in taxes on circulation; from 1864 to the close of the fiscal year 1883, $60,940,067 in taxes on deposit; and from 1864 to the close of the fiscal year 1883, $7,855,887 in taxes on capital, making a total of $150,207,339 for a period of 34 years, or an average of about $4,400,000 per year. Your committee propose to lighten these taxes, and to impose no contingent liability which can equal the amount thus collected. The system, therefore, imposes no risk and no added burdens upon strong banks, and imposes no danger of loss to the holder of the notes of any bank.

Asset Banking in the Light of Experience.

The system of issuing notes upon the commercial assets of a bank is the successful system of nearly every country of the world. There is a limit upon the circulation of the Bank of France, the Imperial Bank of Germany, the Austro-Hungarian Bank, and several other of the great National banks of Europe, but that portion of their circulation which is not covered by the coin reserve is permitted to be covered in a large degree by commercial assets and is not required to consist of Government securities. A better illustration of the safety of note issues upon business assets is afforded by the history of Scotland and Canada, where competing banks issue their notes upon limited amounts of capital. The Scotch banks are not required to keep any guaranty fund and do not submit to any official inspection, but their notes circulate at par throughout the country and their quality is maintained by constant redemption. The Canadian banking system is of a similar character, but the 38 chartered banks are required to contribute towards a bank-note guaranty fund of substantially similar character to that proposed in the bill reported by your committee. The Canadian banks are not subject to government inspection, but each bank employs its own inspector to supervise the accounts of its branches. The exhaustion of the guaranty fund has never occurred in Canada and is not likely to occur. The notes are a first lien upon the assets, and the stockholders are subject to a duplicate liability, as in the system proposed by your committee. Any bank in the Canadian Dominion promptly accepts the note of a failed bank at par, because it is known that the note will be promptly redeemed in full from the Bank-Note Guaranty Fund.

Reliance is sometimes placed by the critics of commercial banking upon the banking experience of the United States prior to 1861. Your committee do not believe that the conditions then existing apply to the situation of to-day. Bad banking is almost unavoidable in a new and undeveloped country, and the note issues usually play but a minor part in the abuse of credit. Banking experience has made great strides since 1861, and the charters of the great European banks have been materially modified within that period to conform to modern conditions and enlightened banking experience. Careful examination of the history of banking in the United States prior to 1861, moreover, discloses a situation which need not be feared by the advocate of note issues upon commercial assets. The systems which achieved the greatest success, whose notes passed at par throughout the Union, or at a discount representing only the cost of exchange at that time, were those which issued notes upon commercial assets without pledged securities and which guaranteed the solidity of their issues by prompt redemption in coin on demand. This was the history of the Suffolk System, so successful in New England, and was the historo of the State Bank of Indiana, in which one of the ablest of American financiers, Hugh McCulloch, completed his education. The State Bank of Indiana passed through the crisis of 1857 without suspending specie payments, and succeeded in retiring its circulation and liquidating its debts without loss to its creditors when the Government forced the suspension of specie payments by the issue of the demand notes in 1862.

Solidity of Note Issues Upon Commercial Assets.

With sufficient protection afforded by the Bank-Note Guaranty Fund against the occasional failure of a badly managed bank, the essential solidity of note issues upon commercial assets is bound up with the solidity of the business of the country. The advantage of having the whole commercial assets of the banks of the country pledged for the redemption of their notes lies in the fact that nearly the whole negotiable wealth of the country passes through their hands. The aggregate capital, surplus, undivided profits and individual deposits of National, State, and private banks, loan and trust companies and Savings banks, as reported by the Comptroller of the Currency at the date of June 30, 1897, or about that date, was $6,822,326,870. It is fair to assume that many of these banks which are not National banks would enter the system under the benefits afforded by the bill reported by your committee. These same items for the National banks alone on December 15, 1897, were $2,887,000,000, and their loans were $2,082,608,324. Since these loans are all payable within ninety days, with a circulation of $300,000,000 issued by the existing National banks alone, the entire amount necessary to redeem this circulation in full would pass through the National banks within a period of about fifteen days. This control over quick assets, afforded by maturing commercial paper as well as by accumulated cash reserves, explains the secret of the greater ability of the banks to maintain the current redemption of circulating notes than of the Treasury, with its comparatively small resources. The general security of banking upon commercial assets and the fact that the system could not break down, except under an avalanche of calamity which would carry National, State, municipal and private credit down also, is strikingly set forth in the report of the Monetary Commission, appointed by the business men of the country for the framing of a currency bill, from which your committee has embodied several sections in the bill herewith reported. They say in their report:

"The objection that is sometimes made that the larger banks in the great cities would not issue notes because of an apprehended liability for other banks, is shown by statistics to be groundless. Eighteen hundred and ninety-three was the year of largest bank failures; but had all the banks of the country then issued notes up to eighty per cent. of their capital, the amount of their assessment to make good the ascertained deficiencies of that year up to the time of the Comptroller's report of 1896 would have been only a fraction of one per cent. Had eighty per cent. of the capital of all National banks been issued in notes, upon the proposed plan since the beginning of the National banking system in 1863, the assessment upon the banks annually would have been an amount so insignificant that it need not be taken into account. Taking the country banks as a whole, it is found that on October 5 last they had $401,000,000 of the $631,000,000 of National bank capital. Should they issue notes up to eighty per cent. of that capital, they would have $321,000,000 of notes, and there would be $1,956,000,000 of resources against these notes, not counting stockholders' liability.

"If these resources of the country banks are insufficient security for this amount of notes, they will be insufficient only because there would then be such a condition of business paralysis that government, municipal and railway bonds would be valueless, and also few, if any, banks in the reserve cities would remain solvent. The occurrence of this disaster is so improbable that its consideration may be dismissed."

The Protection of Depositors and Other Creditors.

Some figures prepared in the office of the Comptroller, at the request of your committee, indicate the adequacy of the assets of failed banks not only to fully protect their note-holders, but to afford a large dividend to depositors and other creditors. The claims proved, in the case of one hundred and eighty-one failed banks, with a capital of $28,605,800, whose accounts have been closed from 1865 to 1897, were $48,608,685. The collections from assets were $40,680,908, and from assessments upon the shareholders $6,369,033, making total collections of $47,049,941. The dividends paid were $35,165,660, and the cash returned to shareholders or in the hands of the Comptroller, in cases where the assets proved sufficient without the assessment upon shareholders to pay dividends in full, was $1,013,741. The assets thus reported were absolutely exclusive of the amount required for the redemption of outstanding notes, since these were redeemed out of the proceeds of the bonds in the Treasury. The circulation thus redeemed was $14,262,558. The two items of dividends paid and cash returned to shareholders make a total of $36,179,401, or nearly seventy-five per cent. of the claims proved. It is reasonable to assume that if the capital invested in bonds to secure circulation had been a part of the general assets, it would have afforded also dividends of seventy-five per cent. The total sums available in that case would have been such that a dividend of seventy-five per cent. could have been declared upon the circulation, if it had not constituted a first lien upon the other assets. The two safety funds—the current redemption fund and the bank-note guaranty fund—would have afforded an additional asset of ten per cent. of the whole volume of circulation and might have raised the dividend upon circulation to eighty-five per cent., without any draft upon the assets held for the security of other creditors.

The situation would not have been materially different if the sixty per cent. of the capital, representing the untaxed note circulation proposed by your committee, had been outstanding. The circulation in that case would have been $17,163,480. The assets available for dividends to note-holders and general creditors, and for return to shareholders, would then have been increased by the sum of $12,872,610, representing seventy-five per cent. of the circulation and by the value of the two safety funds, amounting to $1,716,348. The entire assets thus available for disbursements in dividends would have been $50,768,359, against claims proved amounting to $65,772,115. If the circulation was provided for in full out of these assets, the remaining assets would be $33,604,879, or only $2,574,522 less than they were under existing law. The percentage of dividends paid would have been more than sixty-nine per cent. This difference between seventy-five and sixty-nine per cent. measures, therefore, the possible loss to depositors and other creditors by the change from a currency based upon bonds to one based purely upon commercial assets. It is not unreasonable to believe that the double examinations and other safeguasds provided by the proposed bill, and the precautions which will undoubtedly be taken by the Comptroller of the Currency, would wipe out this trifling difference and make the new system exactly as secure to general creditors as the existing system.

The Localization of Credit.

One of the essential advantages of abolishing national bonds as a security for circulation and substituting a currency based upon commercial assets is the localization of the currency. This is brought about in several ways. The requirement that a part of the capital shall be invested in bonds in itself takes that capital out of the community and transfers it to the keeping of the seller of the bonds. The bonds were sold originally for the purpose of transferring capital trom the control of the purchasers to the control of the Government of the United States for purposes of war. When sold and paid for in the proceeds of local industry, they transfer the control of capital from the purchaser to the man from whom he purchases. A bank in a community of small means is thus deprived at the outset of a part of the funds which it ought to have for loans in the community. The extent of this loss is indicated by the consideration that with $100,000 of capital (upon the basis of the four per cent. bonds of 1907 at 114) only $78,947 in circulating notes can be obtained under existing law, while under the plan proposed by your committee it is possible to issue $60,000 in currency notes, $35,000 in reserve notes, and to loan in addition $28,000 of the unexpended capital, while $40,000 additional may be issued in emergencies subject to a tax. The community is the gainer in the extension of credit and the promotion of its local industries by the difference between $78,947 and a usual sum of $123,000 and a possible $163,000 under the proposed plan. More than this, a currency based upon commercial assets and not rendered rigid in volume by the deposit of special security comes back promptly to the issuing banks for redemption. The tendency of recent years for currency to drift to New York, where it is loaned at low rates of interest, would be largely arrested by the necessity of promptly sending notes back for redemption, and by the retirement of notes which were not needed in the commercial centers. Notes thus received back could be reissued and would, at the worst, be in the hands of the community for at least a time before they again took their flight towards the money centers.

The capacity to make larger loans means the capacity of the banks to reduce interest rates without loss of profits. It means that if any bank undertakes to resist the natural law of decreasing interest under increased facilities, new banks may be formed without sinking their capital in bonds purchased at a premium, and may compete for the legitimate profits afforded by reasonable interest rates. The fact that such conditions make a radical difference in the banking power and the prosperity of a community is illustrated by some figures taken from official reports regarding the condition of the Southern States in 1860. These figures are as follows:

State.	*Banking capital.*	*Loans and discounts.*	*Circulation.*	*Deposits.*
Maryland	$12,568,962	$20,898,762	$4,106,869	$8,874,180
Virginia	16,005,156	24,975,792	9,812,197	7,729,652
North Carolina	6,626,478	12,213.872	5,594,057	1,487,278
South Carolina	14,962,062	27,801,912	11,475,634	4,165,615
Georgia	16,689,560	16,776,282	8,798,100	4,788,289
Alabama	4,901,000	13,570,027	7,477,976	4,851,153

These figures are thus commented upon and compared with existing conditions in a recent paper by Mr. Charles A. Conant, of Boston:

"A glance at the column of deposits and then at that of loans shows how impossible it would have been for these banks to grant the accommodation they were able to grant without the power of note issue. That power was taken away by the levy of the ten per cent. tax on State bank notes, and the National banks of Virginia now have discounts of $15,268,383, with $15,347,290 of deposits and only $1,998,442 in note issues. Alabama, in place of her $13,500,000 of loans, has only $6,570,755, and a note circulation of $1,053,170, while South Carolina has seen her bank loans shrink from $27,800,000 to $5,943,867, with the shrinkage of the circulation of her banks from $11,500,000 to the beggarly pittance of $451,023."

The Benefits of Branch Banking.

The bill reported embodies a recommendation that National banks be permitted to establish branches. Branch banking has not been familiar in this country since the liquidation of the successful State banks of Ohio and Indiana at the beginning of the Civil War. It is a system in almost universal use in other civilized countries where the methods of modern finance are well developed, and is almost essential to the economical use of capital and the distribution of credit. One of the most striking benefits of branch banking is that a branch may be created and maintained at a profit in a community without sufficient business for an independent bank. This would permit the extension of credit into many localities in the thinly settled portions of the country where it is now impossible. Branch banking, moreover, permits the more ready flow of capital from communities where it is not needed to those where it is needed than does the operation of independent banks. It does not drain of money a community where money is needed, as would be the case with banks required to invest their deposits in securities, but carries into every community where the interest rate is high enough to attract money the amount which is there demanded and which is in less demand at other points. It often happens that one community may be saving largely without expending in manufactures or other productive works, while another community may need the money thus saved for such works. Branch banking may be compared, in the fluidity which it gives to capital, to a connected series of tanks with open pipes between, while the possible borrowings of independent banks are more like a series of tanks whose pipes require to be opened when any change is sought in the level of the fluid.

Branch banking in connection with reasonable freedom of note issues has produced such favorable conditions in Scotland and Canada that interest rates are almost uniform throughout those countries, even in the most remote sections, and disclose none of the striking differences disclosed in this country between rates in the money centers and in certain remote sections. The ten chartered banks of Scotland have more than 900 branches, and the 38 incorporated banks of Canada have nearly 500, in each case for a population which is less than a tithe that of the United States. There can be no question, in the opinion of your committee, that the combination of the power to establish branches with the power to issue a reasonable amount in notes upon commercial assets would give a vigor to the credit system of this country which has been lacking under the present complicated and unscientific system of fixed Government issues, rigid security for bank notes, and the prohibition upon the power to establish branches.

The Ultimate Operation of the Bill.

The bill reported by your committee looks ultimately to the elimination of Government paper money from circulation. Whether the process will be slow or rapid may depend upon the disposition of the banks and the turn of financial events. The reserve notes for which the banks are liable will be gradually reduced when the Government assumes the liability for such notes issued by failed and liquidating banks. With the withdrawal of bonded security also, the ultimate currency of the country will consist of gold and silver coin of full legal-tender power, and of notes issued by the banks under the provisions of the proposed bill. The growth in the wealth of the country and in its ability to maintain the expense of a metallic currency and to retain at home a large portion of the great gold production of the United States will tend to swell the gold resources of the country until gold coin is likely to become a common factor in daily exchanges among the people. This condition of affairs will operate at once to simplify and strengthen the currency system and to increase the security afforded by the proposed law to the holders of bank notes. The banks will be required, when reserve notes and legal-tender notes have alike disappeared, to fulfill all requirements of law calling for lawful money by keeping gold and silver coin, and the present quantity of silver is likely to be so completely absorbed for retail exchanges that the bank reserves will consist almost entirely of gold. This being the case, it is obvious that the issue of a banking currency based purely upon assets, without either bonds or reserve notes, will involve no risk of undue inflation or of loss to the note-holder. The bill reported by your committee proposes no change in existing laws regarding reserves against deposits. The cash reserves required in reserve cities at the date of the reports of the National banks to the Comptroller on December 15, 1897, were $251,176,860, and the cash reserves required in country banks were $55,940,589, making a total of $307,117,449. The cash reserves held at the same date were $410,568,427. These amounts are now held largely in legal-tender notes, but the abolition of such notes would leave a void which could be filled only by gold. If the circulation of the National banks, therefore, without allowing for any growth in the meantime, should rise to the amount of their capital on December 15, 1897, which was $629,655,365, the reserves held against deposits, with the requirement of the two special funds for current redemption and for the guarantee of the ultimate redemption of the notes, amounting to ten per cent. of the circulation outstanding, would in themselves exceed $463,000,000 in gold, or nearly seventy-five per cent. of the outstanding notes. It is upon the solid rock of metallic currency like this, with additional metallic currency in circulation among the people, that your committee propose to plant finally, by the gradual evolution of events, the monetary system of the United States. We believe that the arrangements proposed in the bill will accomplish this result gradually enough to avoid any shock to any vested interest, to the banks or to their patrons of any class, but that it will be accomplished so certainly that the United States almost upon the enactment of a measure promising such results will find their credit greatly enhanced abroad and placed upon unassailable foundations at home.

James T. McCleary,
George W. Prince,
John Murray Mitchell,
Special Sub-committee.

Check Marked "N. G."—"I've just cussed out my bank," said an excited man a day or two ago. "Through some miscalculation I made an overdraft of a few dollars, and my check was returned with the letters in the corner 'N. G.' Now, I have been a steady depositor there for ten years, carrying a balance of $500 to $1,000 until recently, when outside pressure reduced it. 'N. G.' means 'no good,' and to apply it to a gentleman signifies that he is a fraud. I maintained that proposition when the bank sent back my check thus inscribed, and I am told by a lawyer that an action for damages would lie. It should have been marked 'No funds,' which would simply have been official notification of an overdraft."—*New York Press.*

CREDIT AS AN INSTRUMENT OF COMMERCE.

ADDRESS OF SECRETARY GAGE BEFORE THE PITTSBURG CHAMBER OF COMMERCE.

The annual banquet of the Pittsburg Chamber of Commerce was held on March 19, the guest of honor and principal speaker being Hon. Lyman J. Gage, Secretary of the Treasury. His topic was, "American Enterprise; Some of Its Trials and Achievements." After speaking of the vast activities of industry and commerce, he said:

"Money is not the main active agent that operates to accomplish this enormous volume of production and exchange. It is true that all exchanges are effected in terms of money, but the real operating agent is credit and the instruments which embody or represent it. Nor, except within narrow limits, do these varied instruments of credit meet their final settlement or liquidation in money. Through the agency of the bank these credit instruments, to a large extent, meet and cancel each other without the use of money at all. It is not my purpose to describe the manner of the bank's operations by which this result is reached. I affirm it as a fact, and your own general knowledge of affairs will confirm it, without detail in illustration or proof.

It is my purpose to emphasize the superior power of credit in the affairs of men, and to consider briefly those influences which hinder or help its action. There is in sight in our country a volume of money—gold and silver alone considered, all forms of paper money themselves being credit instruments—something like $1,000,000,000; but in fairly prosperous times like the present, the volume of credits, operating in productivity and exchange, is equal to at least $15,000,000,000. If we can picture it as a stream or a river, we can fairly say the rise and fall of this stream registers industrial expansion or contraction. It is fed—this energizing stream—not from physical waters coming down from snow-clad mountains. Its sources are in the minds of men. Its secret spring is the confidence of man in man, united to a faith in the stability of future conditions. Born out of the action of the individual mind, it cannot be coerced into activity. Affected by both reason and imagination, it is subject to the paralyzing influences of doubt and fear; it is equally stimulated by confidence and hope.

Credit the Real Money of Commerce.

It is not a misuse of language to say that credit, with its multiform instruments, is the real money of commerce. As transactions increase, it increases; as industry halts, its volume is reduced. It is created as transfers of goods and wares take place. It expires or is canceled in final settlements through the bank or in the clearing-house. It is always sufficient to itself. It asks nothing from Government except the maintenance of peace and order, the enforcement of justice, of equity, and the largest conditions of liberty.

If, therefore, we would promote productivity, commerce and trade, we should try to encourage and maintain those conditions favorable to the just confidence of man in man and the confidence of man in the future. The producer of raw material parts with his product in faith that the manufacturer to whom he transfers it will, in due course, be not only willing, but will possess the ability, to pay for it. Likewise, the manufacturer disposes of his wares to the wholesale merchant moved by similar faith. The wholesale merchant, in turn, sells to the retailer on credit terms, in the belief that this man, the last in the order of distribution, will find his credits, extended in small sums to the mechanic and laborer, safe and secure.

Whatever disturbs these general faiths and confidences unsettles commerce and disturbs industry. Unhappily, the disturbing influences are numerous, and by their interposition from time to time, suffering and ruin result. Wars, the fear of war, crop failures, widespread industrial revolts, shocks arising from the betrayal of great fiduciary duties—these are some of the adverse influences. But none of these, nor several of them associated, are as harmful as are the doubts and fears which arise from the apprehension of a radical change in the money standard, to which all commodities and all credits stand finally related.

And yet we find a great party, in blind disregard of this fact, placing as a foundation stone to their political doctrine a proposition charged with the most destructive consequences to our commercial and industrial life. This proposition is urged upon the people with a fanatic zeal which would inspire admiration if enlisted in a useful or noble cause. But it is a zeal born out of non-reason, stimulated by prejudice and fed by passion. No wonder that conservative interests unite to oppose it. Few realize fully - the unthinking not at all—the responsibilities and risks that rests upon the man, who, by his initiative, assumes and carries on the duties of industrial leadership. Whether it be the large or small farmer, the large or small manufacturer, the builders of ships or of railroads, the merchant or the banker—each of these, according to his time and place, enters an arena full of difficulties and hazards.

The farmer must employ labor, and yet carry the risk of droughts and floods and take his chance of the markets for his ultimate realization. The manufacturer must embark his fortune in his buildings and machines. He must employ labor and provide for its payment. Nearly always he must assume responsibility for credit obtained at the bank or through the purchase of raw material. He must study the markets which consume his goods. To those who buy them he must, in his turn, extend the elements of credit. The merchant is subject to the same general rules of action.

What the Banker Deals In.

The banker's relation—not less important—is perhaps more delicate and more involved than either of the others. Popularly supposed to be a dealer in money, he is so only in an incidental and necessary way. He is really a dealer in credit. He has no raw material, he has no manufactured goods; he has only the promises to pay, which evidence the creation and passing of products and wares from one industrial class to another. For these evidences of debts, made perhaps by the comparatively unknown, he exchanges his obligations in the form of an open credit on his books or by his notes of convenient size, which may pass from hand to hand through the community. He thus makes fluid and useful in the work of reproduction and new exchange those general credit instruments which I have already denominated as the real money of commerce. As a factor in this great movement, the banker must look two ways. On the one hand, he is a debtor always, and always answerable in the legal money of the land to all who present their claims. On the other hand, his ability to respond to these demands and the question of his final responsibility rest upon the quality and convertibility of the undertakings and obligations he has acquired from the community.

If these represent real values, convertible in the market, if the conditions of industry and commerce are good, he is secure. If they are bad, if new and dangerous conditions arise, he is, to the extent that these conditions be really evil, a certain sufferer. Who more than he and those to whom I have alluded, thus actively engaged in production and exchange, are concerned in the welfare and prosperity of the social state? And yet it is against these that the political leaders of discontent fulminate their burning denunciations. They claim that the money standard, to which for sixty years our industrial affairs have been related, is an oppression and a hindrance to prosperity. They charge that its maintenance is the result of a conspiracy born of 'insatiable, sordid greed.' They seek to push our industrial social fabric from the good foundation of the world's money on to the shifting, uncertain sands of an obsolete silverism. They allege that we are in decadence and decay, and that restoration and prosperity will come by changing the counters by which trade is finally settled. I cannot take time to traverse their pernicious logic.

Evidences of Growing National Prosperity.

In spite of the unsettling influence of their doctrines, which have again and again alarmed the forces that make for progress, which have more than once sent capital into hiding, crippled industry, and sent labor into idleness, the evidences are everywhere that we are in a state of progress, not decadence. Let me cite a few of the evidences: Within twenty-five years (according to them the period of our decline) our population has increased sixty-two per cent. Wealth has increased in a ratio three times as great as the population. That the distribution of increased wealth has been general is proved by the Savings banks, the number of whose depositors and their aggregated accumulations having grown ratably with the increase of wealth.

Our foreign commerce—now well on to two thousand millions—has increased in its ratio to population. During these twenty-five years, the foreign commerce of Great Britain increased thirteen per cent.; that of the United States, fifty-one per cent. Compared with Mexico, the idyllic land of the silverite, our export trade has increased 118 per cent., against an increase in Mexico of twenty-seven per cent. What of our domestic affairs? Our railroads have increased in mileage from 70,000 in 1873 to nearly 200,000 in 1897, with a reduction in cost of freight carriage of sixty-five per cent. The mileage of telegraph lines has, during the same period, increased from 154,000 miles to over 800,000 miles, with an average reduction in message toll of forty per cent. The production of raw iron has increased from less than 2,000,000 tons per annum to about 12,000,000 tons; coal, from 47,000,000 tons to 180,000,000 tons; petroleum, from 6,000,000 barrels to 60,000,000 barrels.

The new South has become a new manufacturing empire. Our average annual exportable surplus of wheat is from three to four times greater than in any year in our history prior to 1873—the fateful year which dates our ruin! Within fourteen years the number of tons of freight carried on railroads increased 115 per cent., while the number of passengers increased eighty-five per cent. But why weary you with the record, which supports the brave words of a Western Senator, who lately said: 'I have seen a development in fifty years, with which no two hundred years, nay, no four hundred years, of the world's history can compare.'

Do not the most common prudential considerations dictate adhesion to a money standard which has been contemporaneous with this great progress, if not an efficient factor therein? Benton and Jackson, more than sixty years ago, argued its superiority, and by their efforts the gold standard came into practical use with us. Are we, who seek to preserve the good they secured, to be condemned by their alleged followers? Is not the statesmanship and far-sighted wisdom of Webster at least as safe a guide as the economic heresies of Democracy's leader? Hear Webster:

'A sound currency is an essential and indispensable security for the fruits of industry and honest enterprise. Every man of property or industry, every man who desires to preserve what he honestly possesses, or to obtain what he can honestly earn, has a direct interest in maintaining a safe circulating medium; such a medium as shall be a real and substantial representative of property, not liable to vibrate with opinions, not subject to be blown up or blown down by the breath of speculation, but made stable and secure by its immediate relation to that which the whole world regards as of a permanent value.'

Second only in importance to a sound currency is a banking system adequate or capable of self-adjustment to the public needs. Yet this proposition is not less offensive to the three leaders of the opposition, who lately coalesced in a joint effort to unite all forces hostile to the present order. Was Lincoln actuated by 'selfish and brutal interests' when he recommended the establishment of National banks? Yet he said:

'The National banking system will create a reliable and permanent influence in support of the national credit and protect the people against losses in the use of paper money.'

Note Issues of the Bank of France.

In proposing an improvement in the National banking law, I have not been unmindful of a conspicuous example which history affords of the advantage which the bank note possesses over paper money issued by the Government. The Bank of France is the largest note-issuing bank in the world. Its notes are issued in proportion to the amount of its available assets. It is not required by law to hold evidences of the public debt or any specific security, and yet its total circulation amounts to not less than $750,000,000. When during the Franco-German war specie payments were suspended, the world was furnished an example of the stability and security of notes based on the assets of a sound bank.

When peace had been restored between France and Germany and a radical change had been affected in the very form of government itself, the Bank of France was found to be as solid as a rock. During the war it had advanced to the Government no less than $280,000,000, besides satisfying all the commercial needs of the French people. It was blackmailed and partially plundered by the leaders of the Commune; yet it remained secure in its strength amid all the reverses of the Government, even when the armies of France were driven back from the frontier to the gates of Paris, even when the French Emperor was a prisoner of war and his capital in the possession of the enemy, and even when the State itself was a wreck. It emerged from the chaos at the close of the war, and at the return of peace it at once supplied the whole of France with the means of speedily regaining national wealth and prosperity.

Well might Thiers, first President of the new Republic, say: 'The bank saved us because it was not a bank of State.' It suspended specie payments, yet at no time during the war was gold at a greater premium than two and a half per cent., and most of the time it was not in excess of one per cent. Contrast our own experience from 1862 to 1864, when in two years our Government currency had depreciated more than sixty per cent. and gold was, in July of the latter year, recorded at 258.

Can we not learn useful lessons from others? Is the experience of the world to be despised? Can the stern decrees carried by the laws of our economic life be successfully challenged? Can they be rescinded or repealed by the wild impulses of the inconsiderate?

In a free social state the individual man is clothed with the power and responsibility of self-direction. His well-being depends upon his ability to comprehend, and his willingness to obey, the physical and moral laws with which nature has environed him. In a Government like our own a similar power of self-direction exists. It is a high privilege, and carries with it great responsibilities. Like the individual man, the Nation's well-being depends upon its ability to discern and obey the economic and moral laws which environ it. We may congratulate ourselves that in our past wonderful history we have so well perceived and followed the ways of wisdom.

May we continue to be thus guided amid the growing complexities of the great future."

OPEN LETTERS FROM BANKERS.

AN INTERCHANGE OF OPINION BY READERS OF THE MAGAZINE.

COLORADO'S INCREASING PROSPERITY.

Editor Bankers' Magazine:

SIR:—The year 1897 was the most prosperous one in the history of Colorado. With one bound she became the leading gold-producing State in the Union. She exported wheat and fruit to England, potatoes to Boston, melons and cantaloupes to New York, celery to Texas, building stone to Chicago, Kansas City and Omaha, and coal to Kansas, Nebraska and adjoining States. The Illinois Steel Works, at Chicago, placed a very large order for Colorado iron ore, and Boston and San Francisco merchants contracted for the entire output of the Denver Cotton Mill for the next three years. The State produced nearly twenty-four million dollars' worth of gold, fifteen million dollars' worth of silver and six million dollars' worth of other ores. She marketed six and a half million dollars' worth of live stock, six million dollars' worth of coal, eight hundred thousand dollars' worth of building stone, seven hundred thousand dollars' worth of wool, and nearly half a million dollars' worth of oil. The product of her farms, orchards and dairies nearly equalled in value the yield of her mines. She has set a pace for 1898 that bids fair to increase, by fifty per cent., the output of last year.

Contrast the above with the condition of the State in the autumn of 1893. India had closed her mints to the coinage of silver. The silver-purchasing clause of the "Sherman Act" had been repealed and the price of the white metal had declined from eighty cents to sixty cents per ounce. The production of silver was Colorado's principal industry, and the fall in the market price of that metal caused partial paralysis in every branch of business. Many mines closed down; the output of others was curtailed; railroads suffered loss in tonnage; prospectors deserted the hills; lime and charcoal-burning camps were forsaken and added their quota to the thousands of idle men thronging the cities and towns. The situation in Denver was not less discouraging. Six National and three Savings banks suspended payments. The courts were busy appointing receivers and assignees for bankrupted concerns. Outside capital was largely withdrawn; contemplated public improvements and private enterprises were abandoned. Real estate was a drug on the market and foreclosures the order of the day. Hundreds of business men who, in 1892, were accounted and accounted themselves wealthy, were reduced to comparative poverty. Thousands of men who had been drawn to this city by the high wages paid all classes of mechanics during the building boom, returned to their homes in other States, causing disaster to the hundreds of restaurant-keepers, owners of lodging-houses, etc., that had been supported by their patronage.

What has brought about the remarkable change described above? Simply the indomitable and energetic character of the citizens of this commonwealth, added to the fact that the resources were here to be developed. Bear in mind that the progress made during the past four years was accomplished, substantially, without outside aid. As before stated, capital here for investment had, in great measure, been withdrawn from the State. The opinions on political finance of the majority of the people of this State were at variance with those held by some of the owners of this capital, and these latter, believing Colorado's attitude inimical to their interests, naturally withdrew their money wherever possible. Others were frightened away by the claim, believed here to be true, that the depreciation of silver below the market price then ruling, would ruin every industry in this State. In view, then, of the fact that the people were suddenly thrown on their own resources, their success is the more remarkable. When capital was pouring into the State by hundreds of thousands and millions of dollars for investment in mines, mills, railroads, irrigating canals and real estate, no particular credit was due Colorado people for making rapid strides in the development of their industries. It was an entirely different matter to make a fresh start, in a new direction, hampered by lack of funds and in the face of a tremendous outgo in the shape of dividends and interest on money already invested.

Whatever dearth of capital there may have been in the past, there are indications that there will be none in the future. The story of the last year's progress is having a good effect. The mere rumor that a public bond issue is contemplated, is sufficient to draw scores of applications for an opportunity to bid. Three great loaning corporations, whose home offices are in Milwaukee, Philadelphia and New York, are competing for choice real estate loans. One of them made original loans in this city last year to the amount of half a million dollars and extended others aggregating a sum nearly as great. The rate of interest on loans secured by Denver improved business property has dropped to five and five and one-half per cent. This is an evidence that confidence in the soundness of Colorado investments is restored. Loans on good residence property, bearing six and seven per cent. interest can yet be secured.

Denver is putting her house in order in anticipation of a greatly increased population during the next few years. The authorities have entered upon a system of public improvements that includes the building of bridges and viaducts, grading, curbing and paving of streets, construction of sanitary and storm sewers and the purchase and beautifying of public parks. The cost of the improvements now under way and to be commenced this year will aggregate one and one-half million dollars, exclusive of the expenditure for parks. The expense will be borne by the property owners in the districts improved and may be paid on completion of the work and the acceptance by the city, or distributed over a period of ten years thereafter, at the option of the property owner. The work will be augmented by the relaying of gas and water mains and street railway tracks, in the sections of the city affected. Contracts for the erection of the new mint building to cost $400,000 have been let by the Government. The Chamber of Commerce has under consideration a project for the building of an auditorium with a seating capacity of ten thousand. These enterprises will employ all the idle labor in Denver and put a large amount of money in circulation.

Denver has acquired quite a reputation as a convention city. On a pinch she is capable of entertaining one hundred thousand visitors. Attempts at extortion are discountenanced and when known are vigorously dealt with.

The American Medical Association will hold its annual convention here in June. Great benefits to the city and State are expected to accrue therefrom.

The climatic conditions in Colorado are very favorable to the cure of pulmonary diseases and special efforts will be made to impress that fact upon the visiting delegates. Should the auditorium project be successfully carried out in time Denver will strenuously endeavor to secure one of the two national political conventions to be held in 1900.

Interest in city real estate has commenced to revive. Sales of business properties at fair prices are becoming more frequent; a single local capitalist has invested nearly eight hundred thousand dollars within the past six months. The People's National Bank Building was sold last week, the consideration being three hundred thousand dollars. Owners of improved business property still demand stiff prices, but there are occasions when a cash offer, much below the sum demanded, is accepted. Four years of distress is calculated to make an owner think twice before declining any reasonable offer. By comparison with other cities of equal pretensions, but by no means possessing as brilliant a future, Denver real estate is low priced.

DENVER, Colo., March 26. EDWARD R. HANLEY.

HOW TO IMPROVE FINANCIAL CONDITIONS.

Editor Bankers' Magazine:

SIR:—There are at the present time less than 3,700 National banks in the United States, and there ought to be 20,000, and would be if the Government would hold out sufficient inducements.

For twenty-five or thirty years preceding 1863, the State of New York had a free banking law; bank notes were issued to banks based upon New York State bonds at par value, and there was no lack of banking facilities in that State during that period, and the currency was as safe as a New York State bond could make it.

There is no good reason why State bonds, or county bonds, with the indorsement of their own State, might not be accepted, under a law to that effect, by the Comptroller of the Currency at par value, as a basis for National bank issues.

The restrictions should be that the State has not defaulted on its principal or interest, or allowed its bonds to be sold for less than par, during the past twenty years.

County bonds indorsed by the State should not be accepted where the total county indebtedness exceeds ten per cent. of total assessed valuation.

If these bonds were made a basis for National bank issues it would enable more than one-half of the counties and States to float their bonds at a much less rate of interest than they are now paying, possibly one-half less.

If it should become necessary at any future time for the National Government to issue bonds they should be two per cent. registered bonds payable only at the expiration of 100 years in standard gold at New York, London, Paris or Berlin, as the owner may elect.

Allow National banks to issue currency up to par on these three kinds of bonds, both currency and bonds made payable in standard gold.

Require all new banks with a capital of $200,000 and upwards, including renewals of charters, to take out circulation to the amount of one-quarter of their capital; those between

$50,000 and $200,000 to take out $50,000, giving all the privilege of as much more as they desire up to the full amount of their capital.

All the bank issues based upon National bonds should be free from taxation, and that part that might be based upon State or indorsed county bonds to pay one per cent. tax.

This tax should all of it be invested in A1 interest-bearing securities and held as a safety fund against any possible loss by reason of any State failing to keep its liabilities at par.

In all human probability this one per cent. tax would more than equal such losses, but whether it did or not the Government should redeem the issues based upon such bonds.

All banks of $50,000 capital and upwards to be known as "Class A."

In villages and cities of 400 to 4,000 inhabitants allow National banks with capital of $10,000 to $40,000 in multiples of five, and known as "Class B."

Assess the capital of Class A banks one-twentieth of one per cent. and create a fund for settling the balances of all failed banks in this class.

As soon as the fund is nearly exhausted collect another of equal amount.

Assess Class B banks one-quarter of one per cent. to pay balances of deposits of failed Class B banks and continue to assess when funds are needed.

Class B banks to send monthly statements, including details of bills receivable, to the Comptroller of the Currency.

The regular personal examination of Class B banks to be omitted.

This scheme would protect the depositors as fully as the bill-holders are now, and without expense to the Government, and give such depositors a confidence they have never possessed.

Within two years ninety-nine per cent. of all deposits would be held by National banks, and with no real damage to State or Savings banks as they could easily come in under this National plan and enjoy all of its benefits.

During the past thirty-four years the National Government has taken care of the bill-holder so thoroughly that not a dollar has ever been lost.

With a very small effort the Government can protect the depositors equally well.

In 1863 the National Government had the nerve to say to the responsible and the irresponsible non-National currency makers, "Your occupation is gone."

It ought to have the nerve in 1896 to say to the strong and the weak non-National bankers, "Your occupation as receivers of deposits is ended."

Every person wants the Government to protect him in his pursuit of happiness, and nothing could more conduce to such happiness than for the Government to say to him, "If you deposit your money in any bank in the United States we (the Government) will see that you get your money back without loss of principal or interest."

Many deposits have been placed in banks because they were National banks and these banks have failed, and by having afforded only partial protection these depositors consider the Government morally obligated to make those losses good.

I can see no injustice to the national taxpayers if a part of the revenues should be applied to that purpose.

The punishment of officials of failed banks affords no material satisfaction to suffering depositors.

It would be a great and continuous expense to the Government to establish Postal Savings banks, but with this deposit safety-fund scheme they would not be needed.

It would become a serious matter for the Government to find a way to invest the deposits of Postal Savings banks so as to obtain even a part of the interest that would have to be paid to the depositors.

The Government could not for one moment undertake to invest these deposits in business paper.

Private capitalists are competent to manage the banking business.

A great expense would be incurred in small cities and villages to adequately provide against losses by burglars or dishonest managers.

Many postmasters lack experience in banking business, and some of them would need a teacher every week.

The Comptroller of the Currency informs me that the capital of all National banks on October 6, 1896, was $648,540,325, and that the net loss to depositors by reason of failures since their introduction thirty-four years ago has averaged twenty-five per cent.

The total indebtedness of failed National banks for the year ending October 31, 1896, was $9,001,326.

The amount to be paid to depositors out of the safety fund would therefore be $2,250,332.

A bank with a capital of $100,000 would be required to pay the sum of $288.20 to make good the losses for the year ending October 31, 1896.

There are millions of dollars locked up and out of use, hid away in homes and in safety deposit vaults, that would immediately become a part of the deposits of National banks if these deposits were insured as suggested.

The profits on this increase of deposits would more than compensate the National banks for their assessments.

The Indianapolis Monetary Convention recommends that currency should be issued to banks to the amount of eighty per cent. of their capital, the banks to place one-twentieth of the amount of such circulation in gold coin with the Comptroller of the Currency as a safety fund to take care of the issues of failed banks.

I do not see how this one-twentieth security would prevent dishonest parties from starting banks, then realizing on nineteen-twentieths of their circulation and then letting the safety fund take care of the whole issue.

In times of great panic the bill-holders, knowing that only one-twentieth part of the whole circulation was secured by collaterals, would lose all confidence in such issues.

When a bank bill is irrecoverably lost the National Government gets the full benefit.

When coin is used for business purposes the Government loses all of the abrasion.

Between 1863 and 1870 the Government issued five, ten and twenty-five cent fractional currency and several million dollars' worth were never presented for payment.

Such notes would to-day be exceedingly useful for mail remittances, and I would only issue to banks with a capital of $10,000 twenty-five and fifty cent notes.

Bank bills are 3 × 7 inches. Make fifty cent bills 2½ × 5 and twenty-five cent bills 2 × 4 inches in size.

All bank or Government bills hereafter engraved should have both faces alike and left end bottom up, ready for counting.

It is now necessary to change the position of three-quarters of all the present style of bills before they are ready to be counted. W. W. Wood.

Chicago, Ill., March 23, 1898.

REFUNDING THE PUBLIC DEBT.

Editor Bankers' Magazine:

Sir:—The subject of refunding the public debt, as an available means of solving the financial problem, receives considerable attention in the March number of the Bankers' Magazine.

A communication from the writer upon this subject was published in its issue of August, 1897, and subsequently the plan therein suggested was prepared in more detailed form, and by request was submitted to the Monetary Commission.

This plan provides for the refunding of the entire national debt—including legal tender notes—into two per cent. gold bonds, payable at the pleasure of the United States, the first issued to be the last subject to call.

It was shown in the communication referred to that the total *present worth* of outstanding bonds was in round numbers $1,000,000,000, which, being increased by the volume of legal-tender notes now outstanding, less available money in the Treasury, would give a grand total of $1,350,000,000.

The remarks quoted in the March number from a recent address delivered in Philadelphia by the Hon. F. A. Vanderlip, Assistant Secretary of the Treasury, are pertinent to the situation as I regard it.

Mr. Vanderlip says: "On the one hand we know a method is proposed which has the advantage of perfect simplicity contained in a single sentence—'the unlimited coinage of silver at the ratio of sixteen to one without waiting for the aid or consent of any other nation.' There is a great class in practical accord on that proposition. The greatest elements of strength which that class has are its singleness of purpose and its simplicity of means. The free silver party knows what it wants and always wants it.

If we are to avoid the shock of a change of standard, we need to crystallize the sound-money sentiment into a specific measure we can all support. We now have, around which to rally, only an abstract idea, while the free silver party has a definite measure—a measure it can embody into a legislative Act of ten lines. That party must be met with a constructional issue just as definite and just as capable of attaching to it the full strength of the party which opposes the change of the standard. Seek for that measure.

Mr. Vanderlip is entirely correct, as far as I have quoted him. We should have an actual and positive issue, and there can be no better found than in a proposition to refund the public debt, and by so doing get rid of that word of ambiguous meaning, "coin," which now appears in our national obligations as the money of payment.

The mere declaration for the gold standard in the bill of the Monetary Commission can have no more force and effect than the similar words in the national platform of the Republican party. Our Mint laws are all right now; the gold standard is already established so far as legal enactment can make it.

Without wishing to criticise the actions or motives of the many eminent thinkers who favor such plans, it must yet be clearly seen that no Act which will authorize the issue of unsecured bank notes will meet with unanimous support or anything approaching unanimity, even among those who join in the support of the existing money standard. Many persons will recall the credit bank note bills of other days, and, conscious of the fact that the country has prospered during the many years which have elapsed since the war with nothing of the kind, will regard the proposed change as a step in the wrong direction. It may even be charged that it is an attempted resurrection of the system of credit currency maintained by the old United States Bank, and that the measure is supported by the same political organization which brought that into being, although now known under a different name.

Of course extreme conservatism of this character must not always be permitted to rule in currency matters. A flexible and automatic bank-note circulation, if such a thing is possible, would be a most desirable attainment and worthy of the strenuous efforts being made in its favor; but it is not the currency question which has agitated and confused all financial and commercial operations and divided the country into two great opposing forces; and an enactment of this character does not supply the definite "constructional issue" described by Mr. Vanderlip, which honestly and fairly meets the contention of the free silver party. Meet that issue by a proposition which will settle the question so far as it applies to our national obligations and the question will take care of itself when it is applied to individual obligations.

It is altogether probable that even in the sound-money ranks there would be opposition at this time to the proposed retirement of legal-tender notes and their replacement with National bank notes, payable in gold and secured dollar for dollar by Government bonds. More education along this line may still be required before unanimity of action can be secured in favor of this most desirable measure. But there would be no difference of opinion among these concerning the refunding of the public debt in a manner which wou d be highly advantageous to the Government and at the same time would to a large extent dispose of a troublesome and vexatious question. All will concede that the present arrangement of the debt would not be satisfactory even if there was no controversy as to the kind of money in which it is payable. No argument or apology, except necessity, can be made for the issue of the representative securities of the debt which carry a rate of interest so much higher than the credit of the country justifies that a premium of at least thirty per cent. must be made to indicate the real income value.

The plan I suggest will provide a longer time bond than the United States has ever before issued. The term of the senior bonds would continue until the entire debt should be extinguished. The form of the debt would be the most convenient possible for the Government, and no loss or embarrassment to either the Government or individuals would be caused by future financial operations which might become necessary in some extraordinary emergency, such as a foreign war. At present the mere probability of war causes an alarming depreciation of the bonds.

It would be the most unique Government security in existence, not excepting the British Consols, which have no time of payment, but whose volume cannot be reduced except by purchase in the open market.

The chief feature is not novel. Secretary Windom accomplished a great success during his official term by extending matured bonds at a reduced rate of interest and making them payable at the pleasure of the Government.

The public debt would be lessened, not increased, by the arrangement. An agreement to pay interest for a stipulated time is as much a portion of the debt as the agreement to pay principal. Principal and interest combined indicate the real debt. These together would now show many more millions than the aggregate of the refunded debt based upon present value, and the annual interest charge to the Treasury would be reduced from $34,-000,000 to $27,000,000, notwithstanding that in this computation the legal tenders are included in the interest-bearing debt.

It will be claimed that a refunding bill cannot be enacted at this time. This is probably true, but the same objection can be advanced against any proposition of this character, and there is just as much probability of success with this proposition as with any other, and there are some reasons for believing that it would stand a better chance. But if it failed, an excellent argument would be given to the sound-money side in the discussion which must come with the next presidential campaign.

The fact is notorious that the people of the States most closely wedded to the silver cause make their own municipal bonds and individual obligations payable in gold, and for the reason that they find it to their advantage to do so. These people cannot consistently sustain their representatives in Congress in denying by their votes the same privilege to the general Government, when great advantage would be gained thereby.

I do not believe that close consideration of the plan offered by me, from men of financial experience, will cause it to be regarded as either visionary or impracticable.

But the form of the securities or the rate of interest they may bear are not so important as would be the funding of the public debt, so that it would be clearly and distinctly payable in the metallic money, to the payment of which the faith and credit of the nation are already pledged, even if no such refunding is accomplished. HENRY W. YATES.

OMAHA, March 29, 1898.

The following specific suggestions accompany Mr. Yates' communication:

REFUNDING AND CIRCULATION.

First.—Refund the national debt, including the legal-tender notes.

Second.—Authorize the issue of National bank notes to the par value of bonds deposited, and remove the tax upon circulation.

Form of New Bonds.

The refunded bonds should be made payable, principal and interest, in gold.

The rate of interest could safely be made as low as two per cent. per annum, and the principal should be made payable at the *pleasure of the Government*, with the condition that the first issued bonds should be the last subject to call.

The last provision would supply a long-time bond of the most satisfactory character, while those of later issue would by means of the currency feature supply to a reasonable extent the elasticity so much discussed as a requisite for a good bank note currency. If such bonds at any time fall below par, it would indicate some stringency in the market, which would be relieved by the increased circulation induced by the profit obtained from the discount upon the bonds.

Most Unique Bond in Existence.

The bonds here suggested would be the most unique Government security in existence, all the advantages for payment being reserved to the Government. They would be superior to the British Consols, which have no fixed time for payment, but to redeem any portion of them the Government must purchase in the market like any individual.

Surrender of Old Bonds.

To induce the surrender of the outstanding bonds, a price should be fixed at least equal to the present market quotation, or they may be figured upon say a two-and-a-half per cent. income basis, payable in new bonds at par.

Debt Reduced.

This would increase the principal of the national debt, but principal and interest together would show a reduction of the total debt, and the interest charge per annum would be reduced by at least seven millions of dollars, and notwithstanding the fact that the legal-tender notes would be changed from a non-interest to an interest-bearing security.

Method of Retiring Legal Tenders.

In order to provide for the gradual retirement of the legal-tender notes without danger from a monetary stringency caused by a contraction of the circulation, every bank depositing bonds for circulation should be required to purchase from the Government new bonds to an amount equal at least to twenty per cent. of the total circulation desired, the money so received to be used in the cancellation of a like amount of legal-tender notes. This provision to continue in force until all the legal-tender notes are retired.

Redemption Fund.

The reserve required to be kept by the banks with the Treasurer should be maintained in gold only, and if at any time the demand for gold, from the conditions of our foreign trade or from any other cause, rendered the present five per cent. inadequate, the Treasurer should have the power to call upon the banks for an increased amount.

Silver Circulation.

The existing volume of silver circulation would, in my opinion, be maintained at parity with gold without further legislation. In fact this circulation might be safely increased, either by subsidiary coins or full legal-tender coins to the extent of the bullion now in the Treasury.

France maintains in this manner at parity with gold her large volume of silver—only slightly less than ours—and no doubt should exist of our ability to do likewise.

We have had no difficulty in maintaining this parity heretofore, except at a time when distrust of our securities as well as our money was naturally evoked by political agitation aimed directly against our national credit.

With the legal-tender notes retired and our Government debt definitely and distinctly made payable in gold, no positive motive for further agitation of the kind would exist, and the money issue would be taken out of politics.

BANKING AND FINANCIAL NEWS.

This Department includes a complete list of NEW NATIONAL BANKS (furnished by the Comptroller of the Currency), STATE AND PRIVATE BANKS, CHANGES IN OFFICERS, DISSOLUTIONS AND FAILURES, etc., under their proper State heads for easy reference.

NEW YORK CITY.

—Final settlement of the distribution of the money derived from the sale of the old clearing-house property has been made on the following basis: Legal expenses of both sides, about $50,000; returned to old members their original subscription, about $218,000; the remainder to be applied to reduce the contributions made by the banks to construct the new building.

—It is announced that the United States Mortgage and Trust Co. has been appointed New York fiscal agent of the city of Minneapolis, Minn.

—Cashier Francis A. Halpin, of the Chemical National Bank, recently said that in the event of war the employees of the bank who wished to serve their country would be kept in the employ of the bank while absent on such duty, and their pay would be continued.

—A meeting of the Executive Council of the American Bankers' Association was held at the rooms of the Lawyers' Club, March 24. Alvah Trowbridge, Chairman of the Council, and Vice-President of the National Bank of North America, presided. Among others who were present were: Hon. J. C. Hendrix, president, also President National Union Bank, New York; Geo. H. Russel, vice-president, and President of the State Savings Bank, Detroit, Mich.; Walker Hill, President American Exchange Bank, St. Louis; F. W. Hayes, President Preston National Bank, Detroit; P. W. Huntington, President Hayden National Bank, Columbus, Ohio; R. H. Rushton, Vice-President Fourth Street National Bank, Philadelphia; Robert J. Lowry, ex-president of the association, and President of the Lowry Banking Co., Atlanta, Ga.

Denver was chosen as the place for holding the next convention, date to be fixed later.

On March 25, Bradford Rhodes, President of the Mamaroneck Bank, and Editor of the BANKERS' MAGAZINE, entertained the executive council at luncheon at the rooms of the Transportation Club in the Hotel Manhattan.

Addresses were made by Morris M. White and Robert J. Lowry, ex-presidents of the American Bankers' Association; Hon. Thomas L. James, Chairman of Group VIII, New York State Bankers' Association; A. G. Campbell of Natchez, Miss., J. E. Sands of Fairmont, W. Va., and C. A. Pugsley of Peekskill, N. Y., members of the Executive Council of the American Bankers' Association; also by Hon. David Cromwell, Chairman of Group VI, New York State Bankers' Association: W. T. Cornell, Cashier of the Lincoln National Bank; Cecil D. Landale, Vice-President and H. H. Swasey, Secretary, of the Fifth Avenue Trust Co., New York, and others.

—The growing practice of shipping currency by registered mail has caused the express companies to reduce their rates for sending currency by express. The reductions so far agreed upon make the rates to Chicago 50 cents a thousand dollars on shipments of currency instead of $1, and 75 cents to New Orleans instead of $1.25.

—Judgment for rent was recently obtained against the United States Cheque Bank, at 40 Wall St.

—An additional dividend of ten per cent., payable April 15, has been declared by the Receivers of the Madison Square Bank.

—The Fourteenth Street Bank now clears through the Mercantile National Bank, instead of the New York National Exchange Bank.

—The business of the National City Bank since it absorbed the Third National Bank has so increased that it has been compelled to move its foreign exchange department into the basement of the bank building, and it will soon require another floor to accommodate its staff of clerks and give much-needed room to its officers and tellers.

—Frederick J. Barton, Eben B. Thomas and C. Ledyard Blair were elected directors of the United States Mortgage and Trust Co. March 10.

—G. W. Pancoast, formerly Assistant Cashier, succeeds the late Andrew E. Colsen as Cashier of the Sixth National Bank.

—J. C. Parsons, who has been connected with the Chemical National Bank for almost fifty years, has been made Second Vice-President in recognition of his long and faithful services.

—Withdrawals of currency for the West have had the effect of increasing gold imports and strengthening the specie reserves of the banks, which amounted to $141,556,200 on April 2. The National City Bank alone held $28,916,800 in specie on the date named.

NEW ENGLAND STATES.

Springfield, Mass.—At the annual meeting of the Springfield Clearing-House Association on March 7, Ralph P. Alden, Cashier of the Springfield National Bank, was elected Secretary. The other officers were reëlected.

To Reduce Capital.—At a meeting of the Board of Directors of the Northampton (Mass.) National Bank, February 23, it was decided to recommend a reduction of the capital stock from $400,000 to $200,000, returning $200,000 to the stockholders. This will give the bank $200,000, capital and the same amount of surplus. Affirmative action on the recommendation was taken April 7.

Boston.—On March 31, twenty of the largest banks of the city gave notice that they would cease to do business in the clearing-house market. These banks, representing about fifty per cent. of the $48,150,000 capitalization of the National banks which do business at the clearing-house, have agreed to neither borrow nor lend balances at clearing in future, but to transact such business over their respective counters instead, at a minimum rate of four per cent. This movement is the result of the difference of opinion as to the level of the inter-bank loaning rate which has existed among the banks for a long time.

Appointed Bank Examiners.—Hon. Wm. A. Lord, Speaker of the Vermont House of Representatives and a leading lawyer of that State, has been appointed a National bank examiner for Vermont.

—Edward P. Metcalf succeeds the late Daniel Day as National bank examiner for Rhode Island and Connecticut.

MIDDLE STATES.

Washington, D. C.—John Seager and C. A. Bramley, the latter being a member of the New York Stock Exchange, have formed a copartnership under the name of Seager & Bramley, to do a banking, stock brokerage and investment business. The new firm will be the Washington correspondent of Messrs. Moore & Schley, New York.

—On March 14 the House of Representatives passed the Negotiable Instruments Law, which is substantially the same measure recently enacted in New York and other States. The law will apply only to the District of Columbia and will go into effect September 1, 1898.

Philadelphia.—Walter L. Ross, formerly with Drexel & Co., and Francis Henderson, heretofore Secretary of the United Security, Life Ins. and Trust Co., have formed a copartnership under the name of Ross, Henderson & Co., to carry on a banking and investment business.

—William R. Nicholson has been elected a director of the Fourth Street National Bank.

—The stockholders of the West End Trust and Safe Deposit Co. have decided to increase the capital stock from $300,000 to $500,000.

—The Philadelphia Savings Fund Society has given an order to the Bethlehem Iron Co. for a vault to be constructed of reforged nickel steel, Harveyized armor-plate. These plates with the exception of the front, which is eight inches thick, are five inches in thickness. Vaults thus constructed are said to be not only fire and burglar proof, but equally secure against mob attack.

Baltimore, Md.—At a meeting of the directors of the Mercantile Trust and Deposit Co., March 15, Charles R. Spence was elected second Vice-President and A. H. S. Post, third Vice-President; John McHenry was elected Treasurer and L. C. Fisher, Secretary. Charles E. McLane was made Assistant Secretary and Treasurer. These changes represent several promotions. John Gill, President, and W. W. Spence, Vice-President, were re-elected.

—Wm. Winchester succeeds the late Wm. W. Taylor as President of the National Union Bank of Maryland.

—A new building for banking and safe deposit purposes will be built by the Commonwealth Bank.

—Several of the Savings banks reduced interest on April 1 from 3½ to 3 per cent. This is due to the advance in the price of high-class securities, which now yield a lower net return than formerly, also to the large amount of money seeking investment.

Banking Law Changes.—The Governor of New York has signed Senator Krum's bill to amend section 158 of Chapter 689 of the Laws of 1892, as amended by section 4 of Chapter 696 of the Laws of 1893. It merely adds to the institutions specified in the section, "any trust company chartered by special Act prior to May, 1892."

—Among the bills that have passed both houses of the New York Legislature for amending the banking laws is one in regard to Savings bank investments. It permits the investment of Savings deposits in the bonds of railroads operating chiefly in the State of New York.

—A bill also passed both houses authorizing trust companies doing business in counties containing between one hundred and three hundred thousand inhabitants to receive for safe keeping securities and valuable papers and to let out receptacles for safe deposit of personal property, in addition to their other safe-deposit privileges.

Bank Building Sold.—The building formerly occupied by the Safe Deposit and Trust Co., Lebanon, Pa., has been sold to the People's National Bank for $33,200. It cost $90,000.

SOUTHERN STATES.

Atlanta, Ga.—Through the courtesy of Capt. Robert J. Lowry, President of the Lowry Banking Company, the MAGAZINE has received a handsomely illustrated "Hand Book of the City of Atlanta," fully setting forth the advantages of the capital city of Georgia. It is issued jointly by the City Council and the Chamber of Commerce. Since the destruction of the city by fire in 1864, during the Civil War, when the city was practically depopulated, the population has increased until it is now 100,000, the annual bank clearings have reached $72,000,000 and the area of the city has extended over twelve square miles. In its commercial, banking, manufacturing, educational and benevolent enterprises Atlanta is a most progressive city. The illustrations in the volume show that the architecture of the business houses and residences is exceptionally substantial and tasteful.

—Wm. T. Wall has resigned as Assistant Cashier of the Capital City Bank to accept the Cashiership of the Atlanta Banking Company.

New Banks Organizing.—John F. Holden and others are reported to be organizing a bank at Crawfordsville, Ga.

—The Bank of Covington, La., has been organized, with C. Z. Williams as President.

—C. A. McGowen and others have organized the Citizens' Bank at Jeanerette, La., with $25,000 capital.

—It is reported that Messrs. Lichtenstein & Hechinger, of New Orleans, will open a bank at Crowley, La.

—The Bay St. Louis (Miss.) Bank is a new institution that will shortly begin business.

—A bank has been started at Pickens, S. C., with $25,000 capital.

—Officers have been elected for the Chesterfield (S. C.) Banking Company, recently organized.

—The Merchants and Farmers' Bank, Cisco, Tex., opened for business March 12.

Nashville, Tenn.—It is reported that the Plater-Wrenne Banking Company succeeds the firm of Thomas Plater & Co.

Galveston, Tex.—The post office is now represented in the clearing-house and money orders may now be deposited in the banks the same as checks.

Change of Owners.—Geo. P. Zeiss, of Waller, Tex., has sold the German-American Bank to S. C. Hogue, who will continue the business.

Negotiable Instruments Law.—At the recent session of the Virginia Legislature the new Negotiable Instruments Law was passed, to go into effect July 1. This will abolish days of grace in that State.

Patriotism in Texas.—At a recent meeting of bankers and business men, held at the Citizens' National Bank, Waco, Texas, resolutions were adopted offering to the Government a loan of funds without interest in case of a foreign war.

WESTERN STATES.

Chicago.—Shareholders of the Security Title and Trust Company have voted in favor of effecting consolidation with the Homestead Loan and Trust Company, the former company voting to add $100,000 to the capital stock.

—G. B. Shaw recently resigned as President of the American Trust and Savings Bank, and was succeeded by the Vice-President, E. A. Potter. This change was made at the urgent request of Mr. Shaw, who desires better opportunity for recreation. He will still be associated with the bank as Vice-President.

—Wm. C. Cuthbert was recently arrested on the charge of swindling the American Trust and Savings Bank out of a small sum of money by means of a fraudulent check. The bank refused to compromise on a promise of a return of the money.

—The charge against Wm. Heinemann, formerly of the banking firm of Wasmansdorf & Heinemann, of accepting deposits after becoming insolvent, was recently dismissed.

—The condition of Chicago banks, as compared with a year ago, shows: Loans increased $35,660,293; total deposits increased $62,644,906; bank deposits increased $27,288,040, and individual deposits increased $30,594,747; Savings deposits increased $4,762,179.

—On March 8 a number of the city banks were visited by tax collectors who made peremptory demands on the banks, threatening to close them if taxes were not paid at once. The banks claim that the taxes are excessive and fraudulent, and payment was made under protest.

Minneapolis, Minn.—Henry M. Knox, Vice-President of the Security Bank of Minnesota, retired from that position on March 31 for the purpose of seeking rest after over forty years active work as a banker. His retirement was made the occasion for a testimonial signed by a large number of the leading business men of the city and State, assuring Mr. Knox of the high respect entertained for him in Minneapolis and throughout the Northwest.

[A sketch of Mr. Knox, accompanied by his portrait, appears elsewhere in this issue of the MAGAZINE.]

New Banks in Indiana.—It is reported that E. W. Humphrey will have charge of a new bank to be organized at Upland, Ind.

—The City Bank has been organized at Angola, Ind., with $25,000 capital.

—A new bank is reported to be in prospect at English, Ind.

Oklahoma Bank Report.—Territorial Bank Examiner Pugh made his quarterly report to Gov. Barnes, March 23. It shows that the forty-seven territorial banks on March 19 had loans and discounts of $1,139,893, an increase of $140,000 since December 31; cash on hand, $1,645,517; deposits, $2,465,843, an increase of $60,000 since December 31. The reserve is sixty-seven per cent.

Iowa Bankers Meet.—Group IX of the Iowa Bankers' Association met in the Citizens' Association rooms, Burlington, March 23. Money and banking interests were discussed, and the following officers elected: Chairman, J. T. Whiting, Mt. Pleasant; secretary and treasurer, W. H. Colton, Wapello; executive committee, J. J. Fleming and W. E. Blake, Burlington; A. J. Mathias, Keokuk; Geo. M. Hanchett, Ft. Madison, and R. R. Bowland, Washington.

Change in Title.—The Citizens' State Bank, Sioux Center, Iowa, has reduced its capital to $20,000 and changed the name to State Savings Bank.

New Savings Bank.—The Citizens' Savings Bank was recently organized at Warren, Ohio.

Becomes a State Bank.—The Bank of Weston, Mo., has changed from a private to an incorporated bank, with $10,000 capital.

Springfield, Ill.—The rumor that the Farmers' National Bank will consolidate with some other institution is denied. The bank will not consider any proposition looking to consolidation, as it is well located, has a strong directory and is doing a large and profitable business.

Capital to be Reduced.—Permission has been granted to the Commercial Bank, of Columbus, Nebr., to reduce the capital from $90,000 to $50,000.

Indictments Dismissed.—In the United States Court at Topeka, Kansas, on March 8, Judge Williams quashed the indictment against ex-State Senator J. W. Rush, formerly President of the First National Bank of Larned. There were nine counts, charging embezzlements and misappropriations of bank funds, ranging from $300 to $1,000 in each count.

Tax on Express Companies.—The bill increasing the taxation of express companies from $1 to $2 on each $100 worth of gross business done in the State, has passed both houses of the Iowa Legislature.

North Dakota State Banks.—A compilation of the condition of the State banks of North Dakota, made public on March 26, shows the following in regard to their condition at date of last report: Total resources, $5,538,478; loans and discounts, $3,081,102; individual deposits subject to check, $2,326,061, and time certificates, $1,673,890.

Detroit, Mich.—The Detroit River Savings Bank announces a removal into larger rooms in the same building where it has been located. New and convenient improvements are to be added, including a savings and commercial department for women, in a room partitioned off for that purpose.

Cleveland, Ohio.—A meeting of the Chamber of Commerce of this city on March 18 was addressed by Hon. Lyman J. Gage, Secretary of the Treasury. In opening his address he stated that from present appearances the free-silver issue would have to be fought out at the polls again in 1900, but expressed confidence that the result would be the same as in 1896.

Indianapolis, Ind.—Fletcher's Bank operated by S. A. Fletcher & Co., and one of the largest private banks in the State, will reorganize as Fletcher's National Bank, capital $500,000. It is said that the chief reason for the change is a recent order of the State taxing board directing that private banks be taxed on double their capital.

Denver, Colo.—Directors of the German National Bank have been held responsible for $22,034 of the bank's money used in developing mining claims.

—A Receiver was recently appointed for the People's National Bank, on the application of the assignee of the People's Savings Bank. The People's National Bank went into liquidation and paid off its deposits and circulation some time ago, and the present appointment of a Receiver by a local court is to assist in determining the rights of the Savings bank to certain property of the National bank.

Minnesota State Banks.—A recent report of M. D. Kenyon, Superintendent of Banks for Minnesota, shows that the banks of that State, including the National banks, have increased their loans about $7,000,000 in the past year, and bank and individual deposits nearly $14,000,000.

New Savings Bank.—The Pontiac (Mich.) Savings Bank has been organized with $50,000 capital. It is reported as successor to the Pontiac National Bank.

Grand Rapids, Mich.—On March 21 William H. Anderson was elected President of the Fourth National Bank, to succeed Hon. Delos A. Blodgett, who resigned in order to be freed from the care and responsibilities of active business. Anton G. Hodenpyl was elected to succeed Mr. Blodgett as director. John Seymour was promoted to the position of Cashier to succeed Mr. Anderson, and L. Z. Caukins was promoted to the office of Assistant Cashier, succeeding Mr. Seymour. Geo. W. Gay, who has been Vice-President for several years, was offered the presidency, but declined in favor of Mr. Anderson. The new President has been Cashier of the Fourth National Bank since 1891, and in that time the deposits have more than doubled. All the changes are well-deserved promotions.

—The school Savings bank system was introduced in the public schools here in 1894, and since then there have been over 5,000 children patrons of the system. The number of depositors now is over 3,000, and the amount they have on deposit aggregates about $15,000, in sums ranging from fifty cents to as many dollars.

To Become a National Bank.—It is reported that arrangements have been made for changing the Brooks & Moore Bank, of Traer, Iowa, into a National bank, with $100,000 capital.

New Trust Company.—A charter has been granted to the Sioux Falls, South Dakota, Trust Company; capital, $50,000.

Iowa Banks Reorganize.—It is reported that the City National Bank and the Bohemian-American Savings Bank, of Cedar Rapids, Iowa, will go into liquidation, and will reorganize as the Citizens' National Bank, capital, $100,000, and the American Trust and Savings Bank, capital, $100,000.

Change in Ownership.—The Citizens' State Bank, of Rochester, Ind., has been bought by Beyer Bros., and reorganized as the Bank of Indiana.

New Banks in Iowa.—On March 14 the Farmers' Savings Bank, of Ottosen, Iowa, was authorized to begin business with $10,000 capital.

—The Farmers' Savings Bank, of Burt, Iowa, was authorized to begin business March 10; capital, $10,000.

—Authority was given to the Security Savings Bank, Sheldon, Iowa, to begin business on March 16.

—Wellsburg, Iowa, is to have a new private bank.

—A new State bank has been organized at Hopkinton, Iowa. C. H. Ricketts will be President.

St. Joseph, Mo.—The St. Joseph Stock Yards Bank has been incorporated with $50,000 capital. Gordon Jones, formerly State bank examiner, will be President.

New North Dakota Bank.—The Bank of Dresden, North Dakota, is a new institution recently organized under the State law.

Columbus, Ohio.—The Central Ohio Savings Bank has been incorporated here with $100,000 capital.

—The Central Ohio Trust Company is another new bank; capital stock, $50,000.

New Banks in Kansas.—The State Bank, of Delphos, Kans., has been organized with $20,000 capital.

—The Olsburg (Kans.) State Bank has been chartered; capital, $10,000.

—The State Bank of Cherokee, Kans., was chartered on March 5.

Iowa Bankers' Association.—The next annual convention of the Iowa Bankers' Association will be held at Mason City, May 25 and 26. J. M. Dinwiddie, of Cedar Rapids, is Secretary.

PACIFIC SLOPE.

Liability of Bondsmen.—An interesting case in regard to the liabilities of sureties on bonds, under the laws of Wyoming, has been decided recently by the Supreme Court of that State. The case was entitled, "State of Wyoming *vs.* Otto Gramm, as principal, and Henry G. Balch, David C. Bacon, William C. Wilson, Jr., Francis E. Warren and Thomas A. Kent, as sureties."

Gramm was State Treasurer and the other defendants were his bondsmen. As such officer he deposited the State funds in a bank which failed. As the bank had always been solvent prior to the panic which caused its failure, and it had been the custom of the State to deposit its funds in bank for safe keeping, the court decided that the Treasurer was not negligent in caring for the money, and that under the statutes of the State his bondsmen were not liable for its loss.

New Bank Incorporated.—A charter has been granted to the Bank of Rosalia, Wash.

Capital Stock Reduced.—The capital stock of the Bank of Farmington, Wash., has been reduced from $50,000 to $25,000.

San Francisco.—Charles E. Knight, a bookkeeper in the Crocker-Woolworth National Bank, has been appointed a National bank examiner for the Pacific States and Territories.

—On March 5 the total resources of the fifteen commercial banks of the city were $56,479,-271, and the amount due depositors, $28,659,073. The total resources of the ten Savings banks on the same date were $115,680,940, and the deposits $105,192,546.

Tacoma, Wash.—An important work has been commenced here in educating children in habits of thrift by introducing the school Savings bank system. This is the first city in the State to introduce the system.

CANADA.

Change in Officers.—Hon. W. J. Stairs, of Halifax, who has been a director of the Union Bank of Halifax for thirty-three years, and President for fifteen years, has resigned both positions, owing to advanced years. Wm. Robertson has been elected President and Wm. Roche, Vice-President.

New Branch Opened.—A branch of the Merchants' Bank of Canada has been opened at Souris, Manitoba, with H. M. P. Eckhardt as Manager.

Private Bankers Assign.—Hall & Co., private bankers at Holland, Manitoba, assigned recently.

Cranbrook, B. C.—It is reported that A. H. Raynolds, formerly of Mansfield, Ohio, will open a bank here.

Montreal.—The statement presented at the recent annual meeting of the Banque Du Peuple, in liquidation, shows apparent assets of $2,611,862, and liabilities of $1,866,461. From this it would appear that there is a balance of something like $745,000 of the assets over the liabilities. This, however, while in one sense a fact, will do little for the depositors, as it is more than eaten up by the item of overdue debts, amounting to $1,051,393. There seems little likelihood that the depositors will receive any more than a small dividend in addition to fifty-five cents on the dollar already paid.

Bank for the Klondike.—The Canadian Bank of Commerce will open a branch at Dawson City, in the Klondike country, about June 1. It will be in charge of H. T. Wills, at present Manager of the Orangeville, Ont., branch.

Fredericton, N. B.—The result of the year's business of the People's Bank of New Brunswick has been to enable the payment of eight per cent. dividend, add $10,000 to rest, making that fund $130,000, and carry $12,000 forward to profit and loss account.

Security for Canadian Bank Notes.—In accordance with Section 54 of the Banking Act of 1890 (53 Victoria, chapter 31), every bank has to deposit with the Minister of Finance a sum equal to five per cent. of the average amount of its notes in circulation. This amounted in January last to a sum of $1,883,067 on a circulation at that date of $35,011,722. —*Monetary Times.*

Final Dividend Ordered.—An order has been made by Judge Bain, at Winnipeg, authorizing the liquidator of the Commercial Bank of Manitoba to pay the final dividend due to the creditors.

FAILURES, SUSPENSIONS AND LIQUIDATIONS.

Georgia.—On March 14 the Bank of Abbeville assigned to Max Land. It is reported that the President and Cashier have been arrested.

Iowa.—On March 16 the Home Savings Bank, Sioux City, closed. Liabilities were only $60,000, of which about $50,000 was deposits of school funds.

Kansas.—On February 22 the Bank of Scott City, at Scott, went into voluntary liquidation.

Massachusetts.—On March 9 Receivers were appointed for the Framingham Savings Bank, of South Framingham. Liabilities are $815,000 and assets $857,501, but it is thought there will be a shrinkage of at least $100,000 in the value of the latter.

—The shareholders of the National Bank of Commerce, New Bedford, voted on March 8 to go into voluntary liquidation on April 1.

Minnesota.—The Bank of Merriam Park was reported closed on March 24. It had lost small amounts by cashing fraudulent time checks; but it is thought the bank may be able to resume in a short time.

Missouri.—The Ritchie Savings Bank, of Sturgeon, closed March 21.

—A five per cent. dividend was paid to creditors of the National Bank of Kansas City, April 1, making a total of seventy-five per cent.

New Hampshire.—Herbert J. Jones, of Alton, assignee of the Alton Five Cents Savings Bank, has declared a dividend of twenty per cent., payable to the depositors on record on and after May 1. This sum will make a total in dividends paid out since the bank went into liquidation of seventy per cent.

Pennsylvania—PHILADELPHIA.—The People's Bank closed March 25, its Cashier having committed suicide on the previous day. On April 2 Thos. W. Barlow was made permanent Receiver. It is said the Cashier had loaned large sums to the Guarantor's Finance Co., which has also suspended. The losses less the good assets of the bank have been placed at $609,689. The President of the People's Bank has agreed to make good the loss. It had a very large amount of State funds.

The Guarantor's Finance Co. suspended March 24, and its Vice-President and General Manager, Richard F. Loper, is reported under arrest for transactions in connection with the loans obtained from the People's Bank. Total liabilities of the Guarantor's Co., $1,047,500.

On March 29 a warrant was issued for the arrest of Wm. Steele, Cashier of the failed Chestnut Street National Bank, on the charge of making false returns to the Comptroller of the Currency. A dividend of twenty per cent. was recently declared in favor of the bank's creditors. An assessment of 100 per cent. has been made on the stock.

—The Benson Bank, of Waterford, closed March 16. The bank had been in existence since the war and was controlled by the late Judge William Benson. Since his death the bank had been managed by the executor, E. P. Benson. The liabilities are $40,000.

—The court recently granted Receiver B. M. Nead an order to sell the real estate of the defunct National Bank, of Middletown. The sale will be held on June 4. The properties to be sold consist of the old and new bank buildings, and the C. W. Raymond residence.

Texas.—At a meeting of the shareholders of the First National Bank, of Abilene, March 24, it was unanimously voted to place the bank in liquidation under the charge of the President, O. W. Steffens.

New Counterfeit $10 Treasury Note.—Series of 1891; check letter C; J. Fount Tillman, Register; D. N. Morgan, Treasurer; portrait of Sheridan; No. 4040519; small scalloped seal. This counterfeit is apparently printed from a photo-etched plate, on two pieces of paper, between which silk threads have been distributed. It is so poor that a detailed description is deemed unnecessary.

COUNTERFEIT $2 TREASURY NOTE.—A new issue of the counterfeit $2 Treasury note, previously described, has made its appearance. This note bears check letter B, plate number 28, and is numbered B12291910.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of New National banks organized since our last report. Names of officers and other particulars regarding these New National banks will be found under the different State headings.

5113—Citizens' National Bank, Cedar Rapids, Iowa. Capital, $150,000.
5114—First National Bank, Elizabeth, Pennsylvania. Capital, $50,000.
5115—Shawnee National Bank, Shawnee, Oklahoma. Capital, $50,000.
5116—Fletcher National Bank, Indianapolis, Indiana. Capital, $500,000.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

First National Bank, McKees Rocks, Pa.; by D. R. Speer, *et al.*
State National Bank, Bloomington, Ill.; by A. B. Hoblit, *et al.*
First National Bank, Durant, Ind. Ter.; by Luther B. Gaines, *et al.*
Frost National Bank, San Antonio, Texas; by T. C. Frost & Co., *et al.*
First National Bank, Sioux Rapids, Iowa; by F. H. Helsell, *et al.*
First National Bank, Traer, Iowa; by Brooks & Moore, *et al.*
First National Bank, Antigo, Wis.; by L. D. Moses, *et al.*
First National Bank, Wynnewood, Ind. Ter.; by C. C. Hemming, *et al.*
Grant Park National Bank, Grant Park, Ill.; by Ernest A. Curtis, *et al.*

NEW BANKS, BANKERS, ETC.

ARKANSAS.

LONOKE—Bank of Central Arkansas; capital, $12,000; Pres., Jos. P. Eagle; Vice-Pres., Dan Daniels; Cas., John M. Davis.

MAMMOTH SPRING—Fulton County Bank; capital, $10,000; Pres., H. N. Simons; Vice-Pres., M. J. Hayden.

CALIFORNIA.

NORTH ONTARIO—Commercial Bank; capital, $12,500; Pres., J. L. Paul; Cas., M. F. Palmer.

SAN DIEGO—Homer G. Taber, capital, $10,000.

DISTRICT OF COLUMBIA.

WASHINGTON—Seager & Bramley.

FLORIDA.

ARCADIA—King, Snyder & Co. (successors to Bank of Avon Park); capital, $10,000; Pres., Ziba King; Cas., C. C. Chollar.

ILLINOIS.

DUNLAP—Dunlap Bank (W. M. Wood); capital, $5,000.

LA HARPE—La Harpe State Bank; capital, $25,000; Pres., John T. Chandler; Cas., William B. Kaiser.

INDIAN TERRITORY.

EUFAULA—Foley Banking Co.: capital, $50,000; Pres., C. E. Foley; Cas., P. M. Ford.

NOWATA—Bank of Nowata; capital, $10,000; Pres., H. C. Campbell; Vice-Pres., Wm. Johnston; Cas., W. J. Endley.

INDIANA.

ANGOLA—City Bank; capital, $25,000.

CAYUGA—Malone & Sons (successors to Collett & Co.); Pres., James Malone; Vice-Pres., S. W. Malone; Cas., F. M. Malone.

INDIANAPOLIS—Fletcher National Bank (successor to Fletcher's Bank); capital, $500,000; Pres., Stoughton J. Fletcher; Cas., Charles Latham.

LAPEL—Lapel Exchange Bank; Pres., David Conrad; Cas., D. E. Conrad.

ROCHESTER—Bank of Indiana (successor to Citizens' State Bank); Pres., J. E. Beyer Cas., W. A. Banta; Asst. Cas., A. B. Green.

IOWA.

CEDAR RAPIDS—Citizens' National Bank (successor to City National Bank); capital, $100,000: Pres., James L. Bever; Vice-Pres., J. R. Amidon; Cas., J. W. Bowdish.—— American Trust & Savings Bank (successor to Bohemian-American Savings Bank); capital, $100,000.

HOPKINTON—State Bank; Pres., C. H. Ricketts; Vice-Pres., M. L. McGlade; Cas., W. R. Williamson.

HUMESTON—Home State Bank; capital, $30,000; Pres., J. D. Hasbrouck; Cas., E. Haldeman.

LU VERNE—Hill & Peck; capital, $25,000; Pres., Rodney Hill; Cas., E. E. Peck.

OTTOSEN—Farmers' Savings Bank; capital, $10,000; Pres., A. C. Brown; Cas., L. J. Clare.

WELLSBURG—Geo. Wells & Lush.

KANSAS.

CHEROKEE—Cherokee State Bank (successor to Cherokee Bank); capital, $5,000; Pres., A. C. Graves; Cas., Geo. W. Pye.

DELPHOS—State Bank; capital, $20,000.

OLSBURG—Olsburg State Bank (successor to Farmers' State Bank); capital, $10,000; Pres., C. W. Fagerberg; Cas., D.W. Johnson.

PARSONS—Savings, Loan and Trust Co.

KENTUCKY.

HANSON—Morton & Rothrock's Bank.

LOUISIANA.

COVINGTON—Bank of Covington; Pres., C. Z. Williams; Secretary, E. J. Frederick.

CROWLEY—Lichtenstein & Hechinger; capital, $100,000.

JEANERETTE—Citizens' Bank; capital, $25,000; Pres., C. A. McGowan; Vice-Pres., C. P. Binnings.

MARYLAND.

HAGERSTOWN—Hagerstown Trust Co.; capital, $100,000.

MICHIGAN.

MARINE CITY—G. W. & F. T. Moore (successors to First State Savings Bank); Cas., Chas. L. Doyle.

PONTIAC—Pontiac State Savings Bank (successor to Pontiac National Bank); capital, $50,000; Pres., Benjamin F. Elwood; Cas., Albe Lull.

MINNESOTA.

DEER RIVER—Branch of Lumberman's Bank; C. C. Hastings, Mgr.

KIMBALL—Bank of Kimball (O. H. Havill); Cas., R. H. Devore.

MINNEAPOLIS—Bank of South Minneapolis.

MISSISSIPPI.

BAY ST. LOUIS—Bank of Bay St. Louis; capital, $25,000; Pres., Joseph F. Cazeneuve; Vice-Pres., Aug. Keller; Second Vice-Pres., O. M. Nilson.

MISSOURI.

ST. JOSEPH—St. Joseph Stock Yards Bank; capital, $50,000; Pres., Gordon Jones; Vice-Pres., E. Lindsay; Asst. Cas., E. Lindsay, Jr.

TURNEY—Farmers' Bank; capital, $15,000.

NEBRASKA.

BELDEN—Belden Bank; Cas., Charles E. Crew.

NEW YORK.

NEW YORK CITY—Realty, Bond Exchange & Trust Co.——Werner & Brown; 44 Exchange Place.——Mendham Bros., 18 New st.

NORTH DAKOTA.

BATHGATE—Farmers' Exchange State Bank.

DRESDEN—Bank of Dresden; capital, $5,000; Pres., H. J. Hoskamp; Vice-Pres., Henry Thien; Cas., J. Gerding.

OHIO.

MANSFIELD—Richland Savings Bank.

WARREN—Citizens' Savings Bank.

OKLAHOMA.

SHAWNEE—Shawnee National Bank; capital, $50,000; Pres., Wm. S. Search; Vice-Pres., J. S. Smith; Cas., C. J. Benson.

STROUD—Sac and Fox Bank; capital, $5,000; Pres., J. B. Charles; Vice-Pres., P. S. Hoffman; Cas., S. L. Patrick.

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OREGON.

FOREST GROVE—E. W. Haines (successor to Bank of Forest Grove); Pres., F. T. Kaul.

PENNSYLVANIA.

ALBION—Citizens' Bank; capital, $20,000; Pres., P. D. Flower; Vice-Pres., William Thornton; Secretary, E. A. Collins.

PHILADELPHIA—Ross, Henderson & Co., 125 S. Fourth st.

SOUTH CAROLINA.

PICKENS—Pickens Bank.

SOUTH DAKOTA.

LESTERVILLE—Lesterville State Bank (successor to Bank of Lesterville); capital, $5,000; Pres., J. Kappel; Cas. J. J. Wagner.

PARKSTON—German-American Bank; capital, $10,000; Pres., John Schmierer, Sr.; Cas., Philipp Becker.

WAUBAY—Bank of Waubay; capital, $5,000.

TENNESSEE.

NASHVILLE—Plater & Wrenne Banking Co.; capital, $50,000; Pres., Thomas Plater; Vice-Pres., T. W. Wrenne; Cas., Richard C. Plater.

TEXAS.

ABILENE—Steffens & Lowdon (successor to First and Abilene National Banks); capital, $100,000.

BURKEVILLE—E. F. Montgomery.

CISCO—Farmers and Merchants' Bank.

GRANGER—McDaniel Bros.

LANCASTER—White & Co.; Cas., K. L. White; Asst. Cas., H. E. White.

WASHINGTON.

WATERVILLE—Douglas County Bank (A. B. Case & Co.)

WISCONSIN.

OAKFIELD—Bank of Oakfield; capital, $41,500; (Bristol, Morgan Co., Proprietors) Pres., C. G. Morgan; Cas., W. E. Bristol; Asst. Cas., F. J. Bristol.

CANADA.

QUEBEC.

QUEBEC—Bank of Hochelaga; A. Bruneau, Mgr.

NORTHWEST TERRITORY.

CALGARY—Union Bank of Canada; T. N. Christie, Mgr.

EDMONTON—Merchants' Bank of Canada J. S. Wilmott, Mgr; A. C. Fraser, Cas.

MANITOBA.

HAMIOTA—Union Bank of Canada; F. J. Boulton, Mgr.

KILLARNEY—Ronald Leslie Bank.

MORDEN—Bank of Hamilton.

SHOAL LAKE—R. Leslie; F. J. Calvert, Mgr.

SOURIS—Merchants' Bank of Canada; H. M. P. Eckardt, Mgr.

ONTARIO.

CHESTERVILLE—L. W Howard.

SPRINGFIELD—Humphrey Johnston.

BRITISH COLUMBIA.

CRANBROOK—A. H. Raynolds.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

DEMOPOLIS—First Nat. Bank; no Vice-Pres.

EUTAW—First National Bank; B. B. Barnes, Pres. in place of G. Braune; James Murphy, Cas. in place of B. B. Barnes; no Asst. Cas. in place of James Murphy.

HUNTSVILLE—Farmers and Merchants' Nat. Bank; J. R. Boyd, Cas.

ARIZONA.

PRESCOTT—Prescott National Bank; Henry Kinsley, Cas. in place of Morris Goldwater.

PHOENIX—Phoenix National Bank; C. J. Hall, Vice-Pres. in place of P. J. Cole; E. B. Knox, Cas. in place of C. J. Hall; no Asst. Cas. in place of E. B. Knox.

ARKANSAS.

CAMDEN—Camden Nat'l Bank; D. V. Snow, Asst. Cas.

GRAVETT—Bank of Gravett; capital, $10,000; A. E. Kindley, Cas.; Geo. Bates, Asst. Cas.

CALIFORNIA.

FRESNO—Fresno Nat'l Bank; A. A. Smith, Cas. in place of C. Allison Telfer; no Asst. Cas.

LOS ANGELES—National Bank of California; S. C. Hubbell, Pres. in place of John M. C. Marble; O. T. Johnson, Second Vice-Pres. in place of H. M. Lutz.

OAKLAND—Union National Bank; Wm. H. High, Asst. Cas.

TUSTIN CITY—Bank of Tustin; Abel G. Smith, Pres., deceased.

COLORADO

COLORADO SPRINGS—Exchange National Bank; J. R. McKinnie, Pres. in place of A. S. Holbrook; A. S. Holbrook, Vice-Pres. in place of E. H. Rich.

PUEBLO—American National Bank; no Asst. Cas. in place of S. F. Crawford.

SALIDA—First National Bank; Robert Preston, Pres. in place of E. R. Naylor; Ben Disman, Vice-Pres.

CONNECTICUT.

HARTFORD—Society for Savings; Francis B. Cooley, Pres. in place of John C. Parsons, deceased.——Security Company and Connecticut River Banking Company; John C. Parsons, director, deceased.

NEW HAVEN—Second National Bank; Willis Hemingway, director, deceased.

DELAWARE.

HARRINGTON—First National Bank; Wm. Thorp, Pres. in place of Edward Sapp.——National Bank of Smyrna; corporate existence extended until March 14, 1918.

DISTRICT OF COLUMBIA.

WASHINGTON—West End National Bank; Jno. R. Carmody, Vice-Pres. in place of A. P. Fardon.——Lincoln National Bank; no Asst. Cas. in place of H. F. Bauer, deceased.

GEORGIA.

ATLANTA—Atlanta Banking Co.; William T. Wall, Cas. in place of Willard H. Nutting, deceased.——Capital City Bank; William T. Wall, Asst. Cas. resigned.

BRUNSWICK—National Bank of Brunswick; no Second Vice-Pres. in place of Newton Woodworth.

DALTON—First National Bank; B. Z. Herndon, Vice-Pres. in place of T. R. Jones.

GAINESVILLE—First National Bank; H. H. Dean, Vice-Pres. in place of R. E. Green.

IDAHO.

POCATELLO—First National Bank; Wm. A. Anthes, Cas. in place of M. C. Senter; no Asst. Cas. in place of Wm. A. Anthes.

WALLACE—First National Bank; M. J. Flohr, Asst. Cas.

ILLINOIS.

CANTON—First National Bank; Baxter Underwood, Pres. deceased.

CHICAGO—American Trust and Savings Bank; E. A. Potter, Pres. in place of G. B. Shaw; G. B. Shaw, Vice-Pres. in place of E. A. Potter.——Security Title and Trust Co. and Homestead Loan and Trust Co.; consolidated under former title; capital stock increased to $100,000.——Peabody, Houghteling & Co.; Wm. R. Stirling admitted to firm.

DECATUR—Citizens' National Bank; G. J. Danzeisen, Vice-Pres. in place of Levi Towle; J. N. Baker, Asst. Cas.

DOWNER'S GROVE—Farmers and Merchants' Bank; W. H. Edwards, Pres. in place of Charles Curtiss, deceased.

EFFINGHAM—First National Bank; Joseph Partridge, Sr., Pres. deceased.

KANKAKEE—City National Bank; L. W. Wheeler, Asst. Cas. in place of C. R. Miller.

KEWANEE—First National Bank; H. C. Dana, Cas. in place of W. C. Mage; F. P. Hoffrichter, Asst. Cas. in place of H. C. Dana.

KNOXVILLE—Farmers' National Bank; H. J. Butt, Cas. in place of J. Z. Carus; no Asst. Cas. in place of H. J. Butt.

MURPHYSBORO—First National Bank; James Alexander, Vice-Pres. in place of J. B. Gill.

ROCKFORD—Manufacturers' National Bank; W. F. Barnes, Vice-Pres. in place of F. R. Brown.

INDIANA.

ANDERSON—National Exchange Bank; B. W. Scott, Vice-Pres., in place of C. W. Flather; J. W. Sansberry, Jr., Asst. Cas.

ATTICA—Citizens' National Bank; Will Colvert, Vice-Pres., in place of C. W. Hickman; W. B. Schermerhorn, Cas. in place of J. W. Brooke; C. W. Hickman, Asst. Cas. in place of J. E. Walker.

AUBURN—First National Bank; Charles McClellan, Pres. in place of C. A. O. McClellan, deceased; Joseph H. Ford, Vice-Pres.

ELWOOD—First National Bank; Edward C. Dehority, Asst. Cas.

FRANKLIN—Citizens' National Bank; J. W. Ragsdale, Pres. in place of T. W. Woollen; Victor Smith, Vice-Pres.

INDIANAPOLIS—Indiana National Bank; no Asst. Cas. in place of M. W. Malott.

LA GRANGE—National Bank of La Grange; Katherine R. Williams, Vice-Pres., in place of S. P. Williams.

PRINCETON—People's National Bank; Thos. R. Paxton, Cas. in place of W. P. Welborn, deceased; no Asst. Cas. in place of Thomas R. Paxton.

INDIAN TERRITORY.

MUSCOGEE—First National Bank; D. M. Wisdom, Vice-Pres. in place of C. H. Warth; C. H. Warth, Cas. in place of P. M. Ford; R. D. Martin, Asst. Cas.

IOWA.

BURT—Farmers' Savings Bank; capital, $10,000; Joseph S. Wadsworth, Pres.; C. D. Smith, Cas.

CONWAY—Conway Exchange Bank; W. H. Lake, Asst. Cas.

DES MOINES—Citizens' National Bank; J. Callanan, Vice-Pres. in place of A. Lederer, deceased.

EAGLE GROVE—Merchants' National Bank; J. P. Clark, Vice-Pres. in place of F. W. Pillsbury; F. A. Howell, Cas. in place of J. P. Clark.

FORT MADISON—Fort Madison Savings Bank; Joseph A. Smith, Pres., deceased.

GARNER—First National Bank; Wm. Shattuck, Pres.; A. C. Ripley, Vice-Pres. in place of Wm. Shattuck.

HARTLEY—First National Bank; Oliver Evans, Pres. in place of J. W. Walter; W. J. Davis, Asst. Cas. in place of J. C. Nordling.

HULL—State Bank; E. W. Hazard, Pres. in place of C. L. Davidson, deceased; J. S. Wilson, Cas. in place of E. W. Hazard.

IOWA CITY—Iowa City State Bank; Euclid Sanders, Pres. in place of Ezekiel Clark; D. F. Sawyer, Vice-Pres.; J. W. Rich, Sec.

LITTLE SIOUX—Peyton Bank; capital, $10,000; C. L. Peyton, Pres.; W. T. Peyton, Cas.; A. McWilliams, Asst. Cas.

MANCHESTER—First National Bank; H. C. Haeberle, Vice-Pres. in place of W. H. Norris.

MARATHON—First National Bank; A. A. Wells, Vice-Pres. in place of W. W. Wells.

MASON CITY—First National Bank; no Vice-Pres. in place of Wm. D. Balch.

ODEBOLT—First National Bank; B. C. Bowman, Vice-Pres.

OSAGE—Farmers' National Bank; no Cas. in place of F. W. Annis.

SAC CITY—First National Bank; H. S. Barnt, Asst. Cas.

SIOUX CENTER—Citizens' State Bank; capital reduced to $20,000 and title changed to State Savings Bank.

STACYVILLE—Stacyville Bank; B. H. Quackenbush, Cas.

TABOR—First National Bank; H. R. Laird, Pres. in place of S. D. Davis.

THOMPSON—First National Bank; James Ellickson, Vice-Pres.; N. E. Isaacs, Asst. Cas.

WATERLOO—First National Bank; no Vice-Pres. in place of J. W. Krapfel.

KANSAS.

GARDEN CITY—First National Bank; Andrew Sabine, Pres. in place of B. P. Shawhan; J. E. Baker, Vice-Pres. in place of Andrew Sabine.

HAYS CITY—First National Bank; M. E. Dixon, Vice-Pres. in place of J. C. Adkins; W. J. Madden, Cas. in place of M. E. Dixon; no Asst. Cas. in place of W. J. Madden.

LA CROSSE Farmers and Merchants' State Bank (successor to First National Bank); capital, $25,000; E. S. Chenowith, Pres.; H. W. Grass, Cas.

MANHATTAN—First National Bank; Geo. S. Murphey, Pres. in place of J. B. Anderson; M. J. Franklin, Cas. in place of Geo. S. Murphey; Geo. H. Helden, Asst. Cas. in place of M. J. Franklin.

NORCATUR—Bank of Norcatur; succeeded by State Bank; capital, $5,000; Jay Olney, Pres.; R. D. Gaston, Cas.; Jay Daugherty, Asst. Cas.

OBERLIN—Oberlin National Bank; E. N. Strong, Asst. Cas.

PITTSBURG—First National Bank; A. E. Maxwell, Asst. Cas. in place of R. E. Carlton.

KENTUCKY.

CATLETTSBURG—Big Sandy National Bank; A. J. Loar, Pres. in place of Thomas R. Brown.

LOUISVILLE—Louisville Banking Co.; W. S. Jones, Asst. Cas., deceased.——Union National Bank; John Doerhoefer, Vice-Pres. in place of Wm. P. Otter.

PARIS—Citizens' Bank; capital reduced to $50,000.

LOUISIANA.

LAKE CHARLES—Watkins Banking Co.; E. B. Moses, Cas. in place of E. B. Miller, deceased.——First National Bank; N. E. North, Asst. Cas. in place of J. L. Keenan.

MAINE.

BELFAST—People's National Bank; Lewis A. Knowlton, Pres., deceased; R. F. Dunton, Vice-Pres.

PITTSFIELD—Pittsfield Nat. Bank; Annie L. Milliken, Asst. Cas.

MARYLAND.

BALTIMORE—National Union Bank; William Winchester, Pres. in place of Wm. W. Taylor, deceased; Daniel E. Conklin elected director. —— Metropolitan Savings Bank and National Howard Bank; Joseph Fink, director, deceased.——Marine Bank; Jacob Tome, director, deceased.

ELKTON—Second National Bank; James J. Archer, Vice-Pres. in place of William M. Singerly.

PORT DEPOSIT—Cecil National Bank; Jacob Tome, Pres., deceased.

MASSACHUSETTS.

BOSTON—Massachusetts National Bank; no Vice-Pres. in place of Arthur T. Lyman. ——Fuller, Blair & Co., dissolved.

HARWICH—Cape Cod Five Cents Savings Bank; Levi Eldredge, Pres. deceased.

LOWELL—Wamesit National Bank; G. W. Knowlton, Pres. in place of H. C. Howe; C. E. Goulding, Cas. in place of G. W. Knowlton.

READING—First National Bank; Alden Batchelder, Pres. in place of Wendell Bancroft; Walter S. Parker, Vice-Pres. in place of Alden Batchelder.

WORCESTER—Quinsigamond National Bank; A. G. Davis. Asst. Cas.

MICHIGAN.

BUCHANAN—First National Bank; E. W. Sanders, Pres. in place of Chas. F. Howe; Harry B. Howe, Asst. Cas.

GRAND RAPIDS—Fourth National Bank; William H. Anderson, Pres. in place of D. A. Blodgett; John Seymour, Cas. in place of Wm. H. Anderson; L. Z. Caukins, Asst. Cas. in place of John Seymour; A. G. Hodenpyl, elected director.

IONIA—Ionia Savings Bank; A. S. Wright, Cas.

IRON MOUNTAIN—First National Bank; no Second Vice-Pres. in place of A. D. Eldredge.

MENOMINEE—Lumbermen's National Bank; S. G. Reed, Asst. Cas.

MUSKEGON—Hackley National Bank; Thomas Munroe, Vice-Pres. in place of T. C. Hills; Thomas Hume, Second Vice-Pres. in place of Thomas Munroe.

MINNESOTA.

STILLWATER—First National Bank; R. H. Bronson, Second Vice-Pres.; R. S. Davis, Cas. in place of E. L. Hospes, Acting Cas.

WABASHA—First National Bank; no Vice-Pres. in place of E. T. Buxton.

MISSOURI.

CARTERSVILLE—First National Bank; W. A. Daugherty, Pres. in place of John C. Guinn; C. P. Ashcraft, Vice-Pres. in place of J. W. Frey.

CARTHAGE—Carthage National Bank; W. H. Hatch, Vice-Pres. in place of W. H. Waters.

JOPLIN—Joplin National Bank; no Vice-Pres. in place of E. D. Potter.

KANSAS CITY—National Bank of Commerce; W. H. Winants, Vice-Pres.; Chas. H. Moore and J. G. Strean, Asst. Cas.——First National Bank; H. T. Abernathy, Asst. Cas. in place of G. W. Fishburn; no Second Asst. Cas.

NEVADA—First National Bank; W. F. Lacaff, Asst. Cas.

SEDALIA—Sedalia National Bank; B. F. Blair, Asst. Cas.

SPRINGFIELD—Central National Bank; H. B. McDaniel, Vice-Pres. in place of Geo. D. McDaniel; no Second Vice-Pres.

WESTON—Bank of Weston; incorporated; capital, $10,000.

MONTANA.

KALISPELL—Conrad National Bank; J. H. Edwards, Vice-Pres. in place of W. G. Conrad.——First National Bank; R. E. Webster, Cas. in place of W. C. Whipps; no Asst. Cas. in place of R. E. Webster.

NEBRASKA.

ALBION—Albion National Bank; D. V. Blatter, Cas. in place of Willard Baker; no Asst. Cas. in place of D. V. Blatter.

COLUMBUS—Commercial Bank; capital stock reduced to $50,000.

DAVID CITY—Central Nebraska National Bank; Melvin E. Bauer, Cas. in place of Geo. R. Colton; E. F. Dworak, Asst. Cas. ——City National Bank; E. Williams, Cas. in place of C. O. Crosthwaite; C. O. Crosthwaite, Asst. Cas.

FALLS CITY—First National Bank; John W. Holt, Pres. in place of S. B. Miles; P. H. Jussen, Vice-Pres. in place of John W. Holt.

FREMONT—Commercial National Bank; F. McGiverin, Pres. in place of E. Schurman; Otto H. Schurman, Cas. in place of F. McGiverin; no Asst. Cas. in place of Otto H. Schurman.

HOLDREGE—United States National Bank; no Vice-Pres. in place of Swan H. Millner.

LINCOLN—American Exchange National Bank; S. H. Burnham, Pres.; D. G. Wing, Cas. in place of S. H. Burnham; no Asst. Cas. in place of D. G. Wing.

OMAHA—Union National Bank; J. W. Thomas, Cas. in place of G. W. Wattles; no Asst. Cas. in place of Charles Marsh.

SOUTH OMAHA—Union Stock Yards National Bank; J. C. French, Asst. Cas. in place of J. L. Carson.

ST. PAUL—Citizens' National Bank; K. McCormick, Pres. in place of Ed. McCormick.

WYMORE—First National Bank; L. Bridenthal, Vice-Pres. in place of John Volk.

YORK—City National Bank; C. H. Kalling, Asst. Cas. in place of R. R. Copsey.

NEW HAMPSHIRE.

BERLIN—Berlin National Bank; John D. Annis, Asst. Cas.

SOMERSWORTH—Great Falls National Bank; Albert A. Perkins, Pres., deceased; also Treasurer Somersworth Savings Bank.

WINCHESTER—Winchester National Bank; no Cas. in place of H. Abbott, deceased; J. Grace Alexander, Asst. Cas.

NEW JERSEY.

BOONTON—Boonton National Bank; John S. Schultze, Vice-Pres. in place of Clarence A. De Camp.

FREEHOLD—Central National Bank; Jasper Bray, Cas. in place of Acting Cas.

TRENTON—Broad Street National Bank; O. O. Bowman, Pres. in place of Joseph Y. Lanning; Wm. G. Howell, Vice-Pres. in place of O. O. Bowman.

WEST HOBOKEN—Hudson Trust and Savings Institution; James S. Oakley, Sec., deceased.

WOODBURY—Farmers and Mechanics' National Bank; W. S. Conner, Pres. in place of Joseph T. Reeves, deceased; Edmond Jones, Vice-Pres. in place of W. S. Conner.

NEW YORK.

CLAYTON—First National Bank; no Asst. Cas. in place of A. A. Warner.

DEPOSIT—Deposit National Bank; no Vice-Pres. in place of Charles Maples, deceased.

FULTON—Citizens' National Bank; E. R. Redhead, Pres. in place of George M. Case, deceased.

JOHNSTOWN—People's Bank; James P. Argersinger, Vice-Pres., deceased.

NEW YORK CITY—W. H. Brown & Bros.; Frederic A. Brown, deceased.——National Union Bank; H. B. Fonda, Asst. Cas. in place of H. H. Swasey.——William B. Beekman & Co.; William B. Beekman, deceased.——United States Mortgage & Trust Co.; Frederick J. Barton, Eben B. Thomas and C. Ledyard Blair, elected directors.——Nassau Bank; Francis M. Harris, Pres. deceased.——Sixth National Bank; Geo. W. Pancoast, Cas. in place of Andrew E. Colsen, deceased.——West Side Bank; John Mulford, Vice-Pres. deceased.——C. L. Rathborne & Co.: Samuel H. Buck, admitted to firm.——Chemical National Bank; J. C. Parsons, elected Vice-Pres.

NYACK—Nyack National Bank; corporate existence extended until February 28, 1918.

SANDY HILL—People's National Bank; John Gallagher, Vice-Pres. deceased.

SYRACUSE—State Bank; Geo. A. Wood and Geo. Doheny, elected directors.

WATERLOO—First National Bank: G. W. Williams, Vice-Pres.

NORTH CAROLINA.

DURHAM—First National Bank; no Vice-Pres. in place of J. W. Smith.

GOLDSBORO—National Bank of Goldsboro; J. W. Hollowell, Cas. in place of L. C. Southerland.

NORTH DAKOTA.

BATHGATE—First National Bank; C. T. Harmon, Pres. in place of J. M. Williams; no Vice-Pres. in place of J. D. Trenholme; D. McKenzie, Cas. in place of C. T. Harmon.

LANGDON—First National Bank; W. F. Winter, Vice-Pres. in place of P. McHugh; O. E. Thompson, Cas. in place of W. F. Winter.

OHIO.

BRIDGEPORT—First National Bank; Jos. B. Loe, Cas.

CLEVELAND—Cleveland National Bank; J. M. Weitz, director, deceased.——Mercantile National Bank; Truman P. Handy, director, deceased.

GEORGETOWN—First National Bank; John P. Biehn, Pres.

HICKSVILLE—First National Bank; James Casebeer, Vice-Pres. in place of Jos. Kerr.

IRONTON—Second National Bank; F. C. Tomlinson, Cas. in place of Geo. Roetting.

JAMESTOWN—Farmers and Traders' Bank; Lisbon L. Syfers, Pres., deceased.

LEBANON—Citizens' National Bank; J. Warren Wood, Cas. in place of Thomas Hardy.

LIMA—Ohio National Bank; Frank Ewing, Vice-Pres.

MARION—Farmers and Mechanics' Bank Co.; A. H. Kling, Pres. in place of John J. Hane, deceased.

MEDINA—Old Phœnix National Bank; J. Anderson, Pres. in place of B. H. Wood; O. H. McDowell, Vice-Pres.; no Asst. Cas. in place of Blake McDowell.

WAPAKONETA—People's National Bank; H. W. Backhus, Cas. in place of Lewis Wisener; Lewis Wisener, Asst. Cas.

WASHINGTON C. H.—Midland National Bank; S. W. Cessna, Cas. in place of E. W. Welsheimer.

WILMINGTON—Clinton County National Bank; M. R. Denver, Asst. Cas. in place of R. C. Stumm.

WOOSTER—Wooster National Bank; L. P. Obliger, Pres. in place of M. Walker; David Thomas, Vice-Pres. in place of John Willamon.

OREGON.

INDEPENDENCE—First National Bank; W. W. Collins, Vice-Pres. in place of L. W. Robertson; M. E. Masterson, Cas. in place of W. H. Hawley.

ASTORIA—First National Bank; Jacob Kamm, Pres. in place of John A. Devlin; J. O. Hanthorn, Vice-Pres. in place of Jacob Kamm; no Second Vice-Pres. in place of J. O. Hanthorn.

PENNSYLVANIA.

BELLE VERNON—First National Bank; M. G. Finley, Vice-Pres.

BLAIRSVILLE—First National Bank; Wilbur P. Graff, Asst. Cas.

CLAYSVILLE—National Bank of Claysville; W. J. E. McLain, Cas. in place of W. C. King, deceased.

CONNELLSVILLE—Yough National Bank; no Cas. in place of J. C. Kurtz; Geo. T. Griffin, Asst. Cas.

DARBY—First National Bank; Jacob S. Serrill, Vice-Pres. in place of B. M. Custer.

EMLENTON—First National Bank; no Vice-Pres. in place of E. Crawford, deceased.

LEBANON—Valley National Bank; no Vice-Pres, in place of George H. Reinoehl, deceased.

MERCER—First National Bank; Wm. Logan, Pres., deceased.

MOUNT PLEASANT - Citizens' National Bank; O. P. Shupe, Vice-Pres. in place of John L. Ruth.

NANTICOKE—First National Bank; John Smoulter, Pres. in place of J. Smoulter, Jr.

NEW BETHLEHEM—First National Bank; F. L. Andrews, Pres.

PHILADELPHIA -National Security Bank; Isaac A. Sheppard, Pres., deceased.——Sixth National Bank; Jonathan May, Pres., deceased.——National Bank of the Republic and Provident Life & Trust Co.; William Hacker, director, deceased.——Fourth Street National Bank; William R. Nicholson, elected director; R. H. Rushton, Cas. ——West End Trust & Safe Deposit Co.; capital stock increased to $500,000.——Philadelphia Saving Fund Society and Fidelity Insurance, Trust & Safe Deposit Co.; Thos. McKean, director, deceased.——Bank of North America; no Asst. Cas. in place of James C. Pinkerton, deceased.

PITTSBURG—Allegheny National Bank; B. H. Rubie, director, deceased.——Exchange National Bank; Frank S. Bissell, Vice-Pres. in place of J. W. Dalzell, deceased. ——Speer & Moore; succeeded by J. L. D. Speer & Co.

QUAY—Johnsonburg National Bank: post office address changed to Johnsonburg.

SCRANTON—Lackawanna Trust and Safe Deposit Co.; William Tallman Smith, Pres., deceased; also director Third National Bank.

WASHINGTON—Farmers and Mechanics' National Bank; James I. Brownson, Jr., Pres. in place of G. W. Roberts; no Vice-Pres. in place of T. J. Duncan.

SOUTH CAROLINA.

CHESTERFIELD—Chesterfield Banking and Mercantile Co.; E. N. Redfeam, Pres.; G. J. Redfeam, Sec. and Treas.

TENNESSEE.

HARRIMAN—First National Bank; W. C. Shaw, Pres.; Philip Durflinger, Vice-Pres. in place of W. C. Shaw.——Manufacturers' National Bank; W. B. Crinkley, Vice-Pres.; A. C. Jackson, Asst. Cas.

KNOXVILLE—Third National Bank; H. D. Dranner, Pres.; no Cas.; C. M. Cooley, Asst. Cas.——Holston National Bank; no Asst. Cas. in place of W. H. Hornsby.

MEMPHIS—Continental National Bank; Otto Schwill, Pres. in place of C. F. M. Niles; J. S. Menken, Vice-Pres.; Louis Woods, Second Vice-Pres.

UNION CITY—First National Bank; B. F. Beekman, Vice-Pres. in place of I. S. Brown; Harris Parks, Asst. Cas. in place of E. V. Caldwell.

TEXAS.

AMARILLO—Amarillo National Bank; no Asst. Cas. in place of J. H. Boyce.

ATHENS—First National Bank; R. P. Wofford, Cas. in place of Geo. M. Wofford; no Asst. Cas. in place of R. P. Wofford.

BEAUMONT—First National Bank; W. P. H. McFadden, Vice-Pres. in place of John L. Keith.

COLEMAN—Coleman National Bank; W. N. Cameron, Pres. in place of J. E. McCord; J. E. McCord, Vice-Pres. in place of W. R. McClellan; Q. V. Henderson, Cas. in place of W. N. Cameron; no Asst. Cas. in place of Q. V. Henderson.

DALLAS—National Exchange Bank; J. Huey, Vice-Pres. in place of W. H. Gaston.

FARMERSVILLE First National Bank; T. E. Pendleton, Asst. Cas. in place of Seymour Neathery.

GIDDINGS—First National Bank; S. A. Partridge, Vice-Pres. in place of J. L. Rousseau.

GROESBECK—Groesbeck National Bank; O. Wiley, Jr., Cas. in place of D. Oliver; no Asst. Cas. in place of O. Wiley, Jr.

HEARNE—First National Bank; Wm. Crenan, Asst. Cas. in place of Jce Astin.

HENRIETTA—Farmers' National Bank: E. P. Neville, Pres. in place of C. B. Patterson; H. B. Patterson, Cas. in place of F. B. Wyatt; no Asst. Cas. in place of H. B Patterson.

HONEY GROVE—Planters' National Bank; W. N. Sadler, Asst. Cas. in place of T. B. Yarbrough.

LONGVIEW—First National Bank: J. W. Yates, Vice-Pres. in place of J. F. Womack, Jr.; J. F. Womack, Jr., Cas.

MARSHALL—Marshall National Bank; W. L. Martin, Cas.

MCKINNEY—First National Bank; Fred Emerson, Asst. Cas.

MOUNT PLEASANT—First National Bank; T. B. Caldwell, 2d Vice-Pres.

NEW BRAUNFELS—First National Bank; W. Clemens, Vice-Pres. in place of J. D. Guinn; no 2d Vice-Pres.; no Asst. Cas. in place of W. Clemens, Jr.

PALO PINTO—Banking House of Cunningham Bros.; H. Vincent, Cas., deceased.

PARIS—First National Bank; W. J. McDonald, Pres. in place of Geo. F. Hicks; Geo. F. Hicks, Vice-Pres. in place of R. F. Scott.

QUANAH—Quanah National Bank; no Asst. Cas. in place of Will P. Jones.

ROCKPORT—First National Bank of Aransas Pass; no Asst. Cas. in place of W. N. Mathias.

SULPHUR SPRINGS—First National Bank; M. Deloach, Pres. in place of B. D. Foscue, deceased; E. E. Tomlinson, Vice-Pres.; P. P. Tucker, Asst. Cas.

WALLER—German-American Bank; Geo. P. Zeiss, proprietor, sold out to S. C. Hogue.

UTAH.

LOGAN—First National Bank: Allen M. Fleming, Cas. in place of Acting Cas.; Thomas Oldham, Asst. Cas.

SALT LAKE CITY—National Bank of the Republic; no Asst. Cas. in place of E. O. Gates.——Deseret Savings Bank; James T. Little, Pres., deceased.

VERMONT.

BENNINGTON—Bennington County Savings Bank; C. H. Dewey, Sec. in place of Geo. W. Harman, deceased.

VIRGINIA.

BRISTOL—Dominion National Bank; J. B. Richmond, Vice-Pres. in place of Wm. F. Rhea; A. S. McNeil, 2d Vice-Pres.

RICHMOND—Richmond Trust and Safe Deposit Co.; James W. Allison, Vice-Pres., deceased; also director First National Bank.

ROANOKE—National Exchange Bank; J. B. Fishburn, Cas. and 2d Vice-Pres.

WASHINGTON.

CHEHALIS—First National Bank; D. A. Millett, Cas.; no Asst. Cas. in place of Arthur C. St. John.

FARMINGTON—Bank of Farmington; capital stock reduced to $25,000.

MOUNT VERNON—First National Bank; W. M. Ladd, Vice-Pres. in place of F. R. Van Tuyl.

SEATTLE—Seattle National Bank; John B. Agen, Vice-Pres.——H. O. Shuey & Co.; capital, $25,000; H. O. Shuey, Manager; C. L. Haggard, Cas.

WAITSBURG—First National Bank; J. D. Laidlaw, Cas. in place of G. M. Rice.

WALLA WALLA—First National Bank; corporate existence extended until March 18, 1918.

WEST VIRGINIA.

CLARKSBURG—Traders' National Bank; L. S. Hornor, Asst. Cas.

HUNTINGTON—Huntington National Bank; Carroll St. John, Asst. Cas.

MARTINSBURG—Citizens' National Bank; J. Whann McSherry, Second Vice-Pres.

WISCONSIN.

GREEN BAY—McCartney National Bank of Fort Howard; Wm. Larsen, Pres. in place of David McCartney, deceased; C. Schwarz, Vice-Pres. in place of Wm. Larsen.

MARINETTE—First National Bank; Kesse Spalding, Pres. in place of Henry Swart; A. B. Doan, Asst. Cas.——Stephenson National Bank; J. A. Van Cleve, Pres. in place of Isaac Stephenson; W. A. Brown, Vice-Pres. in place of C. R. Johnston.

MENOMINEE—First National Bank; W. C. Ribenack, Asst. Cas. in place of Theo. Jesup.

OSKOSH—German National Bank; Julius Martin, Vice-Pres. in place of B. C. Gudden.

PORTAGE—First National Bank; no Asst. Cas. in place of C. A. Colonius.

WAUPACA—Waupaca County National Bank; W. B. McArthur, Asst. Cas.——National Bank of Waupaca; J. W. Evans, Vice-Pres. in place of Geo. Dirimple.

WAUSAU—National German-American Bank; Walter Alexander, Vice-Pres. in plaoe of Chas. J. Winter.

WYOMING.

SHERIDAN—First National Bank; J. P. Robinson, Pres. in place of E. A. Whitney; E. A. Whitney, Vice-Pres. in place of J. B. Kendrick.

CANADA.

ONTARIO.

GLENCOE—Traders' Bank of Canada; H. D. Mitchell, Manager, deceased.

MORRISBURG—Molsons' Bank; W. S. Connolly, Manager.

NOVA SCOTIA.

HALIFAX—Union Bank of Halifax; William Robertson, Pres. in place of W. J. Stairs, resigned; William Roche, Vice-Pres.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

COLORADO.

DENVER—German National Bank; W. A. Platt, Receiver in place of Zeph T. Hill, resigned.——Commercial National Bank; W. A. Platt, Receiver in place of Frank Adams, resigned.

CONNECTICUT.

DANIELSON—First National Bank; reported going into voluntary liquidation.

GEORGIA.

ABBEVILLE—Bank of Abbeville; assigned to Max Land.

IOWA.

CEDAR RAPIDS—City National Bank; in voluntary liquidation February 28.——Bohemian-American Savings Bank; in voluntary liquidation.

SIOUX CITY—Home Savings Bank.

KANSAS.

LA CROSSE—First National Bank; in voluntary liquidation February 28.

SCOTT—Bank of Scott City; in voluntary liquidation.

MASSACHUSETTS.

NEW BEDFORD—Na ional Bank of Commerce; in voluntary liquidation April 1.

SOUTH FRAMINGHAM—Framingham Savings Bank; Patrick H. Cooney and Arthur V. Harrington, Receivers.

MICHIGAN.

SAULT STE. MARIE—Sault Ste. Marie National Bank; Eugene McComas, Receiver in place of John J. Enright, resigned.

MINNESOTA.

MERRIAM PARK—Bank of Merriam Park.

MISSOURI.

STURGEON—Ritchie Savings Bank.

NEW YORK.

NEW YORK CITY—Mapelsden & Blankman.

PENNSYLVANIA.

PHILADELPHIA—Guarantors' Finance Co. of Philadelphia.——Seventh National Bank; in voluntary liquidation.——People's Bank; closed March 25; in hands of Thomas W. Barlow, Receiver, April 2.

WATERFORD—William Benson.

TEXAS.

ABILENE—First National Bank; in voluntary liquidation.

MONTAGUE—First National Bank; in voluntary liquidation March 7.

WASHINGTON.

WATERVILLE—First National Bank; in voluntary liquidation February 24.

WYOMING.

CHEYENNE—Cheyenne National Bank; John R. Hanna, Receiver in place of J. W. Foster.

CANADA.

MANITOBA.

HOLLAND—Hall & Co.; assigned.

American Bankers' Association.

TWENTY-FOURTH ANNUAL CONVENTION TO BE HELD AT DENVER, COLORADO.

The Executive Council of the American Bankers' Association has selected Denver, Colo., as the place for holding the Twenty-fourth Annual Convention, which will be held in the latter part of August.

It has been suggested in certain newspapers that this is "an invasion of the enemy's country," but the American Bankers' Association does not recognize any such country as existing in the United States. This is in no sense a sectional organization. Its aims are to raise the standard of banking, to protect its members from the depredations of criminals, and the financial policies which it may favor are such as, in the opinion of its members, are best calculated to promote the interests of the people of the whole country. The association is united and harmonious, and is doing better service than ever before in its history. The convention will find just as many friends and have as hospitable a reception at Denver as at any city where it has met heretofore.

As an inducement to secure an increase in the number of members all the privileges of membership from now until the close of the fiscal year, September 1, 1898, will be extended to those who pay one-half the usual dues. The usual annual dues are: Banks with capital and surplus aggregating less than $100,000, $10; $100,000 and less than $500,000, $15; $500,000 and less than $1,000,000, $20; $1,000,000 and over, $30.

The Protective feature alone is more than worth the cost of membership.

Bankers' Maturity Calendar.—A. Lincoln Reiley, of the Phillipsburg (N. J.) National Bank has compiled a very useful and convenient Bankers' Maturity Calendar for the Year 1898. It gives the statutory date of maturity and number of days from date to maturity of commercial paper, and the days for which discount may be charged. Separate columns are given for periods from one to four months and from thirty to ninety days. Each month is arranged on a separate card, so bound together that they may be kept as a whole or separated as may be desired. This is a valuable table for the use of discount clerks and all bankers, well calculated to economize time, insure accuracy and prevent loss.

Why Banks Fail.—"Benjamin P. Opdyke, one of the directors, said that he knew absolutely nothing of the alleged overdrafts. Director Simmons also denied all knowledge of them. The latter declared that the only thing he knew about the Chestnut Street National Bank was that he was sorry he ever went into it. Another of the directors said that he knew nothing of the overdrafts, and that it had been the greatest shock of his life to learn that Cashier Steele knew of them."

The above appeared in the Philadelphia "Press" of March 31 in its account of the arrest of Cashier Steele, of the Chestnut Street National Bank, on the charge of making false reports to the Comptroller in regard to the bank's overdrafts. A director who knows absolutely nothing about the affairs of his bank is apt to be very sorry at some time that he ever went into it.

There is a bill pending in Congress which would fit such cases. It has passed the House and ought to become a law. (See March MAGAZINE, page 443, for the full text of the bill.)

NATIONAL BANK RETURNS—RESERVE CITIES AND THE UNITED STATES.

By the courtesy of the Comptroller of the Currency at Washington, the BANKERS' MAGAZINE has been favored with the complete returns of the National banks in all the reserve cities, at the date of the last call on February 18, 1898. These are published below in conjunction with the two preceding statements of December 15, 1897, and October 5, 1897. In this form the figures become much more valuable by reason of the comparison. In this complete shape the returns of National banks in the reserve cities are published in the BANKERS' MAGAZINE exclusively.

A table showing the condition of all the National Banks of the United States at the date of the last three reports will be found immediately following the reserve cities.

NEW YORK CITY.

RESOURCES.	*Oct. 5, 1897.*	*Dec. 15, 1897.*	*Feb. 18, 1898.*
Loans and discounts	$408,335,475	$429,709,008	$470,938,724
Overdrafts	128,242	92,751	79,857
U. S. bonds to secure circulation	18,939,000	18,789,000	16,650,000
U. S. bonds to secure U. S. deposits	1,360,000	29,660,000	18,776,000
U. S. bonds on hand	4,593,900	2,531,250	610,750
Premiums on U. S. bonds	2,049,417	3,825,762	3,358,745
Stocks, securities, etc	40,701,485	43,650,474	46,755,693
Banking house, furniture and fixtures	13,962,704	14,000,017	14,051,100
Other real estate and mortgages owned	1,942,488	2,050,880	2,041,229
Due from National banks (not reserve agents)	28,944,448	36,178,890	31,561,439
Due from State banks and bankers	4,955,489	5,786,880	5,887,366
Due from approved reserve agents	......	......	......
Checks and other cash items	2,662,685	2,473,918	2,289,016
Exchanges for clearing-house	66,438,644	71,689,760	69,808,399
Bills of other National banks	783,569	878,802	893,777
Fractional paper currency, nickels and cents	65,736	62,062	55,834
*Lawful money reserve in bank, viz.:			
Gold coin	18,237,220	17,824,955	20,555,561
Gold Treasury certificates	6,771,340	8,699,720	6,802,510
Gold clearing-house certificates	52,965,000	61,205,000	72,130,000
Silver dollars	92,988	63,337	76,051
Silver Treasury certificates	3,821,405	4,689,103	7,198,871
Silver fractional coin	480,924	547,510	550,693
Legal-tender notes	27,672,648	35,008,459	42,221,709
U. S. certificates of deposit for legal-tender notes	26,445,000	28,585,000	29,325,000
Five per cent. redemption fund with Treasurer	843,023	836,505	740,250
Due from U. S. Treasurer	396,847	487,907	744,966
Total	$733,611,682	$818,771,421	$864,098,564

LIABILITIES.			
Capital stock paid in	$48,600,000	$48,600,000	$48,900,000
Surplus fund	42,892,000	42,917,000	42,701,500
Undivided profits, less expenses and taxes paid	17,541,993	18,346,852	17,454,076
National bank notes issued, less amount on hand	16,183,457	16,003,335	14,080,817
State bank notes outstanding	16,556	16,556	16,556
Due to other National banks	183,982,831	206,738,598	240,843,341
Due to State banks and bankers	80,878,290	83,957,312	93,457,882
Dividends unpaid	172,596	88,653	109,592
Individual deposits	341,886,866	365,899,774	382,585,476
U. S. deposits	768,273	28,239,849	15,639,415
Deposits of U. S. disbursing officers	830,838	329,648	239,761
Notes and bills rediscounted	......	......	200,000
Bills payable	300,000	75,000	......
Liabilities other than those above stated	57,978	10,558,840	7,920,644
Total	$733,611,682	$818,771,421	$864,098,564
Average reserve held	27.10 p. c.	27.64 p. c.	28.75 p. c.
* Total lawful money reserve	$136,506,525	$156,068,084	$178,860,395

	ALBANY, N. Y.			BALTIMORE, MD.			BOSTON, MASS.		
RESOURCES.	*Oct. 5, 1897.*	*Dec. 15, 1897.*	*Feb. 18, 1898.*	*Oct. 5, 1897.*	*Dec. 15, 1897.*	*Feb. 18, 1898.*	*Oct. 5, 1897.*	*Dec. 15, 1897.*	*Feb. 18, 1898.*
Loans and discounts	$8,303,219	$8,000,322	$7,133,306	$33,076,943	$33,667,928	$33,449,522	$164,807,923	$165,605,857	$164,728,194
Overdrafts	8,372	4,407	2,999	39,280	38,745	34,642	50,694	94,073	51,947
U. S. bonds to secure circulation	400,000	400,000	300,000	2,739,000	2,089,000	1,985,000	8,777,000	6,880,000	6,327,000
U. S. bonds to secure U. S. deposits	50,000	50,000	50,000	202,000	202,000	202,000	265,000	265,000	347,000
U. S. bonds on hand	......	......	......	75,500	500	500	155,000	411,150	5,000
Premiums on U. S. bonds	$27,500	$27,500	22,000	351,829	229,445	197,137	719,431	373,973	284,570
Stocks, securities, etc	759,666	708,985	732,646	2,551,047	2,645,607	2,906,404	7,111,737	7,683,102	8,317,306
Banking house, furniture and fixtures	295,000	295,000	295,000	2,190,080	2,207,780	2,166,880	2,393,798	2,391,047	2,390,392
Other real estate and mortgages owned	57,162	57,162	74,937	206,101	206,198	205,398	370,814	371,279	383,147
Due from National banks (not reserve agents)	1,246,564	1,727,590	1,825,104	2,383,491	2,378,652	2,416,375	16,576,819	14,982,443	13,926,399
Due from State banks and bankers	441,561	536,476	334,510	408,270	403,679	313,600	794,178	1,394,229	778,890
Due from approved reserve agents	2,573,725	2,074,047	3,627,101	4,010,292	4,552,472	4,419,566	27,676,135	33,533,910	34,780,588
Checks and other cash items	106,833	78,834	97,532	146,164	135,553	106,660	468,246	364,820	411,490
Exchanges for clearing-house	136,474	135,943	97,485	2,145,457	1,946,956	1,846,135	11,674,061	9,644,849	12,827,889
Bills of other National banks	52,182	48,560	48,936	185,919	191,088	259,831	984,086	1,120,178	935,532
Fractional paper currency, nickels and cents	1,732	1,168	1,840	12,899	16,941	15,650	24,494	21,484	23,834
*Lawful money reserve in bank, viz.:									
Gold coin	499,473	495,021	496,082	1,720,153	1,695,392	1,706,129	7,192,645	7,558,752	7,815,929
Gold Treasury certificates	336,250	334,250	334,420	352,790	345,970	345,210	1,386,430	1,417,650	1,397,410
Gold clearing-house certificates	......	......	......						......
Silver dollars	22,701	27,297	25,127	54,860	60,167	63,459	74,451	83,845	74,286
Silver Treasury certificates	38,000	36,408	30,598	1,386,330	1,584,517	1,995,582	2,334,669	3,121,215	2,686,831
Silver fractional coin	21,912	20,593	33,824	77,729	85,466	88,169	182,021	163,856	154,487
Legal-tender notes	420,103	345,480	318,424	646,775	802,205	829,472	7,185,894	6,994,795	7,042,525
U. S. certificates of deposit for legal-tenders	......	......	......	830,000	710,000	1,660,000	1,830,000	3,050,000	2,360,000
Five per cent. redemption fund with Treas.	18,000	18,000	13,500	121,605	94,005	89,885	394,965	309,600	275,950
Due from U. S. Treasurer	1	1,000	......	1,005	5	45	109,142	220,504	87,461
Total	$15,816,386	$15,424,043	$15,895,370	$55,915,024	$56,288,276	$57,302,697	$263,439,640	$268,057,118	$267,863,395
LIABILITIES.									
Capital stock paid in	$1,550,000	$1,550,000	$1,550,000	$13,243,280	$13,243,280	$13,243,280	$50,350,000	$50,350,000	$49,850,000
Surplus fund	1,388,000	1,390,000	1,390,000	4,941,625	5,041,625	5,184,100	15,054,578	15,059,578	14,963,025
Undiv. profits, less expenses and taxes paid	196,950	203,857	168,295	1,198,300	1,357,494	1,027,794	4,820,020	4,826,247	5,553,723
National bank notes issued, less am't on hand	349,590	348,540	261,150	2,433,060	1,840,040	1,728,070	7,576,892	5,788,900	5,881,122
State bank notes outstanding	......	......	......	4,605	4,605	4,605	......	......	......
Due to other National banks	3,806,137	3,620,369	4,388,349	6,644,660	6,455,725	7,539,611	42,791,808	40,878,539	41,821,815
Due to State banks and bankers	1,613,387	2,126,984	2,069,409	2,086,758	2,043,647	1,995,356	19,810,545	20,480,682	21,791,790
Dividends unpaid	615	453	1,395	84,998	68,468	84,970	221,474	45,280	30,029
Individual deposits	6,806,166	6,057,848	6,005,076	24,734,818	25,885,580	26,273,268	120,984,842	129,441,925	128,128,045
U. S. deposits	42,482	45,056	48,551	210,439	210,380	217,262	113,022	126,582	177,580
Deposits of U. S. disbursing officers	7,517	4,943	1,408	......	......	......	75,460	59,216	55,905
Notes and bills rediscounted	21,738	21,738	21,738	......	180,000	......	......	......	......
Bills payable	......	25,000	......	325,000	7,500	......	1,797,334	1,000,285	1,066,966
Liabilities other than those above stated	29,800	29,800	......	7,500	......	4,401	394,165	4,878	3,391
Total	$15,816,386	$15,424,043	$15,895,370	$55,915,024	$56,288,276	$57,302,697	$263,439,640	$268,057,118	$267,863,395
Average reserve held	37.78 p. c.	35.62 p. c.	47.80 p. c.	32.13 p. c.	33.39 p. c.	35.80 p. c.	31.31 p. c.	34.31 p. c.	34.57 p. c.
***Total lawful money reserve**	$1,338,380	$1,259,044	$1,238,470	$5,068,637	$5,283,717	$6,688,021	$20,186,110	$22,390,118	$21,531,419

RESOURCES.	BROOKLYN, N. Y. Oct. 5, 1897.	BROOKLYN, N. Y. Dec. 15, 1897.	BROOKLYN, N. Y. Feb. 18, 1898.	CHICAGO, ILL. Oct. 5, 1897.	CHICAGO, ILL. Dec. 15, 1897.	CHICAGO, ILL. Feb. 18, 1898.	CINCINNATI, OHIO. Oct. 5, 1897.	CINCINNATI, OHIO. Dec. 15, 1897.	CINCINNATI, OHIO. Feb. 18, 1898.
Loans and discounts	$12,357,865	$12,054,392	$11,427,308	$86,882,905	$90,113,962	$100,847,676	$23,778,025	$23,859,557	$24,705,562
Overdrafts	1,520	2,797	1,491	348,259	444,068	316,237	13,460	12,654	15,888
U. S. bonds to secure circulation	642,000	642,000	642,000	1,850,000	1,300,000	1,200,000	5,436,000	5,649,000	5,649,000
U. S. bonds to secure U. S. deposits	200,000	200,000	200,000	550,000	550,000	550,000	1,200,000	1,201 600	1,200,000
U. S. bonds on hand	5,000	5,000	......	624,000	721,500	496,950	1,150,970	1,403,150	1,785,700
Premiums on U. S. bonds	87,000	87,000	80,625	85,656	85,656	83,970	886,946	963,858	1,068,826
Stocks, securities, etc	2,549,251	2,512,762	2,634,928	6,585,174	7,182,444	8,822,187	3,910,520	4,184,558	4,148,057
Banking house, furniture and fixtures	600,958	600,958	600,754	825,939	825,939	819,525	476,040	476,194	476,399
Other real estate and mortgages owned	92,500	92,500	92,500	749,356	774,926	695,180	191,888	181,090	177,963
Due from National banks (not reserve agents)	263,388	187,638	51,592	25,810,469	21,701,217	25,599,735	8,002,554	8,065,775	8,382,350
Due from State banks and bankers	188,735	171,740	106,962	5,822,058	8,580,968	8,584,335	688,582	748,595	587,298
Due from approved reserve agents	2,644,785	2,942,237	2,307,998	......	......	......	4,865,032	6,657,921	7,352,717
Checks and other cash items	117,640	56,893	94,662	104,315	99,478	91,505	135,896	149,242	115,286
Exchanges for clearing-house	1,155,554	1,033,304	1,155,657	5,970,871	6,266,336	5,368,952	197,052	258,510	241,738
Bills of other National Banks	159,271	181,575	133,470	2,267,600	1,540,672	1,622,499	315,221	327.802	279,960
Fractional paper currency, nickels and cents	3,998	9,239	9,045	15,564	18,944	21,912	3,425	4,174	4,411
*Lawful money reserve in bank, viz.:									
Gold coin	541,825	599,154	498,484	14,854,240	14,587,237	15,184,895	1,066,570	1,069,010	1,100,700
Gold Treasury certificates	180,000	165,000	165,000	2,824,430	2,891,150	3,148,050	810,880	828,160	317,150
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	18,000	21.500	17,815	182,108	164,029	175,578	54,734	65,596	62,738
Silver Treasury certificates	327,810	480,075	396,287	4,192,306	2,402,482	3,102,133	453,661	382.486	394,890
Silver fractional coin	44,283	71,534	58,111	177,808	201,529	216,138	25,458	23,970	27,792
Legal-tender notes	880,854	1,097,276	926,339	13,518,145	13,769,940	15,093,900	1,936,053	1,872,847	1,747,661
U. S. certificates of deposit for legal-tenders	......	......	......	2,810,000	3,810,000	3,640,000	720,000	690,000	700,000
Five per cent. redemption fund with Treas.	28,890	28,890	28,890	85,5[illegible]0	56,250	49,500	241,990	253,890	251,845
Due from U. S. Treasurer	.....	5,000	......	127,259	91,965	58,092	6,950	1,814	666
Total	$22,989,632	$23,197,964	$21,579,910	$176,186,456	$178,180,689	$195,788,904	$51,089,910	$53,281,461	$55,794,567
LIABILITIES.									
Capital stock paid in	$1,352,000	$1,352,000	$1,352,000	$19,700,000	$19,500,000	$18,950,000	$7,800,000	$7,800,000	$7,800,000
Surplus fund	2,270,000	2,270,000	2,280,000	8,264,900	8,264,900	9,237,400	2,740,000	2,740,000	2,765,000
Undiv. profits, less expenses and taxes paid	395,701	462,541	373,585	2,006,271	2,846,075	2,378,944	1,143,851	1,056,685	1,110,477
National bank notes issued, less am't on hand	578,030	577,800	567,670	616,365	604,235	562,715	4,820,450	4,948,550	4,882,090
State bank notes outstanding	1,846	1,846	1,846	......	......	......	......	......	......
Due to other National banks	412,228	369,744	259,231	47,535,222	48,440,278	55,001,297	9,002,898	9,443,504	10,858,878
Due to State banks and bankers	346,544	356,264	249,410	26,802,410	24,784,744	28,434,915	4,420,622	4,364,644	5,182,120
Dividends unpaid	7,838	716	1,347	23,578	2,790	5,707	6,726	4,859	4,209
Individual deposits	17,293,868	17,586,016	16,278,757	70,692,162	73,640,922	80,947,011	19,244,420	20,987,283	21,240,685
U. S. deposits	163,158	164,799	164,799	510,847	468,605	498,468	1,171,941	1,176,404	1,218,165
Deposits of U. S. disbursing officers	34,457	35,166	35,042	21,298	61,736	27,442	......	......	......
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	......	......	......	......
Liabilities other than those above stated	38,964	21,070	21,219	13,400	16,400	......	739,500	765,578	738,500
Total	$22,989,632	$23,197,964	$21,579,910	$176,186,456	$178,130,689	$195,738,904	$51,089,910	$53,281,461	$55,794,567
Average reserve held	28.04 p. c.	31.91 p. c.	28.31 p. c.	36.06 p. c.	34.[illegible] p. c.	32.78 p. c.	32.71 p. c.	35.92 p. c.	35.16 p. c.
* Total lawful money reserve	$1,991,772	$2,434,539	$2,062,087	$38,058,533	$37,776,367	$40,510,694	$4,589,856	$4,432,069	$4,350,931

	CLEVELAND, OHIO.			DES MOINES, IOWA.			DETROIT, MICH.		
RESOURCES.	*Oct. 5, 1897.*	*Dec. 15, 1897.*	*Feb. 18, 1898.*	*Oct. 5, 1897.*	*Dec. 15, 1897.*	*Feb. 18, 1898.*	*Oct. 5, 1897.*	*Dec. 15, 1397.*	*Feb. 18, 1898.*
Loans and discounts	$28,471,475	$28,687,283	$29,180,200	$2,651,371	$2,756,893	$2,522,792	$14,398,492	$14,621,698	$14,824,822
Overdrafts	34,244	81,005	36,748	16,348	27,981	21,858	16,661	8,458	8,768
U. S. bonds to secure circulation	1,550,000	1,430,000	1,380,000	292,200	298,000	298,000	1,150,000	1,150,000	1,150,000
U. S. bonds to secure U. S. deposits	60,000	60,000	60,000	......	......	......	300,000	300,000	300,000
U. S. bonds on hand	......	100,000	100,000	......	100,000	100,000	400,000	......	200,000
Premiums on U. S. bonds	51,300	48,200	48,200	18,000	18,000	38,875	208,250	153,500	202,242
Stocks, securities, etc	787,901	793,272	838,844	255,547	249,210	271,425	113,902	123,902	376,795
Banking house, furniture and fixtures	507,500	510,348	513,405	143,541	143,541	143,541	30,788	30,788	31,538
Other real estate and mortgages owned	215,487	215,487	215,487	99,461	99,779	99,431	260,504	266,020	266,761
Due from National banks (not reserve agents)	2,824,842	2,623,781	2,631,718	223,485	238,517	239,876	1,798,869	1,741,403	1,526,764
Due from State banks and bankers	798,417	8[illegible]0,189	936,812	54,323	40,976	84,740	459,330	415,660	540,580
Due from approved reserve agents	4,926,644	5,441,414	7,182,580	719,405	541,810	765,518	3,989,412	4,646,334	4,192,854
Checks and other cash items	109,924	183,417	169,205	18,582	26,779	10,769	28,023	25,946	11,083
Exchanges for clearing-house	289,494	476,593	212,064	70,860	59,605	62,312	260,101	276,988	265,9 2
Bills of other National banks	147,132	141,264	134,369	50,522	39,804	19,588	166,929	139,543	210,796
Fractional paper currency, nickels and cents	4,344	5,850	5,744	1,419	1,192	1,448	10,866	11,752	12,699
*Lawful money reserve in bank, viz.:									
Gold coin	1,468,110	1,479,692	1,507,062	138,115	154,210	146,157	1,346,667	1,343,995	1,346,825
Gold Treasury certificates	248,000	239,670	246,190	3,480	3,880	4,270	14,160	13,810	18,000
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	75,892	78,897	142,235	17,947	24,980	24,881	69,266	78,725	74,388
Silver Treasury certificates	116,025	126,560	138,175	23,179	18,851	15,450	135,802	166,569	147,558
Silver fractional coin	27,259	38,927	32,284	6,566	9,709	12,276	51,706	64,481	80,721
Legal-tender notes	1,076,290	1,069,744	1,050,435	225,028	207,627	165,740	632,479	628,489	763,387
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	68,380	63,450	60,920	13,094	13,149	13,185	50,641	51,750	51,750
Due from U. S. Treasurer	14,700	12,500	11,750	......	......	1,500	5,824	24,642	12,041
Total	$43,872,865	$44,677,498	$46,834,452	$5,087,479	$5,059,899	$5,008,638	$25,898,678	$26,279,409	$26,611,289
LIABILITIES.									
Capital stock paid in	$9,550,000	$9,725,000	$9,775,000	$800,000	$800,000	$800,000	$3,300,000	$3,300,000	$3,300,000
Surplus fund	2,085,000	2,108,200	2,111,700	221,000	221,000	221,500	605,000	605,000	605,000
Undiv. profits, less expenses and taxes paid	740,876	568,597	639,142	47,700	60,822	81,926	256,839	320,503	280,665
National bank notes issued, less am't on hand	1,332,810	1,251,980	1,227,180	259,137	259,847	256,482	989,790	988,100	975,650
Due to other National banks	4,248,531	4,309,242	5,171,582	658,870	596,131	649,538	3,791,338	3,978,015	4,122,328
Due to State banks and bankers	2,893,053	2,728,452	3,654,290	1,465,214	1,432,904	1,491,504	5,788,986	6,162,916	6,390,421
Dividends unpaid	1,217	1,956	1,514	3,585	3,526	5,055	6,972	10	187
Individual deposits	21,683,266	22,940,056	23,887,386	1,532,470	1,685,167	1,547,630	10,916,819	10,626,691	10,687,577
U. S. deposits	43,322	37,882	46,195	......	......	......	242,881	232,172	233,585
Deposits of U. S. disbursing officers	14,787	24,553	14,404	......	......	......	55,050	70,999	65,874
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	425,000	125,000	100,000	......	......	......	......	......	......
Liabilities other than those above stated	855,000	861,578	806,167	......	......	......	......	......	......
Total	$43,872,865	$44,667,498	$46,884,452	$5,087,479	$5,059,899	$5,008,638	$25,898,678	$26,279,409	$26,611,289
Average reserve held	32.25 p. c.	32.86 p. c.	36.66 p. c.	34.64 p. c.	29.18 p. c.	34.38 p. c.	34.83 p. c.	37.80 p. c.	35.81 p. c.
* Total lawful money reserve	$3,011,576	$3,033,490	$3,116,401	$414,315	$419,207	$368,774	$2,250,080	$2,291,069	$2,430,829

	HOUSTON, TEXAS.			KANSAS CITY, MO.			LINCOLN, NEB.		
Resources.	*Oct. 5, 1897.*	*Dec. 15, 1897.*	*Feb. 18, 1898.*	*Oct. 5, 1897.*	*Dec. 15, 1897.*	*Feb. 18, 1898.*	*Oct. 5, 1897.*	*Dec. 15, 1897.*	*Feb. 18, 1898.*
Loans and discounts	$2,029,754	$1,980,652	$1,947,309	$15,006,761	$17,419,063	$17,821,121	$1,796,169	$1,917,305	$1,918,268
Overdrafts	179,804	206,048	217,514	187,143	119,041	143,711	6,982	5,436	13,272
U. S. bonds to secure circulation	200,000	200,000	200,000	250,000	250,000	250,000	150,000	150,000	150,000
U. S. bonds to secure U. S. deposits	50,000	50,000	50,000	100,000	100,000	100,000	......	......	......
U. S. bonds on hand	......	......	......	291,000	391,000	416,000	......	......	......
Premiums on U. S. bonds	20,733	20,700	22,933	72,280	95,105	100,320	5,500	5,500	5,500
Stocks, securities, etc	39,220	45,854	33,064	700,485	830,829	1,157,368	50,064	62,836	84,427
Banking house, furniture and fixtures	132,863	132,758	133,064	77,375	72,325	69,365	9,037	9,037	9,037
Other real estate and mortgages owned	115,250	115,250	115,301	263,442	362,442	356,392	89,750	98,513	100,358
Due from National banks (not reserve agents)	250,967	633,759	821,061	1,606,312	911,481	920,536	82,925	87,915	93,372
Due from State banks and bankers	11,149	103,016	105,805	1,900,846	1,789,038	2,489,048	39,345	27,968	31,463
Due from approved reserve agents	679,848	715,954	744,158	6,213,533	5,196,187	7,280,266	264,030	208,951	320,845
Checks and other cash items	6,857	2,327	2,656	38,082	42,142	31,787	12,580	22,389	10,219
Exchanges for clearing-house	22,220	6,953	8,182	620,900	877,449	556,624	25,589	14,901	17,297
Bills of other National banks	92,683	51,305	37,040	391,184	174,860	225,600	10,300	4,702	5,294
Fractional paper currency, nickels and cents	1,557	2,292	3,666	4,761	4,472	3,463	682	1,237	1,626
*Lawful money reserve in bank, viz.:									
Gold coin	340,291	380,508	353,763	495,147	400,675	550,615	159,270	153,262	109,480
Gold Treasury certificates	135,960	138,790	134,020	21,120	21,020	51,020	......	......	......
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	24,354	94,629	72,592	71,720	102,198	101,376	13,923	18,685	21,414
Silver Treasury certificates	233,240	171,229	107,872	872,162	662,338	600,378	4,577	3,961	2,608
Silver fractional coin	12,977	15,040	14,047	27,668	22,991	28,889	9,027	11,359	14,021
Legal-tender notes	1,215,564	859,577	831,753	1,300,000	895,000	854,300	52,671	69,762	84,108
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	9,000	9,000	9,000	11,250	11,250	11,250	6,750	6,750	......
Due from U. S. Treasurer	......	......	......	......	4,000	4,500	......	......	......
Total	$5,804,296	$5,865,647	$5,964,815	$30,515,127	$30,754,407	$34,123,925	$2,789,175	$2,875,495	$2,999,353
Liabilities.									
Capital stock paid in	$1,150,000	$1,150,000	$1,150,000	$2,300,000	$2,300,000	$2,300,000	$800,000	$800,000	$800,000
Surplus fund	557,300	557,300	572,300	480,000	480,000	509,000	35,000	35,000	36,000
Undiv. profits, less expenses and taxes paid	89,836	112,175	97,407	215,508	302,640	271,302	17,018	15,025	4,837
National bank notes issued, less am't on hand	139,680	137,880	184,840	225,000	225,000	225,000	135,000	135,000	133,800
Due to other National banks	683,895	718,629	931,509	7,052,733	7,622,996	9,251,053	175,186	131,551	228,362
Due to State banks and bankers	321,556	261,460	278,694	8,756,219	8,446,304	9,490,466	266,123	278,559	282,490
Dividends unpaid	4,168	4,024	7,845	2,258	2,150	2,020	......	......	300
Individual deposits	2,772,082	2,874,128	2,792,156	11,368,177	11,268,984	11,974,430	1,360,852	1,480,359	1,513,562
U. S. deposits	50,000	50,000	......	62,222	94,227	71,507	......	......	......
Deposits of U. S. disbursing officers	......	......	......	53,007	12,104	29,144	......	......	......
Notes and bills rediscounted	95,100	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	......	......	......	......
Liabilities other than those above stated	727	......	62	......	......	......	......	......	......
Total	$5,804,296	$5,865,647	$5,964,815	$30,515,127	$30,754,407	$34,123,925	$2,789,175	$2,875,495	$2,999,353
Average reserve held	78.10 p. c.	75.96 p. c.	74.62 p. c.	39.57 p. c.	30.86 p. c.	35.60 p. c.	31.04 p. c.	26.94 p. c.	29.79 p. c.
*** Total lawful money reserve**	$1,962,386	$1,639,774	$1,514,048	$2,787,818	$2,104,217	$2,186,573	$239,468	$257,049	$231,626

Resources.	Louisville, Ky. Oct. 5, 1897.	Dec. 15, 1897.	Feb. 18, 1898.	Milwaukee, Wis. Oct. 5, 1897.	Dec. 15, 1897.	Feb. 18, 1898.	Minneapolis, Minn. Oct. 5, 1897.	Dec. 15, 1897.	Feb. 18, 1898.
Loans and discounts	$7,444,660	$7,328,711	$7,535,878	$15,522,444	$14,510,257	$15,853,483	$9,320,950	$12,348,300	$12,273,799
Overdrafts	7,737	16,330	15,086	145,918	158,015	134,863	9,453	5,930	6,863
U. S. bonds to secure circulation	1,575,000	850,000	850,000	720,000	720,000	720,000	300,000	300,000	300,000
U. S. bonds to secure U. S. deposits	500,000	500,000	750,000	390,000	390,000	390,000	50,000	50,000	50,000
U. S. bonds on hand	200,000	200,000	100,000	7,250	8,250	8,250	......	......	......
Premiums on U. S. bonds	227,125	119,312	148,750	134,484	132,184	132,184	23,812	23,500	23,250
Stocks, securities, etc	476,289	578,575	894,282	992,375	1,241,980	* 1,310,015	526,388	437,828	431,273
Banking house, furniture and fixtures	188,400	188,400	189,125	126,263	126,263	123,763	105,950	105,950	107,175
Other real estate and mortgages owned	4,268	20,118	4,228	67,489	67,010	66,670	71,657	71,657	77,628
Due from National banks (not reserve agents)	742,410	1,038,258	994,178	2,386,427	2,485,052	2,824,355	1,360,422	788,119	751,850
Due from State banks and bankers	187,579	300,837	334,871	394,825	800,051	965,946	1,111,907	1,187,998	708,345
Due from approved reserve agents	2,167,848	2,975,608	3,694,235	7,006,590	5,163,911	6,421,138	2,531,664	2,417,653	1,563,777
Checks and other cash items	44,168	14,227	10,723	3,695	3,754	23,746	25,799	23,138	17,850
Exchanges for clearing-house	81,514	123,438	170,456	647,307	539,585	288,581	800,208	738,251	402,968
Bills of other National banks	62,475	80,593	47,223	83,062	78,331	57,385	219,482	188,729	71,710
Fractional paper currency, nickels and cents	7,185	3,492	1,660	4,172	3,600	1,677	4,240	5,960	4,436
*Lawful money reserve in bank, viz.:									
Gold coin	588,367	601,805	587,339	1,838,175	1,872,855	1,961,412	842,312	811,687	744,187
Gold Treasury certificates	5,000	5,000	5,000	......	......	......	8,500	8,990	10,000
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	22,055	25,750	36,306	20,463	35,281	49,314	29,086	43,720	32,416
Silver Treasury certificates	......	......	......	140,670	200,766	123,245	50,000	47,500	32,700
Silver fractional coin	10,281	14,033	10,048	16,382	20,590	27,082	28,649	24,847	12,520
Legal-tender notes	558,721	480,150	531,928	1,313,917	1,088,925	1,086,960	1,098,740	808,578	372,987
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	70,695	38,250	38,250	32,400	32,400	32,400	18,500	18,500	13,500
Due from U. S. Treasurer	3,000	1,000	7,280	4,000	14,850	600	100,000	4,500	4,110
Total	$15,123,782	$15,453,892	$16,956,850	$32,598,314	$29,698,815	$32,553,025	$18,627,673	$20,406,387	$18,015,800
Liabilities.									
Capital stock paid in	$3,000,000	$3,000,000	$3,000,000	$3,250,000	$3,250,000	$3,250,000	$4,500,000	$4,500,000	$4,500,000
Surplus fund	651,000	651,000	665,000	575,000	575,000	586,500	491,000	491,000	508,500
Undiv. profits, less expenses and taxes paid	216,024	243,941	200,252	275,584	302,677	163,629	375,769	461,568	379,687
National bank notes issued, less am't on hand	1,413,820	762,880	763,440	623,880	639,900	630,670	206,347	210,240	201,230
Due to other National banks	2,640,509	3,140,699	3,522,127	3,185,823	3,404,005	4,032,378	2,840,256	4,085,419	3,201,355
Due to State banks and bankers	2,335,764	2,365,256	2,452,825	1,768,828	1,996,851	2,554,138	1,835,942	2,269,525	1,989,349
Dividends unpaid	3,702	3,846	3,427	250	125	1,287	13,784	464	1,480
Individual deposits	4,366,158	4,773,048	5,577,583	22,534,159	19,125,019	20,942,509	8,305,070	8,338,604	7,206,877
U. S. deposits	119,551	254,816	558,962	266,987	260,086	271,615	38,040	39,850	39,074
Deposits of U. S. disbursing officers	366,562	244,218	196,301	118,299	140,150	120,297	14,468	7,679	18,433
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	......	......	......	......
Liabilities other than those above stated	11,189	14,189	21,978	......	......	......	7,000	7,000	24,818
Total	$15,123,782	$15,453,892	$16,956,850	$32,598,314	$29,698,815	$32,553,025	$18,627,673	$20,406,387	$18,015,800
Average reserve held	38.86 p. c.	44.28 p. c.	45.57 p. c.	43.63 p. c.	40.08 p. c.	40.58 p. c.	43.11 p. c.	35.15 p. c.	26.60 p. c.
* Total lawful money reserve	$1,184,425	$1,076,738	$1,170,622	$3,329,607	$3,218,367	$3,197,964	$2,052,287	$1,745,823	$1,204,761

RESOURCES.	NEW ORLEANS, LA.			OMAHA, NEB.			PHILADELPHIA, PA.		
	Oct. 5, 1897.	Dec. 15, 1897.	Feb. 18, 1898.	Oct. 5, 1897.	Dec. 15, 1897.	Feb. 18, 1898.	Oct. 5, 1897.	Dec. 15, 1897.	Feb. 18, 1898.
Loans and discounts	$11,630,881	$11,164,630	$10,751,992	$9,147,514	$9,902,759	$9,695,582	$102,577,519	$100,648,110	$98,797,605
Overdrafts	463,275	794,673	612,869	130,542	120,875	120,207	14,024	21,448	15,258
U. S. bonds to secure circulation	872,000	872,000	622,000	600,000	600,000	625,000	8,212,500	7,592,500	7,007,500
U. S. bonds to secure U. S. deposits	......	......	......	450,000	450,000	450,000	300,000	300,000	100,000
U. S. bonds on hand	300	42,950	43,950	13,000	88,000	13,000	50,000	1,050,000	550,000
Premiums on U. S. bonds	39,000	44,138	41,245	92,828	99,826	98,826	747,130	899,967	703,535
Stocks, securities, etc	2,214,138	1,885,691	1,981,324	612,722	634,832	763,768	9,982,710	10,958,818	12,434,850
Banking house, furniture and fixture	623,943	623,948	623,837	832,384	882,384	832,382	4,353,656	4,351,948	4,287,124
Other real estate and mortgages owned	99,320	99,282	85,815	509,306	573,438	583,238	576,294	588,049	593,775
Due from National banks (not reserve agents)	348,672	588,907	668,480	960,041	638,055	780,823	7,227,789	9,740,985	7,811,671
Due from State banks and bankers	408,588	872,483	890,921	628,884	562,131	526,764	1,373,803	1,629,814	1,747,088
Due from approved reserve agents	985,842	2,511,942	4,942,399	3,364,710	2,248,574	2,725,781	15,627,737	17,944,852	20,931,474
Checks and other cash items	18,614	25,895	24,588	96,076	85,956	112,432	1,176,457	1,491,432	1,082,061
Exchanges for clearing-house	724,475	2,026,944	1,194,544	617,906	639,517	578,179	10,762,898	11,965,372	9,223,814
Bills of other National banks	51,196	6,924	48,125	200,858	160,369	120,362	441,186	390,984	364,274
Fractional paper currency, nickels and cents	11,800	......	7,564	4,501	3,647	4,889	66,660	62,064	61,269
*Lawful money reserve in bank, viz.:									
Gold coin	745,283	759,525	790,164	856,057	859,719	1,159,890	1,658,448	1,848,061	1,927,921
Gold Treasury certificates	141,180	122,920	184,630	30,520	81,480	32,400	214,140	203,760	158,880
Gold clearing-house certificates	......	......	......	......	......	......	6,445,000	6,550,000	6,825,000
Silver dollars	48,759	74,026	97,068	98,152	101,034	138,892	210,420	265,200	209,054
Silver Treasury certificates	395,671	850,666	1,192,216	155,998	177,652	96,896	3,549,150	3,730,068	3,434,339
Silver fractional coin	74,088	58,619	68,873	48,068	48,509	43,718	850,880	818,882	282,768
Legal-tender notes	1,530,588	1,728,647	1,449,596	972,944	842,195	549,916	2,328,719	2,238,175	2,221,955
U. S. certificate of deposit for legal-tenders	280,000	275,000	395,000	......	......	......	7,460,000	6,905,000	9,165,000
Five per cent. redemption fund with Treas.	39,240	39,240	27,790	27,000	27,000	28,125	368,923	339,958	309,588
Due from U. S. Treasurer	......	3,710	16,400	600	5,200	5,650	62,718	80,858	44,848
Total	$21,696,855	$24,982,996	$26,730,895	$20,450,565	$19,682,659	$20,035,670	$188,188,713	$192,070,798	$189,690,667
LIABILITIES.									
Capital stock paid in	$2,300,000	$2,300,000	$2,300,000	$3,750,000	$3,750,000	$3,750,000	$21,915,000	$21,915,000	$20,915,000
Surplus fund	2,810,000	2,810,000	2,305,000	325,500	325,500	334,500	14,683,000	14,743,000	14,528,000
Undiv. profits less expenses and taxes paid	339,109	404,841	877,609	120,767	134,697	125,921	3,087,775	2,748,194	2,792,437
National bank notes issued, less am't on hand	758,045	747,947	522,045	531,605	538,195	562,500	7,184,875	6,601,112	5,998,435
Due to other National banks	899,138	1,638,569	2,070,221	3,722,009	3,577,128	3,658,561	26,997,896	25,050,832	29,855,055
Due to State banks and bankers	1,102,103	1,498,572	2,858,144	3,623,956	2,880,829	3,089,573	7,969,782	8,508,584	8,730,252
Dividends unpaid	13,379	8,816	9,390	373	873	378	46,434	56,078	40,566
Individual deposits	13,380,301	15,991,251	16,788,483	7,864,960	7,954,777	7,986,612	108,701,935	111,454,151	107,070,840
U. S. deposits	......	......	......	201,951	236,925	267,977	302,015	299,492	202,008
Deposits of U. S. disbursing officers	......	......	......	220,412	209,234	194,651	......	......	......
Notes and bills rediscounted	194,777	88,000	5,000	......	......	......	......	......	......
Bills payable	400,000	50,000	......	80,000	75,000	65,000	250,000	360,000	......
Liabilities other than those above stated	......	......	......	......	......	......	......	339,851	63,569
Total	$21,696,855	$24,982,996	$26,730,895	$20,450,565	$19,682,659	$20,035,670	$186,138,713	$192,070,798	$189,690,667
Average reserve held	30.28 p. c.	39.77 p. c.	49.39 p. c.	41.96 p. c.	33.72 p. c.	36.19 p. c.	32.05 p. c.	33.15 p. c.	35.87 p. c.
* Total lawful money reserve	$3,165,569	$3,864,404	$4,127,547	$2,161,739	$2,060,590	$2,020,712	$22,216,757	$22,054,182	$24,224,912

Resources.	PITTSBURG, PA.			ST. JOSEPH, MO.			ST. LOUIS, MO.		
	Oct. 5, 1897.	Dec. 15, 1897.	Feb. 18, 1898.	Oct. 5, 1897.	Dec. 15, 1897.	Feb. 18, 1898.	Oct. 5, 1897.	Dec. 15, 1897.	Feb. 18, 1898.
Loans and discounts	$45,599,629	$46,510,195	$47,972,558	$1,906,847	$2,141,262	$1,999,048	$32,060,316	$31,330,180	$33,025,783
Overdrafts	51,398	39,694	47,881	3,584	4,726	20,897	42,915	28,356	64,595
U. S. bonds to secure circulation	5,339,250	5,339,250	5,130,250	150 000	150,000	150,000	2,077,000	2,075,000	1,910,000
U. S. bonds to secure U. S. deposits	200,000	200,000	200,000	50.000	50,000	50,000	540,000	540,000	540,000
U. S. bonds on hand	421,600	162,700	120,400	700	......	......	75,000	75,000	75,000
Premiums on U. S. bonds	562,312	537,221	491,177	......	......	......	193,218	199,481	176,718
Stocks, securities, etc	3,373,784	3,557,054	4,176,849	12,390	12,390	12,000	1,308,357	1,350,372	2,373,975
Banking house, furniture and fixtures	3,456,608	3,498,621	3,559,789	72,000	72,000	72,000	933,874	932,000	932,000
Other real estate and mortgages owned	545,181	544,823	477,557	......	......	......	165,208	217,861	264,195
Due from National banks (not reserve agents)	2,383,621	2,728,580	3,710,020	238,750	335,077	482,467	8,228,574	10,780,629	15,016,458
Due from State banks and bankers	304,717	375,806	347,098	113,0[illegible]1	89,158	94,833	1.824,910	1,989,515	1,739,001
Due from approved reserve agents	6,826,725	6,515,997	9,023,766	818,842	504,946	1,063,000	......	......	......
Checks and other cash items	362,297	287,122	220,379	62,535	26,210	19,987	91,421	91,574	73,557
Exchanges for clearing-house	2,501,802	2,508,751	3,225,259	83,232	65,812	82,816	1,430,556	1,350,721	1,404,815
Bills of other National banks	383,842	345,811	345,706	6,935	8,870	6,475	310,547	302,494	328,162
Fractional paper currency, nickels and cents	23,700	15,879	15,888	455	549	552	1,643	1,672	2,420
*Lawful money reserve in bank, viz.:									
Gold coin	3,379,140	3,351,852	3,407,926	87,837	88,562	71,577	1.354,372	1,215,562	1,214,328
Gold Treasury certificates	404,750	416,930	406,400	7,480	6,980	8,460	236,770	239,440	240,210
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	201,489	154,158	181,088	9,869	10,736	10,128	23,916	32,572	32.674
Silver Treasury certificates	954,801	801,065	943,211	100,032	104,269	83,834	706,290	966,485	1,230,010
Silver fractional coin	148,800	122,028	133,174	5,745	4,461	5,036	20,642	23,005	19,498
Legal-tender notes	2,164,795	2,023,311	2,570,936	146,827	195,668	159,761	4,136,688	3,816,336	4,020,010
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	1,600,000	1,550,000	1,730,000
Five per cent. redemption fund with Treas.	287,721	234,871	230,436	6,705	6,750	6,750	98,417	98,375	81,450
Due from U. S. Treasurer	11,002	15,412	37,892	900	2,100	3,997	4,000	6,000	......
Total	$79,838,921	$80,287,107	$86,975,580	$3,884,692	$3,875,531	$4,856,623	$57,454.641	$59,207,085	$66,383,864
Liabilities.									
Capital stock paid in	$12,300,000	$12,300,000	$12,300,000	$350,000	$350,000	$350,000	$8,400,000	$8,400,000	$8,400,000
Surplus fund	9,670,200	9,700,200	9,898,400	103,484	104,000	104,000	1,706,000	1,710,000	1,710,000
Undiv. profits, less expenses and taxes paid	1,912,278	2,061,709	1,815,615	43,748	87,101	43,540	685,455	644,926	722,543
National bank notes issued, less am't on hand	4,727,372	4,769,912	4,561,322	134,100	135,000	135,000	1,852,200	1,853,060	1,574,095
Due to other National banks	8,120,828	7,288,788	8.678,192	429,773	391,098	472,101	14,089,806	15,515,318	19,521,696
Due to State banks and bankers	2,440.857	2,485,799	3,099,405	836,986	767,855	1,058,989	8,546,770	9,119,843	11,345,547
Dividends unpaid	66,172	59,485	56,675	94	4	4	1,588	4,897	2,276
Individual deposits	40,398,688	41,502,740	46,353,816	1,984,953	2,041,[illegible]	2,143,575	21,676,839	21,434,019	22,580,906
U. S. deposits	93,956	185,204	106,862	49,457	48,912	48,884	546,480	525,000	525,000
Deposits of U. S. disbursing officers	......	68,267	94,444	93	349	528	......	......	......
Notes and bills rediscounted	106,566	......	......	......	......	......	......	......	......
Bills payable	......	....	......	......	......	......	......	......	......
Liabilities other than those above stated	......	......	15,845	......	......	......	......	......	1,800
Total	$79,838,921	$80,287,107	$86,975,580	$3,884,692	$3,875,531	$4,856,623	$57,454,641	$59,207,085	$66,383,864
Average reserve held	31.44 p. c.	29.93 p. c.	33.29 p. c.	42.12 p. c.	33.35 p. c.	45.42 p. c.	24.75 p. c.	24.67 p. c.	24.18 p. c.
*Total lawful money reserve	$7,253,776	$6,869,314	$7,642,780	$358,291	$405,677	$341,796	$8,078,679	$7,843,401	$8,486,730

	ST. PAUL, MINN.			SAN FRANCISCO, CAL.			SAVANNAH, GA.		
RESOURCES.	Oct. 5, 1897.	Dec. 15, 1897.	Feb. 18, 1898.	Oct. 5, 1897.	Dec. 15, 1897.	Feb. 18, 1898.	Oct. 5, 1897.	Dec. 15, 1897.	Feb. 18, 1898.
Loans and discounts	$8,808,064	$10,809,191	$10,852,501	$8,183,555	$8,408,912	$12,382,857	$1,174,800	$1,174,517	$1,250,397
Overdrafts	3,028	7,525	1,990	207,719	127,877	163,857	237	1,215	402
U. S. bonds to secure circulation	252,000	252,000	252,006	150,000	200,000	400,000	102,000	102,000	102,000
U. S. bonds to secure U. S. deposits	475,000	475,000	475,000	150,000	150,000	150,000	90,000	90,000	90,000
U. S. bonds on hand	......	......	......	......	......	1,210,000	......	......	......
Premiums on U. S. bonds	......	......	......	23,597	30,301	227,106	10,650	10,650	10,650
Stocks, securities, etc	1,481,185	1,701,288	1,894,402	664,279	668,285	1,328,558	41,974	44,600	44,675
Banking house, furniture and fixtures	702,718	702,718	698,218	345,586	345,586	355,067	67,239	67,312	67,312
Other real estate and mortgages owned	74,138	74,138	85,068	87,230	104,740	141,705	15,860	15,964	16,067
Due from National banks (not reserve agents)	842,136	1,015,198	675,170	270,428	281,256	792,904	66,824	94,673	156,093
Due from State banks and bankers	409,131	307,885	138,818	290,307	571,531	1,132,768	47,908	32,416	18,541
Due from approved reserve agents	4,123,972	3,020,461	3,806,981	240,291	839,531	896,823	131,817	26,749	143,319
Checks and other cash items	109,371	81,548	87,898	8,290	9,606	8,724	364	722	675
Exchanges for clearing-house	361,971	259,801	162,572	138,465	231,853	335,690	8,628	20,220	51,694
Bills of other National banks	164,089	118,500	83,670	2,000	11,400	9,155	59,422	33,000	14,500
Fractional paper currency, nickels and cents	2,810	3,680	2,501	72	284	485	1,585	661	559
*Lawful money reserve in bank, viz.:									
Gold coin	1,996,843	1,987,216	1,630,554	2,601,667	3,178,812	5,066,047	29,000	3,000	2,000
Gold Treasury certificates	......	......	......	......	......	345,000	2,000	3,000	3,000
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	112,500	156,000	115,900	9,120	49,024	41,754	8,000	25,000	41,500
Silver Treasury certificates	395,588	159,905	94,048	3,200	24,360	12,966	75,000	69,451	45,000
Silver fractional coin	40,826	41,743	54,608	37,100	41,988	48,220	4,500	5,800	18,700
Legal-tender notes	634,897	248,908	248,264	2,000	9,564	8,885	71,000	70,000	45,559
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	11,298	11,340	11,338	6,750	6,750	11,250	4,543	4,590	4,590
Due from U. S. Treasurer	18,069	36,269	34,101	......	2,400	8,700	2	2	2
Total	$21,014,157	$21,009,816	$20,855,680	$18,416,668	$15,243,967	$25,028,548	$2,018,857	$1,895,545	$2,122,167
LIABILITIES.									
Capital stock paid in	$3,800,000	$3,800,000	$3,800,000	$2,500,000	$3,000,000	$6,000,000	$750,000	$750,000	$750,000
Surplus fund	855,000	855,000	655,000	1,500,000	1,500,000	2,225,000	225,000	225,000	225,000
Undiv. profits, less expenses and taxes paid	850,568	888,719	764,398	211,206	294,662	210,262	54,271	57,912	51,704
National bank notes issued, less amt on hand	212,550	210,840	210,130	90,000	90,000	90,000	90,855	85,755	85,855
Due to other National banks	3,046,046	3,288,423	2,777,042	835,007	1,090,684	1,887,830	49,887	32,728	89,252
Due to State banks and bankers	2,282,554	2,475,524	2,454,450	1,811,005	1,658,171	2,986,530	87,833	104,057	193,828
Dividends unpaid	7,871	2,395	3,346	1,800	875	1,785	1,489	1,318	1,418
Individual deposits	9,506,325	9,099,067	9,785,469	6,811,962	7,442,483	11,463,678	543,444	449,556	536,518
U. S. deposits	147,063	151,999	175,137	155,681	167,589	163,461	88,833	18,867	29,395
Deposits of U. S. disbursing officers	306,676	287,845	230,660	......	......	......	47,242	68,871	59,708
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	......	125,000	100,000	100,000
Liabilities other than those above stated	......	......	......	......	......	......	......	1,477	......
Total	$21,014,157	$21,009,816	$20,855,680	$18,416,668	$15,243,967	$25,028,548	$2,018,357	$1,895,545	$2,122,167
Average reserve held	54.11 p. c.	41.13 p. c.	41.50 p. c.	34.45 p. c.	45.56 p. c.	45.18 p. c.	55.61 p. c.	41.98 p. c.	45.03 p. c.
* **Total lawful money reserve**	$3,180,155	$2,543,772	$2,143,370	$2,653,088	$3,303,699	$5,522,873	$189,500	$176,251	$155,759

	WASHINGTON, D. C.			THE UNITED STATES.		
RESOURCES.	*Oct. 5, 1897.*	*Dec. 16, 1897.*	*Feb. 18, 1898.*	*Oct. 5, 1897.*	*Dec. 16, 1897.*	*Feb. 18, 1898.*
Loans and discounts	$8,842,737	$9,297,811	$9,286,387	$2,048,589,976	$2,082,608,324	
Overdrafts	10,313	10,279	8,248	15,707,442	17,741,993	
U. S. bonds to secure circulation	879,150	929,150	960,400	227,119,700	222,020,750	
U. S. bonds to secure U. S. deposits	100,000	100,000	100,000	17,003,000	45,367,100	
U. S. bonds on hand	393,700	365,400	253,400	15,487,650	14,915,800	
Premiums on U. S. bonds	117,116	114,452	105,445	17,242,020	18,555,489	
Stocks, securities, etc	1,104,072	1,092,202	983,618	208,790,839	217,582,980	
Banking house, furniture and fixtures	987,166	1,068,046	940,197	78,968,665	79,254,940	
Other real estate and mortgages owned	53,445	54,565	55,421	29,258,286	29,852,102	
Due from National banks (not reserve agents)	1,131,170	762,309	1,109,103	155,809,095	168,825,189	
Due from State banks and bankers	436,962	383,224	369,022	41,374,840	48,012,496	
Due from approved reserve agents	2,120,706	2,032,836	2,775,588	296,710,294	309,569,861	
Checks and other cash items	210,689	242,504	141,214	15,517,457	14,933,428	
Exchanges for clearing-house	227,823	170,151	149,179	112,305,535	118,415,838	
Bills of other National banks	9,373	8,442	6,595	20,558,689	18,859,116	
Fractional paper currency, nickels and cents	6,422	7,854	7,293	961,071	925,465	
*Lawful money reserve in bank, viz.:						
Gold coin	678,639	439,601	429,720	118,750,797	119,747,644	
Gold Treasury certificates	630,750	583,800	577,610	17,512,900	19,484,500	
Gold clearing-house certificates	......	......	......	59,525,000	67,861,000	
Silver dollars	9,557	8,529	11,056	6,464,345	7,509,247	
Silver Treasury certificates	1,136,951	944,092	1,223,250	31,576,343	31,752,596	
Silver fractional coin	31,518	46,342	30 884	5,414,442	5,808,565	
Legal-tender notes	407,031	357,543	498,165	107,136,624	112,564,875	
U. S. certificates of deposit for legal-tender notes	90,000	30,000	30,000	42,275,000	45,840,000	
Five per cent. redemption fund with Treasurer	34,954	34,511	38,717	10,006,909	9,761,568	
Due from U. S. Treasurer	......	......	.....	1,180,139	1,442,901	
Total	$19,645,251	$19,083,650	$20,090,517	$3,701,247,064	$3,829,218,776	
LIABILITIES.						
Capital stock paid in	$2,875,000	$2,875,000	$2,775,000	$630,338,095	$629,655,365	
Surplus fund	1,239,500	1,239,500	1,216,000	246,183,590	246,416,688	
Undivided profits, less expenses and taxes paid	279,632	339,337	226,438	88,342,691	95,293,663	
National bank notes issued, less amount on hand	672,745	733,105	762,875	198,613,222	193,783,985	
State bank notes outstanding	......	......	......	60,880	60,835	
Due to other National banks	401,049	252,813	370,053	418,643,030	445,061,154	
Due to State banks and bankers	210,123	257,990	267,489	227,036,629	232,877,508	
Dividends unpaid	5,589	3,211	4,438	1,779,942	943,274	
Individual deposits	13,837,279	13,181,339	14,366,038	1,851,192,929	1,916,630,252	
U. S. deposits	69,653	46,515	79,942	12,081,247	39,939,047	
Deposits of U. S. disbursing officers	35,468	56,938	22,241	4,060,933	4,012,185	
Notes and bills rediscounted	19,211	......	......	7,203,183	3,161,796	
Bills payable	......	97,900	......	12,546,510	7,722,623	
Liabilities other than those above stated	......	......	......	8,174,676	18,655,901	
Total	$19,645,251	$19,083,650	$20,090,517	$3,701,247,064	$3,829,218,776	
Average reserve held	37.45 p. c.	34.15 p. c.	39.22 p. c.	....	....	
* Total lawful money reserve	$2,979,446	$2,409,906	$2,800,686	388,655,451	410,568,427	

(The returns of all the banks of the United States were delayed in compilation.)

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, April 4, 1898.

THE SHADOW OF WAR has obscured all other conditions that make the basis of business calculations. Wall Street has been turned topsy turvy by the contradictory reports concerning the negotiations between Spain and the United States. Money-lenders are hesitating to put out their money for extended periods, uncertain as to what may happen should war be declared. Real estate dealers find buyers holding off pending the settlement of the Cuban trouble. In the iron trade and in various other industries the war cloud darkens the sky of prosperity.

In the weekly operations of the New York Clearing-House banks since January 1 is suggested the influence of the war excitement in checking business activity. The exchanges for each week in the three months were as follows:

WEEK.	Exchanges.	WEEK.	Exchanges.	WEEK.	Exchanges.
January 8.......	$1,042,897,394	February 5.......	$928,210,938	March 5.........	$904,747,877
" 15.......	891,167,281	" 12.......	725,199,643	" 12.........	782,221,310
" 22.......	8[illegible]2,827,085	" 19.......	996,600,610	" 19.........	785,675,895
" 29.......	825,018,146	" 26.......	803,511,568	" 26.........	611,838,204
				April 2.........	782,961,674
Aver. per week.	$902,977,476	Aver. per week.	$868,380,689	Aver. per week.	$763,488,892

The average weekly clearings in March were nearly $100,000,000 less than in February although in the latter month there were two holidays which considerably reduced the aggregate for that month. Compared with January the March exchanges have declined nearly $140,000,000 per week, or fifteen per cent.

War rumors dominated the stock market to the exclusion of everything else all through the month, and as the possibility of war increased, values of securities tended downward. Holders rushed to liquidate whenever the news became bellicose. March 7 was the first of the panicky days, and on that day there was enough startling news to make the investor nervous. First came the report that Spain had demanded the recall of General Lee, the American Consul-General at Havana, and that President McKinley had refused to accede to the demand. This was followed by the news that Spain had withdrawn her demand.

On the same day a bill was introduced in the House of Representatives authorizing the President to expend $50,000,000 for the national defense, and it passed the House on March 8 and the Senate on March 9. From that time on the Government pushed its preparations for war and every day brought some sensational rumor to excite Wall Street. On March 12, and again on March 26, came another break in prices, the latter following the reception by the President on March 25 of the report of the Court of Inquiry on the Maine disaster. The report was sent to Congress on March 28 and at once started renewed agitation for war measures.

Seldom does the stock market suffer as serious a set-back as that which occurred last month. From the highest prices of the year, many of them recorded in February, there was a decline of ten to twenty per cent. in a number of stocks on March 12, followed by a still further fall two weeks later. The extent of the decline may be measured by the following table of twenty-five representative stocks, with their highest quotations since January 1, the lowest recorded on March 12 and 26 respectively, and the closing on March 31 :

	Highest 1898.	Lowest March 12.	Lowest March 26.	Closing March 31.
American Cotton Oil pref...........	77¼	67⅛	67⅛	69⅛
American Sugar.....................	145	120⅛	107⅛	119
Canada Southern....................	57⅜	44⅛	45¼	48
Central New Jersey.................	98¼	89¼	86⅛	93
Chesapeake & Ohio..................	24⅞	17⅛	17¼	19⅝
Chicago, Bur. & Quincy.............	103¼	86⅜	85⅞	93⅞
Chicago, Mil. & St. Paul...........	97⅛	85⅝	85⅛	90⅛
Chicago & Northwest................	130⅛	113¼	114⅛	119¾
Chicago, Rock Island & Pacific.....	94⅛	80⅛	80⅛	86⅛
Chicago, St. Paul, M. & Omaha......	79	65	66	71⅛
Del., Lack. & Western..............	159	150	145	147¾
Denver & Rio Grande pref...........	52¾	42¾	41⅛	44⅛
Erie 1st pref......................	43⅜	33	31¾	34¾
Lake Shore.........................	194¾	185	180	185⅛
Louisville & Nashville.............	60⅛	45⅛	45	50⅝
Manhattan..........................	120¼	94⅝	91	98¼
Metropolitan Street................	171⅛	135	125¼	130⅛
Missouri Pacific...................	35⅝	22	22⅝	26⅝
New York Central...................	119¾	107⅞	105	111⅝
Pacific Mail.......................	32⅝	22⅛	22	26¼
Pennsylvania.......................	120⅝	110¾	111¼	114⅛
People's Gas of Chicago............	99⅛	87¾	86⅛	96⅛
Reading 1st pref...................	54⅛	36	36¼	41
Southern pref......................	33¼	24¾	23⅝	26⅛
Western Union......................	93⅝	83⅛	82¼	86⅛
Average..........................	91.92	78.00	76.18	81.46

The average price of the twenty-five stocks mentioned fell from $91.92 per share to $78 per share on March 12, and to $76.18 per share on March 26. At the close of the month, however, it had recovered to $81.46 per share, but was then $10.46 lower than the average of the highest prices recorded prior to March 12.

The decline was not confined to stocks, however, but bonds of all classes shared in the slump. Government bonds were notably weak, the four per cents of 1925, which last January sold above 129, falling to 118½ on March 26; and the coupon 5's of 1904 selling down from 115 to 110¼. The four per cents of 1907 declined 4¾ per cent. This decline represented a loss in the market value of the bonds of the Government now outstanding of about $50,000,000, and though not permanently lost, it served to show how the credit of the Government might again become a fluctuating commodity.

The Government must necessarily become a borrower if a war of any magnitude is to be waged. The first $50,000,000 already voted and now partly spent, will not be a drop in the ocean of expense. The Treasury has a surplus now of $226,000,000, of which nearly $174,000,000 is in gold. These resources would soon be exhausted after hostilities had once begun, and while methods of increasing taxation are now being informally considered, the issue of bonds would probably be one of the first steps towards raising money. What the credit of the country is therefore must be an important question.

An interesting investigation made by the London "Statist" recently bearing on the credit of various nations, resulted in showing that British Consols command a price which makes the yield on the investment a trifle less than two per cent., then comes the United States whose bonds net a little more than two-and-a-half per cent., Holland and France being the only other countries showing less than three per cent. Away at the other end of the list is Spain, whose bonds yield seven-and-a-quarter per cent. Unless some serious disaster impended the United States ought to be able to borrow very large sums at as low as three per cent., although the decline last month brought Government bonds close to that basis.

The finances of the Government must command attention the moment that it presents itself as a borrower. The ordinary expenses have exceeded the ordinary revenues during the past nine months by more than $50,000,000. Excluding Pacific Railroad payments there was a deficit in March of nearly $2,600,000. The disbursements on account of war operations will greatly increase the deficit at once, while the expenditure of the $50,000,000 appropriated without any additional payment will leave the deficit for the fiscal year ending June 30 next in excess of $100,000,000.

The current revenues of the Government are making a very satisfactory showing. The customs receipts in March were close to $15,500,000, the largest since July. Last August they were less than $7,000,000, but have increased every month since. Internal revenue receipts have also increased, and were about $12,900,000 or $1,000,000 more than in March, 1897.

There is a foretaste of war, however, in the statement of expenditures for war and navy purposes during the past month. A comparison of the payments in March in previous years will show that war expenditures have already begun to figure in the financial statistics of the Government.

MARCH.	*War.*	*Navy.*	*Total.*
1894	$3,779,427	$3,373,210	$7,152,637
1895	3,868,938	1,637,536	5,506,474
1896	3,477,914	2,305,774	5,783,688
1897	3,046,194	2,694,835	5,740,939
1898	5,159,571	5,241,443	10,401,014

These expenses have already nearly doubled but will be considerably increased as a result of the outlay for new ships, munitions of war, recruits, etc.

The extraordinary import movement of gold has not received the attention which ordinarily it would have done. Since February 25, engagements of gold abroad for shipment to the United States have been of almost daily occurrence and at the close of the month more than $42,500,000 including $5,000,000 from Australia, had been engaged or had arrived here. While all this amount has not yet reached our shores the total imports in March exceeded $30,000,000; and only twice has that record been exceeded, in August, 1893, when $41,572,031 of gold was imported, and in September, 1896, when $34,347,009 arrived.

In about a week the total imports of gold since January 1 will amount to $50,000,000, and in the entire history of the country few movements have ever reached that aggregate. The largest movements, their duration and extent are shown as follows:

	Duration.	*Amount imported.*	*Largest importation in one month.*	
1879—August to December	5 months.	$77,416,510	Sept.,	$27,528,982
1880—August to January	6 "	75,049,765	Sept.,	18,846,998
1881—March to April	2 "	22,521,754	April,	15,351,980
1881—August to November	4 "	27,442,529	Sept.,	10,660,641
1886—August to January 1887	6 "	39,868,508	Dec.,	11,655,807
1887—August to October	3 "	32,957,732	Sept.,	14,089,274
1891—September to December	4 "	39,239,943	Oct.,	16,897,947
1893—July to November	5 "	60,257,101	Aug.,	41,572,031
1896 September to November	3 "	70,028,077	Sept.,	34,347,009

It is unusual for gold imports to begin in March, the movement usually being delayed until August, or even later. But the war scare caused the money market to advance and the stock market to break, and the bankers who had been borrowing money here to keep back exchange on London let the bills come upon the market and down went sterling and gold flowed in. It had long been evident that the tremendous balances piled up in our foreign trade movements had created an indebtedness to us which only the low rates for money in our markets prevented from being settled by gold shipments to the United States.

It has caused some surprise that the Bank of England has made no attempt to check the gold movement. Although its reserve is now down to about thirty-eight per cent. of its liabilities, the lowest percentage reported in nearly five years, the Bank of England has not advanced its rate of discount above three per cent. Nearly $5,000,000 of gold was drawn from the Bank in the last week of the month and about $8,000,000 since March 1. That the Bank has taken no precautionary measures is indicative of its confidence that the conditions prevailing here are only temporary in their nature.

With reference to our foreign trade no change has yet occurred. In February the exports of merchandise exceeded the imports by nearly $42,000,000. Large as this balance is, it is the smallest for any month since August last. In the eight months since July 1, 1897, the net exports were nearly $419 700,000. With the exception of the sugar importing period, April to June, 1897, the exports have exceeded the imports every month since September, 1895, and in that time the net ba'ance has become $847,000,000. That another large balance has accrued for March, the Government figures not yet being published, is evident in the fact that in the second week of the month the exports from New York were the largest ever reported, being nearly $12,000,000.

On the same day that the report of the demand of Spain for General Lee's recall upset confidence the decision of the United States Supreme Court in the Nebraska maximum freight-rate case was handed down. The Court decided in favor of the railroads, holding that the rates made under the law of 1893 by the State Board of Transportation were unreasonable. The decision leaves the question of the constitutionality of the law still in doubt. The State Board of Transportation has, however, made a new attempt to force rates downward. Under an Act passed at the last session of the Legislature it has announced a reduction in local freight rates on all roads in Nebraska, so the State fight against the railroads is not ended.

Following the consolidation of the Lake Shore and New York Central railroads it is now announced that the Michigan Central will be included in the consolidation, bringing all the Vanderbilt lines directly under one management.

The railroad situation shows signs of improvement in one direction at least. For several years past the building of new railroad lines has been practically at a stand still, but the Chicago "Railway Age" publishes estimates of the probable amount of railroad construction this year, making the total 20,176 miles. All this mileage may not be completed this year, but a considerable increase over recent years seems to be assured.

In the iron trade it is plainly evident that the war talk is discouraging the beginning of new enterprises, but old orders are keeping all concerns so busy that this is not regarded as a misfortune. There are indications of a scarcity in Bessemer pig iron, and an enormous tonnage is moving into consumption. Prices for Bessemer pig at Pittsburg have advanced thirty cents during the month, while steel billets at Philadelphia are twenty cents higher and at Chicago fifty cents higher. Pig iron production is still increasing, although very few furnaces except of antiquated condition are out of blast. The weekly capacity on March 1 was 234,430 tons as against 169,986 tons a year ago.

The statistics for 1897, published by the American Iron and Steel Association, show that 5,475,315 gross tons of Bessemer steel ingots were produced in the United States, the largest in our history. The production of Bessemer steel rails by the producers of Bessemer steel ingots in 1897 was 1,614,399 tons. The production of each for the past six years was as follows:

	Besemer steel ingots. Long tons.	*Besemer steel rails.* Long tons.
1892	4,168,435	1,458,782
1893	3,215,686	1,036,353
1894	3,571,313	904,020
1895	4,909,128	1,266,081
1896	3,919,906	1,102,892
1897	5,475,315	1,614,399

FAILURES.—The record of commercial failures for the first quarter of 1898 is a very encouraging one indeed. The total repor ed by "Dun's Review" is 3,687 with liabilities aggregating $31,710,421. Only three times in the past twenty-three years have the failures been as small in the first quarter of the year as they have been in the past quarter. In 1880 the liabilities were $12,777,074, in 1881 $24,447,250 and in 1886 $29,681,726. These are the only exceptions. In 1897 the failures numbered 3,932 and the liabilities $48,007,911 and in 1896 they were 4,031 with liabilities of $57,425,185 The banking failures in the quarter were twenty-four in number against seventy-four in 1897 and the liabilities were $1,697,966 against $12,744,650 in 1897. As the first quarter of the year is usually the worst the outlook for 1898 seems to be bright for business concerns.

THE MONEY MARKET.—The supply of money is steadily increasing as a result of the heavy importations of gold, although considerable funds have been drawn from the New York banks by their out-of-town correspondents since the war scare developed. Rates for call loans have ruled low except for the temporary advance towards the close of the month which is usual about April 1, when quarterly payments for dividends and interest have a marked influence on the money market. Time money is strong and lenders cautious, the prospect of war having checked the disposition to enter upon engagements covering any extended period. At the close of the month money ruled at 1½ to 5 per cent. the average rate being about 2⅜ per cent. Banks and trust companies quote 2 per cent. as the minimum on Stock Exchange collateral. Time money on Stock Exchange collateral was quoted at 4 @ 4½ per cent. for 60 days, and 5 @ 6 per cent. for longer periods. For commercial paper the rates are 5 per cent., for 60 to 90 days endorsed bills receivable, 5½ @ 6 per cent. for first-class four to six months single names, and 6½ @ 7½ per cent. for good paper having the same length of time to run. The rates for money in this city on or about the first of the month for the past six months are shown in the following table:

MONEY RATES IN NEW YORK CITY.

	Nov. 1.	*Dec. 1.*	*Jan. 1.*	*Feb. 1.*	*March 1.*	*April 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances	1½–2½	1¾–2	2½–4	1½–2	1½–2½	1½–5
Call loans, banks and trust companies	2½–	2 –	3½–4	1½–2	2½–	2 –2½
Brokers' loans on collateral, 30 to 60 days	2½	2½–	3½ –	2½–	3 –3½	4 –4½
Brokers' loans on collateral, 90 days to 4 months	3½–	2½–3	3½–4	2½–3	3½–4	5 –6
Brokers' loans on collateral, 5 to 7 months	3½–4	3 –3½	3½–4	3 –	4 –	5 –6
Commercial paper, endorsed bills receivable, 60 to 90 days	3¾–4	3 –	3½–4	3 –	3½–	5 –
Commercial paper prime single names, 4 to 6 months	4 –4½	3½–4	4 –5	3¼–4	3½–4	5½–6
Commercial paper, good single names, 4 to 6 months	4½–5	4 –5	5 –6	4 –5	4½–5	6½–7½

NEW YORK CITY BANKS.—The local banks have been passing through one of those exceptional experiences which come to them only at rare intervals. While the arrival of large amounts of gold from abroad have caused a piling up of an extraordinary specie reserve in the banks, the demand from interior points has forced a large amount of currency out of the banks, so in the past seven weeks there has been an increase in specie holdings to the extent of $26,500,000 while legal tenders have been reduced $37,000,000. In that time deposits have fallen $56,000,000, of which $47,000,000 have gone out of the banks since the close of February. The decline in the stock market has had a good deal to do with the contraction in loans, these having been reduced $46,000,000 during the month. The surplus reserve has been steadily increasing and is now nearly $36,000,000.

New York City Banks—Condition at Close of each Week.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
Mar. 5...	$628,256,400	$120,125,900	$77,202,700	$706,020,400	$20,823,500	$13,774,900	$904,747,400
" 12...	617,864,000	124,064,600	72,527,300	695,481,900	22,721,425	13,795,700	732,221,300
" 19...	607,278,900	129,275,900	70,828,500	688,177,400	28,060,050	13,864,800	785,675,900
" 26...	600,168,400	136,289,600	68,974,500	685,650,500	33,851,475	13,861,400	611,838,200
Apr. 2...	595,851,200	141,556,200	64,723,800	682,236,800	35,720,800	13,865,500	782,961,700

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

Month.	*1896.*		*1897.*		*1898.*	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$501,089,300	$15,939,675	$530,785,000	$33,286,950	$675,064,200	$15,788,750
February......	490,447,200	39,623,400	563,331,800	59,148,250	722,484,200	35,609,450
March..........	489,612,200	24,442,150	573,769,300	57,520,975	729,214,300	22,729,125
April..........	481,795,700	17,005,975	569,226,500	47,666,575	682,236,800	35,720,809
May...........	495,004,100	22,944,275	576,863,900	48,917,625		
June	498,874,100	22,230,675	575,600,000	46,616,100		
July	499,046,900	20,328,275	604,983,700	41,384,875		
August.........	485,014,000	17,728,600	623,045,000	45,720,150		
September....	451,934,800	8,836,200	636,996,000	39,517,700		
October.......	454,733,100	16,526,025	619,353,200	15,550,400		
November	446,445,900	17,463,225	625,339,000	24,271,800		
December.....	490,634,300	31,411,625	666,278,600	22,122,950		

Deposits reached the highest amount, $738,683,800 on February 11, 1898, and the surplus reserve $111,623,000 on February 3, 1894.

Non-Member Banks—New York Clearing-House.

	Loans and Investments.	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Surplus.*
Mar. 5.....	$58,683,300	$64,307,700	$3,086,600	$3,952,100	$8,832,200	$3,428,500	$3,221,975
" 12.....	59,081,800	65,684,400	3,178,300	3,860,300	9,407,100	3,905,100	3,919,700
" 19.....	59,667,700	65,077,100	3,141,200	3,855,700	8,103,400	3,606,900	2,439,925
" 26.....	59,942,100	64,196,300	3,222,900	3,903,600	7,776,200	2,794,400	1,648,025
Apr. 5.....	59,897,100	64,455,200	3,156,400	3,897,700	8,253,800	2,911,400	2,105,500

Boston and Philadelphia Banks.—The changes in the condition of the clearing-house banks of Boston and Philadelphia are shown in the following tables:

Boston Banks.

Dates.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
Mar. 5........	$182,117,000	$186,955,000	$11,126,000	$8,562,000	$5,274,000	$119,598,400
" 12........	182,956,000	181,924,000	11,425,000	8,239,000	5,389,000	101,280,200
" 19........	181,940,000	181,932,000	11,758,000	8,851,000	5,387,000	100,433,709
" 26........	180,679,000	180,679,000	11,733,000	9,105,000	5,392,000	84,110,400
Apr. 2........	179,716,000	178,176,000	11,882,000	9,651,000	5,423,000	101,094,066

PHILADELPHIA BANKS.

Dates.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
Mar. 5	$119,485,000	$129,665,000	$37,480,000	$5,706,000	$82,005,200
" 12	120,845,000	129,270,000	36,435,000	5,716,000	65,143,300
" 19	118,797,000	126,990,000	36,122,000	5,718,000	69,684,900
" 26	117,369,000	123,183,000	34,117,000	5,760,000	61,230,500
Apr. 2	115,675,000	121,414,000	33,840,000	5,860,000	69,561,600

EUROPEAN BANKS.—Although some $40,000,000 of gold has been shipped from Europe to this country in a little more than a month, this loss of gold is not reflected in the statements of the foreign banks. The Bank of England has lost only about $8,000,000 since March 1, and the Bank of France about $14,000,000. The Bank of Germany has gained about $11,000,000, Austro-Hungary nearly $1,500,000, and even Spain, $500,000.

GOLD AND SILVER IN THE EUROPEAN BANKS.

	January 1, 1898.		*March 1, 1898.*		*April 1, 1898.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
England	£30,458,493	....	£34,067,215	....	£34,464,048	....
France	78,114,972	£48,230,367	77,261,015	£48,510,941	74,495,069	£48,723,898
Germany	29,316,000	15,102,000	30,006,000	15,457,000	32,172,000	16,574,000
Austro-Hungary	36,475,000	12,334,000	36,389,000	12,446,000	36,643,000	12,540,000
Spain	9,431,000	10,300,000	9,518,000	10,710,000	9,625,000	10,860,000
Netherlands	2,629,000	6,820,000	2,643,000	6,886,000	2,767,000	6,947,000
Nat. Belgium	2,824,009	1,412,000	2,874,000	1,437,000	2,779,000	1,390,000
Totals	£189,243,465	£94,198,367	£192,728,230	£95,446,941	£190,945,117	£97,304,898

MONEY RATES ABROAD.—The money situation abroad has experienced little change and rates are low. The posted rate of discount of the Bank of England remains at 3 per cent., while the Bank of France rate is still 2 per cent., and the Bank of Germany rate, 3 per cent. Discounts of 60 to 90 day bills in London at the close of the month were 2⅞ per cent. against 2¾ @ 2 13-16 per cent. a month ago. The open rate at Paris was 2 per cent. against 1¾ @ 1⅞ a month ago; at Berlin and Frankfort 2⅞ per cent., an advance of ⅜ @ ½ per cent.

MONEY RATES IN FOREIGN MARKETS.

	Oct. 16.	*Nov. 13.*	*Dec. 10.*	*Jan. 14.*	*Feb. 11.*	*Mar. 18.*
London—Bank rate of discount	3	3	3	3	3	3
Market rates of discount:						
60 days bankers' drafts	2⅜–2½	2⅞	2⅞	2½	2¾	2⅞–3
6 months bankers' drafts	2⅝–¾	2¾–	2¾–	2⅝	2½–⅝	2⅞
Loans—Day to day	1¼	1½	2	1½	2	2
Paris, open market rates	2	2	2	2	1¾	1¾
Berlin, "	4	4⅛	4⅛	3¼	2⅝	2¾
Hamburg, "	4⅛	4⅛	4⅝	3½	2⅞	2⅞
Frankfort, "	4¼	4¼	4¾	3⅛	2 11/16	2⅞
Amsterdam, "	3	3	2½	2⅝	2⅝	2½
Vienna, "	3⅞	3¾	3⅞	3½	3⅝	3⅝
St. Petersburg, "	5	5	5	5	5	5
Madrid, "	4	4	4	4	4	4
Copenhagen, "	5	5	5	5	4	4

FOREIGN EXCHANGE.—In the sterling exchange market the influence of postponed conditions has been manifest. Rates for sterling have kept down to the gold importing point all the month, largely because maturing bills purchased some time ago for investment have been offered. Drafts against grain shipments have been in considerable supply, and some cotton bills are coming forward. The easing off in our local money market removed the inducement to buy sterling as an investment, but some purchases were made because of the expectation that an advance would occur in the near future.

SILVER.—There were frequent fluctuations in the price of silver in the London market during the month of March, and after a sharp decline to 25d. per ounce early in the month there was a rise which culminated on March 24 with the quotation 26 1-16d. Again there was a heavy fall the closing price of the month being 25 11-16d. a net advance for the month of 1-16d.

MONTHLY RANGE OF SILVER IN LONDON—1895, 1896, 1897.

MONTH.	1896.		1897.		1898.		MONTH.	1896.		1897.		1898.	
	High	Low.	High	Low.	High	Low.		High	Low.	High	Low.	High	Low.
January..	30 1/8	30 7/8	29 13/16	29 11/16	26 3/4	26 1/16	July......	31 5/8	31 3/8	27 11/16	26 3/8		
February	31 3/16	30 3/4	29 3/4	29 11/16	26 1/4	25 5/16	August ..	31 5/8	30 5/8	26 1/2	23 3/4		
March....	31 11/16	31 1/8	29 5/8	28 5/16	26 1/16	25	Septemb'r	30 11/16	30	27 1/4	23 3/4		
April.....	31 5/16	30 11/16	28 5/8	28 5/16			October..	30 5/16	29 3/4	27 1/2	26		
May......	31 5/16	30 15/16	28 5/16	27 5/8			Novemb'r	30 5/16	29 3/4	27 1/2	26 3/8		
June.....	31 5/16	31 3/16	27 3/4	27 1/2			Decemb'r	30	29 11/16	27 3/4	25 5/16		

GOLD AND SILVER COINAGE.—Not since last September has the coinage of the mints of the United States been as large as during the month of March. The large imports of gold will probably lead to an increase in the coinage of gold unless the Government resumes the issue of gold certificates. The coinage during the month consisted of gold, $5,385,462.50; silver, $1,488,138.75; minor coin, $96,649; total, $6,970,250.25.

COINAGE OF THE UNITED STATES.

	1897.		1898.	
	Gold.	Silver.	Gold.	Silver.
January	$7,803,420	$1,964,800	$3,420,000	$1,624,000
February	10,152,000	1,519,794	4,085,302	1,167,564
March	13,770,900	1,617,654	5,385,463	1,488,139
April	8,800,400	1,535,000		
May	4,489,950	1,600,000		
June	2,100,547	1,856,754		
July	377,000	260,000		
August	8,756,250	701,436		
September	8,762,375	1,050,092		
October	8,845,000	2,301,000		
November	3,544,000	2,103,000		
December	3,626,642	1,977,167		
Year	$76,028,484	$18,486,697	$12,890,765	$4,279,703

NATIONAL BANK CIRCULATION.—The volume of bank notes outstanding shows a decrease for the month of March of $349,013, but the circulation based on Govern-

NATIONAL BANK CIRCULATION.

	Dec. 31, 1897.	Jan. 31, 1898.	Feb. 28, 1898.	Mar. 31, 1898.
Total amount outstanding	$228,930,281	$226,444,906	$224,747,032	$224,398,019
Circulation based on U. S. bonds	196,146,093	192,724,299	191,056,818	191,611,600
Circulation secured by lawful money	32,784,188	33,720,607	33,690,214	33,786,419
U. S. bonds to secure circulation:				
Four per cents. of 1895	27,256,150	26,406,150	25,556,150	26,446,650
Pacific RR. bonds, 6 per cent	3,730,000	2,751,000	2,725,000	2,528,000
Funded loan of 1891, 2 per cent	22,096,250	22,240,750	22,259,250	22,194,250
" " 1907, 4 per cent	149,581,400	148,140,100	146,897,100	146,794,350
Five per cents. of 1894	16,329,150	15,949,650	15,977,150	16,402,150
Total	$218,992,950	$215,487,650	$213,414,650	$214,365,400

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1895, $4,635,000; Pacific Railroad 6 per cents., $611,000; 2 per cents of 1891, $1,459,500; 4 per cents of 1907, $17,999,000; 5 per cents. of 1894, $5,890,000; a total of $30,594,500.
The circulation of National gold banks, not included in the above statement, is $83,860.

ment bonds was increased $554,782. The lawful money on deposit to retire circulation was reduced $903,795, nearly $1,500,000 of notes against which deposits had been made having been redeemed and retired. There was an increase of about $950,000 in Government bonds deposited to secure circulation, the first increase in many months.

COIN AND BULLION QUOTATIONS.—Following are the ruling quotations in New York for foreign and domestic coin and bullion:

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	*Asked.*		*Bid.*	*Asked.*
Trade dollars	$ .60	......	Twenty marks	$4.74	$4.78
Mexican dollars	.45	$ .46	Spanish doubloons	15.50	15.70
Peruvian soles, Chilian pesos	.40¼	.42	Spanish 25 pesos	4.78	4.82
English silver	4.82	4.85	Mexican doubloons	15.50	15.70
Victoria sovereigns	4.84	4.87	Mexican 20 pesos	19.50	19.60
Five francs	.93	.95	Ten guilders	3.95	3.99
Twenty francs	3.83	3.87			

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 25 11/16d. per ounce. New York market for large commercial silver bars, 55⅝ @ 56⅝c. Fine silver (Government assay), 55⅞ @ 56⅞c.

FOREIGN TRADE.—Merchandise exports would have again exceeded $100,000,000 but for the fact that the month of February was a short month, although the daily average was slightly lower than in January. The total was nearly $95,000,000, while the exports were only about $53,000,000, which, while larger than in January, were smaller than in February of either of the past three years. The net exports were $41,898,900, while the net exports of silver were $1,721,000. There was $5,200,000 of gold imported, making the net exports of merchandise and specie $38,400,000. For the eight months of the fiscal year the net balance is far in excess of that of any previous year. The net exports of merchandise were nearly $420,000,000, and of silver $16,000,000, while there was nearly $27,000,000 of gold imported, making the total net balance $408,000,000 against $280,000,000 during the same time last year. The large imports of gold during the month of March will tend to reduce the balance, but the exports of merchandise for the eight months now exceed by $133,000,000 the largest total for any entire previous year, and the total for the year ending June 30, 1898, will probably break all previous records.

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF FEBRUARY.	MERCHANDISE.			Gold Balance.	Silver Balance.
	Exports.	*Imports.*	*Balance.*		
1893	$59,931,984	$72,702,238	Imp., $12,770,154	Exp., $12,998,068	Exp., $992,307
1894	65,175,331	48,725,094	Exp., 16,450,237	" 1,068,335	" 3,271,320
1895	55,982,734	58,315,981	Imp., 2,333,247	Imp., 4,141,501	" 1,975,685
1896	77,701,904	62,478,116	Exp., 15,223,788	" 9,468,296	" 2,599,529
1897	79,821,086	59,237,377	" 20,583,709	" 477,033	" 2,394,588
1898	94,981,017	53,082,117	" 41,898,900	" 5,199,894	" 1,721,457
EIGHT MONTHS.					
1893	586,873,360	557,073,919	Exp., 29,799,441	Exp., 50,749,189	Exp., 10,638,536
1894	638,826,851	420,276,457	" 218,550,394	Imp., 53,303,339	" 25,236,885
1895	557,885,668	466,233,616	" 91,652,052	Exp., 42,114,788	" 17,634,240
1896	602,666,873	541,194,833	" 61,472,040	" 52,394,263	" 21,391,413
1897	734,998,213	422,515,394	" 312,482,819	Imp., 64,499,252	" 22,071,020
1898	813,370,071	393,708,966	" 419,661,105	" 27,556,804	" 15,962,838

GOVERNMENT REVENUES AND DISBURSEMENTS.—The Government reports a surplus of $1,076,306 for the month of March, but as the revenues include $3,651,500 received from the sale of the Kansas Pacific Railway there was an actual deficit of more than $2,500,000. The including in the current receipts of the Government of the payments on account of the Pacific Railroads has disturbed the usual methods of comparison, and while there is a nominal surplus of about $4,000,000 for the nine months of the current fiscal year there is really a deficit of more than $51,000,000, and this deficit will grow larger as the Treasury makes disbursements on account of contracts for war ships, supplies, etc. Last month nearly $10,400,000 was expended for war and navy, or about $5,000,000 more than in March, 1897.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS. Source.	March. 1898.	Since July 1, 1897.	EXPENDITURES. Source.	March. 1898.	Since July 1, 1897.
Customs	$15,450,432	$107,502,148	Civil and mis	$6,118,243	$75,684,799
Internal revenue	12,888,234	123,707,424	War	5,159,571	48,896,883
Miscellaneous	4,620,084	76,307,141	Navy	5,241,443	27,692,978
			Indians	2,716,526	9,438,678
			Pensions	12,290,628	113,129,627
Total	$32,958,750	$307,516,713	Interest	356,032	28,577,305
Excess of receipts	$1,076,306	$4,146,443	Total	$31,882,444	$303,370,270

UNITED STATES TREASURY CASH RESOURCES.

	Dec. 31.	Jan. 31.	Feb. 28.	Mar. 31.
Net gold	$160,726,563	$164,061,350	$167,434,000	$173,686,764
Net silver	13,229,565	19,971,716	15,898,079	9,498,663
U. S. notes	41,786,210	25,898,914	33,808,491	41,277,632
Miscellaneous assets (less current liabilities)	*16,677,113	*13,251,177	*21,736,630	*29,587,008
Deposits in National banks	50,262,596	45,194 962	31,825,573	31,381,277
Available cash balance	$251,327,822	$241,865,766	$227,224,513	$226,157,327

* Excess of liabilities.

UNITED STATES GOVERNMENT RECEIPTS AND EXPENDITURES AND NET GOLD IN THE TREASURY.

MONTH.	1897. Receipts.	1897. Expenditures.	1897. Net Gold in Treasury.	1898. Receipts.	1898. Expenditures.	1898. Net Gold in Treasury.
January	$24,316,994	$30,269,389	$144,800,493	$37,333,628	$36,696,711	$162,669,408
February	24,400,997	28,796,056	148,661,209	28,572,358	26,599,256	*167,434,000
March	36,217,662	27,212,998	152,786,464	32,958,750	31,882,444	*173,686,764
April	37,812,135	32,072,097	153,340,889			
May	29,797,390	29,109,259	144,319,562			
June	36,584,708	22,934,694	140,790,738			
July	39,027,364	50,100,909	140,817,699			
August	19,023,615	33,588,047	144,216,377			
September	21,933,098	25,368,815	147,663,105			
October	24,391,415	33,701,512	153,573,147			
November	43,363,605	37,810,839	155,815,111			
December	59,646,698	27,634,092	159,341,087			

* This balance as reported in the Treasury sheet on the last day of the month.

MONEY IN CIRCULATION IN THE UNITED STATES.—The volume of money in circulation was increased nearly $30,000,000 last month, more than $28,000,000 of which

MONEY IN CIRCULATION IN THE UNITED STATES.

	Jan. 1, 1898.	Feb. 1, 1898.	Mar. 1, 1898.	April 1, 1898.
Gold coin	$547,568,360	$551,584,924	$553,884,882	$582,129,742
Silver dollars	61,491,373	59,478,293	59,020,904	58,562,597
Subsidiary silver	65,720,308	64,955,943	64,270,811	64,618,802
Gold certificates	36,557,689	36,494,759	36,440,789	36,319,199
Silver certificates	376,695,592	373,515,940	380,287,427	387,770,898
Treasury notes, Act July 14, 1890	103,443,936	100,797,666	98,464,430	99,709,432
United States notes	262,480,927	273,722,410	264,164,186	267,305,587
Currency certificates, Act June 8, 1872	43,315,000	49,075,000	48,430,000	37,900,000
National bank notes	223,827,755	220,366,293	221,413,230	221,742,388
Total	$1,721,100.640	$1,729,991,228	$1,726,376,659	1,756,058,645
Population of United States	73,725,000	73,857,000	73,990,000	74,122,000
Circulation per capita	$23.34	$23.42	$23.33	$23.69

was in gold coin. There was a decrease of $10,500,000 in currency certificates, which shows that the banks have been surrendering their legal tenders and replacing them with gold. There was an increase of nearly $7,500,000 in silver certificates, caused by the increased demand for paper money to be shipped to interior points.

UNITED STATES PUBLIC DEBT.—The net debt of the United States, less cash in the Treasury on March 31, was $1,008,716,351, a decrease for the month of about $1,400,000, representing the reputed excess of revenue over disbursements. Both the surplus and the decrease in debt are merely nominal and caused by payments to the Government on account of the purchase of the Kansas Pacific Railway. The net debt will probably show a substantial increase in April.

UNITED STATES PUBLIC DEBT.

	Jan. 1, 1898.	*Feb. 1, 1898.*	*Mar. 1, 1898.*	*April 1, 1898.*
Interest bearing debt:				
Funded loan of 1891, 2 per cent.........	$25,364,500	$25,364,500	$25,364,500	$25,364,500
" " 1907, 4 "	559,641,500	559,641,950	559,644,050	559,644,050
Refunding certificates, 4 per cent......	44,220	43,960	42,780	42,780
Loan of 1904, 5 per cent.................	100,000,000	100,000,000	100,000,000	100,000,000
" 1925, 4 "	162,315,400	162,315,400	162,315,400	162,315,400
Total interest-bearing debt...........	$847,365,620	$847,365,810	$847,366,680	$847,366,680
Debt on which interest has ceased......	1,330,270	1,328,540	1,327,670	1,288,780
Debt bearing no interest:				
Legal tender and old demand notes.....	346,735,363	346,735,363	346,735,363	346,735,363
National bank note redemption acct..	32,268,146	33,257,139	33,452,434	32,612,218
Fractional currency.....................	6,886,967	6,886,272	6,886,272	6,885,252
Total non-interest bearing debt......	$385,890,446	$386,878,774	$386,974,069	$386,232,834
Total interest and non-interest debt.	1,234,586,337	1,235,573,124	1,235,668,419	1,234,883,294
Certificates and notes offset by cash in the treasury:				
Gold certificates.........................	38,128,149	38,062,149	38,015,149	37,927,149
Silver "	387,925,504	388,475,504	391,908,504	394,630,504
Certificates of deposit..................	44,555,000	49,145,000	50,660,000	41,230,000
Treasury notes of 1890	106,348,280	105,531,280	104,669,280	103,615,280
Total certificates and notes...........	$576,956,933	$581,213,933	$585,252,933	$577,402,933
Aggregate debt	1,811,543,270	1,816,787,057	1,820,921,352	1,812,286,227
Cash in the Treasury:				
Total cash assets	861,391,370	853,198,008	856,571,766	853,798,468
Demand liabilities........................	625,916,601	629,326,212	631,007,563	627,631,525
Balance	$235,474,769	$223,871,786	$225,564,203	$226,166,943
Gold reserve...............................	100,000,000	100,000,000	100,000,000	100,000,000
Net cash balance..........................	135,474,769	123,871,786	125,564,203	126,166,943
Total	$235,474,769	$223,871,786	$225,564,203	$226,166,943
Total debt, less cash in the Treasury.	999,111,568	1,011,701,338	1,010,104,216	1,008,716,351

MONEY IN THE UNITED STATES TREASURY.—The Treasury holds net $5,500,000 more cash than it did a month ago. Its gold holdings increased about $6,000,000, its silver decreased $8,000,000 and its legal tenders increased $7,000,000. There are now only about $18,000,000 of silver dollars and bullion in the Treasury in excess of silver certificates and Treasury notes of 1890 outstanding.

MONEY IN THE UNITED STATES TREASURY.

	Jan. 1, 1898.	*Feb. 1, 1898.*	*Mar. 1, 1898.*	*Apr. 1, 1898.*
Gold coin..................................	$151,910,176	$151,266,475	$151,609,155	$147,256,076
Gold bullion...............................	45,559,060	49,465,077	52,454,816	63,647,258
Silver Dollars..............................	394,327,049	397,589,829	399,079,443	400,687,825
Silver bullion..............................	102,284,736	101,379,158	100,819,300	99,829,432
Subsidiary silver..........................	10,679,899	11,707,173	11,96 ,092	11,965,278
United States notes........................	84,200,069	72,958,606	82,516,830	79,875,429
National bank notes........................	5,186,886	6,162,923	3,417,842	2,739,491
Total.......................................	$794,147,895	$790,529,241	$801,857,478	$805,450,789
Certificates and Treasury notes, 1890, outstanding..............................	560,012,217	559,883,365	563,622,646	561,699,529
Net cash in Treasury......................	$234,135,678	$230,645,876	$238,234,832	$243,751,260

Supply of Money in the United States.—The total stock of money in the United States was increased last month by $35,000,000, which is the amount of additional gold that has come in sight since March 1. Other classes of money show no important changes.

Supply of Money in the United States.

	Jan. 1, 1898.	*Feb. 1, 1898.*	*Mar. 1, 1898.*	*Apr. 1, 1898.*
Gold coin	$699,478,536	$702,851,399	$705,494,037	$729,385,818
Gold bullion	45,559,060	49,465,077	52,454,818	63,647,258
Silver dollars	455,818,122	457,068,122	458,100,347	459,200,422
Silver bullion	102,284,736	101,379,158	100,819,300	99,829,432
Subsidiary silver	76,400,207	76,663,116	76,230,903	76,584,080
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	229,014,641	226,529,216	224,831,072	224,481,879
Total	$1,955,236,318	$1,960,637,104	$1,964,611,491	$1,999,809,905

Certificates and Treasury notes represented by coin, bullion, or currency in Treasury are not included in the above statement.

Rates for Sterling at Close of Each Week.

Week ended	Bankers' Sterling. *60 days.*	Bankers' Sterling. *Sight.*	*Cable transfers.*	*Prime commercial. Long.*	*Documentary Sterling. 60 days.*
March 4	4.81½ @ 4.81¾	4.84 @ 4.84¼	4.84½ @ 4.84¾	4.80¾ @ 4.81¼	4.80¾ @ 4.81½
" 11	4.80½ @ 4.80¾	4.83¾ @ 4.84	4.84¼ @ 4.84½	4.80 @ 4.80½	4.80 @ 4.81
" 18	4.80¾ @ 4.81	4.83¾ @ 4.84	4.84¼ @ 4.84½	4.80¼ @ 4.80½	4.79¾ @ 4.80¾
" 25	4.80¾ @ 4.81	4.83½ @ 4.83¾	4.84 @ 4.84¼	4.80¼ @ 4.80½	4.79¾ @ 4.80¾
April 1	4.80¾ @ 4.81	4.83½ @ 4.83¾	4.84¼ @ 4.84½	4.80¼ @ 4.80½	4.7[illegible]¾ @ 4.80¾

Foreign Exchange—Actual Rates on or about the First of Each Month.

	Dec. 1.	*Jan. 1.*	*Feb. 1.*	*March 1.*	*April 1.*
Sterling Bankers—60 days	4.83¼– ½	4.82¼– ½	4.82¼– ½	4.81¾– 2	4.80¾– 1
" " Sight	4.86 – ¼	4.84¾– 5	4.84½– ¾	4.84 – ½	4.83¾– 4
" " Cables	4.86¼– ½	4.85¼– ½	4.84¾– 5	4.84½– ¾	4.84¼– ½
" Commercial long	4.82¾– 3	4.81¾– 2	4.81½– 2	4.80½– 1½	4.80 – ¼
" Docu'tary for paym't.	4.82¼– ½	4.81¼– ½	4.81½– 2	4.80½– 1½	4.79½–80½
Paris—Cable transfers	5.18⅛–	5.19⅜–	5.20 – 19⅜	5.21¼–20⅝	5.22½– 1⅞
" Bankers' 60 days	5.20⅝–	5.21⅞–	5.21⅞– 1¼	5.23⅛–	5.24⅜–
" Bankers' sight	5.18¾– ⅛	5.20⅝– 1/16	5.20 1/8– 20	5.21⅞– ¼	5.23⅛– 2½
Antwerp—Commercial 60 days.	5.22½– 1⅞	5.24⅜– 3¾	5.24⅜– 3¾	5.2[illegible]⅝–25	5.27½– 6⅞
Swiss—Bankers' sight	5.20⅝–	5.22½– 1⅞	5.22½– 1⅞	5.23¾– ⅛	5.25 – 4⅜
Berlin—Bankers' 60 days	94¾– 13/16	94 7/16– ½	94 7/16– ⅛	94 5/16– ⅜	93 15/16– 4
" Bankers' sight	95 1/16– ⅛	95⅛– 3/16	94 15/16– 5	94[illegible]– 11/16	94⅝– 7/16
Brussels—Bankers' sight	5.18¾–	5.21¼–20⅝	5.20⅝–	5.22½– 1⅞	5.23¾–
Amsterdam—Bankers' sight	40¼– 5/16	40½– 3/16	40 3/16– ¼	40⅛– 3/16	39 15/16–40
Kronors—Bankers' sight	26⅞– 15/16	26 13/16– ⅞	26 13/16– ⅞	26¾– 13/16	26¾– 13/16
Italian lire—sight	5.45 – 2	5.45¼– 2¼	5.47¾–44	5.49⅛ – 6⅛	5.52⅝–49⅝

Bank of England Statement and London Markets.

	Dec. 8, 1897.	*Jan. 12, 1898.*	*Feb. 13, 1898.*	*Mar. 16, 1898.*
Circulation (exc. b'k post bills)	£27,122,695	£27,502,390	£26,600,235	£26,429,470
Public deposits	7,623,919	9,391,449	15,417,084	18,9 9,353
Other deposits	35,917,994	40,370,457	35,961,137	36,272,556
Government securities	12,726,315	14,023,036	13,999,565	14,158,120
Other securities	26,798,215	33,169,652	32,329,262	35,816,210
Reserve of notes and coin	21,854,419	20,684,876	23,245,676	23,717,099
Coin and bullion	32,177,114	31,387,268	33,045,911	33,316,569
Reserve to liabilities	50%	41 7/16%	45 1/16%	4[illegible]⅞%
Bank rate of discount	3%	3%	3%	3%
Market rate, 3 months' bills	2 15/16%	2 5/16%	2¾%	2⅞@3%
Price of Consols (2¾ per cents.)	112 13/16	112 11/16	112 3/16	111 11/16
Price of silver per ounce	27⅜d.	26 5/16d.	26 1/16d.	25⅝d.
Average price of wheat	33s. 9d.	34s. 11d.	34s. 10d.	35s. 10d.

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of March, and the highest and lowest during the year 1898, by dates, and also, for comparison, the range of prices in 1897:

	Year 1897.		Highest and Lowest in 1898.				March, 1898.		
	High.	*Low.*	*Highest.*		*Lowest.*		*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	17	9⅛	13⅝—Feb.	7	10⅜ Feb.	24	12¼	10½	11½
" preferred	35⅛	17	32⅝—Feb.	8	22⅞—Mar.	12	28⅞	22⅞	25⅝
Baltimore & Ohio	21⅛	9	19 —Feb.	3	12⅜—Jan.	25	18	15⅛	17
Bay State Gas	16¾	3⅞	5⅛—Jan.	21	2⅜—Mar.	21	3⅝	2⅜	3⅛
Brooklyn Rapid Transit	37⅝	18⅝	43¼—Feb.	18	35 —Mar.	12	42¼	35	39
Canadian Pacific	83	46½	90½—Jan.	20	79 —Mar.	14	85⅜	79	81½
Canada Southern	62⅛	44½	57⅜—Feb.	5	44½—Mar.	12	50½	44½	48
Central of New Jersey	103¼	68¼	98¼—Jan.	7	86½—Mar.	26	95	86½	93
Central Pacific	18	7⅛	14 —Feb.	16	11⅜—Jan.	4	13	12	12½
Ches. & Ohio vtg. ctfs	27⅛	15⅝	24⅞—Feb.	1	17¼ - Mar.	26	21⅞	17¼	19⅜
Chicago & Alton	170	140	166⅞—Jan.	14	150 —Mar.	14	161½	150	150
Chicago, Burl. & Quincy	102¼	69⅜	103¼—Feb.	11	85⅞—Mar.	26	97⅜	85⅞	93⅞
Chicago & E. Illinois	61	37¼	60¼—Feb.	1	51½—Mar.	12	54½	51½	51½
" preferred	103	95	113½—Feb.	1	102 —Jan.	7	107	103	103
Chicago Gas	108¾	73¼	....		....		....	....	....
Chicago, Great Western	20⅜	3⅝	16¼—Jan.	8	9½—Feb.	24	11⅛	9½	10½
Chic., Indianapolis & Lou'ville	13	8	10¼—Jan.	14	7 —Feb.	24	8	7	7
" preferred	38¼	26	33⅜—Feb.	2	23½—Mar.	24	28¾	23½	28½
Chic., Milwaukee & St. Paul	102	69¼	97⅛—Jan.	12	85⅜—Mar.	12	94⅞	85⅜	9 ½
" preferred	146	130½	149½ Feb.	16	142 ½—Jan.	3	147¾	144	144
Chicago & Northwestern	132½	101¾	130½—Feb.	11	113¼—Mar.	12	124⅞	113¼	119¾
" preferred	165½	153	174 —Feb.	19	163 —Jan.	3	....	....	....
Chicago, Rock I. & Pacific	97¼	60¼	94½—Jan.	28	80 —Mar.	25	89¼	80	86½
Chic., St. Paul, Minn. & Om.	89½	47	79 - Feb.	11	65 —Mar.	12	74½	65	71⅛
" preferred	150⅝	133	155 —Feb.	28	148 —Jan.	5	155	148	148
Clev., Cin., Chic. & St. Louis	41½	21½	38¼—Jan.	31	25 —Mar.	12	32⅞	25	27⅜
" preferred	86½	63	87 —Feb.	1	77½—Mar.	9	77½	77½	77½
Col. Coal & Iron Devel. Co.	2	⅜	⅞—Jan.	28	¾—Jan.	10	....	....	....
Col. Fuel & Iron Co.	27⅞	15¾	26⅝—Jan.	11	17 —Mar.	12	21	17	20⅝
Col. Hocking Val. & Tol	18	1½	8¼—Feb.	10	5 —Mar.	18	6⅞	5	6
" preferred	46	14	27½—Feb.	10	17 —Jan.	7	20	19⅞	19⅞
Consolidated Gas Co.	241½	136½	195¼—Jan.	25	167 —Mar.	26	186½	167	180¼
Delaware & Hud. Canal Co.	123	99⅝	114½—Feb.	3	106 —Mar.	25	110½	106	110
Delaware, Lack. & Western	164	146½	159 —Feb.	5	145 —Mar.	25	152	145	145
Denver & Rio Grande	14¾	9¼	13 —Jan.	12	12 - Jan.	12	....	....	....
" preferred	50½	36	52¾—Feb.	9	41½—Mar.	26	49½	41½	44½
Edison Elec. Illum. Co., N. Y.	132½	101¾	135 —Jan.	20	120 —Mar.	28	124	120	124
Erie	19	11½	16¼—Feb.	4	11⅝—Mar.	28	14¼	11⅝	12⅞
" 1st pref	46⅝	27	43⅜—Feb.	11	31½—Mar.	25	39⅜	31½	34¾
" 2d pref	25⅝	15½	21⅜—Feb.	11	16 —Mar.	26	18⅝	16	16
Evansville & Terre Haute	34	20	25 —Jan.	7	23 —Jan.	7	....	....	....
Express Adams	165	147¼	180 —Feb.	10	100 —Feb.	15	115	100	101
" American	119½	109½	130 —Feb.	14	116 —Jan.	5	129¼	123	127
" United States	48	37	45 —Feb.	9	40 —Jan.	5	44	40	41½
" Wells, Fargo	120	97	120 —Feb.	14	113 —Jan.	10	120	115	115¼
Great Northern, preferred	141	120	162 —Feb.	4	130 —Jan.	12	156	149½	150
Illinois Central	110¾	91½	108⅞—Jan.	31	96¾—Mar.	26	103	96¾	99¾
Iowa Central	13¾	6	9½—Jan.	13	7¼—Mar.	18	7¾	7¼	7¼
" preferred	41¾	23	35 —Jan.	8	26 —Mar.	12	30½	26	27½
Laclede Gas	49¼	22	48 —Jan.	19	37½—Mar.	25	43¾	37½	41¼
" preferred	96	70¼	94½—Jan.	14	85 Mar.	12	85	85	85
Lake Erie & Western	22½	13	18⅝—Feb.	8	12½—Mar.	14	15½	12½	14
" preferred	79⅞	58¼	76¼—Feb.	8	66 —Mar.	14	71½	66	69½
Lake Shore	181	152	194¾—Jan.	29	170¾—Jan.	4	192	180	185½
Long Island	55	38	50 —Feb.	9	40 —Jan.	20	48	42½	45
Louisville & Nashville	63⅞	40⅛	60½—Jan.	31	45 —Mar.	26	56¼	45	50⅜
Manhattan consol	113	81¾	120¼—Jan.	14	91 —Mar.	26	108½	91	98¼
Metropolitan Street	133½	99¾	171½—Feb.	14	125¼—Mar.	26	156	125¼	139⅛
Michigan Central	111⅞	90	114⅞—Feb.	8	99½—Mar.	12	109	99½	105½
Minneapolis & St. Louis	31½	16	30⅞—Feb.	15	24 - Mar.	11	29⅝	24	25
" 1st pref	90	77¾	88 —Feb.	15	85½—Jan.	13	....	....	....
" 2d pref	62¾	46	59¾—Feb.	15	46 —Mar.	26	55½	46	50½
Missouri, Kan. & Tex.	16⅞	10	14¼—Jan.	26	10¼—Mar.	26	12¼	10¼	11⅞
" preferred	42	24¾	41 —Jan.	28	28¾—Mar.	12	37⅝	28¾	33¾

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	YEAR 1897.		HIGHEST AND LOWEST IN 1898.		MARCH, 1898.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Missouri Pacific	40¼	10	35⅝—Jan. 28	22 —Mar. 12	29¼	22	26⅝
Mobile & Ohio	32	18	32½—Feb. 7	26 —Mar. 23	28½	26	28½
N. Y. Cent. & Hudson River	115½	92½	119¾—Jan. 28	105 —Mar. 26	116	105	111¾
N. Y. Chicago & St. Louis	17⅝	11	15⅝—Jan. 31	11⅝—Mar. 14	12	11⅝	12¾
" 1st preferred	81½	67⅝	76 —Jan. 31	73 —Feb. 19	....	....	....
" 2d preferred	43½	24	40¼—Jan. 29	28 —Mar. 25	33	28	28
N. Y., New Haven & Hartf'd	186	160	195½—Feb. 2	178¼—Jan. 7	188	182	185
N. Y., Ontario & Western	20½	12¾	18⅞—Feb. 2	13¾—Mar. 25	16	13¾	14⅝
N. Y., Sus. & Western	20	6½	18 —Jan. 5	8 —Jan. 8	14⅛	11	14
" preferred	45	18¼	38 —Feb. 11	23 —Jan. 10	35	28	28¼
Norfolk & Western	17¼	9	17 —Feb. 7	13¼—Mar. 7	15¼	13¼	13⅞
" preferred	48½	17	56¼—Feb. 7	42½—Mar. 12	49½	42½	46
North American Co.	6⅛	3⅝	6⅜—Feb. 17	4¼—Jan. 15	5⅞	5½	5⅝
Northern Pacific tr. receipts	22⅞	11	28⅝—Jan. 31	19 —Feb. 24	24¾	19⅞	23⅞
" pref tr. receipts	61⅝	32⅛	69 —Jan. 31	56⅞—Mar. 12	64⅞	56⅞	62¾
Oregon Railway & Nav	41	10	51¼—Feb. 1	35½—Jan. 7	50	40	46
" preferred	73½	37⅞	72½—Jan. 20	65½—Mar. 29	69	65½	67
Oregon Short Line	23¾	10⅞	33¾—Feb. 17	19⅝—Jan. 3	32	27	30
Pacific Mail	39¼	24	32⅝—Feb. 4	22 —Mar. 26	28¾	22	26¼
Pennsylvania R. R.	119	103⅛	120⅝—Feb. 7	110¾—Mar. 12	117⅞	110¾	114½
Pitts., Cin. Chic. & St. Louis	30½	11½	46¼—Feb. 7	38⅞—Jan. 5	45½	41¾	42¾
" preferred	70½	44½	71 —Feb. 7	57 —Mar. 23	68	57	58
Pullman Palace Car Co.	185	152	189¾—Feb. 11	165 —Mar. 12	181	165	175
Reading Voting Tr. ctfs	29¼	16¼	23⅝—Jan. 6	15½—Mar. 25	19¾	15½	16⅝
" 1st prefered	57¾	38½	54⅛—Feb. 3	36 —Mar. 12	46	36	41
" 2d preferred	35⅞	22½	29 —Jan. 6	18⅞—Mar. 26	24	18⅞	23⅝
Rome, Wat. Ogdens' g.	122½	117	123 —Jan. 4	116¼—Mar. 26	122	116¼	116¼
St. Louis & San Francisco	9	4	7¾—Jan. 8	6 —Mar. 26	7⅛	6	6½
" 1st preferred	59⅜	37	58½—Feb. 7	52½—Mar. 12	56¾	52½	56
" 2d preferred	27½	12	28 —Feb. 8	22½—Feb. 24	26½	23½	26½
St. Louis & Southwestern	7	1	5 —Feb. 1	3¾—Jan. 24	5	4¼	4⅜
" preferred	14⅜	3½	11 —Jan. 27	7¾—Mar. 12	10¼	7¾	9¼
St. Paul & Duluth	30	20	25 —Jan. 8	20½—Jan. 6	....	....	....
" preferred	87½	75	87½—Feb. 14	79 —Mar. 29	79	79	79
St. Paul, Minn. & Manitoba	125	114	138 —Mar. 5	123⅞—Jan. 12	138	132	134
Southern Pacific Co.	23½	13½	23 —Jan. 12	13¼—Mar. 26	18¾	13¼	14
Southern Railway	12¼	7	9⅞—Feb. 10	7⅛—Mar. 26	8⅞	7⅛	8½
" preferred	38⅜	22⅞	33¼—Feb. 11	23⅝—Mar. 26	29½	23⅝	26½
Tennessee Coal & Iron Co.	35½	17	28½—Jan. 11	17 —Mar. 12	22¼	17	20½
Texas & Pacific	15	8	12⅝—Feb. 15	8⅜—Mar. 12	11¼	8⅜	10¼
Union Pacific trust receipts	27¾	4⅛	36½—Feb. 1	16⅛—Mar. 25	22½	16⅛	19⅝
Union Pac., Denver & Gulf	11⅜	1	10¼—Feb. 18	6⅝—Mar. 12	9⅝	6⅝	7
Wabash R. R.	9¾	4⅝	7⅞—Jan. 12	6¼—Mar. 26	7	6¼	6⅞
" preferred	24⅜	11½	19⅞—Jan. 13	14¼—Mar. 7	16⅞	14¼	15⅞
Western Union	96¼	77¼	93⅝—Jan. 10	82¼—Mar. 26	89⅝	82¼	86½
Wheeling & Lake Erie	6½	½	3¾—Jan. 11	1⅞—Mar. 12	2½	1⅞	2
" preferred	29	2⅜	16 —Jan. 12	9¼—Mar. 12	10⅝	9¼	10
Wisconsin Central	4⅝	1	3⅞—Jan. 17	⅞—Jan. 6	2	1⅛	1⅝
"INDUSTRIAL"	STOCKS:						
American Co. Oil Co.	26⅞	9½	23½—Jan. 10	15½—Mar. 25	20	15½	17¼
" preferred	80½	52¼	77¼—Feb. 1	66 —Mar. 14	75	66	69½
American Spirits Mfg Co.	15⅞	6½	9½—Jan. 26	6½—Jan. 20	8⅝	6½	7½
" preferred	36	15	22⅞—Jan. 31	16 —Mar. 26	19¼	16	17
American Sugar Ref. Co.	159⅛	109⅛	145 —Jan. 7	107½—Mar. 26	129⅞	107½	119
" preferred	121½	100¼	116 —Jan. 6	108 —Mar. 25	112⅞	108	108¾
American Tobacco Co.	96⅞	67½	99⅞—Mar. 11	88¾—Jan. 24	99⅞	86	96¼
" preferred	115	100	118½—Feb. 18	112¼—Mar. 26	117	112¼	117
General Electric Co.	41⅝	28⅝	39¾—Feb. 7	29¼—Mar. 12	35	29¼	33⅝
National Lead Co.	44	21⅞	37⅞—Jan. 7	26¼—Mar. 26	33¼	26¼	30
" preferred	109¾	88⅜	109½—Feb. 10	101½—Mar. 26	106½	101½	106
National Linseed Oil Co.	23½	10	19 —Jan. 14	15 —Mar. 25	18	15	16
National Starch Manfg. Co.	13	3	9 —Feb. 10	8¾—Feb. 10	....	....	....
Standard Rope & Twine Co.	11¾	2¾	5⅝—Feb. 16	3¼—Jan. 3	4⅝	3½	4¼
U. S. Leather Co.	10¼	6¼	7¾—Feb. 7	5½—Mar. 12	5⅝	5½	5⅝
" preferred	72	50½	67 —Jan. 31	58¾—Mar. 26	63¾	58¾	57½
U. S. Rubber Co.	25¼	10	21⅞—Feb. 15	14¼—Mar. 12	18½	14¼	17
" preferred	76⅞	50	74⅜—Feb. 15	60 —Mar. 12	68¼	60	66½

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

LAST SALE, PRICE AND DATE AND HIGHEST AND LOWEST PRICES AND TOTAL SALES FOR THE MONTH.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	MARCH SALES. *High.*	MARCH SALES. *Low.*	MARCH SALES. *Total.*
Ala. Midland 1st gold 6s	1928	2,800,000	M & N	91	Jan. 20,'98	....	....	....
Ann Arbor 1st g 4's	1995	7,000,000	Q J	83⅛	Mar. 30,'98	84⅝	82⅛	112,000
Atch., Top. & S. F.								
Atch Top & Santa Fe gen g 4's	1995	116,417,000	A & O	90	Mar. 31,'98	92⅝	86¾	3,214,000
• registered		....	A & O	89⅝	Mar. 22,'98	89⅝	89⅝	1,000
• adjustment, g. 4's	1995	51,728,000	NOV	59⅛	Mar. 31,'98	62	54⅝	8,653,500
• registered		....	NOV	....	....	....	....	....
• Equip. tr. ser. A. g. 5's	1902	1,000,000	J & J	....	....	....	....	....
• Chic. & St. L. 1st 6's	1915	1,500,000	M & S	....	....	....	....	....
Atlan. av. of Brook'n imp. g. 5's	1934	1,500,000	J & J	82⅛	Feb. 8,'96	....	....	....
Atlanta & Danville 1st g. 5's	1950	1,238,000	J & J	98	Feb. 19,'98	....	....	....
B. & O. 1st 6's (Parkersburg br.)	1919	3,000,000	A & O	115	Mar. 30,'98	117	115	48,000
• 5's, gold	1885–1925	3,021,000	F & A	92	Mar. 26,'98	98	92	14,000
• coupons off			F & A	....	....	....	....	....
• registered				95	Feb. 4,'98	....	....	....
• eng. ctfs of deposit		6,979,000	......	96⅛	Feb. 15,'98	....	....	....
B. & O. con. mtge. gold 5's	1988	5,265,000	F & A	90	May 27,'97	....	....	....
• registered			F & A	107⅛	Mar. 7,'94	....	....	....
• J.P.M. & Co. cfs. dep'it		6,718,000	......	....	....	....	....	....
Balti. Belt, 1st g. 5's int. gtd.	1990	6,000,000	M & N	84	Jan. 11,'98	....	....	....
W. Virginia & Pitts. 1st g. 5's	1990	4,000,000	A & O	111	Dec. 12,'95	....	....	....
Monongahela River 1st g. g., 5's	1919	700,000	F & A	104⅛	July 1,'92	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s	1930	2,500,000	M & S	99	Jan. 27,'98	....	....	....
Colo. & Cin. Midl'd 1st ext 4½'s	1939	2,000,000	J & J	92½	Aug. 30,'92	....	....	....
Ak. & Chic. Junc. 1st g. s. g. 5's	1930	1,500,000	M & N	102½	Nov. 21,'95	....	....	....
• coupons off		....	......	80	Nov. 1,'97	....	....	....
Pittsb. & Connellsville 1st g. 4's	1946	2,536,000	J & J	103⅛	Oct. 8,'97	....	....	....
B & O. Southwest'n 1st g. 4½'s	1990	10,667,000	J & J	99	Feb. 2,'98	....	....	....
• 1st c. g. 4½'s	1993	10,511,000	J & J	60	June 9,'97	....	....	....
• 1st inc. g. 5's "A"	2043	8,651,000	NOV	25	Aug. 18,'94	....	....	....
• "B"	2043	9,655,000	DEC	9⅛	Feb. 3,'98	....	....	....
B. & O. Sw. Term Co. gtd g 5's	1942	1,200,000	M & N	....	....	....	....	....
Ohio & Miss. 1st con. 4's	1947	2,615,000	J & J	105¼	Feb. 1,'98	....	....	....
• 2d con. 7's	1911	2,952,000	A & O	121	Mar. 3,'98	121	121	5,000
• 1st Spr'gfield div. 7's	1905	1,984,000	M & N	105	Mar. 9,'98	107	105	4,000
• 1st gen. 5's	1932	405,000	J & D	98	Apl. 2,'92	....	....	....
Brooklyn City 1st con. 5's	1941	4,373,000	J & J	115	Sept. 13,'97	....	....	....
Brooklyn E. Tr. Co. cfs 1st g. 6s's	1924	8,464,000	......	80	Mar. 12,'98	84½	80	81,000
• Tr. Co. ctfs. 2d g. 5's	1915	1,246,000	......	....	....	..	....	....
• 1st instal. paid			......	....	....	....	....	....
Seas. & B.B.Tr.Co.cfs.1st g.g.5's	1942	1,357,000	......	70⅛	Dec. 14,'97	....	....	....
• 1st instal. paid			......	....	....	....	....	....
Union Ele.Tr.Co.ctfs.1st g.g.6's	1937	6,124,000	......	81	Mar. 24,'98	84	81	42,000
Brooklyn Rapid Transit g. 5's	1945	6,898,000	A & O	95	Mar. 31,'98	95⅝	92	898,000
Brunswick & Western 1s g. 4's	1938	3,000,000	J & J	74	Sept. 1,'96	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's	1937	4,407,000	M & S	106	Feb. 25,'98	....	....	....
Rochester & Pittsburg. 1st 6's	1921	1,300,000	F & A	127	Mar. 2,'98	127	127	6,000
• cons. 1st 6's	1922	3,920,000	J & D	122	Dec. 13,'97	....	....	....
Clearfield & Mah. 1st g. g. 5's	1943	650,000	J & J	121¼	May 26,'96	....	....	....
Buffalo & Susquehanna 1st g. 5's	1913	1,211,500	A & O	100	Feb. 27,'96	....	....	....
• registered			A & O	....	....	....	....	....
Burlington, Cedar R. & N. 1st 5's	1906	6,500,000	J & D	105¾	Mar. 28,'98	107¼	105¾	43,000
• con. 1st & col. tst 5's	1934	6,425,000	A & O	106	Mar. 29,'98	106	106	1,000
• registered			A & O	97	Feb. 9,'93	....	....	....
Minneap's & St. Louis 1st 7's. g.	1927	150,000	J & D	140	Aug. 24,'95	....	....	....
Ced. Rap Ia. Falls & Nor. 1st 6's	1920	825,000	A & O	108	Dec. 10,'97	....	....	....
• 1st 5's	1921	1,905,000	A & O	105	Jan. 4,'98	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME. Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	MARCH SALES. High.	MARCH SALES. Low.	MARCH SALES. Total.
" exten. and collat. 5's..1934	40,381,000	J & J	106¼	Mar. 31,'98	106¼	105½	1,870,000
" registered........		J & J	106	Mar. 24,'98	106	105½	123,000
" debenture 5's..........1921	4,500,000	M & S	105⅛	Mar. 31,'98	105¾	104¾	242,000
" registered........	....	M & S	....		....	....	....
Des Moines & Ft. Dodge 1st 4's.1905	1,200,000	J & J	92	Feb. 14,'98	....	....	....
" 1st 2½'s..........1905	1,200,000	J & J	70	Feb. 28,'98	....	....	....
" extension 4 s........	672,000	J & J	83	Mar. 15,'97	....	....	....
Keokuk & Des M. 1st mor. 5's..1923	2,750,000	A & O	108⅝	Feb. 28,'98	....	....	....
" small bond..........1923	....	A & O	100	Apr. 15,'97	....	....	....
Chic., St.P., Minn.& Oma.con.6's.1930	13,674,000	J & D	133	Mar. 16,'98	135	133	8,000
Chic., St. Paul & Minn. 1st 6's..1918	2,739,000	M & N	130	Mar. 28,'98	132	130	11,000
North Wisconsin 1st mort. 6's..1930	800,000	J & J	125	May 4,'88	....	....	....
St. Paul & Sioux City 1st 6's....1919	6,070,000	A & O	131	Mar. 21,'98	131	131	5,000
Chic., Term. Trans. R. R. g. 4's..1947	18,000,000	J & J	81⅞	Mar. 31,'98	85¾	79¼	443,500
Chic. & Wn. Ind. 1st s'k. f'd g. 6's.1919	972,000	M & N	106	June 22,'97	....	....	....
" gen'l mortg. g. 6's......1932	9,652,666	Q M	118	Mar. 12,'98	121	118	8,000
Chic. & West Michigan R'y 5's...1921	5,753,000	J & D	98¼	Mar. 13,'93	....	....	....
" coupons off........	....	......	....		....	....	....
Cin., Ham. & Day. con. s'k. f'd 7's.1905	996,000	A & O	119	Oct. 26,'96	....	....	....
" 2d g. 4½'s..........1937	2,000,000	J & J	103¼	Mar. 13,'97	....	....	....
Cin., Day. & Ir'n 1st gtd. g. 5's..1941	3,500,000	M & N	111	Mar. 25,'98	111¼	111	2,000
City Sub. R'y, Balto. 1st g. 5's....1922	2,430,000	J & D	105⅜	Apr. 17,'95	....	....	....
Clev., Ak'n & Col. eq. and 2d g.6's.1930	730,000	F & A	....		....	....	....
Clev. & Can.Tr.Co.ctfs. 1st 5's for.1917	1,907,000	......	73¼	Mar. 3,'98	73¼	73¼	1,000
Clev.,Cin.,Chic.& St.L. gen.m. 4's.1993	7,574,000	J & D	84	Oct. 14,'95	....	....	....
" do Cairo div. 1st g. 4's..1939	5,000,000	J & J	90	Jan. 12,'98	....	....	....
St. Louis div. 1st col. trust g.4's.1990	9,750,000	M & N	96¼	Mar. 15,'98	97	96⅛	52,000
" registered........		M & N	90	Mar. 24,'97	93	90	2,000
Sp'gfield & Col. div. 1st g. 4's...1940	1,065,000	M & S	87	Oct. 22,'95	....	....	....
White W. Val. div. 1st g. 4's....1940	650,000	J & J	88½	Jan. 13,'98	....	....	....
Cin.,Wab. & Mich. div. 1st g. 4's.1991	4,000,000	J & J	90	Mar. 10,'98	90	89	7,000
Cin.,Ind., St. L. & Chic. 1st g.4's.1936	7,685,000	Q F	102	Feb. 11,'98	....	....	....
" registered........		Q F	95	Nov. 15,'94	....	....	....
" con. 6's..........1920	731,000	M & N	104	Mar. 29,'93	....	....	....
Cin.,S'dusky&Clev.con.1st g.5's1928	2,571,000	J & J	114	Oct. 7,'97	....	....	....
Ind. Bloom. & W., 1st pfd. 7's..1900	1,000,000	J & J	107¼	Feb. 19,'97	....	....	....
Ohio, Ind. & W., 1st pfd. 5's....1938	500,000	Q J	....		....	....	....
Peoria & Eastern 1st con. 4's...1940	8,103,000	A & O	77⅞	Mar. 31,'98	77⅞	70	79,000
" income 4's..........1990	4,000,000	A	21	Aug.26,'97	....	....	....
Clev., C., C. & Ind. 1st 7's s'k. f'd.1899	3,000,000	M & N	105¼	Mar. 5,'98	105¼	105¼	1,000
" consol mortg. 7's......1914	8,991,000	J & D	132	Mar. 7,'98	137	132	8,000
" sink. fund 7's..........1914		J & D	119⅝	Nov. 19,'89	....	....	....
" gen. consol 6's..........1934	3,205,000	J & J	128	Nov. 26,'97	....	....	....
" registered........		J & J	....		....	....	....
Cin., Sp. 1st m. C.,C.,C.&Ind. 7's.1901	1,000,000	A & O	107¼	Oct. 16,'97	....	....	....
Clev.,Lorain & Wheel'g con.1st 5's1933	4,300,000	A & O	100	Mar. 18,'98	100	100	10,000
Clev., & Mahoning Val. gold 5's..1938	2,936,000	J & J	103	Apr. 14,'97	....	....	....
" registered........		Q J	....		....	....	....
Col.Midld Tr.Co.ctfs.1st g.6's asst.1936	6,217,000	J & D	63	Mar. 31,'98	65	59	146,000
" Tr.Co. cfs. cn.g.4's stm gtd assented all inst. pd..........1940	4,878,000	F & A	19¾	Mar. 28,'98	20¼	17½	52,000
Col., Hock. Val. & Tol. con. g. 5's.1931	406,000	M & S	74	Aug.10,'97	....	....	....
" J. P. M. & Co. eng ctf. $45 pd.	7,694,000	......	75	Mar. 31,'98	78	73⅝	95,000
" gen. mort. g. 6's..........1904	2,000,000	J & D	61	Feb. 14,'98	....	....	....
" gen. lien g. 4's..........1996	852,000	J & J	....		....	....	....
" registered, $5,000........		J & J	....		....	....	....
Conn., Passumpsic Riv's 1st g. 4's.1943	1,900,000	A & O	102	Dec. 27,'93	....	....	....
Delaware, Lack. & W. mtge 7's..1907	3,067,000	M & S	128	Jan. 15,'98	....	....	....
Syracuse, Bing. & N. Y. 1st 7's..1906	1,966,000	A & O	125¼	Mar. 2,'98	125¼	125¼	10,000
Morris & Essex 1st m 7's........1914	5,000,000	M & N	140	Mar. 15,'98	140	140	1,000
" bonds, 7's..........1900	281,000	J & J	109	Nov. 23,'97	....	....	....
" 7's..........1871-1901	4,991,000	A & O	113¼	Feb. 28,'98	....	....	....
" 1st c. gtd 7's..........1915	12,151,000	J & D	139	Mar. 28,'98	140	137	37,000
" registered........		J & D	136	June 4,'93	....	....	....
N. Y., Lack. & West'n. 1st 6's...1921	12,000,000	J & J	138	Feb. 26,'98	....	....	....
" const. 5's..........1923	5,000,000	F & A	118½	Nov. 17,'97	....	....	....
Warren 2d 7's..........1900	750,000	A & O	113¾	Nov. 6,'95	....	....	....

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Delaware & Hudson Canal.								
" 1st Penn. Div. c. 7's	1917	5,000,000	M & S	147½	Aug. 31,'97	....	....	....
" reg	1917		M & S	143	May 4,'96	....	....	....
Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	125¼	Feb. 11,'98	....	....	....
" registered			A & O	128½	Feb. 12,'94	....	....	....
" 6's	1906	7,000,000	A & O	117	Feb. 23,'98	....	....	....
" registered			A & O	116½	Mar. 22,'97	....	....	....
Rens. & Saratoga 1st c. 7's	1921	2,000,000	M & N	148¾	Aug. 18,'97	....	....	....
" 1st r 7's	1921		M & N	145	Feb. 18,'98	....	....	....
Denver Con. T'way Co. 1st g. 5's	1933	730,000	A & O	....	....	....	....	....
Denver T'way Co. con. g. 6's	1910	1,219,000	J & J	....	....	....	....	....
Metropol'n Ry Co. 1st g. g. 6's	1911	913,000	J & J	....	....	....	....	....
Denver & Rio G. 1st con. g. 4's	1936	28,465,000	J & J	89½	Mar. 31,'98	92	89⅞	36,0000
" 1st mortg. g. 7's	1900	6,382,500	M & N	108½	Mar. 21,'98	110	108½	11,000
" impt. m. g. 5's	1928	8,103,500	J & D	90	Mar. 8,'98	90	90	2,000
Des Moines Union Ry 1st g. 5's	1917	628,000	M & N	100	Mar. 30,'98	100	98	10,000
Detroit, Mac. & Ma. ld gt. 3½ S A.	1911	3,024,000	A & O	17¼	Feb. 11,'98	....	....	....
Detroit & Mack. 1st lien g. 4s	1995	900,000	J & D	67	Mar. 24,'95	....	....	....
" g. 4s	1995	1,250,000	J & D	....	....	....	....	....
Duluth & Iron Range 1st 5's	1937	6,332,000	A & O	107¾	Mar. 9,'98	107¾	106	53,000
" registered			A & O	101½	July 23,'89	....	....	....
" 2d l m 6s	1916	1,000,000	J & J	....	....	....	....	....
Duluth, Red Wing & S'n 1st g. 5's	1928	500,000	J & J	92¼	Feb. 11,'98	....	....	....
Duluth So. Shore & At. gold 5's	1937	4,000,000	J & J	105⅛	Mar. 22,'98	107	105	12,000
Erie, 1st mortgage ex. 7's	1897	2,482,000	M & S	113	Feb. 28,'98	....	....	....
" 2d extended 5's	1919	2,149,000	M & N	116½	Dec. 3,'97	....	....	....
" 3d extended 4½'s	1923	4,618,000	M & S	114⅜	Dec. 22,'97	....	....	....
" 4th extended 5's	1920	2,926,000	A & O	120½	Oct. 29,'97	....	....	....
" 5th extended 4's	1928	709,500	J & D	104½	Feb. 21,'98	....	....	....
" 1st cons gold 7's	1920	16,890,000	M & S	141½	Mar. 29,'98	143	141½	34,000
" 1st cons. fund c. 7's	1920	3,705,977	M & S	143	Jan. 13,'98	....	....	....
Long Dock consol. 6's	1953	7,500,000	A & O	137	Mar. 4,'98	137	137	4,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	141	Sept. 10,'97	....	....	....
Buffalo & Southwestern m 6's	1908	1,500,000	J&J	....	....	....	....	....
" small			J&J	....	....	....	....	....
Jefferson R. R. 1st gtd g 5's	1909	2,800,000	A & O	106	Feb. 11,'98	....	....	....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	110½	Mar. 24,'98	112	110½	35,000
N. Y. L. E. & W. Coal & R. R. Co. 1st g currency 6's	1922	1,100,000	M&N	....	....	....	....	....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	102	Aug. 31,'96	....	....	....
N. Y. & Greenw'd Lake gt g 5's	1946	1,452,000	M&N	105½	Oct. 2,'97	....	....	....
" small								
Erie R.R. 1st con. g-4s prior bds.	1996	30,000,000	J&J	88⅛	Mar. 31,'98	91½	86	354,000
" " registered			J&J	....	....	....	....	....
" " gen. lien 3-4s	1996	30,927,000	J&J	71	Mar. 31,'98	72½	68½	187,000
" " registered			J&J	....	....	....	....	....
Eureka Springs R'y 1st 6's, g.	1933	500,000	F & A	65	Nov. 10,'97	....	....	....
Evans. & Terre Haute 1st con. 6's	1921	3,000,000	J & J	117	Mar. 2,'98	117	117	2,000
" 1st General g 5's	1942	2,223,000	A & O	82½	Mar. 4,'98	82½	82½	5,000
" Mount Vernon 1st 6's	1923	375,000	A & O	110	May 10,'93	....	....	....
" Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	95	Sep. 15,'91	....	....	....
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	77½	Feb. 16,'98	....	....	....
Flint & Pere Marquette m 6's	1920	3,999,000	A & O	115	Mar. 31,'98	116½	115½	7,000
" 1st con. gold 5's	1939	2,100,000	M & N	95½	Feb. 16,'98	....	....	....
" Port Huron d 1st g 5's	1939	3,083,000	A & O	92½	Mar. 4,'98	92½	92	10,000
Florida Cen. & Penins. 1st g 5's	1918	3,000,000	J & J	103	Aug. 14,'96	....	....	....
" 1st land grant ex. g 5's	1930	423,000	J & J	....	....	....	....	....
" 1st con. g 5's	1943	4,370,000	J & J	80½	May 14,'96	....	....	....
Ft. Smith U'n Dep. Co. 1st g 4½'s	1941	1,000,000	J & J	105	Mar. 11,'98	105	105	2,000
Ft. Worth & D. C. ctfs. dep. 1st 6's	1921	8,176,000	......	71	Mar. 31,'98	72½	65	155,000
Ft. Worth & Rio Grande 1st g 5's	1928	2,863,000	J & J	57	Mar. 19,'98	58	57	10,000
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	90	Mar. 17,'98	92	90	7,000
Geo. & Ala. Ry. 1st pref. g. 5's	1945	2,230,000	A & O	103	Aug. 11,'97	....	....	....
Ga. Car. & N. Ry. 1st gtd. g. 5's	1927	5,360,000	J & J	83	June 23,'97	....	....	....

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				Price.	*Date.*	*High.*	*Low.*	*Total.*
Illinois Central 1st g. 4's 1894 total outstanding $13,950,000								
• g. 4's	1951	1,500,000	J&J	115	Mar. 10,'98	115	115	2,000
• registered			J&J	112½	July 13,'97	....	....	....
• gold 3½'s	1951	2,499,000	J&J	105	Mar. 16,'98	....	....	....
• registered			J&J	101	Feb. 24,'98	105	105	1,000
• 1st g 3s sterl. £500,000	1951	2,500,000	M & S	92½	July 13,'96	....	....	....
• registered			M & S	....	....	....	....	....
• 2-10 g. 4's	1904	15,000,000	A & O	102	Feb. 21,'98	....	....	....
• 2-10 g. 4's registered			A & O	103	Jan. 25,'98	....	....	....
• collat. trust gold 4's	1952	24,679,000	M & N	100	Mar. 31,'98	101⅛	100	7,000
• regist'd			M & N	101	Mar. 19,'98	101	101	2,000
• col.t.g.4sL.N.O.&Tex.	1953	4,806,000	J & J	99	Sept. 29,'97	....	....	....
• registered			J & J	....	....	....	....	....
• West'n Line 1st g. 4's,	1951	3,550,000	F & A	103½	Mar. 5,'98	103½	103	30,000
• registered			F & A	....	....	....	....	....
• Cairo Bridge 4's g	1950	3,000,000	J & D	101⅛	Sept. 10,'95	....	....	....
• registered			......	....	....	....	....	....
Middle div. registered 5's	1921	600,000	F & A	116½	Aug. 16,'95	....	....	....
Chic., St. L. & N. O. gold 5's	1951	16,526,000	J D 15	120½	Mar. 17,'98	120½	120½	1,000
• gold 5's, registered			J D 15	118¼	Apr. 1,'97	....	....	....
• Memph. div. 1st g. 4's,	1951	3,500,000	J & D	103½	Jan. 24,'98	....	....	....
• registered			J & D	....	....	....	....	....
St. Louis, A. & T. H. 1st 2T. g. 5's,	1914	2,200,000	J & D	105	Dec. 28,'97	....	....	....
• registered			J & D	....	....	....	....	....
Belleville & Carodt 1st 6's	1923	485,000	J & D	115	June 22,'96	....	....	....
St. Louis, South. 1st gtd. g. 4's,	1931	550,000	M & S	90	Nov. 12,'97	....	....	....
Carbond'e & Shawt'n 1st g. 4's,	1932	250,000	M & S	....	....	....	....	....
Ind., Dec. & West. 1st g. 5's	1935	1,824,000	J & J	98	Mar. 7,'98	98	98	1,000
Indiana, Ill. & Iowa 1st g. 4's	1939	800,000	J & D	86	Jan. 22,'98	....	....	....
• 1st ext. g. 5's	1943	500,000	M & S	94¼	Nov. 21,'95	....	....	....
Internat. & Gt. N'n 1st. 6's, gold	1919	7,954,000	M & N	123	Feb. 18,'98	....	....	....
• 2d g. 5's	1909	6,593,000	M & S	80	Mar. 31,'98	84	78	61,500
• 3d g. 4's	1921	2,716,500	M & S	47	Mar. 23,'98	50	47	9,000
Iowa Central 1st gold 5's	1938	6,822,000	J & D	98⅛	Mar. 28,'98	102	97	73,000
Kansas C. & M. R. & B. Co. 1st gtd g. 5's	1929	3,000,000	A & O	....	....	....	....	....
Kan.C.Pitt.&Gulf 1st & col. g. 5's	1923	21,828,000	A & O	78⅝	Mar. 31,'98	80⅛	75½	182,000
Kings Co. El. series A. 1st g. 5's	1925	3,177,000	J & J	45	Mar. 10,'98	45	45	2,000
Fulton El. 1st m. g. 5's series A	1929	1,979,000	M & S	35	Mar. 11,'98	37	35	9,000
Lake Erie & Western 1st g. 5's	1937	7,250,000	J & J	116½	Mar. 14,'98	116½	115	6,000
• 2d mtge. g. 5's	1941	2,600,000	J & J	99⅞	Mar. 31,'98	102¼	99⅞	30,000
Northern Ohio 1st gtd g 5's	1945	2,500,000	A & O	100⅛	Jan. 6,'98	....	....	....
Lake Shore & Mich. Southern.								
Buffalo & Erie new b. 7's	1898	1,829,000	A & O	102¼	Jan. 7,'98	....	....	....
Detroit, Mon. & Toledo 1st 7's.	1906	924,000	F & A	120½	Oct. 22,'97	....	....	....
Lake Shore division b. 7's	1899	1,063,500	A & O	106	Feb. 15,'98	....	....	....
• con. co. 1st 7's	1900	9,825,000	J&J	110	Mar. 9,'98	110	109¾	7,000
• con. 1st registered	1900		Q J	105½	Mar. 25,'98	109	105½	8,000
• con. co. 2d 7's	1903	9,081,000	J&D	119	Mar. 11,'98	119	119	1,000
• con. 2d registered	1903		J&D	119	Mar. 11,'98	119¾	119	10,000
• g 3½s	1997	25,125,000	J & D	103¼	Mar. 31,'98	105¼	102¾	183,000
• • registered			J & D	103	Mar. 29,'98	103½	103	6,000
Cin. Sp. 1st gtd L. S. & M. S. 7's.	1901	1,000,000	A & O	108¼	Dec. 1,'97	....	....	....
Kal., A. & G. R. 1st gtd g. 5's	1938	840,000	J & J	....	....	....	....	....
Mahoning Coal R. R. 1st 5's	1934	1,500,000	J & J	125	Dec. 9,'97	....	....	....
Lehigh Val. (Pa.) coll. g. 5's	1997	5,000,000	M & N	....	....	....	....	....
• registered			M & N	....	....	....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s.	1940	15,000,000	J&J	102	Mar. 24,'98	104½	102	17,000
• registered		....	J&J	....	....	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's.	1941	10,000,000	A & O	111	Mar. 28,'98	111½	111	13,000
• registered			A & O	109½	July 1,'97	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's.	1933	10,280,000	J & J	92½	Mar. 22,'98	92½	92½	2,000
• registered	1933		J & J	....	....	....	....	....
Lehigh & N. Y., 1st gtd g. 4's	1945	2,000,000	M&S	92	Feb. 23,'98	....	....	....
• registered			M&S	....	....	....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	....	....	....	....	....
" " g. gtd 5's	1914	1,250,000	A & O	101	Sept. 16,'97	....	....	....
Litchfield Car'n & W. 1st g. 5's	1916	400,000	J & J	95	Feb. 25,'93	....	....	....
Lit. Rock & M., tr. co. ctfs. for 1st g. 5's	1937	3,145,000	......	25	Apr. 29,'96	....	....	....

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Long Island R. 1st mtg. 7's	1898	1,121,000	M & N	101⅝	Nov. 26,'97	....	....	....
Long Island 1st cons. 5's	1931	3,610,000	Q J	120	Mar. 15,'98	120	120	14,000
Long Island gen. m. 4's	1938	3,000,000	J & D	88	Mar. 17,'98	88	88	18,000
• Ferry 1st g. 4½'s	1922	1,500,000	M & S	88½	Mar. 3,'98	88½	88½	1,000
• g. 4's	1932	325,000	J & D	91	Sept. 27,'97	....	....	....
• deb. g. 5's	1934	1,500,000	J & D	100	May 25,'97	....	....	....
N. Y. & Rock'y Beach 1st g. 5's,	1927	984,000	M & S	100	Mar. 3,'98	100	100	5,000
• 2d m. inc	1927	1,000,000	S	106½	July 9,'97	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's,	1935	1,726,000	A & O	107½	Dec. 15,'97	....	....	....
Brooklyn & Montauk 1st 6's	1911	250,000	M & S	....	....	....	....	....
• 1st 5's	1911	750,000	M & S	107½	July 16,'96	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's,	1932	1,075,000	Q JAN	106½	June 17,'95	....	....	....
N. Y. B. Ex. R. 1st g. g'd 5's	1943	200,000	J & J	....	....	....	....	....
Montauk Extens. gtd. g. 5's	1945	300,000	J & J	....	....	....	....	....
Louisv'e Ev. & St. Louis		3,406,000	J & J	33	Feb. 18,'98	....	....	....
• 1st con. TrCo. ct. gold 5's.	1939	2,432,000	M & S	9½	Aug. 21,'97	....	....	....
• Gen. mtg. g. 4's	1943							
Louisville & Nashville cons. 7's	1898	7,070,000	A & O	103¼	Mar. 17,'98	103¼	103	14,000
• Cecilian branch 7's	1907	490,000	M & S	106	Nov. 11,'97	....	....	....
• N. O. & Mobile 1st 6's,	1930	5,000,000	J & J	121½	Mar. 24,'98	121½	121½	2,000
• 2d 6's	1930	1,000,000	J & J	107½	Feb. 3,'97	....	....	....
• E., Hend. & N. 1st 6's	1919	2,030,000	J & D	113	Mar. 29,'98	113	113	5,000
• general mort. 6's	1930	10,058,000	J & D	117	Mar. 31,'98	119⅝	117	29,000
• Pensacola div. 6's	1920	580,000	M & S	103½	Sept. 24,'97	....	....	....
• St. Louis div. 1st 6's	1921	3,500,000	M & S	121	July 12, 97	....	....	....
• 2d 3's	1980	3,000,000	M & S	67	May 25,'95	....	....	....
• Nash. & Dec. 1st 7's	1900	1,900,000	J & J	110	Dec. 23,'97	....	....	....
• So. N. Ala. si'g fd. 6s,	1910	1,942,000	A & O	92½	Sept. 30,'96	....	....	....
• gold 5's	1937	1,764,000	M & N	104½	Feb. 8,'98	....	....	....
• Unified gold 4's	1940	14,994,000	J & J	85¾	Mar. 31,'98	88½	85	202,000
• registered	1940		J & J	83	Feb. 27,'93	....	....	....
• Pen. & At. 1st 6's, g. g,	1921	2,753,000	F & A	100	Mar. 24,'98	104½	100	3,000
• collateral trust g. 5's,	1931	5,129,000	M & N	102⅞	Mar. 9,'98	102⅞	102⅞	2,000
• L. & N. & Mob. & Montg 1st. g. 4½s	1945	4,000,000	M & S	107½	Feb. 19,'98	....	....	....
• N. Fla. & S. 1st g. g. 5's,	1937	2,096,000	F & A	90	Mar. 9,'98	90	90	10,000
South & N. Ala. con. gtd. g. 5's,	1936	3,673,000	F & A	95	Mar. 10,'98	97	95	31,000
Kentucky Cent. g. 4's	1987	6,742,000	J & J	88	Mar. 29,'98	89	88	14,000
L. & N. Louv. Cin. & Lex. g. 4½'s,	1931	3,258,000	M & N	103	Jan. 18,'98	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's.	1945	3,000,000	M & S	....	....	....	....	....
Louisville Railw'y Co. 1st c. g. 5's,	1930	4,600,000	J & J	109	Mar. 19,'98	109	103	20,000
Manhattan Railway Con. 4's	1990	24,065,000	A & O	95	Mar. 30,'98	96	92	24,000
Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	116½	Mar. 31,'98	118½	115	36,000
• 2d 6's	1899	4,000,000	M & N	102¼	Mar. 26,'98	104½	102¼	28,000
Manitoba Swn. Coloniza'n g. 5's,	1934	2,544,000	J & D	....	....	....	....	....
Market St. Cable Railway 1st 6's,	1913	3,000,000	J & J	....	....	....	....	....
Metro. St. Ry. gen. col. tr. g. 5's	1997	12,500,000	F & A	109⅞	Mar. 31,'98	111¾	109	525,000
B'way & 7th ave. 1st con. g. 5's,	1997	7,650,000	J & D	119	Mar. 26,'98	120	119	15,000
• registered			J & D	112½	May 29,'95	....	....	....
Columb. & 9th ave. 1st gtd g 5's,	1993	3,000,000	M & S	117	Mar. 30,'98	118	117	20,000
• registered			M & S	....	....	....	....	....
Lex ave & Pav Fer 1st gtd g 5's,	1993	5,000,000	M & S	117	Mar. 15,'98	118½	117	41,000
• registered			M & S	....	....	....	....	....
Mexican Central.								
• con. mtge. 4's	1911	58,908,000	J & J	66½	Feb. 10,'98	....	....	....
• 1st con. inc. 3's	1939	17,072,000	JULY	19	Jan. 20,'96	....	....	....
• 2d 3's	1939	11,724,000	JULY	9	Jan. 30,'96	....	....	....
• equip. & collat. g. 5's	1917	950,000	A & O	....	....	....	....	....
Mexican Internat'l 1st con g. 4's,	1942	4,635,000	M & S	72⅝	Mar. 31,'98	73¼	71	604,000
Mexican Nat. 1st gold 6's	1927	11,416,000	J & D	90	Mar. 6,'95	....	....	....
• 2d inc. 6's "A"	1917	12,265,000	M & S	42⅝	Nov. 12,'96	....	....	....
• coup. stamped		....	......	....	....	....	....	....
• 2d inc. 6's "B"	1917	12,265,000	A	13	July 9,'97	....	....	....
Mexican Northern 1st g. 6's	1910	1,336,000	J & D	97	Feb. 11,'97	....	....	....
• registered			J & D	....	....	....	....	....
Michigan Cent. 1st con. 7's	1902	8,000,000	M & N	113	Mar. 28,'98	114¾	113	29,000
• 1st con. 5's	1902	2,000,000	M & N	105½	Mar. 16,'98	105½	105½	1,000

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Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	March Sales. High.	March Sales. Low.	March Sales. Total.
" 6's	1909	1,500,000	M & S	122	Feb. 25,'98	....	....	....
" coup. 5's	1931	3,576,000	M & S	125⅛	Jan. 20,'98	....	....	....
" reg. 5's	1931		Q M	121	Dec. 6,'97	....	....	....
" mort. 4's	1940	2,600,000	J & J	106	Feb. 25,'98	....	....	....
" mtge. 4's reg			J & J	108	Jan. 7,'98	....	....	....
Battle C. Sturgis 1st g. g. 6's	1989	476,000	J & D	....		....	....	....
Mil. Elec. R. & Light con. 30yr. g. 5's	1926	6,103,000	F & A	....		....	....	....
Minneapolis & St. Louis 1st g. 7's	1927	950,000	J & D	135⅛	Aug. 4,'97	....	....	....
" 1st con. g. 5's	1934	5,000,000	M & N	105⅛	Mar. 31,'98	107	104⅛	28,000
" Iowa ext. 1st g. 7's	1909	1,015,000	J & D	127	Nov. 22,'97	....	....	....
" Southw. ext. 1st g. 7's	1910	636,000	J & D	129	May 16,'96	....	....	....
" Pacific ext. 1st g. 6's	1921	1,382,000	J & A	121¼	Aug. 31,'97	....	....	....
Minneapolis & Pacific 1st m. 5's	1936	3,208,000	J & J	102	Mar. 26,'87	....	....	....
" stamped 4's pay. of int. gtd.				....		....	....	....
Minn., S. S. M. & Atlan. 1st g. 4's	1926	8,280,000	J & J	94	Apl. 2,'95	....	....	....
" stamped pay. of int. gtd.				89¾	June 18,'91	....	....	....
Minn., S. P. & S. S. M., 1st c. g. 4's	1838	6,710,000	J & J	....		....	....	....
" stamped pay. of int. gtd.				....		....	....	....
Minn. St. R'y 1st con. g. 5's	1919	4,050,000	J & J	97	Dec. 18,'95	....	....	....
Missouri, K. & T. 1st mtge g. 4's	1990	39,718,000	J & D	86⅛	Mar. 31,'98	88⅞	84¾	405,000
" 2d mtge. g. 4's	1990	20,000,000	F & A	60⅛	Mar. 31,'98	62	57	803,000
" 1st ext gold 5's	1944	998,000	M & N	83	Jan. 31,'98	....	....	....
" of Texas 1st gtd g. 5's	1942	2,685,000	M & S	80	Mar. 26,'98	83	80	68,000
" Kan. C. & P. 1st g. 4's	1990	2,500,000	F & A	74	Mar. 4,'98	74	73	18,000
" Dal. & Waco 1st g. g. 5's	1940	1,340,000	M & N	81¾	Mar. 28,'98	81¾	81¾	6,000
Booneville Bdg. Co. gtd. 7's	1906	599,000	M & N	....		....	....	....
Tebo. & Neosho 1st 7's	1903	187,000	J & D	....		....	....	....
Mo Kan. & East'n 1st gtd. g. 5's	1942	4,000,000	A & O	96⅛	Mar. 31,'98	96¾	96	22,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	95	Mar. 31,'98	98	93	336,000
" 3d mortgage 7's	1906	3,828,000	M & N	108	Mar. 29,'98	108	108	12,000
" trusts gold 5's	1917	14,376,000	M & S	79	Feb. 23,'98	....	....	....
" registered			M & S	....		....	....	....
" 1st collateral gold 5's	1920	7,000,000	F & A	64⅛	Mar. 31,'98	65	62	80,000
" registered			F & A	....		....	....	....
Pacific R. of Mo. 1st m. ex. 4's	1938	7,000,000	M & S	102	Mar. 23,'98	102	102	2,000
" 2d extended g. 5's	1938	2,573,000	F & A	106⅛	Feb. 3,'98	....	....	....
Verdigris V'y Ind. & W. 1st 5's	1926	750,000	M & S	....		....	....	....
Leroy & Caney Val. A. L. 1st 5's	1926	520,000	J & J	....		....	....	....
St. L. & I'rn. Mt. 1st ex. 4½'s	1897	4,000,000	F & A	107⅛	Feb. 25,'98	....	....	....
" 2d. ext. g. 5's	1946	6,000,000	M & N	105	Mar. 16,'98	105	105	2,000
" Ark'nsas b'nch ext 5's	1895	2,500,000	J & D	102	Mar. 28,'98	102	102	3,000
" g. con. R.R. & l. gr. 5's	1931	18,345,000	A & O	91	Mar. 31,'98	92½	88	575,000
" stamped gtd gold 5's	1931	6,945,000	A & O	88	Mar. 21,'98	88	88	5,000
Mob. & Birm., prior lien, g. 5's	1945	374,000	J & J	....		....	....	....
" small		226,000	J & J	....		....	....	....
" inc. g. 4's	1945	700,000	J & J	....		....	....	....
" small		500,000	......	....		....	....	....
Mobile & Ohio new mort. g. 6's	1927	7,000,000	J & J	118	Mar. 19,'98	121	118	5,500
" 1st entension 6's	1927	974,000	J & D	119	Dec. 6,'97	....	....	....
" gen. g. 4's	1938	9,450,500	Q J	78¾	Mar. 31,'98	77½	72	125,000
St. Louis & Cairo gtd g. 4's	1931	4,000,000	M & S	86	Dec. 17,'95	....	....	....
Nashville, Chat. & St. L. 1st 7's	1913	6,300,000	J & J	130	Mar. 22,'98	131	129⅛	83,000
" 2d 6's	1901	1,000,000	J & J	105¾	Nov. 9,'97	....	....	....
" 1st cons. g. 5's	1928	5,913,000	A & O	102½	Mar. 28,'98	104⅛	102⅛	78,000
" 1st 6's T. & Pb.	1917	300,000	J & J	....		....	....	....
" 1st 6's McM. M.W. & Al.	1917	750,000	J & J	108	Mar. 24,'96	....	....	....
" 1st g. 6's Jasper Branch	1923	371,000	J & J	....		....	....	....
O. & N. East. prior lien g. 6's	1915	1,320,000	A & O	108⅛	Aug. 13,'94	....	....	....
N. Y. Cent. & Hud. R. 1st c. 7's	1903	30,000,000	J & J	116	Mar. 29,'98	116¾	115	47,000
" 1st registered	1903		J & J	115⅛	Mar. 31,'98	115½	115⅛	5,000
" debenture 5's	1904	10,000,000	M & S	107	Mar. 28,'98	108	106½	51,000
" debenture 5's reg			M & S	107	Mar. 26,'98	108¾	107	20,000
" reg. deben. 5's	1889-1904	1,000,000	M & S	108⅛	Feb. 21,'98	....	....	....
" debenture g. 4's	1905	15,000,000	J & D	105	Feb. 9,'98	....	....	....
" registered			J & D	104¾	Feb. 5,'98	....	....	....

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Name. Principal Due.	Amount.	Int's Paid.	Last Sale. Price.	Last Sale. Date.	March Sales. High.	March Sales. Low.	March Sales. Total.
• deb. cert. ext. g. 4's...1905	6,450,000	M & N	102½	Mar. 30,'98	102½	102½	2,000
• registered..................		M & N	104	Mar. 26,'98	1.4	104	1,000
Harlem 1st mortgage 7's c.....1900	12,000,000	M & N	109½	Mar. 8,'98	109½	109½	6,000
• 7's registered..........1900		M & N	109⅛	Jan. 27,'98	....	....	....
N. Jersey Junc. R. R. g. 1st 4's.1986	1,650,000	F & A	108	May 7,'97	....	....	....
• reg. certificates...........		F & A	....	....	....	....	....
West Shore 1st guaranteed 4's.....	50,000,000	J & J	108	Mar. 31,'98	110¼	107	174,500
• registered..................		J & J	106½	Mar. 29,'98	109½	106	32,500
Beech Creek 1st. g. gtd. 4's.....1936	5,000,000	J & J	108¼	Nov. 16,'97	....	....	....
• registered................		J & J	105½	June 12,'96	....	....	....
• 2d gtd. 5's..............1936	500,000	J & J	....	....	....	....	....
• registered................	....	J & J	....	....	....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd g. 4's ser. A. 1940	770,000	J & J	86	Nov. 15,'97	....	....	....
• small bonds series B......	33,100	J & J	....	....	....	....	....
Gouv. & Oswega. 1st gtd g. 5's.1942	300,000	J & D	....	....	....	....	....
R. W. & Og. con. 1st ext. 5's...1922	9,081,000	A & O	120	Mar. 18,'98	122½	120	20,000
coup. g. bond currency..........		A & O	....	....	....	....	....
Nor. & Montreal 1st g. gtd 5's..1916	130,000	A & O	....	....	....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's.1918	375,000	M & N	....	....	....	....	....
Oswego & Rome 2d gtd gold 5's.1915	400,000	F & A	110	Oct. 16,'94	....	....	....
Utica & Black River gtd g. 4's..1922	1,800,000	J & J	107½	Oct. 14,'97	....	....	....
Mohawk & Malone 1st gtd g. 4's.1991	2,500,000	M & S	100	Mar. 14,'94	....	....	....
Carthage & Adiron 1st gtd g. 4's 1981	1,100,000	J & D	....	....	....	....	....
N. Y. & Putnam 1st gtd g. 4's..1993	4,000,000	A & O	103	May 22,'96	....	....	....
N. Y. & Northern 1st g. 5's.....1927	1,200,000	A & O	126	Feb. 14,'9[illegible]	....	....	....
N.Y., Chic. & St. Louis 1st g. 4's.1937	19,425,000	A & O	104	Mar. 31,'98	105½	103	107,000
• registered................		A & O	103	Nov. 4,'97	....	....	....
N. Y., N. Haven & H. 1st reg. 4's.1903	2,000,000	J & D	104½	Oct. 7,'97	....	....	....
• con. deb. receipts.....$1,000	15,007,500	A & O	145	Mar. 17,'98	145	145	1,000
• small certifs............$100	1,430,000	......	146	Jan. 14,'98	....	....	....
Housatonic R. con. g. 5's.........1937	2,838,000	M & N	125¼	Feb. 6,'97	....	....	....
New Haven and Derby con. 5's..1918	575 000	M & N	115½	Oct. 15,'94	....	....	....
N. Y. & New England 1st 7's......1905	6,000,000	J & J	119	Feb. 11,'98	....	....	....
• 1st 6's....................1905	4,000,000	J & J	114	May 27,'97	....	....	....
N.Y., Ontario & W'n con. 1st g. 5's 1939	5,600,000	J & D	106½	Mar. 31,'98	108	106	98,500
• Refunding 1st g. 4's.....1992	8,375,000	M & S	96¼	Mar. 30,'98	98	96	81,000
• Registered......$5,000 only.	....	M & S	83⅜	Aug. 25,'92	....	....	....
N. Y., Sus. & W. 1st refunded 5's.1937	3,750,000	J & J	106	Mar. 30,'98	108	105	32,000
• 2d mortg. 4½'s.........1937	453,000	F & A	90	Mar. 8,'98	90	90	5,000
• gen. g. 5's..............1940	2,547,000	F & A	90	Mar. 30,'98	93	89	77,000
• term. 1st mtg. g. 5's...1843	2,000,000	M & N	111	Mar. 12,'98	111½	111	6,000
• registered..........$5,000		M & N	....	....	....	....	....
Wilkesb. & East. 1st gtd g. 5's..1942	3,000,000	J & D	97	Mar. 16,'98	99¼	97	32,000
Midland R. of N. Jersey 1st 6's.1910	3,500,000	A & O	121	Feb. 16,'98	....	....	....
N.P. 1st m.R.R.&L.G.S.F.g.c.6's..1921	9,836,000	J & J	112	Mar. 26,'98	118	112	18,000
• registered..................		J & J	114½	Mar. 11,'98	114½	114½	5,000
St. Paul & N. Pacific gen 6's....1923	7,985,000	F & A	128	Dec. 8,'97	....	....	....
• registered certificates....		Q F	126	Nov. 3,'97	....	....	....
N. P. Ry prior ln reg.&ld.gt.g.4's.1997	85,062,000	Q J	94⅛	Mar. 31,'98	96⅛	93	782,500
• registered..................		Q J	93½	Mar. 26,'98	94¼	93½	7,500
• gen. lien g. 3's..........2047	56,000,000	Q F	60¼	Mar. 31,'98	62	57½	1,058,500
• registered..................		Q F	....	....	....	....	....
Nor. Pacific Term. Co. 1st g. 6's..1933	3,910,000	J & J	106¼	Mar. 18,'98	106¼	105¾	76,000
Norfolk & Southern 1st g. 5's....1941	750,000	M & N	105	Mar. 7,'98	105	105	1,000
Norfolk & Western gen. mtg. 6's.1931	7,283,000	M & N	120	Mar. 17,'98	120	120	2,000
• New River 1st 6's........1932	2,000,000	A & O	118	Mar. 17,'98	118	118	4,000
• imp'ment and ext. 6's...1934	5,000,000	F & A	117	Feb. 9,'98	....	....	....
• Sci'o Val & N.E. 1st g. 4's, 1989	5,000,000	J & N	86	Mar. 18,'98	87	86	10,000
• C. C. & T. 1st g. t. g g 5's 1922	600,000	J & J	101	Feb. 23,'97	....	....	....
Norfolk & West. Ry 1st con. g. 4s.1996	23,199,400	A & O	80¾	Mar. 31,'98	81¾	78½	404,500
• registered..................		A & O	....	....	....	....	....
• small bonds................		A & O	....	....	....	....	....

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Ogdb'g & L. Chapl. 1st con. 6's...1920	3,500,000	A & O	49	Apr. 13,'96			
Ogdensburg & Lake Chapl. inc..1920	800,000	O					
" inc.......................small	200,000	O	82	Feb. 26,'87			
Ohio River Railroad 1st 5's.......1936	2,000,000	J & D	102¼	Jan. 26,'98			
" gen. mortg. g 6's........1937	2,428,000	A & O	85	Dec. 16,'96			
Ohio Southern 1st mortg. 6's....1921	3,924,000	J & D	84⅞	Feb. 21,'98			
" gen. mortg. g 4's........1921	1,543,000	M & N	14½	Feb. 11,'98			
" gen. eng. Trust Co. certs...	1,255,000	......	10	Mar. 31,'98	10	10	5,000
Omaha & St. Lo. 1st g 4's..........1901	2,376,000	J & J	78½	Mar. 28,'98	79	76½	12,000
Oregon Improvement Co. 1st 6's.1910	254,000	J & D	109	Feb. 25,'98			
" eng.Tr. Co. ctfs. of dep.....	3,717,000	......	107	Mar. 28,'98	109¼	104½	65,000
" " std. int. pd.to Dec.1,'97							
" con. mortg. g 5's........1939	652,000	A & O	32½	Aug.24,'97			
" Trust Co.reor cts all ins pd.	5,897,000	......	56½	Mar. 31,'98	57½	56	72,000
Oregon Ry. & Nav. 1st s. f. g. 6's..1909	1,605,000	J & J	113⅛	Mar. 18,'98	114	113⅛	15,000
Oregon R. R. & Nav.Co.con. g 4's.1946	18,550,000	J & D	93	Mar. 31,'98	95	93	237,000
Oregon Short Line 1st g. 6's......1922	18,651,000	F & A	120½	Mar. 31,'98	123¼	119½	100,000
Utah & Northern 1st 7's........1908	1,031,000	J & J	120	Dec. 13,'97			
" g. 5's.....................1926	1,877,000	J & J	102	May 24,'94			
Oreg. Short Line 1st con. g. 5's.1946	10,337,000	J & J	99	Mar. 31,'98	101	96½	322,500
" non-cum. inc. A 5's.....1946	7,185,000	SEPT.	63	Mar. 30,'98	66	59½	489,500
" non-cum. inc. B.&col. trust	14,841,000	OCT.	45	Mar. 25,'98	49⅝	45	332,000
Panama s. f. subsidy g 6's........1910	1,782,000	M & N	101½	Dec. 21,'91			
Pennsylvania Railroad Co.							
Penn. Co.'s gtd. 4½'s, 1st.......1921	19,467,000	J & J	110½	Mar. 21,'98	112½	110	29,000
" reg.......................1921		J & J	112¼	Dec. 21,'97			
" gtd.3½ coi.tr.reg. cts..1937	5,000,000	M & S					
Pitts., C. C. & St. Louis con. g 4½'s							
" Series A 1940	10,000,000	A & O	111	Mar. 28,'98	111	111	10,000
" Series B 1942	10,000,000	A & O	112½	Feb. 23,'98			
" Series C 1942	2,000,000	M & N	105	Jan. 16,'97			
" Series D gtd. 4's......1945	4,863,000	M & N	102	Oct. 9,'97			
Pitts., C. & St. Louis 1st c. 7's..1900	6,863,000	F & A	106¾	Mar. 1,'98	106¾	106¾	5,000
" 1st reg. 7's...........1900		F & A	109¼	Apr. 23,'97			
Pitts., Ft. Wayne & C. 1st 7's..1912	2,917,000	J & J	141	Feb. 9,'98			
" 2d 7's..............1912	2,546,000	J & J	140	Mar. 15,'98	140	140	1,000
" 3d 7's..................1912	2,000,000	A & O	128	Aug.26,'95			
Chic., St. Louis, & P. 1st c. 5's..1932	1,506,000	A & O	113	May 14,'96			
" registered.................		A & O	110	May 3,'92			
Cleve. & Pitts. con. s. fund 7's..1900	1,310,000	M & N	109	Nov. 6,'97			
" gen.gtd.g.4½'s Ser. A.1942	3,000,000	J & J	113	Apr. 18,'95			
" Series B...............1942	1,628,000	A & O					
St. Louis, V. & T. H. 2d 7's......1898	1,000,000	M & N	102	Jan. 24,'98			
" 2d gtd. 7's..............1898	1,600,000	M & N	102¾	Mar. 7,'96	102¾	102¾	1,000
G. R. & Ind. Ex. 1st gtd. g 4½ g 1941	4,434,000	J & J	107	May 18,'96			
Allegh. Valley gen. gtd. g. 4's...1942	5,389,000	M & S	102	Nov. 10,'97			
Newp. & Cin. Bge Co. gtd g. 4's..1945	1,400,000	J & J					
Penn. RR. Co. 1st Rl Est. g 4's...1923	1,675,000	......	108	May 12,'97			
con. sterling gold 6 per cent...1905	22,762,000	J & D					
con. currency, 6's registered...1905	4,718,000	Q M 15					
con. gold 5 per cent 1919	4,998,000	M & S					
" registered................		Q Mch					
con. gold 4 per cent 1943	3,000,000	M & N					
con. Clev. & Mar. 1st gtd g. 4½'s1935	1,250,000	M & N	111	July 8,'97			
U'd N. J. RR. & Can Co. g 4's...1944	5,646,000	M & S	115½	Feb. 14,'98			
Del.R. RR.& BgeCo 1stgtdg.4's,1936	1,300,000	F & A					
Peo., Dec.&Ev.Tr.Co.ctf.1stg.6's.1920	1,140,000	J & J	99½	Mar. 11,'98	100½	99½	7,000
" Ev.div.Tr.Co.cfIstg.6's.1920	1,433,000	M & S	96	Feb. 15,'98			
" Tr. Co. ctfs. 2d mort 5's.1926	1,851,000	M & N	14½	Dec. 30,'97			
" " 1st instal. paid.....							
Peoria & Pekin Union 1st 6's....1921	1,500,000	Q F	112	Mar. 8,'97			
" 2d m 4½'s................1921	1,499,000	M & N	86½	Feb. 25,'98			
Pine Creek Railway 6's..........1932	3,500,000	J & D	137	Nov. 17,'93			

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Pittsburg, Clev. & Toledo 1st 6's	1922	2,400,000	A & O	108½	Apr. 5,'93	....	....	....
Pittsburg, Junction 1st 6's	1922	1,440,000	J & J	124	Mar. 12,'96	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A,	1928	2,000,000	A & O	112	Mar. 25,'93	....	....	....
Pittsburg, McK'port & Y. 1st 6's,	1932	2,250,000	J & J	117	May 31,'89	....	....	....
" 2d g. 6's	1934	900,000	J & J	....	....	....	....	....
McKspt & Bell. V. 1st g. 6's	1918	600,000	J & J	....	....	....	....	... .
Pittsburg, Pains. & Fpt. 1st g. 5's,	1916	1,000,000	J & J	95½	Apr. 2,'95	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's,	1940	3,000,000	A & O	108½	Mar. 5,'98	108½	108	14,000
" 1st cons. 5's	1943	523,000	J & J	98	July 14,'97	....	....	....
Pittsburg & West'n 1st gold 4's,	1917	9,700,000	J & J	81½	Mar. 30,'98	84	79	54,000
" Mort. g. 5's	1891-1941	3,500,000	M & N	33½	Mar. 1,'97	....	....	....
Pittsburg, Y & Ash. 1st cons. 5's,	1927	1,562,000	M & N	....	....	....	....	....
Reading Co. gen. g. 4's	1997	58,668,000	J & J	80⅝	Mar. 31,'98	84	79¼	1,347,000
" registered			J & J	....	....	....	....	....
Rio Grande West'n 1st g. 4's	1939	15,200,000	J & J	80½	Mar. 31,'98	82⅝	79	186,000
Rio Grande Junc'n 1st gtd. g. 5's,	1939	1,850,000	J & D	94¼	Feb. 16,'98	....	....	....
Rio Grande Southern 1st g. 3-4,	1940	4,510,000	J & J	54	Feb. 2,'98	....	....	....
Salt Lake City 1st g. sink fu'd 6's,	1913	297,000	J & J	....	....	....	....	....
St. Jo. & Gr. Isl. 1st g. 2.342	1947	3,500,000	J & J	70	Mar. 22,'98	73¾	70	38,000
St. Louis & San F. 2d 6's, Class A,	1906	500,000	M & N	115¼	Mar. 17,'98	115¼	115	5,000
" 2d g. 6's, Class B	1906	2,726,500	M & N	114½	Mar. 22,'98	116¼	114½	13,000
" 2d g. 6's, Class C	1906	2,400,000	M & N	114	Mar. 17,'98	116	114	7,500
" 1st g. 6's P. C. & O.	1919	1,035,000	F & A	118	May 23,'92	....	....	....
" gen. g. 6's	1931	7,807,000	J & J	117½	Mar. 31,'98	118½	116½	48,000
" gen. g. 5's	1931	12,293,000	J & J	102½	Mar. 31,'98	103½	101½	124,000
" 1st Trust g. 5's	1987	1,099,000	A & O	97¼	Feb. 15,'98	....	....	....
Ft. Smith & Van B. Bdg. 1st 6's,	1910	319,000	A & O	105	Oct. 4,'96	....	....	....
Kansas, Midland 1st g. 4's	1937	1,608,000	J & D	....	....	....	....	....
St. Louis & San F. R. R. g. 4's	1996	6,388,000	J & D	72¾	Mar. 31,'98	75¼	70½	123,000
" South'n div. 1st g. 5's.	1947	1,500,000	A & O	95½	Mar. 4,'98	95½	95½	30,000
St. Louis S. W. 1st g. 4's Bd. ctfs.,	1989	20,000,000	M & N	73½	Mar. 31,'98	76	72⅝	140,000
" 2d g. 4's inc. Bd ctfs.	1989	8,000,000	J & J	26	Mar. 30,'98	28	25	25,000
St. Paul City Ry. Cable con. g. 5's.	1937	2,480,000	J&J15	90	Nov. 8,27	....	....	....
" gtd. gold 5's	1937	1,138,000	J & J	90	Mar. 20,'96	....	....	....
St. Paul & Duluth 1st 5's	1913	1,000,000	F & A	117	Mar. 14,'98	117	115	4,000
" 2d 5's	1917	2,000 000	A & O	109	Feb. 21,'98	....	....	....
St. Paul, Minn. & Manito'a 2d 6's	1909	8,000,000	A & O	122¾	Jan. 29,'98	....	....	....
" Dakota ext'n 6's	1910	5,676,000	M & N	118½	Mar. 25,'98	121	118½	22,000
" 1st con. 6's	1933	13,344,000	J & J	128	Feb. 26,'98	....	....	....
" 1st con. 6's, registered			J & J	120	Aug. 19,'95	....	....	....
" 1st c. 6's, red'd to 4½'s		21,196,000	J & J	107	Mar. 21,'98	108	107	14,000
" 1st cons. 6's register'd			J & J	105	Nov. 4,'95	....	....	....
" Mont. ext'n 1st g. 4's.	1937	7,805,000	J & D	99	Mar. 10,'98	100½	99	47,000
" registered			J & D	96	Feb. 19,'97	....	....	....
Minneapolis Union 1st 6's	1922	2,150,000	J & J	127¼	Feb. 8,'98	....	....	....
Montana Cent. 1st 6's int. gtd.	1937	6,000,000	J & J	127	Jan. 13,'98	....	....	....
" 1st 6's, registered			J & J	115	Apr. 24,'97	....	....	....
" 1st g. g. 5's	1937	2,700,000	J & J	109½	Mar. 31,'98	109½	109½	9,000
" registered			J & J	....	....	....	....	....
Eastern Minn. 1st d. 1st g. 5's.	1908	4,700,000	A & O	108	Mar. 17,'98	108	108	2,000
" registered			A & O	....	....	....	....	....
Willmar & Sioux Falls 1st g. 5's,	1938	3,625,000	J & D	111	Mar. 9,'98	111	111	1,000
" registered			J & J	....	....	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's,	1919	3,872,000	J & J	100½	Oct. 20,'97	....	....	....
Sav. Florida & Wn. 1st c. g. 6's	1934	4,056,000	A & O	106⅝	Aug. 2,'97	....	....	....
" 1st g. 5's,	1934	1,780,000	A & O	104½	Oct. 18,'97	....	....	....
Seaboard & Roanoke 1st 5's	1926	2,500,000	J & J	104¾	Feb. 5,'98	....	....	....
Sodus Bay & Sout'n 1st 5's, gold,	1924	500,000	J & J	105	Sept. 4,'86	....	....	....
South Caro'a & Georgia 1st g. 5's,	1919	5,250,000	M & N	93	Mar. 30,'98	95	93	14,000

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	MARCH SALES. High.	Low.	Total.
Southern Pacific Co.								
Gal. Harrisb'gh & S.A. 1st g 6's	1910	4,756,000	F & A	107	Jan. 20,'98			
〃 2d g 7's	1905	1,000,000	J & D	105	Mar. 5,'98	105	105	2,000
〃 Mex. & P. div 1st g 5's	1931	13,418,000	M & N	95½	Mar. 31,'98	95¾	95¼	124,000
Houst. & T C 1st Waco & N 7's	1903	1,140,000	J & J	125	June 29,'92			
〃 1st g 5's int. gtd	1937	7,107,000	J & J	110	Mar. 31,'98	110	108½	26,000
〃 con. g 6's int. gtd	1912	3,455,000	A & O	107	Mar. 18,'98	107	107	3,000
〃 gen. g 4's int. gtd	1921	4,297,000	A & O	78½	Mar. 30,'98	79¾	78	72,000
Morgan's La & Tex. 1st g 6's	1920	1,494,000	J & J	120½	Feb. 17,'98			
〃 1st 7's	1918	5,000,000	A & O	127	Feb. 26,'98			
N. Y. Tex. & Mex. gtd. 1st g 4's	1912	1,442,500	A & O					
Oreg. & Cal. 1st gtd. g 5's	1927	18,842,000	J & J	75	Jan. 6,'98			
San Ant. & Aran Pass 1st gtd g 4's	1943	18,886,000	J & J	57¾	Mar. 31,'98	60¼	56¼	257,000
Tex. & New Orleans 1st 7's	1905	1,620,000	F & A	111	Mar. 1,'97			
〃 Sabine div. 1st g 6's	1912	2,575,000	M & S	106¼	Nov. 17,'97			
〃 con. g 5's	1943	1,620,000	J & J	98½	Mar. 30,'98	98½	98	116,000
South'n Pac. of Ariz. 1st 6's	1909-1910	10,000,000	J & J	103	Mar. 30,'98	104¼	102	181,000
South. Pac. of Cal. 1st g 6's	1905-12	30,577,500	A & O	110	Jan. 24,'98			
〃 1st con. gtd. g 5's	1937	19,671,000	M & N	96	Mar. 31,'98	97	96	127,000
Austin & Northw'n 1st g 5's	1941	1,920,000	J & J	84	Mar. 30,'98	85	84	41,000
So. Pacific Coast 1st gtd. g. 4's	1937	5,500,000	J & J					
So. Pacific of N. Mex. c. 1st 6's	1911	4,180,000	J & J	107¼	Mar. 31,'98	108¼	107¼	118,000
Southern Railway 1st con. g 5's	1994	26,962,000	J & J	89½	Mar. 31,'98	92⅜	87½	568,000
〃 registered			J & J					
East Tenn. reorg. lien g 4's	1938	4,500,000	M & S	100	Feb. 16,'98			
〃 registered			M & S					
Alabama Central, 1st 6's	1918	1,000,000	J & J	112¼	Aug. 17,'97			
Atl. & Char. Air Line, income	1900	750,000	A & O	104	May 24,'95			
Col. & Greenville, 1st 5-6's	1916	2,000,000	J & J	119	Dec. 22,'97			
East Tenn., Va. & Ga. 1st 7's	1900	3,123,000	J & J	106¼	Mar. 16,'98	107	106¼	20,000
〃 divisional g 5's	1930	3,106,000	J & J	113½	Mar. 10,'98	114	113¼	6,000
〃 con. 1st g 5's	1956	12,770,000	M & N	109	Mar. 29,'98	110¾	109	88,000
Ga. Pacific Ry. 1st g 5-6's	1922	5,660,000	J & J	119½	Mar. 31,'98	120¼	119½	55,000
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	116	Mar. 2,'98	116	116	1,000
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	122½	Mar. 17,'98	123	122	280,000
〃 equip. sink. f'd g 5's,	1909	897,000	M & S	101	Nov. 2,'97			
〃 deb. 5's stamped	1927	3,368,000	A & O	105	Feb. 19,'98			
Vir. Midland serial ser. A 6's	1906	600,000	M & S					
〃 small			M & S					
〃 ser. B 6's	1911	1,900,000	M & S					
〃 small			M & S					
〃 ser. C 6's	1916	1,100,000	M & S					
〃 small			M & S					
〃 ser. D 4-5's	1921	950,000	M & S					
〃 small			M & S					
〃 ser. E 5's	1926	1,775,000	M & S					
〃 small			M & S					
〃 ser. F 5's	1931	1,310,000	M & S					
Virginia Midland gen. 5's	1936	2,392,000	M & N	100	Mar. 24,'98	105½	100	2,000
〃 gen. 5's. gtd. stamped	1926	2,466,000	M & N	103½	Mar. 7,'98	103½	103½	1,000
W. O. & W. 1st cy. gtd. 4's	1924	1,025,000	F & A	84	Aug. 10,'97			
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	115⅞	Jan. 21,'98			
Spokane Falls & North. 1st g. 6's	1939	2,812,000	J & J					
Staten Island Ry 1st gtd. g 4½s	1943	500,000	J & D					
Sunbury & Lewiston 1st g. 4's	1936	500,000	J & J					
Ter. R. R. Assn. St. Louis 1 g 4½'s	1939	7,000,000	A & O	110½	Feb. 19,'98			
〃 1st con. g. 5's	1894-1944	4,500,000	F & A	107	Feb. 24,'98			
St. L. Mers. bdg. Ter. gtd g. 5's	1930	3,500,000	A & O	103	Oct. 27,'96			
Terre Haute Elec. Ry. gen. g 6's	1914	444,000	Q JAN	105⅜	Dec. 18,'95			
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th	1905	3,784,000	M & S	110½	Feb. 14,'98			
〃 1st gold 5's	2000	21,049,000	J & D	99⅞	Mar. 31,'98	101¼	96½	328,000
〃 2d gold income, 5's	2000	23,227,000	MAR.	30⅝	Mar. 31,'98	34¾	29	3,060,000
Third Avenue 1st g 5's	1937	5,000,000	J & J	123	Mar. 29,'98	124	123	17,000

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	MARCH SALES. *High.*	MARCH SALES. *Low.*	MARCH SALES. *Total.*
Toledo & Ohio Cent. 1st g 5's....1935	3,000,000	J & J	104⅛	Feb. 26,'98	....	....	....
" 1st M. g 5's West. div...1935	2,500,000	A & O	103½	Jan. 6,'98	....	....	....
" gen. g. 5's.... 1935	1,500,000	J & D	....	....	....	....	....
" Kanaw & M. 1st g. g. 4's.1990	2,340,000	A & O	80	Mar. 11,'98	82	80	4,000
Toledo, Peoria & W. 1st g 4's....1917	4,400,000	J & D	70	Mar. 25,'98	72	69	17,000
Tol., St.L.&K.C. Tr. Rec. 1st g 6's.1916	8,234,000	M & N	86	Mar. 3,'98	86	86	2,000
Ulster & Delaware 1st c. g 5's....1928	1,852,000	J & D	103½	Feb. 3,'98	....	....	....
Union Elevated (Chic.) 1st g.5's.1945	4,212,000	A & O	....	....	....	....	....
Union Pacific R. R. & ld gt g 4s.1947	84,235,000	J & J	91⅛	Mar. 31,'98	94⅛	88⅝	10,684,500
" registered................		J & J	....	....	....	....	....
Union Pacific col. Trust g. 5s..1907	4,970,030	J & D	83	Aug. 31,'97	....	....	....
" Tr. Co. cts. g. 4½s.....1918	2,000,000	M & N	45⅛	Mar. 30,'98	45⅛	45	6,000
Kansas Pacific 1st 6's...........1895	1,436,000	F & A	111¼	June 7,'97	....	....	....
" eng.Tr.Co. cfs. ex mat cps	805,000	......	122⅛	Feb. 9,'98	....	....	....
" 1st 6's.................1896	1,990,000	J & D	114	Sept. 29,'97	....	....	....
" eng.Tr.Co. cfs. ex mat cps	2,078,000	......	125	Feb. 11,'98	....	....	....
" Denver div. assd. 6's..1899	2,836,000	M & N	130⅛	Feb. 15,'98	....	....	....
" eng.Tr.Co. cfs. ex mat cps	3,051,000	......	120	Mar. 24,'98	120	120	1,000
" Tr.Co. ctfs. 1st con. 6's1919	11,474,000	......	105⅛	Mar. 30,'98	107⅛	97⅛	974,000
Cent. Br. Un. Pac. f'd cpns 7's.1895	630,000	M & N	96	June 22,'98	....	....	....
Atch., Colo. & Pac., 1st 6's......1905	4,070,000	Q F	35	Mar. 4,'98	35	35	15,000
U.P. Den.&GT.Co.cf.1st c.g.5's.1939	15,288,000	J & D	54⅛	Mar. 31,'98	59	50⅛	1,835,000
Wabash R.R. Co., 1st gold 5's....1939	31,664,000	M & N	107	Mar. 31,'98	108⅛	104⅛	315,000
" 2d mortgage gold 5's..1939	14,000,000	F & A	78⅛	Mar. 30,'98	79⅝	74½	471,000
" deben. mtg series A..1939	8,500,000	J & J	....	....	....	....	....
" series B................1939	25,740,000	J & J	24	Mar. 28,'98	24	22½	22,000
" 1st g.5's Det.& Chi.ex.1940	3,500,000	J & J	100⅛	Mar. 30,'98	102	99⅞	47,000
St. L., Kan. C. & N. St. Chas. B. " 1st 6's.................1908	1,000,000	A & O	108⅛	Mar. 12,'98	108⅛	108⅛	5,000
Western N.Y. & Penn. 1st g. 5's..1937	10,000,000	J & J	108⅛	Mar. 4,'98	108⅛	108⅛	5,000
" gen g. 2-3-4's............1943	10,000,000	A & O	51	Mar. 29,'98	52¾	50½	169,000
" inc. 5's..... .... .1943	10,000,000	Nov.	13⅛	Mar. 10,'98	13½	13½	10,000
West Chic. S . 40 yr. 1st cur. 5's. 1928	3,969,000	M & N	....	....	....	....	....
" 40 years con. g. 5's......1936	6,031,000	M & N	99	Dec. 28,'97	....	....	....
West Va. Cent'l & Pac. 1st g. 6's.1911	3,000,000	J & J	108	Feb. 18,'96	....	....	....
Wheeling & Lake Erie 1st 5's....1926	1,265,000	A & O	101⅛	Mar. 7,'98	101⅛	101⅛	2,000
" Trust Co. certificates......	1,735,000	......	100	Mar. 18,'98	103	100	14,000
" Wheeling div. 1st g. 5's.1928	1,500,000	J & J	90	Mar. 18,'98	90	90	10,000
" exten. and imp. g. 5's...1930	1,624,000	F & A	92⅛	Mar. 11,'98	92½	92⅛	8,000
" consol mortgage 4's....1992	1,600,000	J & J	62¼	July 20,'96	....	....	....
Wisconsin Cent.Co. 1st trust g.5's1937	1,987,000	J & J	34	Nov. 16,'97	....	....	....
" eng. Trust Co. certificates.	10,013,000	......	38	Mar. 31,'98	43	35⅛	638,000
" income mortgage 5's...1937	7,775,000	A & O	6⅛	Jan. 19,'98	....	....	....

UNITED STATES GOVERNMENT SECURITIES.

NAME *Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1898 *High.*	YEAR 1898 *Low.*	MARCH SALES. *High.*	MARCH SALES. *Low.*	MARCH SALES. *Total.*
United States 2's registered........Opt'l	25,364,100	Q M	98⅛	98⅛	98⅛	98⅛	10,000
" 4's registered..............1907	559,634,000	J A J&O	113⅝	108¾	111	108¾	81,000
" 4's coupon.................1907		J A J&O	114¾	110	113	110	45,000
" 4's registered..............1925	162,315,400	Q F	129⅛	118⅛	125⅝	118⅛	128,000
" 4's coupon.................1925		Q F	129¾	118⅛	125¼	118½	603,800
" 5's registered.............1904	100,000,000	Q F	115	111¾	111¾	111¾	15,000
" 5's coupon.................1904		Q F	115	110¼	112⅛	110¼	100,000
" 6's currency..................1899	14,004,560	J & J	104	103	103⅛	103	5,000
" 4's reg. cer. ind. (Cherokee)1898	1,660,000	MAR	....	....	....	....	......
" " 1899	1,660,000	MAR	....	....	....	....	......
District of Columbia 3-65's...........1924	14,083,600	F & A	....	....	....	....	......
" small bonds....................		F & A	....	....	....	....	......
" registered.......................		F & A	....	....	....	....	......
" funding 5's..................1899	800,400	J & J	....	....	....	....	......
" " small....................		J & J	....	....	....	....	......
" " registered		J & J	....	....	....	....	......

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MISCELLANEOUS BONDS.

NAME. Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	March Sales. High.	March Sales. Low.	March Sales. Total.
American Cotton Oil deb. g. 8's..1900	3,068,000	Q F	106⅛	Mar. 30,'98	107	102⅛	37,000
Am. Spirit Mfg. Co. 1st g. 6's....1915	2,000,000	M & S	65	Mar. 30,'98	73	64	9,000
Atlanta Gas Light Co. 1st g. 5's..1947	1,150,000	J & D	....		....	....	....
Barney & Smith Car Co. 1st g. 6's.1942	1,000,000	J & J	....		....	....	....
Bost. Un.Gas tst ctfs s'k f'd g. 5's.1939	7,000,000	J & J	90¼	Jan. 26,'98	....	....	....
B'klyn Union GasCo.1stcon.g.5's.1945	18,081,000	M & N	112¾	Mar. 16,'98	113⅛	112	54,000
B'klyn Wharf & Wh. Co. 1st g. 5's.1945	17,500,000	F & A	94	Mar. 30,'98	96	94	21,000
Chic. Junc. & St'k Y'ds col. g. 5's.1915	10,000,000	J & J	109⅛	Feb. 9,'97	....	....	....
Colo. Coal & Iron 1st con. g. 6's..1900	2,954,000	F & A	98	Mar. 9,'98	98	98	8,000
Colo. C'l & I'n Devel.Co. gtd g.5's.1909	700,000	J & J	81	Feb. 11,'97	....	....	....
" Coupon off..................	....	......	....		....	....	....
Colo. Fuel Co. gen. g. 6's..........1919	1,043,000	M & N	104	Jan. 13,'98	....	....	....
Col. Fuel & Iron Co. gen. sf g 5's..1943	2,021,000	F & A	83¼	Jan. 18,'98	....	....	....
Columbus Gas Co., 1st g. 5's......1932	1,175,000	J & J	104⅛	Jan. 28,'98	....	....	....
Commercial Cable Co. 1st g. 4's.2397.	13,000,000	Q & J	104	Mar. 18,'98	104	104	2,000
" registered....................		Q & J	104	Feb. 16,'98	....	....	....
Detroit Gas Co. 1st con. g. 5's....1918	2,000,000	F & A	95	Mar. 15,'98	95	95	2,000
Edison Elec. Illu. 1st conv. g. 5's.1910	4,312,000	M & S	109	Mar. 28,'98	109⅛	109	10,000
" 1st con. g. 5's............1995	2,156,000	J & J	114⅛	Mar. 28,'98	116	114⅛	31,000
" Brooklyn 1st g. 5's......1940	1,500,000	A & O	110½	Feb. 4,'97	....	....	....
" registered..................		A & O	....		....	....	....
Equitable Gas Light Co. of N. Y.							
" 1st con. g. 5's............1932	2,500,000	M & S	102	Feb. 14,'98	....	....	....
Erie Teleg. & Tel. col. tr. g s fd 5's.1926	1,960,000	J & J	98¼	Mar. 9,'98	98¼	98¼	5,000
General Electric Co. deb. g.5's...1922	8,000,000	J & D	100	Mar. 29,'98	101¼	100	64,000
Grand Riv. Coal & Coke 1st g. 6's.1919	780,000	A & O	90	Nov. 26,'95	....	....	....
Grand Rapids Gas Light Co. 1st							
" g. 5's....................1915	1,225,000	F & A	92½	Mar. 11,'95	....	....	....
Hackensack Wtr Reorg. 1st g. 5's.1926	1,090,000	J & J	107⅛	June 8,'92	....	....	....
Hend'n Bdg Co. 1st s'k. f'd g. 6's.1931	1,728,000	M & S	111	Aug. 23,'97	....	....	....
Hoboken Land & Imp. g. 5's.....1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Illinois Steel Co. debenture 5's...1910	6,200,000	J & J	86	May 8,'96	....	....	....
" non. conv. deb. 5's......1910	7,000,000	A & O	70	Apl. 23,'97	....	....	....
Iron Steamboat Co. 6's...........1901	500,000	J & J	75⅛	Dec. 4,'95	....	....	....
Jefferson & Clearfield Coal & Ir.							
" 1st g. 5's..................1926	1,975,000	J & D	107	May 27,'97	....	....	....
" 2d g. 5's..................1926	1,000,000	J & D	80	May 4,'97	....	....	....
Kansas City Mo. Gas Co. 1st g 5's.1922	3,750,000	A & O	....		....	....	....
Lac. Gas L't Co. of St. L. 1st g. 5's.1919	10,000,000	Q F	101⅛	Mar. 30,'98	103	100⅝	72,000
" small bonds.................			97½	Nov. 1,'95	....	....	....
Madison Sq. Garden 1st g. 5's....1919	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim. gen. g. 4's.1940	1,300,000	M & N	55	Aug. 27,'95	....	....	....
Metrop. Tel & Tel. 1st s'k f'd g. 5's.1918	2,000,000	M & N	103¼	Jan. 5,'92	....	....	....
" registered..................		M & N					
Mich. Penins. Car Co. 1st g 5's...1942	2,000,000	M & S	55	June 5,'97	....	....	....
Nat. Starch Mfg. Co., 1st g 6's...1920	3,837,000	J & J	106	Mar. 14,'98	106	106	11,000
Newport News Shipbuilding & Dry Dock 5's.............1890-1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. & N. J. Tel. gen. g 5's cnv..1920	1,261,000	M & N	100	June 4,'95	....	....	....
N. Y. & Ontario Land 1st g 6's...1910	443,000	F & A	92¼	May 5,'96	....	....	....
Peop's Gas & C. Co. C. 1st g. g 6's.1904	2,100,000	M & N	114¾	Dec. 18,'97	....	....	....
" 2d gtd. g. 6's.............1904	2,500,000	J & D	102	Mar. 29,'98	102	102	1,000
" 1st con. g 6's.............1943	4,900,000	A & O	119⅛	Feb. 19,'98	...	....	....
" refunding g. 5's........1947	2,500,000	M & S	....		....	....	....
" refuding registered....		M & S	....		....	....	....
Chic.Gas Lt&Coke 1st gtd g. 5's.1937	10,000,000	J & J	104	Mar. 31,'98	105¼	103	84,000
Con. Gas Co.Chic. 1st gtd.g.5's.1936	4,346,000	J & D	102⅛	Mar. 30,'98	103¼	102	21,000
Eq.Gas&Fuel,Chic.1stgtd.g.6's.1905	2,000,000	J & J	107	Dec. 24,'97	....	....	....
Peoria Water Co. g 6's......1889-1919	1,254,000	M & N	100	June 23,'92	....	....	....
Pleasant Valley Coal 1st g 6's....1920	590,000	M & N	106⅞	Oct. 14,'95	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	*Date.*	MARCH SALES. *High.*	*Low.*	*Total.*
Procter & Gamble, 1st g 6's......1940	2,000,000	J & J	117	Dec. 12,'95	....	....	....
St. Louis Terml. Cupples Station. & Property Co. 1st g 4½'s 5-20..1917	2,000,000	J & D	....	....	....	....	....
So. Y. Water Co. N. Y. con. g 6's..1923	478,000	J & J	101	Feb. 19,'97	....	....	....
Spring Valley W. Wks. 1st 6's....1906	4,975,000	M & S	....	....	....	....	....
Standard Rope & Twine 1st g. 6's. 1946	2,955,000	F & A	57	Mar. 31,'98	57⅛	51	43,000
" " inc. g. 5's. 1946	7,500,000	......	11	Mar. 25,'98	13	11	52,000
Sun. Creek Coal 1st sk. fund 6's..1912	400,000	J & D	....	....	....	....	....
Ten. Coal, I. & R. T. d. 1st g 6's...1917	1,244,000	A & O	84⅛	Mar. 28,'98	84⅛	84⅛	3,000
" Bir. div. 1st con. 6's...1917	3,399,000	J & J	82¾	Mar. 30,'98	84	79	35,000
Cah. Coal M. Co. 1st gtd. g 6's..1922	1,000,000	J & D	84	May 2,'95	....	....	....
De Bard. C & I Co. gtd. g 6's...1910	2,428,000	F & A	83	Jan. 26,'98	....	....	....
U. S. Leather Co. 6% g s. fd deb..1915	6,000,000	M & N	115	Mar. 28,'98	116	115	17,000
Vermont Marble, 1st s. fund 5's..1910	640,000	J & D	....	....	....	....	....
Western Gas Co. col. tr. g. 5's....1933	3,805,500	M & N	101	Mar. 16,'98	101	101	....
Western Union deb. 7's.....1875-1900	3,680,000	M & N	105½	Feb. 25,'96	....	....	....
" 7's, registered..........1900		M & N	105	Mar. 11,'98	105	105	5,000
" debenture, 7's......1884-1900	1,000,000	M & N	105½	July 7,'97	....	....	....
" registered..................		M & N	104½	Nov. 12,'97	....	....	....
" col. trust cur. 5's.......1938	8,502,000	J & J	109	Mar. 29,'98	110	109⅛	6,000
Mutual Union Tel. s. fd. 6's....1911	1,95[illegible],000	J & J	111	Mar. 16,'98	111	111	3,000
Northwestern Telegraph 7's...1904	1,250,000	J & J	....	....	....	....	....
Wheel L. E. & P. Cl Co. 1st g 5's. 1919	846,000	J & J	68	Dec. 23,'96	....	....	....
Whitebrst Fuel gen. s. fund 6's..1908	570,000	J & D	....	....	....	....	....

BANKERS' OBITUARY RECORD.

Argersinger.—James P. Argersinger, Vice-President of the People's Bank, Johnstown, N. Y., died March 11. He was prominent in banking, railroad affairs and in politics.

Brown.—Frederick A. Brown, a member of the New York banking firm of Walston H. Brown & Bros., died March 27. Mr. Brown was born in Cincinnati forty-seven years ago. He graduated at Columbia University, and entered the banking business in 1877.

Colsen.—Andrew E. Colsen, Cashier of the Sixth National Bank, New York, and a banker of high reputation, died March 18. Mr. Colsen was born in Buffalo in 1835. When an attempt was made by Peter J. Classen and Geo. H. Pell to wreck the Sixth National Bank, Mr. Colsen did the bank great service by aiding in thwarting their purposes, and assisted in restoring the bank to solvency.

Davidson.—Hon. C. L. Davidson, President of the State Bank, of Hull, Iowa, and a State Railway Commissioner, died March 15. Mr. Davidson was born in Knox County, Ohio, in 1846, but went to Iowa when fourteen years of age. He served on the Union side in the Civil War, had been a member of the Iowa Legislature, and had held many other prominent offices.

Eldredge.—Capt. Levi Eldredge, President of the Cape Cod Five Cents Savings Bank, Harwich, Mass., was thrown from a wagon and killed on March 23.

Gallagher.—John Gallagher, Vice-President of the People's National Bank, Sandy Hill, N. Y., and one of the founders of the bank, died March 25.

Handy.—Hon. Truman P. Handy, for many years President of the Mercantile National Bank, Cleveland, Ohio, died March 25, aged ninety-one years. He was a director of the bank at the time of his death.

Harris.—Francis M. Harris, President of the Nassau Bank, New York, died March 14. Mr. Harris had been connected with banking in the city for about fifty years, and was associated with the Nassau Bank since 1853.

Hane.—Hon. John J. Hane, ex-State Senator and President of the Farmers' and Mechanics' Bank Company, Marion, Ohio, died March 23.

Jones.—W. S. Jones, Assistant Cashier of the Louisville (Ky.) Banking Co., died March 11. He had been connected with the bank for eighteen years and Assistant Cashier for ten years, and was held in high estimation for his energetic and faithful discharge of his duties.

Knowlton.—Lewis A. Knowlton, President of the People's National Bank, Belfast, Me., died March 20, aged seventy-two years.

Logan.—William Logan, for twenty-one years President of the First National Bank, of Mercer, Pa., died March 19, aged seventy-nine years.

May.—Captain Jonathan May, President of the Sixth National Bank, Philadelphia, died March 9. He was for many years engaged in seafaring, in which he amassed a fortune. He became President of the bank in 1873.

Miller.—E. B. Miller, Cashier of the Watkins Banking Co., Lake Charles La., died March 4.

Mulford.—John Mulford, Vice-President and one of the organizers of the West Side Bank, New York, died March 18. Mr. Mulford was born in 1824, and had been a resident of the city for the past sixty years.

Oakley.—James S. Oakley, Secretary of the Hudson Trust and Savings Institution, West Hoboken, N. J., died March 23. Mr. Oakley was for twenty years the Cashier of the American Exchange National Bank, New York, and was well known in banking circles.

Parsons.—John C. Parsons, President of the Society for Savings, Hartford, Conn., died March 11, aged sixty-six years. He was also a director of the Security Company, the Connecticut River Banking Company and other financial and benevolent enterprises.

Partridge.—Joseph Partridge, Sr., President of the First National Bank, Effingham, Ill., died March 25.

Perkins.—Albert A. Perkins, for twenty years President of the Great Falls National Bank, Somersworth, N. H., and Treasurer of the Somersworth Savings Bank, died March 16 He was a member of the Legislature in 1859-60, and was for about twenty years Treasurer and Superintendent of the Great Falls and Conway Railroad.

Smith.—Abel Guy Smith, President of the Bank of Tustin, Tustin City, Cal., died March 23. He was a native of Connecticut, but for over twenty-five years had resided in California.

Smith.—Wm. T. Smith, President of the Lackawanna (Pa.) Trust and Safe Deposit Co., died at St. Louis, Mo., March 25. He was a well-known banker and wealthy coal operator.

Syfers.—Lisbon L. Syfers, President of the Farmers and Traders' Bank, Jamestown, Ohio, died at Indianapolis, Ind., March 19. He founded the bank in 1867, and in the second year of its organization became President, which position he held up to the time of his death.

Taylor.—Wm. W. Taylor, President of the National Union Bank of Maryland since 1864, Secretary of the Baltimore Clearing-House Association and a director in many financial institutions of that city, died March 15, aged seventy-five years.

Tome.—Jacob Tome, President of the Cecil National Bank, Port Deposit, Md., and one of the wealthy men of the State, died March 16. Mr. Tome had long been identified with banking in the South. He was also largely interested in charitable and benevolent enterprises. In 1889 he founded the institute which bears his name, endowing it with a fund of $2,000,000. over which he retained control during his life. His estate is estimated at $4,000,000.

Underwood.—R. B. Underwood, President of the First National Bank, Canton, Ill., died March 25. He was born in Augusta, Me., in 1822, and had resided at Canton since 1871.

Death of Blanche K. Bruce.—Blanche K. Bruce, Register of the Treasury and former United States Senator from Mississippi, died at his home in Washington, March 17. Mr. Bruce was born in Virginia, March 1, 1841. His parents were slaves, and he worked in bondage until the outbreak of the Civil War, when he came North. He went to Missouri and taught school for a time. After the War, he entered Oberlin College in Ohio, but was forced to leave for lack of funds. Then he moved to Mississippi, and in the days of reconstruction became prominent in Republican politics. In 1874 he was elected to the United States Senate from Mississippi and served a full term. President Garfield appointed him Register of the Treasury in 1881. He retained this office until the Cleveland Administration, when he was superseded by Mr. Tillman. President McKinley reappointed him to this place.

THE

BANKERS' MAGAZINE.

RHODES' JOURNAL OF BANKING and THE BANKERS' MAGAZINE Consolidated.

FIFTY-SECOND YEAR. MAY, 1898. VOLUME LVI, NO. 5.

A BILL FOR CURRENCY REFORM has at length been agreed upon by the Committee on Banking and Currency, which will be reported to the House, with the proviso that each member of the committee shall be at liberty to offer such amendments as he sees fit. The position taken by some of the committee is so incongruous with any loyal support of the measure that at this writing it is said the report will be delayed in order to secure a more binding agreement, if possible.

The measure agreed upon by the committee to the extent mentioned shows the valuable effects of the currency agitation which has been carried on during the last three years, and especially of the report of the Monetary Commission.

In effect the bill, known as the McCLEARY bill, differs but little in essentials from that of the Monetary Commission. The main difference is that all provisions for refunding the debt, as suggested by Secretary GAGE, and also by the plan of the Monetary Commission, are carefully avoided in the committee's measure. This has probably been done for two reasons. Anything touching changes in the status of the public debt belongs more properly to the Ways and Means Committee than it does to the Committee on Banking and Currency; and also this part of currency reform would be likely to cause great opposition, by precipitating a debate on the gold standard.

The bill of the committee leaves the standard in the same position as it is, and merely provides stronger methods for maintaining the parity between the gold and silver money. It provides for the relief of the Treasury from the continual pressure of the redemption of the legal-tender note by throwing a large share if not the whole of this redemption on the National banks. The method by which this is effected avoids the necessity of increasing the interest-bearing public debt, and is substantially founded on the idea first suggested by the Editor of the MAGAZINE in his plan proposed at Baltimore in 1894.

The banks are to deposit legal-tender notes and receive in exchange double the amount so deposited in other notes; one-half, called reserve notes, while immediately redeemable by the bank, will be secured by and ultimately redeemable by the Government, and the other half will be secured by the general assets of the bank and a safety or guaranty fund.

The capital of the National banks in October last was about 630 millions of dollars. Under the plan of the committee the present required bond deposit is to be continued, and if the minimum is uniformly deposited by the banks the amount would be $157,500,000. On bonds deposited the banks receive circulation to par value, viz., $157,500,000. The bill fixes the limit of circulation finally resting on the bank at 60 per cent. of the capital, or $378,000,000. Deducting the $157,500,000 resting on bonds, leaves $220,500,000 to be procured by exchanging legal-tender notes for the new reserve notes. This would leave of the $450,000,000 legal-tender and Treasury notes now outstanding about $229,500,000 still a burden on the Treasury reserve, the remaining $220,500,000 being superseded by reserve notes for the redemption of which the banks are responsible. But after one year the banks may begin to reduce their bond deposits at the rate of one-quarter annually. Therefore at the end of five years there is a great probability that $157,500,000 more legal-tender notes will be converted into reserve notes, leaving only $72,000,000 of legal-tender and Treasury notes resting on the Treasury reserve. This will happen if the number and capital of National banks remain the same as in October, 1897. But the increase in the number of banks within five years or less will probably much hasten the conversion of legal-tender and Treasury notes into reserve notes.

It is to be expected, if the bill becomes a law without serious modification, that large numbers of State banks will organize under the new law as National banks, and this will hasten the effect of the measure. The requirement of the present minimum bond deposit may retard these conversions at first, but as this requirement is reduced year by year, the inducements to State and private banks to join the national system will become greater and greater.

The bill does not grant the privilege of circulation to the banks without throwing upon them a corresponding burden. Within five years it is almost certain that the banks of the country will be required to provide for the constant specie redemption of an amount of reserve notes equal to the $450,000,000 of legal-tender and Treasury notes now outstanding. In return for this they will have the privilege of issuing $450,000,000 of circulating notes based on their general assets and a guaranty fund.

A calculation will show that after the cost of reserves the cost of redemptions and of the guaranty fund, and the payment of the taxation imposed by the bill, the profit will not be over one and a half per cent. This is better than banks generally obtain on circulation based on bonds, but not nearly so great as it would be under the bill of the Monetary Commission.

But the profit on circulation will not be the only benefit to the banks. The advantage to the business of the country, from the relief of the Treasury and the removal of the baleful effects of periodical doubts of the Government credit, will result in a general prosperity of which the banks will be partakers.

There is no doubt that the measure proposed by the committee is a good one and will effect a very desirable relief. It is already announced that it is much more acceptable to members of Congress than either the proposition of Secretary GAGE or that of the Monetary Commission. The reason of this is that the refunding of the national debt, which formed a part of these two plans, is omitted.

Apart from this, in all essential points relating to the legal-tender notes and the issue of bank currency, there is nothing in the committee's bill which should not receive the cordial support of all sound money men regardless of party. The members of the Monetary Commission can by supporting this measure secure the adoption of a very large part of the recommendations made by them.

The fact that a measure of this character is so nearly ready for report to the House should be the subject of congratulation and encouragement to all who have the best interests of the country at heart. The defeat of the TELLER resolution has shown it to be the intention of Congress to maintain the present standard of value. Therefore, however desirable it may be, it is not absolutely necessary that there should be any reiteration of the superiority of the gold standard in the bill. The gold standard will be preserved without any further talking about it. This attitude of hands off for the present would be changed, in the event of the presentation to Congress of any scheme which required an issue of new bonds or the refunding of those now outstanding. The introduction of much unnecessary argument on the abstract merits of the gold and silver standards would be unavoidable. The party which opens such a debate would be at a disadvantage politically in that they would be disturbing the *status quo*.

If silver makes no more encroachment on the present system of parity the standard is sure to come out all right in the end. The extreme silver men are now in a position where they will have to take the burden of proof on themselves to effect any such encroachment.

They will have to attack the parity, which would at once deprive them of their pretense of bimetallism and reveal them as unmistakable advocates of the single silver standard. They must attack the bill simply as a banking measure, and it will be hard to show that it is granting privileges to the banks which are not paid for by the burden which the banks will assume for the Treasury, and by the benefits which it confers on the business world.

NOTWITHSTANDING THE DANGERS OF WAR the financial situation in the United States continues to gain strength at least in appearance. This is because the uneasiness throughout the country has caused the banks and other capitalists in the interior to call home their balances lying in the financial centres. The accumulation of funds in New York city and other eastern money markets made money very easy in those markets, and the credit fund of the country abroad, piled up by the unprecedentedly heavy export trade, became very large. As long as the rates for money in our markets continued easy, foreign debtors found it preferable to borrow here rather than to make final settlement. On the other hand the managers of the banks and large institutions were perfectly willing to earn interest on the foreign credit balance. But with the demands made upon them by their correspondents came the necessity of calling in their resources, including the foreign indebtedness. The consequence has been an importation of gold which already exceeds sixty millions of dollars. Nor does there seem to be any cessation of the causes that have led to the favorable credit balance. The exports of agricultural staples and manufactures still continue to increase. The excess of exports over imports for the nine months ending March, 1897, was according to Government reports $323,413,000. For the nine months ending March, 1898, the excess according to the same reports has been $470,961,000, an increase of $147,548,000 over the corresponding nine months of the previous year. At the same time imports have been falling off.

The causes of the heavy increase in exports are not far to seek. The low prices of manufactured goods, owing to the years of depression following 1893, have been very tempting to foreign purchasers and this fact has introduced many lines of manufactures, especially those of all kinds of machinery, into foreign markets, where their superior excellence, it is said, will enable them to maintain their footing and insure a continued market in the future.

The period of low prices caused by the panic of 1893 will not therefore prove an unmitigated evil. The money lost thereby will be found to have been about equivalent to so much spent in a world-wide advertisement of our goods. It is as if a corresponding sum had been expended in sending exhibits to a great world's exposition in Europe, and with even greater effect, as the manufactures sent over were at once put to the test of actual use by the purchasers and thus became a further recommendation without expense to the manufacturers.

Another cause of the great increase in exportations has been the agricultural prosperity of the United States compared with that of other competing countries during the year 1897. There has been great foreign demand for all cereal products, which has not yet ceased. The preparations for war and the large sums expended abroad in the purchase of ships and munitions of war will no doubt for a month or two to come have an effect in reducing the excess of exportations and diminishing the foreign balance. This counteracting drain may continue for some time. The advantage derived from the foreign demand for cereals may not outlast the season. It will depend on the fate of the crops throughout the grain-producing countries during the next year. But the impetus given to our manufactures, by the opening and retaining of foreign markets, in which American ingenuity and enterprise will have a wider field than has ever been known before, will very probably prove lasting.

The history of our foreign trade during the last eighteen months has shown how strenuously the business and commercial interests have been struggling to overcome the consequences of the financial crisis of 1893 brought upon the country by unwise currency conditions. The diminished importations, however bad they may have been for the Government revenues, have been caused by the severe economies that the times have rendered necessary. The country has been straining every nerve to improve its resources and diminish its expenditures, and in spite of the slowness of politicians and legislators to give any practical assistance, there has been an exertion of the natural strength of the producing and commercial classes which has prevailed over all adverse circumstances. The most that has been obtained from legislation has been a maintenance of existing conditions, and even this has been interfered with by the changes in the tariff, which have not met so far the expectations in raising the necessary Government revenues. This failure has been due to the efforts of the workers in all lines to economize in their expenditures.

In view of the war with Spain, it has been proposed to increase the Government revenues by the imposition of internal revenue taxes and by stamp taxes of various kinds on negotiable instruments, including a tax on bank checks. The war might prove a blessing in disguise if it should cause some internal taxes to be laid to make the revenues meet the expenditures. Once laid they would doubtless be continued until the Government finances were placed on a satisfactory footing in this respect. Some reasonable internal revenue taxes sufficient to make good deficiencies in the customs would have a tendency to diminish the eternal tariff agitation, which has done so much harm in the past to the business interests of the country. These taxes when levied during the Civil War were among the least onerous of any. The objections to them were generally rather sentimental than otherwise.

Taxes on negotiable instruments and bank checks are objected to more on account of the trouble they give rather than the real burden they impose. With the great increase in the use of bank checks a stamp tax on them would raise a very important revenue. Nor should it be objected to by the banks, as it would have a tendency to reduce the use of country checks of the abuse of which so much complaint is made. If a reasonable privilege of issuing currency is given to the banks, the inconvenience that might be caused by the restriction of the use of country checks would be compensated by the increased conveniences of the use of bank notes. The banks could well afford to consider this point and see if many of the evils they complain of in the collection of country checks could not be obviated by a tax on checks, supplemented by a freer issue of currency.

On the whole, although the times are unquiet, there is every reason to have great hopes for the future prosperity of the country.

THE RESPONSIBILITY OF DIRECTORS for the failures of banks is pretty apt to be vigorously asserted by very many people whenever such failures occur. It appears to be an almost self-evident proposition that directors are intended to oversee and direct the operations of the institutions to which they belong. The men who are usually chosen for this office in an institution are those who from their character, position and direct financial interest, would be induced by every motive of self-interest to guard well the management of that bank or corporation.

Notwithstanding the fact that exceptional failures are made the ground of a tirade against the negligence and incapacity of directors which would lead the public to suppose that such were the usual characteristics of these officers, such a conclusion is far from being even approximately a true one.

The great body of these men, on whom rests the more important part of the financial welfare of the country, are men of experience and character who conscientiously and carefully perform their duties. They do this not only from regard to the safety of the funds of the public intrusted to their care but from regard to their own individual interests. If it were not so, if it were true that all directors were negligent, careless men, as is proved to be so in exceptional cases, the whole financial fabric of the country would shortly go to ruin.

As the name indicates a director does not manage the affairs of the institution with which he is connected. As a member of the board he directs the management. The immediate management is under the control of officers, to whom power is delegated by the directors. The first duty of a board of directors therefore is in the selection of the officers. In a bank, for instance, the ordinary routine of the institution is carried on by the President, Cashier or Manager, as the chief officer may be called. The directors are usually the principal stockholders of the bank. Generally they are the men who have started or who have bought into the concern from a combined motive of benefit to themselves and indirectly to furnish banking facilities to the community. They intend to get the fair share of the benefits conferred by the bank to which their contributions of money as stockholders and depositors, and their contributions of time as directors, entitle them. Usually they are just as much interested in the success of the institution as any other stockholder or depositor who has equal stock and deposits. They do not want to mismanage the bank or let it be mismanaged. This means loss to them both of money and character. They are therefore always careful to select officers to do the routine business who shall be kept right by every known motive. One director is as a rule selected as President. The Cashier is not so often a director, but he is looked upon with greater favor and trusted more if he is.

It is this intimate relation of the director to the bank that makes it so difficult to control his conduct satisfactorily by law. The law would be unwise if it did not recognize the intimate personal relation of the director to the bank and sought to control him as if he were a mere public officer or inspector, watching constantly over property not his own. Thus the director usually receives no compensation for his labors other than the legitimate profit derived from his position as a controlling stockholder and depositor. If the law should declare that a director should not borrow from his own bank, but should receive a salary for his services, it would be easy enough to get men to take the office on account of the salary; but with no other personal interest in the institution he would not be likely to extend the protecting and preservative interest that he would where all his money was invested in the bank, and where he depended on its success for the success of his outside business. If the law without going so far as to deprive the director of his personal interest in a bank, places too severe penalties upon him, when failures occur, it would be impossible to induce men of the right character to accept the office. The law therefore is very jealous not only of the proper performance of a director's duty, but it is equally so in guarding him from unjust responsibility when accidents and failures occur. Directors are subject like other men to misfortune and accident.

A just confidence is sure in any well-managed bank to grow up between the board of directors and their officers. As the board becomes secure in their feelings they are apt to entrust more and more to the officers they employ.

This trust and confidence, however, should not be carried to such an extent as to make directors lax in the performance of the duties which they owe to the public. Nor should these duties be performed in a perfunctory manner. The director who is not willing to be held to a rigid discharge of the obligations of his office should resign and give place to some one who is more energetic.

It is of course not always easy to determine just how far any director is responsible for the failure of a bank and loss to the depositors. It is easy to say afterwards, if he had done thus or so, had followed certain rules, that an embezzlement could not have taken place or that bad loans could not have been made. The case of each individual director must be considered on its own footing. The confidence of one man in another is something extremely difficult to judge of by any narrow rule. It is certain that without it no business could be carried on, much less could any bank be profitably managed. But the faith which a director should have in his bank ought to rest on some more substantial ground than personal friendship. The director should know that the bank is being properly managed, and especially should he be thoroughly informed as to how its funds are being loaned. If he does not take pains to know this, he is not the proper man for a bank director. In doing this he need not impute any lack of honesty or judgment to the other officers. As a component part of the bank's management he is only doing his duty.

The fact that some men hold the office of director in many different institutions has lately been the subject of some criticism. These men are almost always of high character and reputation. They also have their wealth invested in many institutions. It seems that the experience they gather, by being in the directory of several banks or corporations, should not be a disadvantage but the contrary. From their service in many institutions in the prosperity of each of which they have personal interest, they should be better fitted to direct in each particular one. The man of many institutions has a stronger motive for care in each than the man who is concerned in one only.

Bank directors are not infallible any more than other men, but by exercising that common prudence by which all men charged with such important trusts should be guided, they can aid in conserving not only the interests of the banks but of the whole business community. That bank directors generally are not remiss in looking after the interests committed to their care is witnessed by the soundness of the banking systems of the country.

A NATIONAL BANKRUPTCY BILL seems as far from becoming a law as ever. Although there has been for the last ten years continued pressure brought to bear on Congress for the enactment of such a measure, and although the Senate at the present session has given the matter quite serious consideration, there is little prospect that the relief asked for will be given by this Congress.

The Constitution confers ample power for the enactment of a Federal law regulating insolvencies and bankruptcies, but Congress has been rather averse to exercising this power to secure any permanent and uniform mode of procedure. The several States have also power to enact bankruptcy laws, which may give satisfaction within their own borders; but inasmuch as such State laws of this kind as have been enacted always discriminate in favor of creditors who are citizens of the State as against creditors from other States, such laws do not meet the requirements of the commercial interests of the country at large.

Generally speaking, bankruptcy laws are regarded in all civilized countries as a necessary accompaniment of trade and commerce. They are founded both in justice and expediency. The three bankruptcy laws passed by Congress have each in turn failed to give satisfaction ; and in each case have been repealed after comparatively short trials.

A bankruptcy law that will give approximate satisfaction in a country like the United States, where the conditions of trade and commerce are continually changing, must necessarily be a growth that by repeated amendment and modification will gradually coincide with the wants of the community. The laws of such States as have sought to protect creditors and relieve debtors have for the reason mentioned proved so inadequate that there has been no motive to seek relief by State action. In trade and commerce there can be no State lines, and no State law can possibly have sufficient jurisdiction.

But the failure on the part of Congress to meet the necessities of the case has been due to a lack of perseverance. A measure applied for the first time to the difficulties which arise from failures in trade and commerce so variable and extended as that of the United States, must necessarily be imperfect. Its imperfection can only be learned by trial. In the case of each of the bankruptcy laws heretofore enacted, the disgust either on the part of debtors or creditors at the imperfections and injustices of the law has been so widespread that Congress, instead of seeking to amend or modify and so keep the law abreast of the exigencies of trade, has abruptly repealed the statute and left long intervals before another was put in its place. During these intervals all that might have been learned from experience while a law was in operation was forgotten.

The first Federal bankruptcy law was enacted in 1800 and continued in operation for two years. The second in 1840 continued for thirteen months. Both were passed at the instance of those who suffered from the commercial crises preceding the years of their enactment, and were repealed when the classes who called for them were relieved. In 1867 the third and last bankruptcy law was enacted and was supposed to be accurately adjusted to the wants of both debtors and creditors. In 1874 the law was amended, making the conditions for the discharge of debtors still easier. This change dissatisfied the creditors, and the law was repealed in 1878. Since its repeal, however, those who were most concerned, especially the mercantile associations of the country, have regretfully looked back to the time of the repeal of the bankruptcy law notwithstanding all its imperfections, and there has been much agitation in favor of a new Federal measure.

The TORREY bill, which has been before Congress for a number of sessions, is regarded by many as a wise and comprehensive measure, but it has been criticized and opposed because it appears to many to give too much advantage to creditors. In the United States there seems to be a certain tenderness towards those who have failed in trade either by simple misfortune or miscalculation or through presumptuous bad judgment. The TORREY bill seems too severe to many, because it makes a rigid distinction against the devices of fraudulent debtors. It is unfortunate that the bias of public sentiment seems to look upon a bankruptcy measure as a scheme for the relief of all debtors who cannot pay, whatever may be the causes that have put them in this condition.

There is, however, manifest injustice to creditors in the methods now followed in closing up the estates of bankrupts and insolvents, and there is hardly any restraint on debtors who desire to resort to fraudulent devices.

The National banking laws for closing up the affairs of failed National banks afford an example of what can be effected by a just and wise treatment of insolvent estates. The Government appoints a Receiver, who is paid not by fees but by a fixed salary. No preferences of any kind are allowed after the insolvency; the Receiver liquidates the assets of the bank and turns the money over to the Comptroller of the Currency. Sales of property and settlements are made under order of the court. The Comptroller declares all dividends and pays by his checks on the Treasury, where all receipts are deposited.

To the extent that the case of an individual bankrupt is analogous to the case of a bankrupt national banking corporation, a similar system could be adopted in a bankrupt bill. That is, commissioners in bankruptcy might be appointed and a bureau established in Washington. Registers in bankruptcy might be appointed in suitable districts throughout the country, who are to take charge of all cases of voluntary and involuntary bankruptcy. These registers are to be paid by salary fixed by the commissioners, in the same manner as the salaries of Receivers, according to the amount of business transacted. The registers are to accept proof of all claims, take charge of all visible assets and pursue all other assets that can be reached. The registers are to act in all sales and settlements under orders of the United States courts. All moneys are to be turned over to the commissioners, who will pay expenses and dividends as the moneys accrue, and when satisfied that all assets of the bankrupt have been turned over and that there is no fraud to be charged to him, give him a discharge.

Such a mode of winding up insolvent estates will prevent creditors from acting oppressively and at the same time relieve them from the unpleasant necessity of sending good money after bad, while insuring them their full *pro rata* share of whatever the bankrupt actually has.

A RECENT DECISION IN NORTH CAROLINA relating to a branch bank may well excite some attention, since the permission of branches has formed a part of most of the plans for currency reform.

A State bank failed, and of course necessitated the closing of its branch offices. One of these branches thus closed had sufficient assets to pay all the claimants who had placed money in that branch. The branch was attempted to be wound up with special reference to its local creditors. Suit, however, was brought to set aside these proceedings, and the court has decided that the branch was only an agent of the parent bank and that all deposits in the branch became a part of the general fund of the parent bank. The latter and all its branches must therefore be liquidated as one ; that is, the assets of all be thrown into a common pool and distributed *pro rata* to the creditors of the parent bank and branches alike.

This is no doubt a correct decision, but it calls up the reflection, how this would affect the popularity of a national system in which branches are allowed in face of the intense local feeling which prevails in all parts of the United States. In the case mentioned the creditors of the branch bank would have received their money in full had it been distributed locally, but when thrown into a common fund the total assets were sufficient to pay a small percentage only to all the creditors. The branch depositors had the pleasure of knowing that their money was taken to pay creditors all over the State, and had to be content with a small dividend.

Of course this works both ways; the creditors in other parts received a larger dividend than they would otherwise have done, and to this extent have the branch system to thank.

The main argument that has been advanced in favor of branch banking has been that the parent bank establishing agencies or branches in many localities would equalize credits by gathering up surplus money in one place and loaning it in another where there was a deficiency. But each branch receives deposits, and in case of failure the branches where the largest deposits have been received and where there are consequently the largest number of creditors, will be the very place that the local loans or assets are the least, while the place where the most loans are made will be the abode of the smallest number of debtors. The latter will know at once that the local assets are sufficient to pay their claims, and will be sorely disappointed when these are carried off to pay all creditors alike. Of course this is perfectly legal and just, but it is not likely that local creditors so situated will see it in this light. The business of liquidating the parent institution and its branches will be conducted at the central office far from their sight and knowledge. They will be utterly in the dark and will think that there is some mysterious discrimination against them. When a bank fails now its business is almost entirely local and in the view of its creditors. All of its assets are within the same scope legally as its debts. Suits can be brought in local courts, property can be attached, and there is nothing that cannot be seen and understood.

But supposing, for instance, a bank in New York establishes a branch in Ohio; the parent bank fails. The Ohio people who have claims in dispute against the branch will have to sue for them in another State. Theoretically the principle is all fair enough, but practically it would be a great hardship to have to bring suit for a small claim against a Receiver of a corporation in another State.

In the early history of the National banking system it was considered a great hardship that the creditors of a failed National bank had, if their claims were disputed, to bring suit in the United States courts even in the same State. They could not sue in their local courts to which they were accustomed, but had to await the more ponderous and distant action of the United States court in the Federal district of which their locality formed a part. This was subsequently changed so that the National banks could be sued in the ordinary courts. How much greater the hardship when the creditor of a branch bank in one State has to go to another State to sue. And it is not easy to see how this difficulty can be obviated. At least it should be taken into account and provided for in any measure allowing the establishment of branches or deposit offices in any State by banks having their main office in another State.

Even if this difficulty is removed by suitable legal provision, it will not obviate the danger of great unpopularity of any banking laws under which visible assets sufficient to pay claims in full can be taken from the presence of creditors and carried away, especially if after liquidation only a partial dividend is received. It will not be a logical or just dissatisfaction, but it will be extremely human to feel and manifest it and to visit the displeasure caused thereby on a system which seems to permit such apparent unfairness.

A BILL FOR PROVIDING WAR REVENUE for the Government was reported to the House of Representatives by Chairman DINGLEY, of the Ways and Means Committee, on Tuesday, April 26, and was passed by the House on Friday, April 29.

The portions levying new taxes to the amount of $100,000,000 upon beer, cigars, tobacco, and legal instruments, are of less direct interest to the readers of the BANKERS' MAGAZINE than the provisions for new loans. These provisions provide for a long term loan of $500,000,000 and a short term loan not exceeding at any one time $100,000,000. The long term loan is to consist of coupon or registered bonds, to be sold at not less than par, "in denominations of $25 or some multiple of that sum, redeemable in coin at the pleasure of the United States after ten years from the date of issue, and payable after twenty years from such date, and bearing interest payable quarterly in coin, at the rate of three per centum." The short term loan, to be issued at the market rate of interest, not exceeding three per cent., is to be represented by certificates of indebtedness in a form to be prescribed by the Secretary of the Treasury, in denominations of $50 or some multiple of that sum, and the certificates are to be payable at such time, not exceeding one year from their issue, as the Secretary of the Treasury may prescribe.

Secretary GAGE has already prepared a circular, to be issued upon the passage of the House bill by the Senate, offering the new bonds to the public. Subscriptions will be received at all money order post offices and may be paid for by money orders payable to the Treasurer of the United States or by any form of lawful money sent by registered mail or express. It is the intention to accept all subscriptions in full up to $1,000, and the acceptance will probably take effect from receipt of the subscription. The bond or certificates of title to the bond will not in any case be issued until the cash is in the custody of the Treasury. Subscriptions for larger amounts than $1,000 will be classified at the expiration of thirty days from the advertisement of the loan and the bonds placed, which are not absorbed by the small bids, will be awarded *pro rata* among the subscribers.

It is not the present intention to offer more than $100,000,000 by the first call, but a larger sum may be determined upon in case it appears necessary for the protection of the Treasury. Arrangements will be made, if necessary, to prevent stringency in the money market by depositing a portion of the proceeds of the loan in the National banks, or by delivering the bonds to large bidders from time to time as the proceeds are required, but it is anticipated that the current drafts upon the Treasury will absorb the proceeds of the loan so rapidly that stringency in the money market will not be probable.

It does not appear to be certain that the provision for a permanent loan will pass Congress for some weeks, and it may not pass at all. The silver Democrats and Populists, who have nearly a majority in the Senate, are opposed to a bond issue at the present time. Those who are not avowedly in favor of the issue of greenbacks or the free coinage of silver take the position that the proceeds of the new taxes, $100,000,000, the amount which can be raised by the temporary certificates, $100,000,000, and the existing cash balance of nearly $220,000,000, will afford an adequate revenue for all war purposes until the meeting of the next session of Congress in December. They also propose an income tax, which would afford an additional revenue of $100,000,000.

These various propositions are likely to be debated at length in the Senate and may result in a conflict between the two houses which it will require some time to bring to a satisfactory adjustment.

THE NEW YORK BANKING LAW relative to Savings bank investments has been amended by what is known as the HIGGINS bill.

The State of New York has good reason to be proud of her Savings banks, which by the encouragement they have given to persevering industry and thrift have borne a great part in building up the wealth and civilization of the Empire State. They have been noted for their safe management, and have won the confidence of the class of depositors for which they were intended.

The wise laws as to investments by which they have been controlled have had to do with their success, and naturally all those who are interested in the welfare of the State have regarded with great solicitude any attempt to change the laws defining the permitted class of investments.

For a number of years, however, owing to the increase in deposits, the Savings banks have found difficulty in procuring the class of investments permitted by law. There has been a real decrease in the debt of the Federal Government and of the States, and if there had not been, the increase in Savings banks all over the country and of other investors who sought this kind of security, has by degrees rendered this form of investment scarce.

There has therefore been a growing conviction that some enlargement of the law of Savings bank investments must be made, and in other States such enlargement has taken place.

A few years ago when a member of the Assembly the Editor of the MAGAZINE introduced a bill for extending the investment of Savings banks to include certain high-grade municipal bonds, and extensions along this line have since been made with perfect safety.

There is no doubt whatever that, for some years, there have been lines of investment which have been at least as safe as were State and Federal bonds when the original Savings bank law under which these institutions have grown up and thriven was passed. The growth in the wealth of the whole country and the advance in business methods have strengthened the safety of all securities. Conditions become more settled as the State and country grow older, and elements that tended to unsettle the value of some classes of investments have been eliminated.

The bill which has recently become a law seems to be a very conservative one. It permits investments in the first mortgage bonds of any railroad corporation in the State or principally located in the State, and also in mortgage bonds of such railroads issued to retire all previous indebtedness. The railroad, however, must not have been in default on either principal or interest during the previous five years, and must have also paid interest at the rate of four per cent. on all its capital stock during the same previous period. At the time the dividends were declared the capital stock must have been equal to at least one-half of the total mortgage indebtedness of such corporation. A Savings bank moreover is restricted to investing not more than twenty per cent. of its total deposits in this class of securities. Street railroads are excluded from the railroad corporations mentioned in the Act.

It is said that in States where Savings banks have hitherto been permitted to invest in this class of securities experience has proved the advantage in the ability to sell quickly at minimum loss when emergencies require the conversion of assets into cash. All that can be said is that the provision permitting the investment in new issues of bonds to retire previous indebtedness has something of an appearance of being designed to assist the railroads of the State in refunding operations by means of the Savings banks; but if this can be done with mutual benefit there can be little objection to this feature. Perhaps some railroads whose securities do not conform to the requirements of the law may feel that there has been discrimination against them. The requirements are, however, perfectly just, and will tend to bring the management of these roads up to a better standard so that they too may benefit by the law.

It is just here that conservative people may see some cause for apprehension. If the Legislature shall get into the habit of changing the Savings bank law for the remote benefit of other interests, influences may be set at work to let down the bars too rapidly. The tendency to exploit rich corporations is one that should be kept well in check.

While the recent legislation may not be unwise, all proposed changes in the future should be as carefully scrutinized as all past attempts in the same direction have been.

THE SAFETY OF NOTES BASED on commercial bank assets is demonstrated in a carefully prepared article on that subject, printed on a following page. It is shown that our National banks as at present constituted could be permitted to issue such notes with perfect safety.

In depriving the banks of the right to issue notes against their assets the Government is denying to the people the right to use their own credit, for the assets of the banks are but the collected resources of the people. While notes of these individuals, who contribute their funds to the banks either in the form of capital or deposits, might not possess such credit as to pass from hand to hand as money, the notes of the banks, representing the aggregate resources of their respective communities, would so pass undoubtedly and without any loss.

The chief argument against a system of bank notes so secured is that it would be a return to the old "wild cat" and "red dog" currency of the old times before the late Civil War. This is to say that there has been no improvement in the banking systems of the country in the last thirty years. As a matter of fact many of the old State banks issued notes whose convertibility was always maintained, and there is no doubt that if the ten per cent. tax were repealed most of the States would enact such laws as would insure a safe banking currency. But the general sentiment of the country appears to be that the proper agents for issuing such notes are banks operating under Federal charters. With suitable inducements many of the State banks would change to this form of organization.

LIABILITIES.

…ital stock paid in.	Surplus fund.	Undivided profits, less expenses.	National-bank notes outstanding.	State-bank circulation outstanding.	Due to other national banks.	Due to State and private banks and bankers.	Due to approved reserve agents.	Dividends unpaid.
…,121,000	$2,701,452.34	$1,698,828.62	$5,296,068.00	....	$810,547.68	$1,331,270.03	$59,259.28	$25,430.91
…,815,000	1,380,731.53	569,922.84	3,341,480.00	$6,791.00	808,600.58	891,502.93	85,127.04	18,102.01
…,985,000	1,573,145.38	917,157.94	3,663,392.50	....	278,962.50	212,305.85	4,676.38	13,262.36
…,877,500	15,195,888.97	5,185,230.06	17,192,199.60	....	2,536,581.57	2,311,630.78	552,248.24	51,659.70
…,350,000	14,983,025.30	5,553,722.06	5,381,122.50	....	35,857,730.19	21,791,790.92	5,464,085.19	30,029.63
…,337,050	4,886,353.37	1,188,563.16	6,720,610.00	....	1,155,817.05	1,781,480.55	472,372.20	57,901.41
…,541,070	7,884,450.00	2,544,087.26	7,342,032.00	....	2,305,237.00	827,325.06	943,408.46	23,761.80
…,026,620	48,605,046.89	17,652,512.92	48,936,904.50	6,791.00	43,748,496.57	29,148,306.11	7,581,176.79	220,147.82
…,607,940	10,938,344.39	6,407,665.96	14,531,745.00	18,765.00	2,981,978.28	1,554,226.24	1,002,746.37	53,522.18
…,900,000	42,701,500.00	17,454,076.51	14,080,317.50	16,556.00	240,843,341.31	93,457,882.77	....	109,592.09
…,550,000	1,380,000.00	168,295.79	261,150.00	....	3,790,467.27	2,069,409.21	597,882.57	1,395.77
…,352,000	2,280,000.00	373,585.23	567,670.06	1,846.00	243,159.50	249,410.90	16,072.01	1,347.88
…,445,000	8,291,700.00	4,318,627.23	4,926,724.50	5,402.00	3,048,026.00	645,822.99	1,122,564.12	37,898.26
…,709,445	21,461,631.47	4,623,506.32	16,196,875.00	1,498.00	2,545,849.10	536,731.41	186,551.89	153,718.91
…,915,000	14,523,000.00	2,792,437.98	5,998,435.00	....	25,790,495.95	8,730,252.99	3,564,559.74	40,566.24
…,300,000	9,898,400.00	1,815,615.49	4,561,322.50	....	8,664,557.42	3,099,405.25	13,635.38	56,675.88
…,063,985	984,151.13	237,036.03	693,067.50	550.50	258,900.32	11,009.42	....	3,103.56
…,746,700	1,667,675.00	409,521.99	1,818,370.00	....	319,311.61	116,928.99	12,492.12	22,672.36
…,243,260	5,184,100.00	1,027,794.73	1,728,070.00	4,605.00	5,733,462.33	1,995,356.83	1,806,149.15	84,970.73
252,000	150,000.00	58,199.19	225,000.00	....	30,402.07	76.60	....	6,224.00
…,775,000	1,216,000.00	226,4[illegible]8.45	762,875.00	....	361,172.60	267,489.79	8,881.17	4,438.00
…,880,330	120,671,501.99	39,912,800.89	66,351,642.00	49,227.50	[illegible]94,611,123.76	112,734,003.39	8,331,534.52	576,120.88
…46,300.00	2,898,600.00	523,096.06	1,674,525.00	....	760,835.36	1,096,083.90	55,306.67	3,337.00
…1,000.00	880,851.22	248,014.11	1,179,457.50	....	209,299.09	226,247.38	1,658.61	8,867.58
…1,000.00	807,009.66	326,361.19	576,212.50	....	267,963.92	221,444.95	19,873.11	1,819.25
…8,000.00	760,945.87	508,650.67	446,185.00	....	196,674.26	783,995.53	14,806.50	14,211.50
…36,000.00	1,067,391.00	654,419.87	854,017.50	....	300,767.50	521,669.71	21,711.84	6,290.50
…0,000.00	225,000.00	51,704.39	85,355.00	....	89,252.92	193,823.88	....	1,418.50
…0,000.00	504,660.00	113,837.08	282,740.00	....	104,147.21	215,658.91	15,845.12	898.50
…5,000.00	650,965.84	515,521.45	779,810.00	....	337,304.17	241,879.62	5,309.97	4,864.67
…5,000.00	396,700.00	122,025.22	210,350.00	....	53,003.96	88,205.10	5,870.33	1,870.00
…0,000.00	375,200.00	198,678.93	234,997.50	....	383.68	16,926.35	11,623.84	2,010.99
…0,000.00	2,305,000.00	377,609.94	522,045.00	....	2,005,258.40	2,358,144.32	4,963.54	9,390.55
…42,040.00	4,788,537.24	1,739,971.93	4,085,097.50	....	4,146,992.13	1,289,838.91	88,624.76	11,983.25
…0,000.00	572,300.00	97,407.43	134,840.00	....	931,509.21	278,694.90	....	7,845.00
…0,000.00	262,500.00	35,096.88	224,850.00	....	22,220.73	263,971.14	3,340.79	1,742.00
…9,900.00	2,262,206.81	519,389.90	3,188,587.50	....	415,194.69	635,789.26	20,084.70	14,085.50
…0,000.00	665,000.00	200,252.23	763,440.00	....	3,476,837.95	2,452,825.37	45,289.82	3,427.75
…5,000.00	1,815,518.79	762,772.17	1,526,787.50	....	1,188,482.42	3,036,558.21	52,616.34	6,476.50
…60,240.00	21,238,388.43	6,989,811.40	16,769,297.50	....	14,496,027.60	13,921,757.44	366,925.94	100,534.04
…,967,030	8,055,129.73	2,427,811.62	10,431,002.50	....	1,794,530.89	1,450,202.52	93,968.82	25,457.79
…,800,000	2,765,000.00	1,110,477.98	4,882,030.00	....	10,760,750.94	5,182,120.80	92,627.47	4,209.10
…,775,000	2,111,700.00	639,142.04	1,227,180.00	....	5,171,532.21	3,054,230.23	....	1,514.00
…,732,000	4,708,270.82	1,065,017.74	4,309,188.00	....	1,556,873.36	2,404,688.13	124,174.93	12,584.80
…,796,000	6,689,451.23	2,773,298.38	5,444,037.50	....	760,318.68	3,573,951.62	508.86	28,322.71
…,950,000	9,237,400.00	2,078,944.80	562,715.00	....	55,001,297.81	28,434,915.90	....	5,707.00
…,595,000	2,640,218.72	851,653.35	2,543,917.50	....	311,291.39	1,492,764.62	26,923.72	12,600.78
…,300,000	605,000.00	280,665.64	975,650.00	....	4,122,328.21	6,390,421.24	....	187.42
…,810,000	1,809,335.04	531,771.69	2,013,425.00	....	130,936.72	497,132.93	5,752.84	5,297.70
…,250,000	586,500.00	163,629.72	630,670.00	....	3,822,138.48	2,554,138.43	210,239.64	1,287.50
…,815,000	1,013,050.00	572,125.64	1,118,495.00	....	380,069.32	826,192.91	4.86	2,309.75
…,800,000	655,000.00	764,393.62	210,130.00	....	2,769,638.88	2,454,450.26	7,403.37	3,346.71
…,500,000	503,500.00	379,687.15	201,230.00	....	3,187,516.39	1,939,349.02	13,839.29	1,480.00
…,090,000	2,814,103.64	1,127,547.57	3,251,777.50	....	1,412,116.94	4,379,664.80	4,240.36	13,710.00
…800,000	221,500.00	31,926.67	256,482.50	....	649,533.69	1,491,504.95	....	5,055.00
…,615,000	738,327.25	206,824.07	996,970.00	....	7,230.65	131,922.36	....	2,415.55
…,400,000	1,710,000.00	722,543.23	1,574,095.00	....	19,521,606.65	11,345,547.54	....	2,276.25
…300,000	509,000.00	271,302.82	225,000.00	....	9,251,063.73	9,490,466.15	....	2,020.50
350,000	104,000.00	43,540.07	135,000.00	....	472,101.07	1,058,989.19	....	4.51
…,645,030	47,476,486.43	16,027,303.80	40,968,595.50	....	1[illegible]1,082,946.01	88,152,653.60	579,704.16	129,787.07
…,555,000	234,800.00	225,865.01	402,167.50	....	31,745.71	178,518.16	....	1,460.00
…,635,000	302,150.00	154,069.93	413,002.50	....	43,462.35	279,298.94	163.33	512.50
…,875,000	1,109,025.89	419,234.31	1,350,840.00	....	377,691.25	960,938.85	10,835.12	3,208.00
…800,000	36,000.00	4,837.77	133,800.00	....	228,362.42	282,490.77	....	300.00
…,750,000	334,500.00	125,921.47	562,500.00	....	3,640,385.88	3,069,573.06	18,175.89	373.00
…,517,100	1,463,748.16	626,374.53	2,106,905.00	....	1,017,844.25	1,010,690.09	1,551.70	5,995.24
…,555,000	377,700.00	533,168.83	521,117.50	....	497,048.41	345,262.75	638.35	11,358.00
…860,000	106,700.00	50,249.23	193,245.00	....	28,036.21	43,688.55	....	93.00
…,907,000	1,080,069.53	977,558.13	1,126,175.00	....	3,[illegible]8,188.71	4,152,892.56	5.96	712.00
…600,000	113,000.00	10,626.18	305,320.00	....	89,700.12	117,243.79	....	60.00
250,000	24,400.00	7,591.57	56,240.00	....	5,677.15	54,122.10	....	....
…660,000	155,187.86	50,259.32	149,400.00	....	21,641.42	15,079.50	....	40.00
…,964,100	5,337,281.44	3,185,756.28	7,320,712.50	....	10,009,783.88	10,519,799.14	31,370.35	24,106.74
…978,000	661,945.93	338,571.58	776,177.50	....	654,892.00	512,881.80	2,980.58	4,007.30
…020,000	530,782.47	786,032.24	758,717.50	....	1,246,759.00	841,837.62	2,372.45	3,400.00
…875,000	1,042,800.00	694,403.26	1,366,715.00	....	214,020.78	819,823.50	27,475.45	10,969.35
…000,000	2,225,000.00	210,262.41	90,000.00	....	1,758,182.17	2,986,530.70	89,648.41	1,785.00
…600,000	246,878.77	134,333.92	159,480.00	....	21,561.43	17,286.56	....	....
…750,000	399,167.96	171,176.51	422,040.00	....	75,213.16	276,483.25	....	923.00
82,000	700.00	....	18,450.00	....	....	....	....	216.72
…400,000	48,550.00	40,824.10	147,590.00	....	7,980.81	40,930.49	....	....

close of business February 18, 1898—*Continued.*

LIABILITIES.

Individual deposits.	U. S. deposits.	Deposits of U. S. disbursing officers.	Notes and bills rediscounted.	Bills payable.	Other liabilities.	STATES, TERRITORIES, AND RESERVE CITIES.
$15,619,787.46	$134,943.38	$54,259.95	$28,001.65	$772,941.25	$51,105.98	Maine.
9,520,196.11	159,046.15	16,990.48	24,432.44	75,000.00	333.33	New Hampshire.
9,158,798.35	38,569.60	9,091.37	5,000.00	39,000.00	191.82	Vermont.
80,813,899.87	98,367.66	2,129.44	300,030.00	906,000.00	63,236.68	Massachusetts.
128,128,045.49	177,580.48	55,905.66		1,086,966.91	3,391.60	Boston.
19,432,169.17	78,165.42	17,861.43	5,000.00	160,000.00	3,198.71	Rhode Island.
36,727,405.61	223,518.21	15,615.34	70,230.00	215,000.00	10,494.17	Connecticut.
299,400,302.06	910,190.90	171,853.67	432,694.09	3,254,908.16	131,954.29	Total New England States.
96,104,239.80	345,315.61	122,399.58	206,301.81	300,498.16	68,273.75	New York.
382,535,476.68	15,639,415.17	239,761.43	200,000.00		7,920,644.94	New York City.
6,005,076.18	48,551.39	1,403.61	21,738.90			Albany.
16,273,757.72	164,799.83	35,042.49			21,219.16	Brooklyn.
58,624,539.28	265,720.64	46,159.60	125,128.66	220,000.00		New Jersey.
123,336,682.47	239,393.97	60,746.01	61,369.61	59,000.00	68,350.35	Pennsylvania.
107,070,340.79	202,008.95				63,569.76	Philadelphia.
46,353,816.30	106,862.54	94,444.36			15,845.70	Pittsburg.
5,220,557.24	36,344.38	13,691.17				Delaware.
11,287,180.14	50,000.00		50,959.53	25,000.00	3,602.45	Maryland.
26,273,263.75	217,262.71				4,401.93	Baltimore.
801,283.19						District of Columbia.
14,366,038.08	79,942.92	22,241.64				Washington City.
894,252,251.62	17,395,617.61	635,889.89	665,498.51	604,498.16	8,165,908.04	Total Eastern States.
15,213,484.01	381,412.21	260,921.46	10,000.00		1,500.00	Virginia.
8,639,595.80	100,045.28	62.00	12,623.75	6,000.00		West Virginia.
6,007,570.23	109,170.65	42,111.51	34,000.00	30,000.00	4,000.00	North Carolina.
4,523,174.78	135,461.26	18,673.41	62,000.00	78,000.00		South Carolina.
7,571,991.13	16,248.79	31,892.55	110,284.16	46,500.00	3,691.96	Georgia.
536,513.90	29,395.97	59,703.27		100,000.00		Savannah.
4,151,170.92	99,707.48	23,181.80	33,602.69	108,000.00		Florida.
8,153,142.61	81,624.06	18,095.44	134,903.77	15,000.00		Alabama.
2,983,954.02				60,000.00	4,500.00	Mississippi.
2,745,834.23						Louisiana.
16,783,483.80			5,000.00			New Orleans.
39,892,073.70	247,523.37	102,150.16	93,320.31	133,844.60	7,343.04	Texas.
2,792,156.92					62.50	Houston.
2,632,723.36	26,896.03	23,321.66	10,500.00			Arkansas.
13,013,845.10	721,255.00	4,866.50	32,578.32	65,000.00	126,638.94	Kentucky.
5,577,533.31	553,962.99	196,301.91			21,978.78	Louisville.
19,559,889.57	143,665.71	140,324.29	12,889.62		62,362.84	Tennessee.
160,778,137.19	2,646,368.79	921,605.96	550,802.62	642,344.60	232,078.06	Total Southern States.
67,800,001.24	381,697.05	175,862.54	72,539.54	30,573.33	81,637.58	Ohio.
21,240,685.96	1,218,165.45				738,500.00	Cincinnati.
23,887,386.56	46,195.43	14,404.69		100,000.00	806,167.65	Cleveland.
37,204,762.09	285,841.08	64,916.07	47,921.62	5,000.00	51,441.69	Indiana.
51,399,694.96	1,043,528.90	57,733.27	115,775.85	64,000.00	7,692.41	Illinois.
80,947,011.92	498,468.94	27,442.86				Chicago.
29,986,426.78	64,299.78	31,740.88				Michigan.
10,637,577.35	233,585.64	65,874.29				Detroit.
24,346,644.53	119,518.15	21,204.64		5,500.00	9,776.45	Wisconsin.
20,942,509.06	271,615.89	120,297.27				Milwaukee.
16,417,855.89	37,912.20	12,087.80		10,000.00	14,071.26	Minnesota.
9,785,469.34	175,137.19	230,660.92				Saint Paul.
7,206,877.54	39,074.68	18,433.02			94,813.05	Minneapolis.
27,318,878.58	181,852.14	8,180.69	65,546.41	155,800.00	4,153.67	Iowa.
1,547,630.97						Des Moines.
9,019,337.24			24,000.00	39,500.00	15,407.94	Missouri.
22,580,906.17	525,000.00				1,800.00	Saint Louis.
11,974,430.60	71,507.47	29,144.57				Kansas City.
2,143,575.09	48,884.57	528.92				Saint Joseph.
476,387,661.87	5,192,284.56	878,512.43	325,783.42	410,373.33	1,755,461.70	Total Middle States.
5,483,911.67						North Dakota.
4,093,906.11	106,327.62	44,872.38		31,000.00	17,961.86	South Dakota.
11,730,698.43			94,099.34	139,000.00	19,587.50	Nebraska.
1,513,562.34						Lincoln.
7,986,612.27	267,977.48	194,651.30		65,000.00		Omaha.
20,988,269.97	235,341.20	109,907.86	595,594.91	351,924.81	11,790.00	Kansas.
9,886,306.04	20,671.60	69,139.71			1,500.00	Montana.
2,465,802.46			10,600.00			Wyoming.
29,752,758.09	184,599.79	272,648.04	4,000.00	20,000.00	169,159.92	Colorado.
2,651,390.11	137,684.72	48,320.06				New Mexico.
975,057.50						Oklahoma.
1,581,393.35				5,000.00		Indian Territory.
99,109,668.34	952,602.41	739,539.35	704,294.25	611,924.81	219,989.28	Total Western States.
11,811,049.94	37,658.55	46,133.37			36,323.91	Washington.
8,769,245.62	45,521.95	350,216.06	2,000.00	5,000.00	774.01	Oregon.
13,517,000.26	70,706.24	79,201.29		45,000.00	343,677.56	California.
11,463,678.68	163,461.19					San Francisco.
2,091,865.50	47,238.51	1,926.07		3,000.00		Idaho.
3,460,420.86	101,281.02	45,957.72		2,500.00	9.79	Utah.
301,286.43						Nevada.
1,318,364.78					167.67	Arizona.
52,732,912.07	465,867.46	523,434.51	2,000.00	55,500.00	380,952.94	Total Pacific States.
1,982,660,933.15	27,562,931.73	3,870,835.81	2,681,072.89	5,579,540.06	10,886,344.31	Total United States.

THE SAFETY OF NOTES ISSUED AGAINST ASSETS UNDER THE NATIONAL BANKING SYSTEM.

The two great objections to the present system of note issue by the National banks are that it lacks elasticity and does not adequately supply a bank currency in the newer sections of the country where it is needed the most. By elasticity I mean the power of quickly adapting itself to the needs of the time—of expanding when the business of the community requires an increase of the currency, and of contracting when there is a redundancy. The Canadian system supplies a good example of an elastic bank currency. According to Breckenridge, the amount of notes outstanding varies as much as fifteen per cent. during the year, increasing in the fall to facilitate the movement of crops, and diminishing when this service has been performed.

The rigid provisions of the National Bank Act as to note issue remove both the incentive and the power of the banks to respond quickly when there is a demand for an increased circulation, and the present method of redemption does not insure a speedy return of the notes when they are no longer needed. The provision that notes may be issued to only ninety per cent. of the par value of the bonds deposited, the high price at which bonds are held in the market, and the annual tax of one per cent. on circulation, are effective barriers against any marked increase of National bank notes.

In the older States, where capital is plentiful and interest low, the low rate of profits on bank circulation has less effect on the amount issued than in the newer States. The amount of bonds deposited to secure circulation by banks in the newer States shows conclusively that they do not consider it desirable to issue notes. The deposit of a certain amount of bonds is required of every National bank, and the reports of the Comptroller of the Currency show that the deposit of the legally possible minimum, or very nearly so, is the rule in a large section of the country. The result is that under the present system the needs of a large part of the country for a bank currency are not supplied.

Various Remedies Proposed.

To remedy these difficulties plans have been proposed from time to time looking towards note issue in whole or in part against assets. The most radical of these plans and those which have attracted the most attention are: the "Baltimore Plan," recommended by the American Bankers' Association at its meeting in Baltimore in 1894; the plan recommended by Secretary Gage in his report for 1897, and the Monetary Commission plan, presented by the Commission appointed by the Indianapolis convention in 1897.

The Baltimore plan permits the issue of bank notes without bond security. The issue is restricted to fifty per cent. of the bank's capital except in cases of emergencies, when it may be increased to seventy-five per cent. No change is made in the method of redemption. The Government is responsible as now for the redemption of the notes, and redeems them as now, having a guaranty fund of five per cent. of all bank notes outstanding, a first lien on the assets of the failed bank and on the shareholders' liability, also the five per cent. redemption fund required by the existing law, and the power to tax all circulating notes at the rate of one-half per cent. per annum. The banks are not responsible for each other's notes beyond this tax of one-half per cent. per annum.

Secretary Gage recommends that the banks be permitted to issue notes up to fifty per cent. of their capital stock, against an equal amount of deposited security. After the banks have deposited security to the amount of fifty per cent. of their capital, they shall be permitted to issue notes in addition to the fifty per cent. thus provided for, to an amount equal to twenty-five per cent. of such deposit, which additional circulation may be unsecured by any direct pledge of security, but issued against the assets of the issuing bank. The guaranty of payment by the Government is extended to all circulating notes of the bank whether issued against deposited security or against assets. The Government is secured against loss by a safety fund created by a tax of two per cent. per annum on unsecured circulation, and is further protected by having a first lien upon all the assets of the bank in case of failure.

The plan of the Monetary Commission differs in some important respects from the other two. The Government redeems the notes, and for this purpose it provides a guaranty fund and a redemption fund, and makes the notes a first lien upon assets and shareholders' liability. It differs from the other plans in that it frees the Government from any responsibility in redemption other than to apply the funds received from these sources. Further, the National banks may be taxed repeatedly to keep up the guaranty fund, so that instead of a limited liability of the banks, all the assets of all the banks are really a security for the payment of the notes of the failed banks. The Monetary Commission plan resembles the Baltimore plan in that it provides for gradually doing away with deposited security; for after a period of ten years the deposit of bonds shall not be required, but notes may be issued wholly against assets. Under this plan notes to the amount of sixty per cent. of the paid-up capital stock may be issued without any special tax. The notes outstanding in excess of sixty per cent. are taxed, and in no case shall the circulation of any bank be in excess of 100 per cent. of its unimpaired capital stock.

A bill has recently been introduced in the House of Representatives by the sub-committee of the Banking and Currency Committee. It does not differ essentially as to note issue from the Monetary Commission bill. It gradually does away with deposited security, and after five years permits issue wholly against assets. The amount of unsecured notes which a bank may issue is the same as under the Monetary Commission's plan. The liability of the banks to maintain the guaranty fund is limited to an annual tax of one per cent. on circulation. The Government is not responsible for redemption beyond the proper application of the funds provided.

All of these plans, then, aim at greater freedom of note issue. Secretary Gage's plan permits the issue up to par value of security deposited, and a maximum unsecured circulation equal to twenty-five per cent. of the capital stock. The Baltimore plan goes a little further, doing away wholly with deposited security and permitting a maximum circulation equal to seventy-five per cent. of the capital. Both make the Government responsible for redemption. The most radical of all is the Monetary Commission's plan, which after ten years does away with all deposited security, permits a maximum circulation of 100 per cent. of capital and frees the Government from any responsibility other than the proper application of the funds provided.

SAFETY OF NOTES BASED ON ASSETS.

The primary thing to consider in making a change in the provisions of the National Bank Act as to note issue, is the question of convertibility. Is it safe to permit banks to issue notes against their assets? The experience of other countries where this has been tried shows that under proper conditions it is safe. In Canada, for example, the banks are permitted to issue notes to an amount equal to 100 per cent. of their capital. The failure of the Mechanics' Bank of Montreal in May, 1879, paying 57½ per cent. alike to noteholders and depositors, is the only case since the formation of the Confederation in 1867 where the noteholders have not been paid in full. Breckenridge says* that this failure was of little importance, since the bank had only a few notes in circulation; but it led directly to an amendment of the bank Act in 1880, which made the notes of a bank the first lien on its assets; since that time the notes have been paid in full in every case of failure. The notes of a failed bank bear interest at the rate of six per cent. per annum from the date of suspension until payment is resumed, and there is so much confidence in heir ultimate redemption that they are eagerly sought as an investment.

The security of a system of note issues against assets depends upon the facilities for prompt redemption, the soundness of the management of the bank, and the adequacy of the official supervision. The safety of a system in one country would not necessarily prove its safety if applied under wholly different conditions in another. In considering the safety of such a system in the United States, it is necessary to take account of existing conditions. With this view in mind, I have made an investigation from the official reports of the Comptroller of the Currency of the failures under the national banking system, taking the year 1880 as a starting point. Each year sees the national banking system more firmly established. In the beginning there were no precedents to follow. Each case had to be determined upon largely without the aid of past experience. The machinery for settling the accounts of a failed bank was crude in form and slow in operation. Gradually the system has been developed, shortening and perfecting the work of the Receiver in winding up the affairs of a failed bank. Many disputed questions as to the interpretation of the banking law have been settled by a large body of Supreme Court decisions, and improved methods have been adopted from time to time, making possible the collection of a much larger percentage of the assets than formerly. For these reasons, it appears to me that the earlier years do not supply cases which may be fairly applied to present conditions. I have examined the period after 1879, a period representing over three-fourths of all the failures under the national banking system. Any conclusions drawn from this period cannot be objected to as being too favorable to supposed conditions in the future. For the purposes of any definite conclusions, obviously the only cases to be considered are those failed banks, 101 in num-

* "Banking in Leading Nations," III, 488.

ber, whose accounts have been finally closed, since it is not known how much of the assets of the other cases can still be collected.

How Noteholders Would Have Fared Under Proposed System.

In order to include the most radical plans proposed, I have taken an extreme case. I have assumed that all the banks had issued notes without bond security to an amount equal to 100 per cent. of their capital. As we have seen, this is the maximum circulation permitted by any of the plans examined. If note issue upon this basis by the weakest banks in the system proved safe, it would necessarily be safe in the case of the stronger, solvent banks. The method I have pursued may be best seen by taking the case of a single bank.

Take the case of the People's National Bank, Fayetteville, N. C., with a capital of $125,000, for which a Receiver was appointed January 20, 1891. The total assets of the bank at the time of failure were $261,780.* Of this amount $74,931 was collected, making a proportion of 28.6 per cent. collectible. This percentage being nearer twenty-nine than twenty-eight, I have taken twenty-nine per cent. as representing the collectible assets. According to my assumption, notes to the amount of $125,000 would have been issued. To pay these notes the bank would have supplied the amount collected from assets, less the expenses of the Receiver in winding up its affairs, the amount collected from securities representing circulation, and the amount collected from shareholders. We may assume that the securities representing circulation are of the same quality as the other assets of the bank. Upon this assumption, $36,250 would have been realized from this source. Not all of the amount collected from assets could have been applied to the payment of circulation. The expenses of the Receiver in settling the affairs of the bank must first be deducted. These deductions appear in the Comptroller's report, under three heads; viz., "Legal expenses," "Receiver's salary and other expenses," and "Loans paid and other disbursements," amounting in this case to $23,862. This would leave a balance of $51,069 from the amount collected from assets, making $87,319 as the total amount from assets to apply to the payment of circulation. With simply a first lien upon assets, notes to the amount of $37,681 would have remained unpaid. If in addition the notes were a first lien upon shareholders' liability, the unpaid notes would to a certainty have been reduced to $2,503, for $35,178 were collected in this case from an assessment upon the shareholders. This would leave unpaid notes to the amount of $2,503 depending upon a guaranty fund or other means for redemption.

In this manner I have examined each of the 101 closed cases during the period. Only thirty-two of these banks would have failed to pay their notes in full if they had issued an amount equal to 100 per cent. of their capital, taking into consideration as means of payment only the amounts actually collected from assets and from assessments upon shareholders and the securities estimated as collectible representing the notes issued. The total circulation that would not have been paid from these sources would amount to $1,104,551.

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* The value of the bonds deposited with the Comptroller in excess of the notes issued is included in the total assets.

A tax on the circulation of all the banks in the system, necessary to create a security fund sufficient to pay these notes, would be so small that it need scarcely be taken into account. The total average capital of the banks in the national system during the period from 1880 to 1897 inclusive was over $500,000,000. Since I have assumed that the banks issue notes up to 100 per cent. of their capital, this amount would represent the notes taxable to create a guaranty fund. The collection of a single assessment of a tax of .2 per cent. (1-5 of one per cent.) would have provided a safety fund more than sufficient to pay the unpaid notes of the closed cases during this period, or an annual tax on the average circulation of 1-90 of one per cent.

The objection may be urged that the banks generally would not issue to the extent of 100 per cent. of their capital. In Canada, where the banks are permitted to issue an amount equal to 100 per cent. of their capital, the average outstanding circulation is not more than about fifty per cent. Assuming that the failed banks of the period we are considering had issued to the full limit of 100 per cent., and the banks of the system generally had issued only fifty per cent., a single assessment of a tax of 2-5 of one per cent. would still have been more than sufficient to meet the deficiencies.

The capital of the National banks has, however, varied from year to year, so that greater exactness as to the tax necessary to meet the deficiencies of the failed banks requires that the time of failure be taken into account. The following table will show this more definitely.

YEAR OF FAILURE.	*Final unpaid circulation.*	*National bank capital.**	*Tax necessary.*
			Per cent.
1880	$90,384	$464,000,000	.019
1881	No deficiency.	....	......
1882	No deficiency.	....	......
1883	No deficiency.	....	......
1884	48,884	525,000,000	.0092
1885	No deficiency.	....	......
1886	No deficiency.	....	......
1887	25,179	571,000,000	.0044
1888	7,491	592,000,000	.0012
1889	No deficiency.	....	......
1890			
1891	439,839	664,000,000	.066
1892			
1893	290,044	697,000,000	.041
1894	125,422	680,000,000	.018
1895	39,882	667,000,000	.0059
1896	No deficiency.	....	......
1897	37,926	655,000,000	.0057

* In round numbers.

From this table it will be seen that during seven years of the period there would have been no deficiencies and no tax would have been necessary to provide for the payment of the notes of the failed banks, and that in the years when there would have been a deficiency, the necessary tax would have been so small that it need scarcely be taken into account.

In estimating the amount of collectible securities representing circulation, I have assumed these securities to be of the same quality as the securities comprising the "total assets" of the bank. The fact that the value of the bonds deposited with the Comptroller in excess of the notes issued is counted in the total assets does not affect the general result. Of the 101 closed cases of failure since 1879, seventeen failed during 1893. From a table prepared for me by the Comptroller of the Currency, showing the classes and amounts of bonds held by these banks at the time of failure, I have found the value of their assets after deducting their equity in these bonds, and I have estimated the value of the securities representing circulation, upon this basis. The above table shows that in 1893 there would have been a deficiency of $290,044, necessitating a tax of .041 per cent. on outstanding circulation. By computing the value of the securities after the bonds have been deducted, there would have been a deficiency of $303,294, necessitating a tax of .043 per cent. In other words, if the value of the bonds had been deducted before estimating the value of the assets of seventeen of the 101 closed cases during the period, the tax would have been only .002 per cent. (one five-hundredth of one per cent.) greater than if the bonds had not been deducted.

Favorable as this result proves, it does not represent fully all that could have been done by the banks in paying their notes. There is every reason to believe that more of the notes could have been paid by the banks themselves. I have taken into consideration as applicable to the payment of the notes, as has been pointed out, first, the assets actually collected by the Receiver less the expenses of settlement; secondly, the securities estimated as collectible, representing circulation; and thirdly, the amount actually collected from shareholders. From the first two sources we cannot assume that anything more could have been collected, but the amount actually received from the shareholders does not represent all that could have been collected, since in only five of the thirty-two cases, representing a deficiency of only $111,408, were the shareholders assessed to their full liability. These five banks were finally closed paying dividends of less than 100 per cent. to creditors, which would prove that everything possible had been collected. In the remaining twenty-seven cases, representing a deficiency of $993,143, the shareholders were not assessed to their full liability. The National Bank Act does not permit a high assessment to provide against the inability of some of the shareholders to pay their full assessment. The amount contributed by each shareholder must bear the same proportion to the whole amount of the deficit as his own stock bears to the whole amount of the capital stock at its par value. And the solvent shareholders cannot be made to contribute more than their proportion to make good the deficiency caused by the insolvency of the other shareholders. (*United States* vs. *Knox*, 102 U. S. 422.) If, as we have assumed, the liabilities of these banks had been increased by an amount of notes outstanding, the deficiency would have been greater, and a larger assessment could have been made. In seven of these twenty-seven cases, representing a combined capital of $700,000, and a final unpaid circulation of $363,209, no assessment whatever was made upon the shareholders, and the accounts were finally closed paying dividends of 100 per cent. to the creditors. In these cases it is probable that the greater part of the notes could have been paid by assessment upon the shareholders.

This investigation proves conclusively the safety of permitting National banks to issue notes against their assets. It would have been safe under actual conditions in the past, for the burden upon the banks since 1879 in maintaining a safety fund sufficient to meet the deficiencies would have been only one-ninetieth of one per cent. annually on circulation, and it would be even safer at the present time under our perfected banking system.

CAMBRIDGE, Mass. A. O. ELIASON.

FOREIGN BANKING AND FINANCE.

The Spanish Debt and the Bank of Spain. The rapid decline of Spanish bonds upon European bourses, as the result of fears of war with the United States, has caused much discussion in European financial journals of the condition of Spanish finance. The hope has been entertained in Europe that the prompt suppression of the insurrection in Cuba would permit the Spanish Government to restore its finances to a healthful condition, but it is declared by M. Edmond Théry, the editor of "*L'Economiste Européen*," in the issue of March 11, 1898, that it is time to recognize that liquidation is becoming more and more difficult and that the policy which Spain has followed for more than three years, in carrying on a campaign costing about 50,000,000 pesetas ($10,000,000) per month, has involved her finances in a critical condition. M. Théry sums up the total capital of the existing debt at 8,546,506,409 pesetas, which would be equivalent to about $1,650,000,000 if Spanish exchange were at par. Exchange on March 24 last showed a premium of forty per cent. upon gold. This does not affect the burden of the exterior debt, while Spain maintains gold payments abroad, except to make it more difficult to raise the equivalent amount in paper under existing taxes.

The annual interest and sinking funds required for the debt on January 1, 1898, were 527,185,659 pesetas ($105,000,000). The debt is divided into 6,767,961,300 pesetas of funded debt (bearing interest to the amount of 368,295,070 pesetas), 1,448,400,000 pesetas in Cuban bills, 30,145,109 pesetas of floating debt, and 300,000,000 pesetas advanced by the Bank of Spain. The charges for the debt include an estimate of 54,966,285 pesetas ($10,500,000) for the loss in exchange caused by the depreciation of paper. Commenting upon this exhibit, M. Théry says:

"For the four years preceding the budget of 1896–97, the receipts of the Treasury were 742,000,000 pesetas upon an average. Those of the last year attained 790,000,000, because of temporary measures, such as the tax for exemption from military service. In computing them at a maximum of 800,000,000 pesetas, it is apparent that with the service of the debt discharged, there remain only 273,000,000 pesetas to meet the various branches of the public service, the payment of the army and the maintenance of the fleet. One could not set forth in more striking fashion the painful financial condition of the country. The Government has not failed to seek solutions for creating ways and means which would permit the reduction of the deficits and would aid the Cuban Treasury, but all these measures have been dependent upon the progress of the pacification of the Island and if this progress has not been marked at the moment when it becomes necessary to lay before the Cortes the financial projects for 1898–99, it will be necessary to continue to resort to expedients and to seek the aid of the Bank of Spain."

It is pointed out that the resources of the Bank are not infinite, in spite of its relative success thus far in sustaining the Treasury. The circulation of the Bank has been increased from 909,678,275 pesetas at the close of 1894 to 1,206,270,500 pesetas at the close of 1897, largely as the result of advances to the Treasury, and the circulation had mounted on March 5, 1898, to 1,254,-

881,000 pesetas. The advances by the Bank to the Treasury increased from 217,255,000 pesetas at the close of 1896 to 397,433,601 pesetas at the close of 1897. The amount of the advance to the Treasury, moreover, is far from being the limit of the relations of the Bank to the public revenue. The Bank carried, at the beginning of 1897, 254,817,500 pesetas in five per cent. Treasury obligations, which were reduced at the close of the year to 160,690,000 pesetas by sales to the public. The Bank also carried at the close of the year 382,740,810 pesetas in four per cent. securities refunded in 1882, 3,812,492 pesetas in four per cents of 1891, 5,837,597 in four per cent. certificates, and 12,270,000 pesetas in shares of the tobacco company. Recent dispatches indicate that the Government propose to increase the limit of note issue by the Bank from 1,500,000,000 pesetas to 2,000,000,000 pesetas, in the evident expectation that the difference will be advanced to the Treasury; but this cannot fail to cause a further depreciation of the notes and increase the difficulty of final resumption.

The Bank of Spain, in spite of the manner in which it has been compromised by the advances to the Government, has strengthened its metallic reserve and made a large profit during the period of specie suspension. The total metallic reserve at the close of 1897 was 545,193,139 pesetas, of which 278,925,154 pesetas ($55,000,000) was in gold. This made the total metallic reserve equivalent to 45.20 per cent. of the outstanding notes and the gold reserve alone equal to 32.12 per cent. The required coin reserve is thirty-three per cent., of which half must be in gold. The commercial discounts of the Bank during 1897 were 935,704,666 pesetas, which was 500,500,000 less than during 1896. The balance of current deposit accounts at the end of 1897 was 422,906,943 pesetas, about 66,500,000 more than at the end of 1896. The total transactions upon these accounts amounted to 13,000,805,279 pesetas. The earnings of the Bank by commercial operations were 12,744,026 pesetas, a loss of 5,500,000 as compared with 1896. The earnings from this source would have been more than swallowed up in the expenses, which were 18,484,825 pesetas, but for the interest on loans to the Government and evidences of the public debt. The latter brought into the treasury of the Bank 46,539,042 pesetas, and the net profit resulting from all operations was 42,893,940 pesetas ($8,400,000). The shareholders received a dividend of twenty-four per cent., an increase of two per cent. over 1896, (absorbing 36,000,000 pesetas), the Government received 5,972,682 pesetas in taxes of various sorts, and the remainder of the net earnings, 921,258 pesetas, was carried to the account for 1898. The Bank strengthened its gold reserve during 1897 at an expense of 3,013,061 pesetas lost by the sale of silver bullion and 4,881,337 pesetas paid for gold. The report states that the desire of the governing board of the Bank to stimulate commercial operations led to orders reducing certain charges, recovering the interest of loans at maturity instead of in advance, and admitting new obligations as security for advances.

The New Chinese Loan.

The political advantages of extensive banking connections are emphasized by M. Fournier de Flaix, in *La Revue des Banques* for February, in the discussion of the advantages obtained by Great Britain in the placement of the Chinese loan by the Hong Kong and Shanghai Bank. The opening of the rivers of

China to the commerce of the world and the continued control of Chinese customs by Englishmen are cited as proofs of the political benefits of banking enterprise, and the engagement obtained by Great Britain from the Chinese Emperor to make no concession to any other power in the valley of the Yang-tze-Kiang is declared to have placed the hand of England upon China and to have paralyzed to a large extent Russian influence. The Hong Kong and Shanghai Bank, M. de Flaix declares, "has in this important affair been an extremely precious instrument for England." Germany, moreover, has been prevented from hostility by the union in the enterprise of the *Deutsch Asiatische Bank*. As the subscriptions turned out, the Germans have shouldered most of the load, in spite of the prominence of the Hong Kong and Shanghai Bank. The loan was advertised simultaneously in London and Berlin and the books were closed on March 23. At Berlin the subscriptions on the first day exceeded the amount offered, while at London there was marked neglect of the new investment. An article in "*L'Economiste Européen*," of March 25, discusses the reasons for this as follows:

"The English, eminently practical, never make any sacrifice to the demands of patriotism which may prove harmful to the paramount interests of their finances. While the jingoes applauded the success of the English diplomats, and already counted their country as master of the destinies of China by means of the gold to be sent there, the cool and prudent capitalists of the city somewhat distrusted the security of the investment. They naturally made comparisons between the loan issued recently under the guarantee of Russia and the present loan guaranteed by the doubtful Chinese receipts, and the comparison was fatal to the pending loan. Englishmen appear to have reasoned that British power is so solidly established in the extreme East that it need not be propped by heavy financial sacrifices. In Germany, where money is more impulsive, the capitalists obeyed the injunction of patriotism. It was known that by subscribing one would give pleasure to the Emperor and the Government, and this consideration always has great weight with German decisions. Without doubt also the big German financial houses could not resist the attraction, which may be imagined to have been powerful, of figuring for the first time in a great exterior operation and of becoming the entering wedge for an enterprise at once political and patriotic."

The writer in the French journal suggests that reason will prevail over political enthusiasm in the course of time, and that the new Chinese securities will be quoted considerably below the price of issue. This price was ninety per cent. and the loan bears interest at four and a half per cent. It is secured by the available Chinese customs levies, and by the first lien upon the *likin* receipts of certain ports and districts, which are to be placed under the control of the Inspector-General of Imperial Maritime Customs. It is expected in Berlin that the larger part of the proceeds of the loan will be deposited with the Imperial Bank of Germany for the account of the Japanese Government in payment of the war indemnity, and that the money will finally go to pay German manufacturers for exports to the East.

Regulation of the Stock Market.

The French Ministry has rather suddenly announced a complete reorganization of the Parisian market for securities. The budget bill to increase the stamp duty on foreign securities was met with an amendment by M. Fleury-Ravarin, requiring the presentation of an official note, emanating from one of the *agents de change*, bearing a special stamp in cases where stocks were negotiated. The amendment was not in itself of great importance, but was made a test by the Minister of Finance of his plan for adopting by executive order a new series of regulations regarding the *coulisse*, which is the outside market of unauthorized brokers. The business of dealing in securities belongs nominally in France to the *agents de change*, who number only sixty and are clothed with an official monopoly. The *coulisse* has been permitted, however, to carry on business for many years, and has taken into its ranks the representatives of many foreign houses. The Chambers reluctantly approved the policy of the Ministry and by so doing authorized the new regulations. These have not yet been promulgated in detail, but it has been announced that the number of *agents de change* will be increased from 60 to 75 or 80, that there shall be a reduction in the rates of brokerage, and that the agents shall be grouped into specialties. The Minister has announced, moreover, his intention to prohibit the system of clearings which is practised by the great joint-stock banks with numerous branches, by which they set off buying orders and selling orders against each other, and apply to the *agents de change* only for the securities which are required to settle the differences. The great banks will be subjected to many inconveniences if this clearing privilege is taken away, but will not suffer to such an extent as the members of the *coulisse*, whose business will be almost completely wiped out. The result, in the opinion of M. Paul Leroy-Beaulieu, the eminent author and editor of "*L'Economiste Français*," will be to greatly curtail the opportunities for investment by Frenchmen and the scope of the Paris market. He declares that in order to enable France to share with other countries the exploitation of the globe, there should be a money market of elasticity, easily reached, which not merely awaits investments, but seeks them, and which increases constantly the number and nature of the securities offered to the public. The French nation, he declares, is no less interested than the great financiers in having a variety of investments—those of a somewhat speculative character which are quoted on the *coulisse* as well as those of a more fixed character quoted on the *parquet* by the *agents de change*. Under the existing system, he points out, of two different markets, the one offering the greater guarantee of solidity, and the other more conditions of elasticity, hardly anyone can be deceived. The limitation of the business to an official body of agents, with strict limitations in regard to the securities subject to quotation, imposes a rigidity upon the market which is likely to drive capital outside of France.

The Proposed Bank of Switzerland.

The promise that a complete plan for a central bank should be presented to the Swiss Government by the Union of Commerce and Industry, which was alluded to in the annual report of the bank inspectors, was redeemed by the Union at a meeting held on March 5. Plans submitted by the societies of the differant cantons were carefully considered and a new project framed, excluding the participation of the Government as a shareholder. The bank is to have the monopoly of the issue of notes and to be entitled "The National Swiss Bank." It will have its head office at Zurich and be given authority to establish branches. The capital is fixed at 50,000,000 francs, which will be furnished in the proportion of two-fifths by the Cantons, according to their population, one-fifth by existing banks in proportion to their circulation on December 31, 1897, and the remainder by private subscriptions. Subscriptions for this two-fifths are to be limited to Swiss citizens and no one will be permitted to subscribe for more than 100,000 francs ($20,000). The maximum limit of issue will be fixed by the Federal Assembly, with provision for an excess of issue above the limit subject to a tax of five per cent, as in the case of the Imperial Bank of Germany, the Austro-Hungarian Bank and the Bank of Japan. The proceeds of this tax will be divided between the Confederation and the cantons, and the bank will be exempt from taxes except cantonal stamp taxes. The earnings will be divided, fifteen per cent. to the reserve funds, and the remainder in a dividend of four per cent. upon the capital, with the excess distributed to the cantons. A council of forty-five members is provided, a banking committee of five members, and local committees. The active control is confided to a directorate of three members at the central bank and to local directorates. The Federal Government will have a share in choosing these officials. The duration of the privilege of the bank is fixed at twenty years, and Federal supervision is prescribed by the amendment to the constitution under which the bank is proposed to be formed. The new project had the approval of twenty-three of the twenty-four sections of the Union of Commerce and Industry which were represented, one section withholding its vote. The project will soon be submitted to the Federal Council and is more likely of final adoption than the project of a State bank, which was rejected by popular majority of 60,000 on February 28, 1897.

The Imperial Bank of Germany.

The operations of the Imperial Bank of Germany were very successful during the calendar year 1897. The dividend distributed for the year was 7.92 per cent., in spite of the heavy charges levied by the Government in the form of taxes and in the excess of dividends. The total profits of the Bank were 32,699,101 marks, and the expenses were 13,302,270 marks, leaving the net profits at 19,306,831 marks ($4,800,000), of which 9,504,000 marks were distributed in dividends and 9,897,623 marks went to the reserves. The tax upon excess of circulation, which was considerable during the year, with the share of the dividends going to the Government, made up a total of 10,665,539 marks, and the fact that this amount exceeded the dividends of the shareholders is a subject of some adverse comment.

The prosperity of the year was attained as the result of an active commercial and industrial movement, in spite of the restrictions of the limit imposed upon the circulation of the Bank and the comparatively high interest rates which resulted. The official rate of discount, which began the year at five per cent., was lowered on January 19 to four per cent., on February 26 to three and a half per cent., and on April 10 to three per cent. The rate was increased on September 6 to four per cent. and on October 11 to five per cent., making an average for the year of 3.656 per cent. The Bank discounted during 1897 a total of 2,569,200,000 marks in local paper, amounting to an average amount in hand of 357,100,000 marks, and discounted 4,027,000,000 marks in paper upon interior places, affording an average of 287,000,000 marks. The losses by bad loans were small during 1897 and 319,300 marks was recovered on accounts supposed to be bad in 1896.

The Bank's gold holdings at the beginning of 1897 were 531,390,000 marks and were increased at the end of 1897 to 568,070,000 marks ($140,000,000).

The amount of gold purchased during 1897 was 123,900,000 marks and the amount withdrawn was 133,500,000 marks, but the net loss on this account was offset by increased deposits of German gold. The stock of silver thalers in the Bank, which was 204,200,000 marks in 1896, was reduced at the end of 1897 to 189,400,000 marks ($46,000,000).

The Bank of England Rate.

The Bank of England on April 7 increased its discount rate from three per cent. to four per cent. The reasons are partly found in the exports of gold to the United States in payment for the cereal imports and in order to strengthen American finance against the danger of war. A combination of other facts had their influences in changing the rate, and the possibility of the change, with reference to these facts, was discussed as follows in the London "Econonist" of March 12, nearly a month before the change was made:

"The Government continues heaping up its balances at the Bank of England, their total amounting at the end of last week to £13,413,000. Consequently the market is in an impoverished condition, and has again been compelled to renew and increase its loans from the Bank. This, together with political apprehensions, a continuance of the demand for gold for the United States, and the approaching issue of the Chinese and Greek loans, has resulted in a tightening of the money market, the quotations for best three months' paper being now three per cent., while call loans are charged two and three-quarters to three per cent. Early in the week there was some talk of an advance in the Bank rate, but such a step at present, when the Bank holds so much public money, would be unjustifiable and oppressive. Of course, if an American drain of any magnitude sets in the rate will have to be raised. But nothing of the kind has been experienced as yet, and when it is the possession of an unusual and most unduly large accumulation of Government money in the hands of the Bank that has given it the control of the market, to use the power it has thus acquired to force up rates higher than is really necessary would be to abuse its position. When the pent-up funds are released, as they must be to a large extent before the end of the fiscal year, and when the dividends are distributed at the beginning of next month, the market should, if circumstances were normal, be in an easier condition."

French Banking Policy.

The Bank of France has steadily refrained from raising its discount rate above two per cent.—the rate which has prevailed since March 14, 1895—in spite of the demand for gold to pay for the large cereal importations. The cereal imports from August 1, 1897, to January 31, 1898, were valued at 101,260,846 francs ($20,000,000), as compared with imports in the same period of the preceding year valued at only 12,620,381 francs. Even this figure is only a minimum estimate of the value of the recent imports, since the customs valuations are fixed officially upon the prices for 1896 rather than the actual market prices. If account is taken of the increase in prices and the heavy importations of February, it is calculated that the excess of importations during the present season represents a value of nearly 120,000,000 francs ($23,500,000).

Another influence in withdrawing gold from France has been the offer of a quantity of new Russian securities, and other state funds and industrial shares, amounting to not less than 200,000,000 francs ($40,000,000). The result has been an increase in the price of drafts upon London to 25.35 francs, which is 13 centimes above par. The Bank of France has steadily adhered to the policy of providing gold at a slight premium without raising the discount rate, relying upon this policy and the employment of foreign bills of exchange to prevent the imposition upon the business community of the burden attending an increase of the discount rate.

It is calculated that there are in France, in the hands of the Bank and the great credit societies, about 3,000,000,000 francs in discounted commercial paper, upon which an increase of the discount rate by one per cent. would impose an annual charge of 30,000,000 francs ($6,000,000). "Under these conditions," says M. Théry in "*L'Economiste Européen*" of March 18, "it is preferable for the aggregate of French interests that the Bank of France should arrest the rise of paper upon London and defend our monetary circulation against the gold drain—which is a consequence of the rise above the gold point—by wise deliveries of foreign gold from its reserves rather than by resorting to an immediate elevation of the discount rate."

M. Théry points out that the Bank is very much stronger than during the great drain of 1881, when the European crops were short, for at that period the gold reserve was barely 556,000,000 francs ($110,000,000) for a circulation of 2,516,000,000 francs ($500,000,000), while in 1898 the gold reserves consist of 1,940,000,000 francs ($380,000,000) against a circulation of 3,868,000,000 ($760,000,000), or a gold reserve alone, not counting the large store of silver, equal to fifty per cent. of the circulation.

The Banks of Great Britain.

The careful computation of the gross assets and liabilities of the British banks which is presented annually by the "Bankers' Magazine" of London, appears for 1897 in the Magazine for April. The increase in total assets in 1897 over 1896 was £18,690,000, as compared with a corresponding increase the previous year of £4,500,000 and in 1895 as compared with 1894, £41,395,000. The difference, it is stated, is in part more apparent than real. Some of it arises through more balance sheets of banks being included in the later, as compared with the earlier returns. Again, the effect of amalgamations, for obvious reasons well understood by bankers, is to cause the total amount of the assets of the united banks, after amalgamation, to appear smaller than they were when regarded as separate concerns.

The table which appears below presents the leading items of account of the banks by sections of Great Britain, according to the dates of the latest available reports. The steady increase in the business of the commercial banks is noteworthy, in view of the competition which is being conducted by the Savings banks. The increase in the deposits of the latter was nearly £10,000,000 during 1897, which is nearly half as large as the increase in the deposits of other bankers. A comparison, which shows the disadvantages under which the commercial banks labor in the competition, is afforded by the following statements by the London "Bankers' Magazine:"

"The banks give a statement of their liquid assets. These, including the cash 'in hand,' at 'call' and at 'short notice,' amount collectively to nearly £194,000,000; this enormous sum is close to one-fourth of the total liabilities of the banks to the public on their deposits. For the greater part of this immense sum, a sum larger than the whole of the capital and reserve funds employed in the business, bankers are willing to accept the lowest rate of return known to the money market—for only the lowest market rate necessarily can be obtained on the cash at 'call' and at 'short notice,' while on the money in the bankers' tills, and on their balances held at the Bank of England, there is no return at all in the way of interest. The bankers do this in order to render their customers safe in any time of pressure and are willing to lose the profit they could otherwise make on these amounts for that purpose. We must repeat here what we have said before on the subject. The Savings banks keep hardly any reserves whatever in cash—they trust to Government to find them what may be wanted if a sudden demand should arise. The profit on the deposits the Sav ings banks hold is scarcely diminished at all by the need to prepare against difficulties, and whether this profit justifies it or not, they are also empowered by Government to allow a rate of interest on their deposits higher than that which the banks which are trading institutions can safely afford. Competition on these terms is by no means fair to the banks, who, it must be remembered, provide a very large part of the working capital of the country. Except the amounts invested in Government stocks and securities of those descriptions, as a second line of reserve, the great mass of the deposits with bankers is employed in supporting industry and commerce and trade in all its numerous ramifications. Hence to enable these occupations to advance, bankers' deposits must increase."

The complete returns of the banks of the United Kingdom which publish accounts show a paid-up capital of £83,421,107; a reserve fund, £41,209,720; deposit and note liability, £816,429,993; cash in hand and on call at short notice, £193,543,944; discounts and advances, £515,469,242. These totals include the figures for the Isle of Man, where the total resources were £2,440,033, which do not appear in the following classification by sections of the country. The following table, showing the condition of the banks at the close of 1897 or the beginning of 1898, according to the latest reports, is made up in the same manner as the table for the close of 1894 published in "A History of Modern Banks of Issue," by the present writer:

LIABILITIES.	*England and Wales.*	*Scotland.*	*Ireland.*
Capital paid	£66,896,067	£9,309,029	£7,114,011
Reserve fund	31,574,985	6,235,432	3,300,103
Acceptances, endorsements, etc	17,631,315	3,413,636	151,434
Deposits, current accounts and note circulation	656,788,377	105,576,967	51,852,809
Miscellaneous	5,077,382	1,044,697	528,791
Total liabilities	£777,965,126	£125,579,761	£62,946,638
ASSETS.			
Cash in hand and on short notice	£167,954,212	£18,462,478	£6,874,985
British Government investments	78,142,818	14,117,843	7,234,898
Other investments	88,127,799	20,748,509	10,518,311
Discounts and advances	411,639,270	65,351,776	37,228,509
Acceptances, etc	17,631,315	3,413,636	151,434
Buildings, etc	14,469,717	3,485,519	989,001
Total assets	£777,965,126	£125,579,761	£62,946,638

The New Greek Loan.

The Greek loan of 155,000,000 francs ($30,000,000), chiefly for the purpose of paying the Turkish war indemnity, but intended also for the reorganization of Greek finances, will probably be distributed as an international security upon the leading European bourses. The loan is guaranteed by France, England and Russia and payment is assured by the Commission of International Control which has taken charge of Greek finances under authority of the great powers. An important meeting was held on March 14 at the Bank of Paris and the Netherlands in Paris under the Presidency of M. Eugene Gouin, President of that establishment, for the purpose of making arrangements for taking the loan. Two of the Rothschilds, two of the Hottinguer, the President of the *Crédit Lyonnais*, representatives of the *Comptoir National* *d'Escompte*, the *Société Générale*, and other leading financiers, took part in the gathering. A committee of five members was named to confer with the representatives of the English and Russian banks regarding the date of issue of the loan, the rates of subscription, the amounts of the payments, and provision for a sinking fund. The full text of the convention between the Greek Minister of Finance and the delegates of the holders of the old debt has been published, and bears out the statements regarding the readjustment of interest charges already published in the BANKERS' MAGAZINE.

The Monetary Reform in Chile.

The reformation of the currency of Chile upon the gold standard, which was begun in 1895, has proved eminently successful. Government paper ceased to be a legal tender on January 1, 1898, for private obligations, but the Treasury will continue to convert it into gold during the remainder of the present year, after which it will cease to be redeemable. The balance of specie on hand for the conversion of the paper money is about 12,000,000 piastres ($4,000,000), but the notes outstanding are computed at only 2,000,000 piastres and the delay in presenting them for redemption is throwing doubt upon their existence. The redemption fund will, therefore, be converted to other uses. The banks of issue in operation are fourteen, having a paid-up capital of 32,209,535 piastres. They are able to issue notes to the amount of their capital upon the deposit in Treasury offices of a guarantee in mortgage bonds for an equal amount. The outstanding issues are only 14,600,000 piastres. The two German banks recently created, as well as the English bank, do not issue bank notes, but are extending their operations widely by creating branches in different cities and towns. The present Chilean standard was adopted in the same manner as the standards of Austria-Hungary and Russia, by adjusting the new unit to the actual exchange value of the depreciated paper. The original dollar or piastre was worth nearly the amount of a United States dollar. The first attempt to restore the gold standard in 1892 failed to restore specie payments, but the present Act of 1895 has been energetically carried out by the Ministry of Finance.

The Financial Condition of Roumania.

The Government of the comparatively new State of Roumania, which was carved out of the Turkish Empire twenty years ago, has attained such high credit that a considerable portion of the public debt is about to be converted at the rate of four per cent. The rate of issue determined upon is 91½ per cent., which is a great improvement over the rate of 84 obtained for a four per cent. loan two years ago. The conversion will cover 446,751,500 francs ($88,000,000), of which 389,741,000 francs represent the five per cent. issues of 1881 and 1888. M. Cantacuzene, the Minister of Finance, has made a contract with the Bank of Paris and the Netherlands, the *Comptoir National d'Escompte*, the National Bank of Roumania, the General Roumanian Bank of Bucharest, the *Disconto Gesellschaft* of Berlin, the Rothschilds of Frankfort, and the Bleichroeders of Berlin, for marketing the new loan. These banking houses offered to place the entire loan at once, but the Finance Minister preferred to issue 180,000,000 francs at first and the remainder at a later date.

M. Edmond Théry remarks regarding the terms of this loan that "many larger states might envy this little country of 5,800,000 inhabitants the prosperity which it enjoys and which will not fail to increase if it continues to practice the policy of political wisdom which has marked recent events."

Exports have increased from 177,000,000 francs in 1871 to 324,000,000 francs in 1896. Roumanian securities were originally sold chiefly on the Berlin market, but were introduced upon the French market in 1893 and have proved valuable investments for Frenchmen. The National Bank of Roumania has been wisely managed and the notes are kept close to par with gold. The circulation increased only 13,600,000 francs ($2,600,000) from December 31, 1893, to December 31, 1897, while the gold reserve stood on the latter date at 57,400,000 francs.

M. Théry, discussing the effects of the conversion upon the economic condition of Roumania, in "*L'Economiste Européen*" of April 1, says:

"It will have the great advantage of reducing the charges of the Government by about 7,000,000 francs and in a general way the rate for the rental of money in Roumania. It will tend to reduce mortgage loans, city and suburban, to four per cent. in place of the five per cent. paid to day, which will constitute a great benefit to borrowers. It will also have the effect of permitting the National Bank to reduce its interest rate from five to four per cent., which will contribute a powerful aid to commerce. It will have finally the effect of increasing the value of rural property and of affording an opening for a crowd of new industries, for which the capital which is not satisfied with the four per cent. offered by the Government will hasten to seek more remunerative employment."

Banking and Financial Notes.

—The British Government seems at last to be contemplating the reduction of the interest on deposits in the Post Office Savings banks, which has been causing a deficit by reason of the high price of Consols. On the occasion recently of the voting of about £50,000 in the House of Commons to make up such a deficit, the Chancellor of the Exchequer stated that in his opinion the proper time for reducing the interest rate would be when the interest upon the National debt was reduced from 2¾ to 2½ per cent. This will be in 1903, which will necessitate several more appropriations out of the Treasury to fill the deficit. The reason for the delay is supposed to be the desire to provide a means whereby those who are enabled to buy Consols on the stock exchange at a price to yield them 2½ per cent. can effect a similar investment through the agency of the Post Office Savings Bank.

—The report of the Hong Kong and Shanghai Banking Corporation, which has attracted so much attention in connection with the negotiation of the Chinese loan, shows net profits for the half year ending December 31, 1897, amounting to $2,429,736. The directors recommended the transfer of $1,000,-000 to the reserve fund, which is thereby increased to $8,000,000, and a dividend of £1, 5s. per share, which absorbs $444,444. The difference in exchange between China and London required $571,428 additional for the completion of the dividend. The assets of the Bank on December 31 were $169,365,288, of which $17,584,264 was in cash, $7,106,437 in bullion, $5,045,098 in Indian and Colonial securities, $7,453,385 in investments, $61,258,502 in bills discounted, loans and credits, and $69,845,633 in bills receivable. The liabilities include $62,869,366 in current accounts, $58,177,192 in fixed deposits, and $9,888,206 in circulating notes.

—The Italian Government has succeeded in putting upon the statute book a measure for the reorganization of the banking system which promises some substantial results. The metallic reserve is fixed at 300,000,000 lire ($58,-000,000) for the Bank of Italy, 90,500,000 lire ($18,000,000) for the Bank of Naples, and 21,000,000 lire ($4,100,000) for the Bank of Sicily. These reserves cannot be reduced, but may be represented by an equal amount of bank notes in circulation. The circulation which is not thus covered is given a first lien upon any other specie in the bank, after the deduction of four per cent. for certain demand obligations, and upon other assets.

—The wealth of Belgium in negotiable securities in January, 1898, as stated in the "*Moniteur des Intérêts Matériels*" of February 13, 1898, was 7,386,-222,000 francs ($1,450,000,000). The value of such securities in January, 1897, was 6,813,414,000 francs, the difference this year being made up of an increase of 271,955,000 francs in the increased value in the market of the old securities and 300,853,000 francs in new issues. The value of National, provincial and local government stocks is now 3,752,512,000 francs; bonds paying a fixed return, 1,053,679,000; banks and credit societies, 525,998,000; railways and canals, 316,435,000; street railways, 232,270,000; iron and steel foundries, 241,175,000; coal companies, 354,451,000.

—The applications for new capital on the London market were larger during the first quarter of 1898 than during the first quarter of either of the four preceding years. The amount was £48,054,000, as compared with applications in the same quarter of 1897 for £28,116,000 and in the last quarter of 1897 for £49,522,000. The applications this year include the whole of the Chinese loan, of which a large part was taken in Berlin. The formation of cycle companies in England has practically ceased for the present, the largest items outside the Chinese loan of £14,400,000 being Indian and Colonial loans, £3,843,300; foreign railways, £3,301,300; South African mining companies, £1,081,900; breweries and distilleries, £4,127,400; merchants and manufacturing enterprises, £3,792,500; stores and trading companies, £2,448,300.

—The cash reserves of the banks in the Brazilian province of Rio were on Jan. 31 96,560,332 piastres ($6,400,000), a decline from 152,662,044 piastres on Oct. 31, 1897. The diminution is due principally to a Government loan. The deposits in the four leading banks on Jan. 31 were 43,024,898 piastres, of which 22,527,940 piastres were with the London and River Plate Bank, 12,548,480 with the London and Brazilian Bank, 6,911,531 with the German Brazilian Bank, and 1,036,947 with the British Bank of South America. C. A. C.

THE NEW REVENUE BILL.—The bill providing for an issue of $500,000,000 in bonds and of $100,000,000 certificates of indebtedness and also laying internal revenue taxes to meet the expenses of the war with Spain, passed the House April 29 by a vote of 181 to 131. The bonds are to be of denominations of $25 and multiples thereof, and are to be redeemable after ten years and payable in twenty years. They will bear three per cent. interest. The bonds are payable in coin. Amendments to the bill were offered and rejected as follows: To make the bonds payable in standard gold or silver coin, 108 to 136; to make them payable in either gold or silver at the present legal ratio, 111 to 135; payable one-half in silver and one-half in gold; making them redeemable in lawful money; authorizing the issue of $150,000,000 in greenbacks, 106 to 147; to strike out the bond issue section, 103 to 132.

SOME ECONOMIC PROBLEMS.

I.

Mr. Edward Bellamy was first known in literature as a clever writer of fiction; we may well suppose that he wrote "Looking Backward" purely as a romance, and that he was surprised when a large number of his readers insisted on taking it seriously. When that book proved to be a commercial success, Mr. Bellamy naturally gave us more of the same wares in "Equality," just as any other manufacturer would seek to supply the market when he found he had produced an article which "took with the trade."

But the history of literature is full of instances where the purest fancy sketch of a bright novelist turns out to be a realistic picture of existing facts in another light, or the seeming prophecy of things that come to pass later. So we find in "Equality" the fanciful account of how the State took charge of all the railroads, mines, and other large corporate properties:

> "The Revolution abolished private capitalism—that is to say it put an end to the direction of the industries and commerce of the people by irresponsible persons for their own benefit and transferred that function to the people collectively to be carried on by responsible agents for the common benefit. The change created an entirely new system of property holding, but did not either directly or indirectly involve any denial of the right of private property. Quite on the contrary, the change in system placed the private and personal property rights of every citizen upon a basis incomparably more solid and secure and extensive than they ever before had or could have had while private capitalism lasted. Neither the railroads nor the mines were therefore purchased at all. It was their management, not their ownership, which had excited the public indignation and created the demand for their nationalization. It was their management, therefore, which was nationalized, their ownership remaining undisturbed. That is to say, the Government, on the high ground of public policy and for the correction of grievances that had become intolerable, assumed the exclusive and perpetual management and operation of the railroad lines."

Is not this exactly what Congress and our State Legislatures have already done, or at least begun to do, by Railroad Commissions, which if composed of arbitrary, socialistic members already have the power to "regulate" traffic so as to make the private holdings of such corporate stocks utterly barren and unprofitable? Is it not remarkable that the Populist party should continue to harp on the Government ownership of railroads, telegraphs, and telephones, when the machinery is ready made by which these properties could be administered on, according to their ideas, without the payment of a dime, either dividend or capital, to the present owners? And if by mischance this Populist party should come into control of our national affairs, is it conceivable that they would need a Bellamy to suggest that all inter-State commerce and the banking of the country should be regulated by commissions, in conformity with the wild socialistic idea that all profit on "private capital is stolen from the social fund?"

We had a memorable political campaign in 1896, in which financial and economic questions were the predominant issues, and the country rang with the slogan, "Down with Wall Street and the money power." It will not do to say that this was merely a catch-phrase of the demagogue, because it is the business and the purpose of the politician to seek and give expression to what he conceives to be the prevailing thought and wish of his party.

In any democratic country the people are quick to detect any wrong in the laws or their administration by a sort of infallible instinct, even though they may not reason deeply or discriminate wisely as to the underlying causes. The Democratic national platform of 1892 says:

> "We recognize in the trusts and combinations which are designed to enable capital to secure more than its just share of the joint products of capital and labor, a natural consequence of the prohibitive taxes, which prevent the free competition which is the life of honest trade, but we believe that the worst evil can be abated by law, and we demand the rigid enforcement of the laws made to prevent and control them, together with such further legislation in restraint of their abuses as experience may show to be necessary. * * *
>
> We declare that the Act of 1873 * * * has resulted in * * * the enrichment of the money-lending class at home and abroad; the prostration of industry and the impoverishment of the people.
>
> We denounce as disturbing to business the Republican threat to restore the McKinley law, which has * * * proved a prolific breeder of trusts and monopolies; enriched the few at the expense of the many; restricted trade and deprived the producers of the great American staples of access to their natural markets. As labor creates the wealth of the country, we demand the passage of such laws as may be necessary to protect it in all its rights. The absorption of wealth by the few, the consolidation of our leading railroad systems and formation of trusts and pools require a stricter control by the Federal Government of the powers of the Inter-State Commerce Commission. We demand an enlargement of the power of the Inter-State Commerce Commission, and such restrictions and guarantees in the control of railroads as will protect the people from robbery and oppression."

These expressions were construed by the socialistic element of the Democratic party on the one side, and by the Republican party generally on the other side, to mean a sweeping attack on capital. This was only measurably true, and we dare not assume that the success of the Republican party has definitely and finally settled these questions. The widespread unrest and discontent with existing conditions will doubtless disappear to a great extent with the return of general prosperity; but admitting that they still exist, they must surely be the effect of adequate causes, and it is not clear that the causes popularly assigned are adequate.

The so-called "crime of 1873" cannot possibly alone have caused the business depression of 1892–96, nor could the free coinage of silver alone have remedied our troubles; on the other hand, the mere threat of silver monometallism was not adequate to explain the depression, nor can the incumbency of a sound money Administration alone insure general prosperity and contentment. The economic conditions prevalent at any particular time are necessarily the resultant product of a number of contributing causes.

May there not be potent causes of existing conditions which have not received the attention they merit?

The old English law of descent was intended for and operated to the building up and conservation of large estates in the hands of a few, and was entirely in harmony with the spirit of feudal institutions. But we find that the policy of entailed estates is "plainly condemned in the writings of Lord Bacon and Lord Coke, as by subsequent authors, and the true policy of the common law is deemed to have been overthrown by the statute *de donis* establishing these perpetuities. They are very conducive to the security and power of the great landed proprietors and their families, but are very injurious to the industry and commerce of the nation." And again, "entailments are recommended in monarchical governments, * * * but such a policy has no application to republican establishments, etc."

The English laws of descent were in force in all the American colonies at the time of the Revolution, but the founders of this Government generally saw clearly that they were not good for "republican establishments" and they were abolished or amended by early statutes of all of the States.

In the North Carolina Declaration of Rights, made December 17, 1776, section 23 declares "that perpetuities and monopolies are contrary to the genius of a free State, and ought not to be allowed." The first constitution of the State not only declared this Declaration of Rights to be part of itself, but went further, section 43: "That the future Legislature of this State shall regulate entails in such a manner as to prevent perpetuities." Our present constitution contains the very words of the Declaration of Rights.

The observations of De Tocqueville justified the wisdom of our forefathers:

"But the law of descent was the last step to equality. Through its means man acquires a kind of preternatural power over the future lot of his fellow creatures. When the legislator has once regulated the law of inheritance, he may rest from his labor. The machine once put in motion will go on for ages, and advance as if self-guided toward a given point. When framed in a particular manner this law unites, draws together, and vests property and power in a few hands; its tendency is clearly aristocratic. On opposite principles its action is still more rapid; it divides, distributes and disperses both property and power. Alarmed by the rapidity of its progress, those who despair of arresting its motion endeavor to obstruct by difficulties and impediments; they vainly seek to counteract its effects by contrary efforts; but it gradually reduces or destroys every obstacle, until by its incessant activity the bulwarks of the influence of wealth are ground down to the fine and shifting sand, which is the basis of Democracy. In the United States it has nearly completed its work of destruction, and there we can best study its results. The English laws concerning the transmission of property were abolished in most all of the States at the time of the Revolution. The law of entail was so modified as to interrupt the free circulation of property. The first having passed away, estates began to be parcelled out, and the change became more and more rapid with the progress of time. At this moment, after the lapse of little more than sixty years, the aspect of society is totally altered; the families of the great landed proprietors were almost all commingled with the general mass. In the State of New York, which formerly contained many of these, there are but two who still keep their heads above the stream, and they must shortly disappear. The sons of these opulent citizens have become merchants, lawyers or physicians. Most of them have lapsed into obscurity. The last trace of hereditary ranks and distinctions is destroyed—the law of partition has reduced all to one level."

How have things changed since the time of De Tocqueville? The laws of descent are the same as then, and the partition of private estates still works its beneficent effect. But there has arisen a class of artificial persons, joint-stock companies, which are not subject to the law of descent, because they practically never die, and their tenure of real and personal property amounts to a "perpetuity." Is not this the *real danger* in corporations? Is not this the real "breeder of trusts and monopolies?" On this line of thought the founders of our Government had their attention directed only to the dangers of too large landed estates. Is it conceivable that they would not also have guarded against the aggregation of too much capital in the hands of joint-stock companies, had it been possible for them to foresee the development of such corporations? They would at least have placed such restrictions on the power and scope of such corporations that they could not crowd individuals out of the legitimate field of private enterprise, or stifle individual effort.

The world has made wonderful progress during the last hundred years in the development of transportation, mining, manufacturing and commerce, and this has been largely due to the wise and proper concentration of capital in chartered companies.

We may properly boast of these achievements, but is it not time to call a halt and inquire more closely what is the proper sphere of corporations, what limitations should be imposed upon them, and what they should *not* be allowed to undertake?

We know many things nowadays which Adam Smith did not know, but we cannot too often revert to the fundamental principles enunciated by this first great master of political economy. In discussing the objects for which joint-stock companies may reasonably be established, he says:

> "First, it ought to appear, with the clearest evidence, that the undertaking is of greater and more general utility than the greater part of common trades; and, secondly, that it requires a greater capital than can easily be collected into a private co-partnery. If a moderate capital were sufficient, the great utility of the undertaking would not be a sufficient reason for establishing a joint-stock company; because in this case, the demand for what it was to produce would readily and easily be supplied by private adventures."

It is pertinent to go further than this and inquire whether it would not be good public policy to confine corporations absolutely to quasi-public enterprises, and to allow no company to engage in any business, trade or manufacture which can be adequately conducted on private capital, by individuals or partnerships. It may be too late now to ask this question, but had such a policy been adopted at first it would have prevented industrial trusts, as well as boom land companies, to the manifest advantage of the body politic.

Transportation companies, the telegraph, telephone, electric lighting and gas works, and such like are quasi-public institutions, in that they offer a common service to the public generally, for hire, at presumably uniform rates, and they usually require a greater capital than can be supplied by private individuals.

Insurance and guarantee companies fill a peculiar place in the business world, in that the only reason for their existence is the principle that a large circle of men can well afford to make small mutual contributions to make good individual losses by death, fire or accident. This mutual principle is just as much the *raison d'etre* of stock insurance companies as of any others.

Banks have a field entirely of their own, and except where there is only one National bank, with a monopoly of note issue, there is no tendency to the crowding out of rival institutions. Even the great Bank of England, with its peculiar advantages, has not wrought the exclusion of other corporations and banking firms in Great Britain, but such outside institutions have continued to operate in ample number and prosperity. It is in the very nature of a bank to foster and encourage, rather than to suppress, a wide diversity of industries. The joint capital and deposits of a bank must be kept at work in order to earn a dividend, and this puts into active and profitable use capital which would otherwise be idle; and it is manifestly to the interest of a bank to help build up every legitimate local industry, because the volume of the deposits and discounts is directly dependent on the number of prosperous customers which it can procure.

It has been the joint-stock trading companies—the so-called Industrials—that have shown the tendency to form "trusts and combinations in restraint of trade," to build up perpetuities and monopolies, to crush out all individual competitors, and to destroy the very spirit and hope of private effort.

Assuming that the organization of joint-stock companies has become a fixed habit with our people, and that it is too late now to say that certain classes of them should not have been and shall not be authorized, it becomes a very grave problem for our statesmen and jurists to determine how they may and should be controlled and restricted.

Being neither a statesman nor a jurist, the present writer can only offer a tentative suggestion on these lines—that corporations should be subjected to a graduated income tax in the nature of a franchise tax. Their franchise is certainly a thing of value, which they possess solely by grace of the statute, and for which they ought to have to pay more than the paltry fees for the procuring of their charter. Many charters doubtless are worthless, many more give to their companies no special advantages over individuals in the same business, but the remainder are very valuable. In these cases the value is measurable by the income rather than by the capital, and it would seem that a franchise tax should be proportioned to income. The tax should be a graduated one, because it is the corporations with large incomes which tend to drive out private competitors, whether their income arises from special privileges, from monopoly, or from the mere physical advantage of immense capital.

All capital should have the just and equal protection of law, but the "inalienable rights, among which are life, liberty and the pursuit of happiness," are guaranteed only to natural persons, and not to corporations, artificial persons, mere creatures of law. These latter have only such rights as are given them by statute.

It is not specifically mentioned in the Declaration of Independence, but it will hardly be denied that one of the inalienable rights of a natural person is the free exercise of his chosen trade or business, if it be legitimate, and protection against ruinous competition at the hands of artificial persons, who owe their very existence to the Legislatures which ought to protect him. Ample protection would be given him, if just such burden of taxation is laid upon the competing company as would equal and compensate for the advantages which have been given it. This could probably best be done by a graduated income tax in the nature of a franchise tax as suggested above.

II.

Again we quote from Mr. Bellamy, where he describes the imaginary banking system of the year 2000:

> "Of course, we have no money and nothing answering to money, but the whole science of banking from its inception was preparing the way for the abolition of money. I was informed that the annual credit of the adult citizen for that year was $4,000, and that the portion due me for the remainder of the year, it being the latter part of September, was $1,075 41. Taking vouchers to the amount of $300, I left the rest on deposit precisely as I should have done at one of the nineteenth-century banks in drawing money for present use."

He here uses money in its narrow sense, that is, only coined metal. But bank credits, and the checks, drafts, etc., by which they are utilized are "media of exchange," and are therefore in a broad sense just as much money as coined gold or silver. Practically we have already nearly reached Mr.

Bellamy's utopian condition of having no use for coins, in that not over five per cent. of the total business of the country is now transacted with them.

The familiar arguments of the monometallists and bimetallists, that the prices of commodities rise and fall with the supply of money in a given country at a given time—the quantitative theory—are utterly false and fallacious when applied only to the stock of gold and silver money, as is usually done. The theory is applicable only to money in its broadest sense, which includes all media of exchange; even then it is true only in a restricted sense, and prices are always subject, primarily and ultimately, to the inexorable laws of supply and demand.

But if ninety-five per cent. of the business of the country can be done with commercial "media of exchange," why cannot the whole of it be done this way, and dispense entirely with the old-fashioned gold and silver money, and the more modern paper money? Simply because we must have somehow an authorized, legal, determinate, efficient and acceptable standard of value, or there will be certain confusion and contention. Around the question of *Standard* cluster most of the difficulties in the way of really scientific economics; and all this din and turmoil about the "intrinsic value of money," and the "money of ultimate redemption," and the "legal-tender quality of money," have their birth and life in the want of an ideal standard unit of value. We now have no ideal standard, and it may be a long time till one is devised and universally accepted; but it is not impossible and is highly desirable, and with such standard once devised and accepted, the world could do without all gold, and silver, and paper money, except for the purposes of small change. To some persons this may seem to be so radical a proposition, that it may be well to remark in explanation, that the realization of such an ideal would not destroy the value of the precious metals in any way—they would still be most valuable commodities, and as such would still have their use in the settlement of trade balances just as they have now in international commerce. It must be clear to every one, that gold is used now in international trade purely as a commodity and not as money.

Gold and silver have so long been used as standards of value, and each has so many personal friends, that it would doubtless take time and use to convince everybody that a different and ideal standard would be far better than both or either of these metals. Even the personal friends of silver do not claim that it is a proper standard of value at its present commercial value, but they do claim that it would rise to a parity with gold—if they could have their way. But they fail to consider many things which they could not possibly change even by international agreement.

The most obvious cause for the decline in value of silver has been the increased production, and this increased production has been largely the result of improved methods of mining and smelting. Large bodies of ore have been systematically surveyed and defined—large investments have been made in plant to secure the most rapid and economical handling of the ore—mining and smelting also have become a highly organized industry; in a word, the production of silver has become a great commercial business of the same sort as that of copper or iron.

But a much more potent cause of the decline of silver has been the contemporaneous large increase in the world product of gold. The simple fact that there has been an ample supply of gold for the settlement of international balances has been the real cause why silver has been less needed for that purpose, and has consequently been in less demand and of less value.

In any particular country the two metals have well defined functions, determined by the statutes there in force, and the popular use of each in the domestic exchanges of that country will be regulated by the habits of that people and by the well recognized operation of the Gresham law. But the Gresham law is operative only under and by reason of local statutes; it is not a law of international trade, because here the precious metals are nothing more nor less than commodities, which pass by weight and not by tale. Just as the currency of any country, of whatever kind it may be, settles the balances of domestic trade, so gold and silver settle the balances of international trade by the common consent of the commercial world; but in this regard they have none of the functions of money, they are simply desirable and desired commodities. It is useless to discuss why gold is the most acceptable commodity for this purpose, or why perhaps it ought not to be so; it is a subsisting fact that the commercial world *has* accepted gold as the best thing with which to settle its balances, and if the world supply of gold is sufficient for this purpose it will be used in preference to anything else.

Silver, nickel and copper will continue to fill a very important place as "small change," but the world supply of gold to-day is practically sufficient as a basis for all the larger domestic transactions, and also for the needs of international commerce. If the annual production of gold continues at the rate of 240 millions of dollars or more, this will more than meet the increase of commerce, and we way expect to see silver take a place in the arts along side of aluminum and nickel.

Gold is still the best standard of value, but it is far from a perfect one. Nothing can be an ideal measure of the value of commodities, which is itself a commodity; it is always an open question how much the commodity value of gold itself may have varied from year to year, or from century to century. What we ought to have and must have, if we are going to vindicate our boasted advance in the arts and sciences and methods of business, is an ideal standard and measure of value, itself perfect, permanent, unchangeable, immaterial and imponderable, for nothing less than this will correctly measure value which is itself immaterial and imponderable. We want that done for Value which scientists have done for Force, and it can be done by some mind, bright and vigorous enough to grasp the problem in all its aspects.

It is not so many years since the only known measure of force was the horse power, as indefinite and variable as the whole range of animals from pony to percheron; then came the arbitrary 33,000 pounds raised one foot per minute, suggested and generally accepted long before the world even learned to call them foot-pounds. In the early sixties came the magnificent demonstration of the Correlation of Forces, with Joule's and Rumford's determination of the mechanical equivalent of heat. But with the grand development of electrical science, men came to see that they must have a standard measure of force, which was not merely a clumsy mechanical equivalent, but an ideal measure in kind, and the kilowatt has come to be accepted as such a scientific measure. What we need and must have in time for value is the counterpart of the kilowatt; but it may take many years to realize this ideal, and meanwhile the best in the world is none too good for the United States.

SALEM, N. C., April 25, 1898. JOHN W. FRIES.

THE INSTITUTE OF BANKERS IN SCOTLAND.

It is probably due to the formation of technical-training colleges in Germany that the first fillip was given to the promotion of an establishment having for its object the professional training and educational advancement of bankers in Scotland. The latter country has never been a laggard either in banking or education, although Scotsmen like a pecuniary inducement placed before them in running the industrial race.

Previous to the formation of the Institute of Bankers in Scotland, there was wont to meet in Edinburgh during the winter months the Scottish Bankers' Literary Association. This body was composed of men in the service of the banks—officials and non-officials—and professional and outside subjects were discussed. One night would be taken up with an essay and the ensuing discussion; another with a debate, the affirmative of which was sustained by one pleader and the negative by another; while the third night was dedicated to the reading and discussion of three short papers, each of which was of about a quarter of an hour's duration. The professional papers appeared to be most appreciated, being not only highly educational, but also exciting the most interesting discussions of all. Literature was not tabooed, but had its votaries, viz., those to whom pure banking subjects were not so attractive. The close of the session was marked by the stereotyped political debate: "Does the present Government merit the confidence of the country?" after which a dinner of the members of the association was held with its accompaniments of song and story.

This was the training outside a bank office which banking men in Scotland received antecedently to the formation of the present Bankers' Institute. It was no mean training if we may judge by the good men who emerged from the association's portals and entered on the path to distinction. Two of our present Scottish bank managers were in their day prominent and zealous members and several English bank managers also have acknowledged their indebtedness to the Scottish Bankers' Literary Association. So do other high officials of lesser rank, as well as other bankers in distant countries.

The debates especially were of value in imparting a readiness of speech, while the essay writing led to the use of logical accuracy of expression, coupled with conciseness and clearness of diction. The criticism especially was of value in clearing the mind of cant—to use Dr. Johnson's well-known phrase. The bringing together of the best banking minds was as iron sharpening iron. Institutions, like individuals, are subject to the great law of change. If they do not constantly renew their youth, the chances are that they will fade away. When in 1875 the subject of a Bankers' Institute was mooted in the Literary Association, the latter was no longer at its zenith; and it may be said to date its decline from the time when it first helped to launch the Institute.

The one could well have aided the other, but this was not to be. The Institute alone remained as the typical organization of Scottish bankers.

THE CONSTITUTION OF THE INSTITUTE.

The constitution of the Institute was framed in 1875 and has remained the same with the exception that the secretary and the treasurer were at the outset *ex-officio* members of the Council of the Institute, whereas they are now no longer members of the council. This change was due to some friction between a former president and secretary each of whom appeared to be taking sides too strongly against one another.

The object of the Institute was thus defined: "To improve the qualifications of those engaged in banking, and to raise their status and influence." This purpose was to be promoted by encouragement and aid to banking juniors "by classes, lectures and bursaries; by the formation of libraries of standard works on finance and kindred subjects; by examinations on such subjects as may be thought suitable; by the issuing of certificates to such as pass the examinations; and generally by any other means suited to attain the object." The Council of the Institute consists in all of twenty-one members, viz., president, three vice-presidents and seventeen ordinary members. A secretary and treasurer is appointed by the council.

THE MEMBERSHIP OF THE INSTITUTE.

When the Institute was formed, of necessity many members were admitted so as to give it a start off. These were received from their official position or length of service. But as time passed, the original intention of the Institute to admit into its ranks none but those who had passed the prescribed examinations, was more and more adhered to. Herein lies an important difference between the London Institute of Bankers and the Scottish Institute. With the former the highest degree, that of fellow, is conferred by election. There is also an honorary degree of fellow given to non-bankers. It is only associates—the second grade in the London Institute—who are required to pass an examination. The lowest grade of all is that of the ordinary members and they are not required to submit themselves to any educational test. These are described as "clerks on the staff of any banking establishment, and who shall be approved by the council."

Membership with the London Institute is thus obtained by examination in the case of only one of the three degrees of that organization, while with the Scottish Institute the rule is to admit *by examination only* to the latter's two degrees of member and associate. Membership is thus made to rest with the London Institute on professional position in the first grade, and an educational test in the second, and on a mere money payment in the lowest grade; whereas with the Scottish Institute, the knowledge examination is alone decisive of membership. The London Institute thus sets traps for a bigger membership than the Scottish one, which is more eclectic in that respect. This quality of membership differentiates the objects of the two Institutes. The primary object of the Scottish is to act as an educational agent; while the terms of the English constitution state that: "Its primary object is to facilitate the consideration and discussion of matters of interest to the profession, and where advisable, to take measures to further the decisions arrived at; and its secondary object is to afford opportunities for the acquisition of a knowledge of the theory of banking." The English Institute is thus a big association which saddles itself with the care of the banking profession and its multifarious interests. It performs practical work when the occasion arises and it may parenthetically be stated that its examination, while more thorough in character, does not roam over nearly so wide a field of subjects as its Scottish *confrère.*

PUBLICATION OF PAPERS.

The "Journal of the Institute of Bankers"—a journal so valuable that it has been termed *the Institute*—finds no parallel in the Scottish establishment. Of late one or two prize essays have been published, but no permanent record of the Institute's proceedings exists save what appears in the annual report and examination papers published each year. These, however, do not afford professional or academic nutriment. The questions are no doubt suggestive as to what a banker should know if he would attain eminence in his profession. An effort has been made of late to publish papers contributed to the annual essay competition which have gained the leading place and which have been deemed worthy of publication. At all events a desire to print prize essays in recommended cases has been expressed by the council, but there the matter rests.

ESSAY COMPETITIONS.

Ever since 1877 an essay competition has been each year set in motion with the view of bringing out latent literary talent, and two prizes are given £10 10s, £5 5s respectively, for the best first and second essays. A few themes for the competition may be stated: "What are the causes of depression in trade? Theoretical and practical errors in banking, as illustrated by bank failures in Scotland. The influence of the American war of secession, 1861–5, upon the trade of the world." The donors of the prizes have been bank managers. It may be noted that the number of essayists varies much with the subject selected for the competition.

LECTURES ON BANKING TOPICS.

With slight interludes, the education of Scottish bankers has proceeded by way of lectures delivered in Edinburgh, Glasgow and occasionally in Dundee and Aberdeen. The subjects have not been much varied, banking law being most in evidence. There has always been a difficulty in obtaining the services of lecturers on banking proper, for the reason that bankers fear criticism in giving expositions of the theory and principles of their profession and they may not divulge the banking practice which exists within their own establishments. The ex-Manager of the Royal Bank of Scotland delivered an address on a Scottish banking historical subject, while the late Professor Leone Levi lectured on the customs of bankers, the functions of bankers, the foreign exchanges, and the reconstruction of joint-stock banks on the principle of limited liability. The legal lectures have treated of bankers' lien, the law of securities, the codification and unification of mercantile law, the law of bills of exchange, checks and promissory notes, the law of bankruptcy and such like. Lectures have also been given on subjects outside of banking—Literature, Shakespeare, Political Economy, and some financial statistical themes.

LIBRARIES OF THE INSTITUTE.

Libraries now exist in Edinburgh, Glasgow, Dundee, Aberdeen, Perth, Greenock, Inverness and Dumfries. The books are mostly of a professional character save in the first-named two cities where works of a general kind, periodicals and magazines, are to be found. The free use of books bearing on the subjects for study acts as a great stimulus to students aspiring to pass the examinations. The money to establish these local libraries is voted by the Council of the Institute and the books are placed under the care of a committee in each district. A report is also sent each year from the local centres to the Council of the Institute imparting any items of outstanding interest. These centres act as radii within a given circumference and they insure that the ground is fully covered by the operations of the Institute. They are also centres where the examination district of aspirants to the degrees of the Institute is conducted.

The Examination System.

Before mentioning the subjects for examination, it may be well to speak of the time within which a candidate must pass his examination for a degree. At the inception of the Institute, and for some years afterwards, the rule was that the whole ten subjects be passed at once at the yearly examination of the candidates. If the candidate failed in any one subject, he failed in all and must begin *de novo* another time. He had not only to make a certain number of marks in each subject, but had also to reach a general average over the whole of sixty per cent. This system yielded to another which went to the opposite extreme of laxity; while the marks to be earned remained the same, the candidates were allowed to take their own time to be examined. They could take up only one subject at a time if they so chose; and they could even allow intervals of one or more years to elapse between the passing of each subject.

It may be asked why this change took place? The reason was that the paucity of persons tendering themselves for examination led to this relaxation in the system pursued. It was thought that the path to study would be smoothed by extending the time for passing the examinations. This new method continued until seven or eight years ago, when the present system was adopted under which the junior degree of associate must be passed within two consecutive years, and the senior degree of member within two consecutive years. Candidates cannot enter for the membership examination until they have become associates.

The subjects prescribed for examination are intended as a test of general and professional knowledge. The non-professional subjects appearing in the associates' examination are geography, algebra, arithmetic, and English composition. The other subjects of bookkeeping, bank books, exchange and clearing-house system and rules, note circulation, interest and charges, negotiation of bills and checks, and history and present position of banking in Scotland, bear a professional character. In algebra only forty per cent. is required for a pass and this subject is up to and including quadratic equations. In geography fifty per cent. is the minimum. Some of the questions put on this subject—in which by the way the Emperor Napoleon III was said to be deficient—have occasionally puzzled candidates. "Tell the counties traversed by a certain railway, with chief towns between two places named. Arrange the English counties as manufacturing, agricultural, and pastoral. Describe fully a coasting voyage from Bombay to Calcutta." A more ordinary question is this: "Enumerate the principal industries connected with Chicago, New Orleans, and Montreal, respectively. Describe the position of these towns."

As samples of banking questions, the following may be quoted: "How would the community be affected by the withdrawal from the banks of their power to issue notes? By what means did the City of Glasgow Bank manage to carry on business for many years after all its capital and about one-half of its deposit money had been lost, and with a large portion of its funds locked up in investments abroad?"

The following questions have been set in English composition: "Write a short account of a busy street. Give an illustration of a mixed metaphor, and say why it is offensive as a piece of English composition. Put the following into good prose:

'When famed Cecilia on the organ play'd
And filled with moving sound the tuneful frame;
Drawn by the charm, to hear the sacred maid,
From heaven, 'tis said, a listening angel came.'"

MEMBERS' EXAMINATION.

The subjects for the higher degree of member are as follows: Principles of political economy; stocks and stock exchange transactions; history and principles of banking and currency; theory and practice of the foreign exchanges; principles of Scotch law and conveyancing; practical banking in its three aspects of correspondence; branch supervision and advances; law of bankruptcy; mercantile law; and law of bills, checks and receipts.

These seem formidable subjects, but are not so in reality, as they are not too deeply probed by the examiner. The general principles of political economy, its *rationale* and terminology, and the laws affecting the making and the distribution of wealth, are the main points. Then the mechanism of the stock exchange and the various causes of the rise and fall in stocks, enter into the examination on stocks.

In banking and currency some questions may be quoted: "What is bimetallism? State the usual arguments for and against it. When may a currency be considered to be the most perfect and in the most desirable form? What in your opinion are the excellences and the defects in the system of Scottish banking?" Then in foreign exchanges, a candidate has to know how international indebtedness is constituted and how settlements are effected, Mr. Goschen's classic being the recognized authority on this subject.

In regard to the law subjects, the questions are usually asked in connection with the law as it affects banking in all its phases; such as mercantile dealings, the negotiation of bills and checks, the transference of and title to deposit receipts, securities and cash credits, the law of succession, heritage, partnership, bills of lading, limited liability companies, etc. The banking queries proper usually are of a practical kind and refer directly to banking operations. A few may be cited as samples.

"In the case of advances by a bank, *e. g.*, on iron warrants, state generally what steps are necessary to ensure a valid security being got? Narrate the steps necessary to be taken to effect a security to the bank over 7–64ths of a British ship, and say whether a preference should be given to a mortgage or a bill of sale, with your reasons for such preference. State some reasons as to the expediency, or otherwise, of advancing money on mill property and machinery."

In order that a member pass "With Honors," he must earn sixty per cent. of the following subjects, and these must be taken along with the examination just named: French and German, British history, British Constitution and Government, English literature and outlines of general history. Although there is a list of text-books recommended to students, the examination is on a subject rather than on a book and thus more is thrown on the intelligence than on the memory. Of course examiners avail themselves so far of the text-books in getting their questions.

The Number of Candidates.

Up to 1889—that is during the first fourteen years of the Institute's existence—240 candidates for membership have been examined and 752 for associateship. Most of these examinations, however, were only partial. Now about 250 applicants of both classes come up annually for examination, and under the rule that the examination must be completed in two consecutive years. There are thus many more associates and members passing annually than formerly. How comes this about it may be asked. In this way, banks are beginning to waken up to the importance of educating their employees and so when a youth enters their service, he is informed that it is expected of him that he endeavor to pass the systematic and recognized examination of the Institute, which is really an official organization as it is entirely in the hands of the higher banking hierarchy. Moreover, within the past seven or eight years, a bonus has been given and still is given by all the Scottish banks of £5 and £10 respectively to those of their staff who take the degree of associate and member of the Institute. This money payment and the recognition of merit which it implies have greatly conduced towards an increased membership.

The names of those who take the degree and those who distinguish themselves in the essay and lecture examinations are brought prominently before the bank managers who can, if they see fit, single them out for promotion. It is found that mere theoretic knowledge is not always conjoined with sound judgment, shrewd tact, common sense and business acumen. The Institute, however, brings men to the front, but it cannot keep them there—that is a matter for themselves alone. The extent of its operations may be judged by the fact that from eleven to twelve hundred persons out of the four thousand or so in the service of the joint-stock banking in Scotland are now connected with it, while many of its members and associates are to be found in foreign and colonial banks, by which establishments the diplomas of the Institute are much valued.

To sum up the merits of the Institute; it helps to employ the leisure time of young bankers at the important period when their career in life is beginning; it indoctrinates them in the principles of their profession and the rules which guide its practice; it confers on them diplomas the value of which is more or less recognized by their chiefs; from being unknown it makes an employee known and thus opens for him a pathway to distinction; it teaches habits of study and a love of knowledge; and it develops latent talents of which their owners might never have been conscious. And finally the Institute helps to maintain those gifts of intelligence and educational power with the possession of which Scotsmen have been long and honorably associated.

J. Macbeth Forbes,
Ex-Secretary Institute of Bankers in Scotland.

Edinburgh.

PRACTICAL BANKING DEPARTMENT.

HELPFUL HINTS DERIVED FROM EXPERIENCE.

WHAT ARE OVERDRAFTS ?

This may look like a strange question, and no doubt every banker will say, "why, overdrafts are simply the paying to a man of more money than he has deposited ;" and while this may be true so far as it goes, still I do not think that it covers the whole ground.

Careful bankers will say that overdrafts are an abnormal condition, which by certain circumstances creep into a bank and often produce much trouble. This is also no doubt true.

Still, in my judgment, there is another feature of the case which deserves attention.

With the view of the matter which I will present, I have no doubt some will disagree, but a thoughtful consideration of the question will, I think, show to any fair-minded banker the truth of my statement.

While I have no desire to set myself up as an oracle, still an experience of twenty-five years as banker and bank examiner has brought me in personal contact with the condition mentioned in nearly all sections of the United States, and naturally has given rise to much thought.

The word "overdraw" as defined by the Century Dictionary means "To draw upon for a larger sum than is due, or for a sum beyond one's credit : as, to overdraw one's account with a bank."

The natural result, then, of this operation is to obtain the use of money belonging to other people.

An overdraft may be legitimate, or the result of accident or error ; or it may be illegitimate.

An overdraft is legitimate when an arrangement is made with the officers of the bank as to amount, or time; and, as is sometimes done and should always be done, when security is deposited.

An error may be made by either the depositor or the bank by which an overdraft appears. This is purely accidental and is soon corrected.

An illegitimate overdraft is where one is made intentionally, without any arrangement being made with the officers or directors of the bank, and especially is it so when made by an officer or director of the bank, or by their allied interests outside the bank, and with the knowledge and consent of the officers.

I propose to treat in this article only of the illegitimate overdrafts.

Testimony has frequently been given in court in bank cases in which overdrafts are defined as "loans." With this definition I must take issue ; for a loan is in the nature of a contract, either verbal or written, and there should be a distinct understanding between the borrower and the lender. Only the legitimate overdrafts can be placed in this category.

It is the business of a bank to loan money. If overdrafts were in reality loans, would the most carefully managed banks use such strict measures to prohibit them, and would all banks endeavor to show in their published reports as small an amount of overdrafts as possible? In other words, would the existence of large overdrafts be considered a reflection upon the management of the bank? Would (as has often been done) the officers of the bank falsify their reports to the Comptroller of the Currency by reporting much less overdrafts than actually appear on their books, or none at all, and thereby run the risk of punishment by imprisonment? If overdrafts are loans, why is a place set apart for them specially in the reports to the Comptroller? Why does he not place them among loans, either demand or time? It is because they are *not* loans but are a part of the individual deposit account, and as it is necessary to show the total sum due to the individual depositors by the bank in its column of liabilities, so it is also necessary to show the sum due to the bank by the individual depositors in the form of overdrafts, in the column of the assets.

Overdrafts, except the few secured, are doubtful assets, and no bank has a right to accept willingly a doubtful asset.

It will be said that you can collect an overdraft by suit. How can this be done if, as I have often seen, the depositor's pass-book has been balanced and his checks, the only vouchers of the bank relating to the case, have been returned to him. Even if this has not occurred, let me give one case which came to my personal attention. Suit was brought for a large overdraft that had been running for several years; the checks were all in the hands of the bank; no denial was made by the defendant of the authenticity of the checks; the judge ruled the case out of court upon the ground that it was presumable that the defendant had deposited money with which the bank had erroneously failed to give him credit; else the bank would surely not have paid the checks.

Does not such a ruling as this establish the principle that an overdraft is not a loan?

If this had been a loan in any sense of the word, that is if there had been any form of agreement, no such ruling would have been made.

I take the position that an overdraft, *per se*, is in reality a misapplication of the funds of a bank. The term "misapply" is defined by the Century Dictionary as follows: "To make an erroneous application of; apply or dispose of wrongly; as, to misapply public money."

A bank is in a measure a public institution, in that it receives the money of the public, which it is bound to care for, and return to the proper owner upon his order. If, however, that money is paid out to one who has no right or title to it, the money is misapplied, and when a man overdraws his account he necessarily obtains the money which of right belongs to some other depositor.

When an officer or a director of a bank overdraws his account continually and persistently, as is too often done, it is more a case of misapplication of the funds of the bank than the overdraft of an ordinary depositor, except where the ordinary depositor is working in collusion with an officer or director, as has often been the case, in which event it is of the same character, for the officer is bound first of all to protect the interests of the bank, and the directors take an oath to that effect.

The misapplication of the funds of a bank is a crime, as stated in Section 5209 of the United States Revised Statutes, and I contend that this method of obtaining money from a bank, viz., overdrawing, is a misapplication of funds.

A. R. BARRETT.

A BANK EXAMINER'S SUGGESTION.

As time is always of great value in the conduct of every busy bank, whatever tends to economize its expenditure is worthy of consideration. It is with this end in view that the following suggestion is made.

All bankers find it necessary to keep a full record of all items which pass through their bank either as "cash collections," such as checks or drafts, received by them as cash, or of similar items received for collection. It is very seldom that a letter is lost in transit or that it becomes necessary to get a duplicate of items which have been so received and sent ; but it occurs with every bank occasionally.

Therefore bankers find it necessary to keep a full record of each of these items by taking the payor's name, the name of party from whom received, and the name of the bank at which it is payable.

Now, if National banks would print on their checks, drafts, notes, etc., the number of their institution, this number could be used instead of the bank's name, which is often the longest part of the record, as both the name of bank and its location have to be given, or placed upon the record, whether it is kept by taking a copy of the letter or in a collection book.

The Comptroller of the Currency furnishes lists of banks with their charter number, and the publishers of the Bankers' Directories would probably incorporate such lists in their publications should the banks desire.

The adoption of this method would lead, no doubt, to much saving of time by using numbers instead of names in many branches of a bank's work, as the numbers of many of the banks would soon become familiar to the officers and clerks of the banks.

OLIVER J. SANDS.

WASHINGTON, D. C.

BANKS IN JAPAN.—The following list shows the number of banks existing in Japan and the amounts of their capital at the end of February, 1898, as classified by the Department of Finance:

BANKS.	*Number.*	*Capital.**	
		Yen.	
Bank of Japan	1	30,000,000	$15,000,000
Specie bank	1	12,000,000	6,000,000
Industrial bank	1	10,000,000	5,000,000
Agricultural banks	14	8,150,000	4,072,000
National banks	38	8,425,000	4,212,500
Savings banks	227	20,925,000	10,462,500
Joint-stock banks	1,142	225,867,440	112,933,720
Joint-name banks	32	6,313,900	3,156,950
Joint-capital banks	105	9,106,874	4,553,437
Individual banks	75	4,829,020	2,414,510
Total	1,636	335,617,234	$167,808,617

* The reductions to United States currency are given in round numbers.

4

CHANGES IN THE NATIONAL BANK ACT.

As there appears to be a probability of a general revision of the National Bank Act in the near future, the following brief review of the changes in the Act that have been made heretofore will be of interest. The information is derived from the last Annual Report of the Comptroller of the Currency.

The national currency Act, which became a law February 25, 1863, was in its original form unsymmetrical in arrangement, inconsistent in many of its provisions, obscure in certain others, and in consequence very difficult of construction. It at once became apparent that a law of such far-reaching importance to the financial progress of the country, and which daily was to be interpreted by people of widely different scholastic and business training, should be couched in clear and precise language, entirely consistent in all its provisions, and methodically and logically arranged. In consequence not a few of the provisions in the original currency Act of 1863 at once became subject to criticism by those charged with the supervision and control of the banks organized in pursuance of the law.

The first to be criticised was section 13, which had reference to the increase of the capital stock of a National bank. That section, as originally passed, provided for an increase, by a vote of the shareholders, from time to time, of such capital stock, subject to the limitations of the Act. It was at once discovered that as a matter of fact there was no limitation of any kind or nature embodied in the original Act fixing the amount to which the capital could be increased. The same section provided that no increase of the capital would be valid until it was all paid in and the Comptroller of the Currency so notified, and his certificate obtained specifying the amount of the increase and that the amount had been duly paid to the association. That which should have been enacted, and which was years afterward, was the grant of power to the banks to increase their capital stock, such increase to be approved by the Comptroller of the Currency, and his certificate certifying to the increase issued when he was assured of the payment in full.

Section 15 of the Act was inconsistent with section 30, in that the former required that every association before the commencement of the business of banking should deposit with the Treasurer United States interest-bearing bonds to an amount not less than one-third of the paid-up capital stock, while the latter provided, among other things, that the Comptroller of the Currency "may direct the return of any of said bonds" to the depositing association upon cancellation of a proportionate amount of the circulating notes of the bank, which provision construed by itself might have entirely defeated, or partially nullified, the provisions of section 15.

Section 37 was intended to prohibit the making of loans or discounts by an association on the security of its own shares of stock, and to prohibit general stock speculation, but the section was so inartificially drawn that a literal construction might prevent banks from loaning or discounting with stocks of other corporations as collateral security. Many other sections were criticised, some in part, others in toto. Some were recommended to be stricken out entirely, others partially amended. In the year following, on June 3, 1864, the national currency Act was thoroughly revised and re-enacted. This Act was embodied in the sixty-second title of the Revised Statutes, which contained all the national statutes which were in force December 1, 1873. On June 20, 1874, Congress declared that the Act shall hereafter be known as the National Bank Act.

Acting on certain suggestions made by the first Comptroller of the Currency, Congress remodeled the original law on the lines indicated, making the Act clear where it was obscure and definite where different constructions were possible. In its amended form it received Executive approval on June 3, 1864, and, as then revised, the Act constitutes in the largest measure the law governing the national banking system to-day.

The revised Act was still found to be defective in many of its important features, and the then Comptroller urged upon Congress the necessity of passing Acts amendatory thereof. In the law of June 3, 1864, no provision was made for the appointment of a Receiver by the Comptroller of the Currency whenever he was possessed of satisfactory evidence that a particular association was not carrying on the proper and legitimate business for which it was organized, that it was making reports required by law in a false and fraudulent manner, willfully misapplying the funds of the association, or committing overt acts of insolvency.

The same report recommended an amendment to section 29 of the bank Act extending the provisions contained therein so that the limitation to one-tenth of the capital would apply to all liabilities for money loaned or deposited, except balances due from one national banking association to another. Still other amendments of more or less importance were suggested, viz., to section 38, providing for a reduction in the capital stock of the association to meet impairments; to section 34, relative to doing away with quarterly statements at stated intervals, and to section 59, regarding penal offenses and counterfeiting.

All of these recommendations failed to receive action at the hands of Congress, and the law remained as it was, notwithstanding the forceful reasons presented in their favor. The only amendment passed by Congress in 1865 was the one amending section 21 of the law of 1864 in reference to the amount of circulating notes which a bank was entitled to receive, in what ratio to the bonds deposited, and in what ratio to the capital of the association.

In 1867 the Comptroller recommended but a single amendment, and that was a reiteration of one of the principal amendments urged in the report of the year previous. Under the existing law at that time banks were required to make detailed statements of their affairs at the beginning of each quarter, together with a statement showing the average circulation, deposits, lawful money, and balances available for the redemption of their circulating notes at the beginning of each month. The monthly statement required was more or less vague, and so general that it failed to give anything like correct or reliable information as to the actual condition of the bank, and in lieu of the report so required one exhibiting in full detail the affairs of each bank on the first Monday of each month was suggested.

Congress failing to act upon this recommendation, it was repeated in the report of 1868, with an exceedingly strong statement of reasons for better legislation on the subject. The law as originally passed required every national banking association to make a report exhibiting in detail its resources and liabilities on the first Monday of January, April, July and October of each year, and in addition a report on the first Tuesday of each month showing their average amount of loans and discounts, deposits and circulation. The argument against the policy of this law, repeatedly made to Congress by those intrusted with its administration, was that these quarterly reports came upon certain specified days, known in advance to all, and because of this if a bank cared to make any preparation or change in its affairs so as to exhibit a different condition from what it actually was, it had time and ample notice to do so.

Another argument presented on the subject was that the law as it stood was a menace to business, and operated harshly against those associations which would not resort to unfair statements of any kind in making reports. It was well known to gold and stock speculators that on a day certain the National banks would strive to have in their vaults the required amount of lawful money, and taking advantage of this necessity combinations were organized with the sole object of creating a stringent money market, and thereby force a depression of the price of securities. Besides a forced depression in the value of securities, commercial transactions were hampered through the rates of interest prevailing, caused by this artificially created stringency in the money market. A state of affairs such as this, which had before been twice fully laid before Congress, called for a remedy both prompt and complete in the interest of all commercial transactions, and as a matter of fairness to honest methods of banking.

The amendment to the law suggested was that section 34 of the Act of June 3, 1864, be amended so as to authorize the Comptroller of the Currency to call upon the banks for five detailed statements or reports during each year, fixing upon some past day to such call for the date of the report. This method would ascer'ain the condition of the banks at irregular intervals, for which preparation could not be made, and would prevent currency speculators from knowing when to blackmail the legi imate trade of the country. On March 3, 1869, after five years of urgent solicitation, a law was passed by Congress embodying the recommendation relative to reports, and the amended law as passed in 1869 is the law to-day.

Another defect in the original bank Act was the provision relating to associations in voluntary liquidation. Section 42 of the currency Act provided that any association might go into liquidation, and be closed by a vote of shareholders owning two-thirds of the stock; and at any time after the expirati n of one year from the time of publishing the notice of the liquidation, the association was required to pay to the Treasurer of the United States the amount of lawful money required to redeem its outstanding notes, and take up the bonds on deposit with the Treasurer as security for its circulating notes. Under that law there was no reason why a bank could not vote to go into voluntary liquidation, pay off all existing liabilities, and do no business of any kind, and yet reap the benefit of its circulation.

A remedy for this was suggested to Congress in 1868 and urged with added vigor in 1869. It required banks going into voluntary liquidation to provide for their outstanding circulation by a deposit of lawful money with the Treasurer of the United States within three or six months after going into liquidation. Upon July 14, 1870, an Act which has remained unchanged, requiring every bank liquidating after that date to deposit lawful money to retire its outstanding circulation within six months from the date of the vote to go into liquidation, in default of which authority was given to the Comptroller to sell the bonds pledged for the circulation of said bank for the redemption and cancellation of the circulation, was enacted into law.

A further examination of the course of bank legislation during this period develops that laws of more or less importance were enacted. On March 2, 1867, an Act to provide ways and means for the payment of compound-interest notes was passed, which authorized the Secretary of the Treasury to issue temporary interest-bearing loan certificates payable on demand in lawful money, and said certificates were allowed to be held by National banks as part of the reserve required by law, and this law was supplemented by another Act, approved July 25, 1868, providing for a further issue of temporary loan certificates for the purpose of redeeming and retiring the remainder of the outstanding compound-interest notes. Section 2 of the Act approved March 26, 1867, entitled "An Act to exempt wrapping paper made from wood or corn-stalks from internal tax, and for other purposes," provided for a ten per cent. tax to be paid by banks upon the notes of any town, city, or municipal corporation paid out by them after May 1, 1867.

In the law of 1864, section 41, relating to State taxation, provided that the shares of a National banking association should be included in the valuation of the personal property of a person or corporation at the place where such bank is located, and not elsewhere ; but this seemingly explicit statement of where the shares were to be taxed became so much the subject of almost endless litigation that an Act approved February 10, 1868, provided that "the place where the bank is located, and not elsewhere," shall be construed to mean the State within which the bank is located, and, also, that the shares of any National bank owned by non-residents of any State shall be taxed in the city or town where said bank is located.

Early in the history of the national currency Act it was demonstrated that a prohibition would be necessary against the practice of loaning money upon United States notes, and on February 19, 1869, an Act was passed to the effect that no National bank should thereafter offer or receive United States notes or National bank notes as security for any loan of money or for a consideration agree to withold the same from use, nor offer or receive the same as collateral security ; and a violation of this law was a misdemeanor which carried a heavy fine. In the same year two additional Acts to prevent unlawful practices were passed, one making it unlawful for any officer of a National bank to certify a check drawn upon it unless the person or company drawing said check had on deposit at the time an amount of money equal to the amount specified in the check, and providing for the appointment of a Receiver by the Comptroller for any certifications contrary to the restrictions imposed, and the other made it a crime punishable by imprisonment and fine for any person aiding or abetting with intent to defraud or deceive any officer or agent of any association in doing any of the Acts enumerated in the fifty-fifth section of the law of June 3, 1864.

Another amendment of importance to the Act was approved July 12, 1870. It purported to provide merely for the redemption of the three per cent. temporary loan certificates and for an increase of National bank notes, but that little gave a very inadequate idea of its scope and effect. It did provide for an additional circulation of $54,000,000, to be distributed *pro rata* among the States and Territories according to the census of 1870. The really important feature of the statute was the establishment by section 3 thereof of National banks authorized to issue circulation to eighty per cent. of the par value of the bonds deposited, redeemable in gold coin.

The United States bonds required to be deposited as security for this circulation were those bearing interest payable in gold only, and the associations organized under this statute were subject to all the requirements and provisions of the national currency Act, with a few minor exceptions, chief among which was the privilege granted to any one association of issuing circulation to $1,000,000, while section 1 of the same Act limited the amount of the circulation to other banking associations organized after 1870 to $500,000.

Within the period embraced between 1864 and 1872, the internal revenue laws of the country enacted during that time contained provisions of much importance to National banks on the subject of taxation. Under title of an amendatory Act to one passed in 1864 to provide internal revenue to support the Government, to pay interest on the public debt, and for other purposes, permission was given in 1865 to State banks to convert to the national system, and where such State bank had branches, to retain and keep in operation such branches after conversion.

The great defect in the law as it existed in 1870 was that no provision was made whereby a bank whose capital stock had become seriously impaired by losses or otherwise could be forced to make good its impaired capital within a reasonable time, or finally wound up by a receivership or voluntary liquidation. The only aid which the Comptroller could invoke in cases where the capital of a bank was impaired was to prohibit it from declaring any dividends during the period of impairment. This was wholly inadequate to reach the necessities of the case, and was entirely ineffective, because it permitted the carrying on of business by unsound institutions, whose usefulness was seriously crippled or possibly entirely destroyed. The remedy suggested to Congress was that a bank with impaired capital be required forthwith to make good the impairment by an assessment on its shareholders, and if the capital was not promptly restored the affairs of the bank should be placed in the hands of a Receiver. This recommendation was renewed annually until 1873, when the Act of March 3 of that year, now section 5205 of the Revised Statutes, was passed, giving authority to the Comptroller to appoint a Receiver for any National bank which did not restore its impaired capital within three months after receiving notice of such impairment, or go into liquidation.

Congress in 1873 had before the proper committees bills embodying amendments to the Act, providing for bank consolidations, defining definitely the duties of Receivers of such as were insolvent, and for other changes, but no action was taken on them. In 1874, however, legislation of importance was enacted, the principal features of which were the abolishment of lawful-money reserve on circulation except as to National gold banks, and the establishment of a redemption fund with the Treasurer of the United States.

By this Act also were abolished redemption agencies in cities, and banks were permitted to withdraw bonds deposited in proportion to amount of circulation retired. In 1875 a law repealing the provisions limiting the aggregate amount of circulating notes, and also the provisions for the withdrawal of currency, went into effect. The same year the law limiting the circulation of banking associations organized for the purpose of issuing notes payable in gold, severally to $1,000,000, was also repealed.

In the year 1876 the National Bank Act was again materially amended. This law provided, in section 1, for the appointment of Receivers for any violation of law, or neglect of any association to pay any judgment obtained against it, or in case of insolvency. The second section of this Act is to the effect that when any association goes into liquidation the individual liability of the shareholders may be enforced by any creditor by a bill in equity, in the nature of a creditors' bill, brought by such creditor on behalf of himself and of all other creditors of the association, against the shareholders thereof, in any court of the United States having original jurisdiction in equity for the district in which such association may be located. Section 3 of this Act, amended by the law of August 3, 1892, has special reference to the election of an agent to manage the affairs of an association after the payment in full of every creditor thereof, not including shareholders who are creditors, together with the expenses of the receivership. The manner in which the meeting of shareholders shall be called is fully explained, and the powers and duties of the agent enumerated.

In the same Act it is made incumbent upon all Savings banks or Savings and trust companies organized under authority of any Act of Congress to report to the Comptroller of the Currency, and all Savings or other banks then or subsequently organized in the District of Columbia were subjected to all provisions of the Revised Statutes, and of all Acts of Congress applicable to National banking associations.

From 1876 to 1881 there was comparatively little banking legislation, and few recommendations were made to Congress by the Comptroller of the Currency. In 1882, however, was passed an Act to enable national banking associations to extend their corporate existence for an additional period of twenty years, by an amendment to the articles of association of the bank.

The amendment was to be authorized by the consent in writing of stockholders owning two-thirds of the stock, upon which the certificate of the Comptroller approving the extension would issue. All the rights, privileges, immunities, liabilities, and restrictions of extended associations were continued exactly as they existed before the extension of its period of succession. The statute providing for the extension of the corporate existence of National banks is to be accounted the most important law referring to the national system of banking enacted since 1864.

After specifying how shareholders not assenting to the extension shall proceed, for the redemption of the circulating notes of extended associations at the Treasury, and the deposit of lawful money for such redemption within three years from the date of extension, and for various other things, Congress, after ten years of continued and repeated recommendations for legislation against the constant and flagrant abuse of certification of checks drawn against fictitious balances, by section 13 of this Act, made it a misdemeanor punishable by a fine and imprisonment for any officer, clerk, or agent of any national banking association who shall certify checks before the amount thereof shall have been regularly entered to the credit of the drawer upon the books of the bank.

In the year succeeding (1883), as a part of the general statute reducing internal revenue taxation, the tax on capital and on deposit of banks was repealed.

Thus far no provision had been made in the law enabling national banking associations to increase their stock, nor for a change of title or location, but by section 1 of the Act of May, 1886, a National bank could, with the approval of the Comptroller of the Currency, by a vote of the shareholders owning two-thirds of the stock, increase its capital to any sum approved by the Comptroller, notwithstanding the limits fixed in the original articles of association. It also made it possible for banks to change their name and location without the necessity of a special Act of Congress by complying with certain formalities set out in section 2, and by section 3 it was expressly stipulated that all the debts, liabilities, rights, provisions, and powers of the banks under the old name shall devolve upon and inure to the association under the new name.

The law of 1876 authorizing the appointment of Receivers of National banks made no provision for the termination or continuation of a receivership after the creditors had been paid in full. In 1892, legislation to that end was passed, and on August 3, 1892, an Act was approved which has materially changed the manner of caring for the affairs of insolvent banks after satisfying in full the demands of all creditors. Under existing law, when a Receiver has paid every creditor in full, not including shareholders, and all the expenses of the receivership, and the circulating notes of the association have been redeemed, it is the duty of the Comptroller of the Currency to call a meeting of the shareholders, and at such meeting the shareholders shall determine whether the Receiver shall be continued to wind up the affairs of the bank or whether an agent shall be elected for that purpose.

In case an agent is determined upon, the person so elected shall execute and file a bond to the satisfaction of the Comptroller of the Currency conditioned for the faithful performance of the duties devolving upon said agent, whereupon the Comptroller of the Currency and the Receiver shall transfer to the agent so elected all the remaining assets of the trust, which shall be collected by the agent and distributed in accordance with the specific directions contained in the law.

On July 28, 1892, an Act was passed which by indirection changed the law relative to the signing of circulation. In sections 5172 and 5182 of the Revised Statutes certain officers of the bank are designated to sign its circulating notes, and no one else could sign for them, no matter how great the inconvenience or emergency. But this law made it obligatory upon every National bank to redeem all notes issued to or received by it, even if such notes were lost by or stolen from the bank and put in circulation without the signature or upon the forged signature of the President or Vice-President and Cashier.

Since the enactment of this law, however, while the Comptroller's office has not sanctioned nor authorized any change regarding the signing of circulation as established in the original law, the rule indicated has not been enforced, because the banks are now liable for the redemption of all notes issued to them, whether signed or not. All the law relating to the agent of shareholders will be found in section 8 of the Act of June 30, 1876, as amended by the Acts of August 3, 1892, and March 2, 1897. The original Act of June 30, 1876, as amended by that of August 3, 1892, defined the rights and duties of such agent in a most explicit and satisfactory manner, but was grossly defective in the one great particular, that there was no provision of law for any procedure at all in case the agent first elected should refuse to serve, or die, resign, or be removed.

This amendatory law of March 2, 1897, remedied this defect, and enacted that upon the happening of any one of the four enumerated contingencies any shareholder may call a meeting of the shareholders to elect another agent, who, when elected in accordance with the conditions stated, shall execute a bond to the shareholders for the faithful performance of his duties.

BASIS OF THE PROPOSED ISSUE OF GOVERNMENT BONDS.—Hon. Lyman J. Gage. Secretary of the Treasury, contributes the following to "The Independent" of April 28:

"The question is raised as to the advisability of attempting, under present conditions, to change the form from that heretofore used, and which is the form of all bonds now outstanding. I am led to conclude that such a proposition at this time would be inadvisable for the following reasons:

It would certainly meet with violent opposition, and thus introduce a subject of discord and contention into the national councils at the time when all matter upon which there is radical disagreement had better be held in abeyance.

It would seem to be the part of wisdom for the Administration, desiring the united and cordial support of the whole country against a foreign foe, not to raise an issue so irritating and provocative of passion, and which involves an important difference between political parties. This is no time for side issues. It would be said that advantage was sought in an hour of the nation's need to coerce a policy which might not otherwise obtain approval. It would be characterized as an effort to exact special terms, whereas the truth is that the sound money programe is to keep all the currency of the country as good as gold, and thus protect every wage-earner as well as every holder of a Government bond.

We avoid misrepresentation by making our contests on a broad issue. Those who think that the United States ought not to change its standard of value, and that it should, for its own advantage and the interests of the people, plainly affirm its purpose not to do so, cannot afford to lie under a false imputation. Their policy requires the support of patriotism and the sense of public honor, and they not only cannot afford to have their motives misrepresented, but they can afford to trust the case for the money standard with the people upon its own merits.

While the provisions for maintaining our various kinds of currency at par with gold are not as complete as they should be, there is a better way to make them so. We believe that the cause for which this money would be borrowed is popular with the people of the United States. They are willing to bear taxes for this purpose and to pay in money of equal value the last cent of money advanced for the Government's use.

While some saving of interest would doubtless be made by making the bonds payable in gold, I believe that it is better not to complicate the question by such a proposition at this time, but rather to let the proposed bonds stand upon the same basis as other public obligations, and remain identified with all the private obligations, wage agreements, and other business contracts of our people. We must not divide in this hour, or distract the people from their patriotic purpose."

CANADIAN BANKING AND COMMERCE.

QUARTERLY REVIEW OF THE BANK RETURNS.

The first quarter of the year 1898 has closed and a review of its commerce and finance is in order.

In relation to the point reached in Canadian financial history during the last six months of the preceding year the opening three months of the current year bid fair to continue the apparent prosperity.

The beginning of the year, in fact the first three months, is considered as preparatory to greater efforts at a subsequent date. The fall and holiday trade being past the next urgent necessity is to get ready for the spring opening.

The large amount of bank notes kept in circulation cannot be claimed to have been so kept by the ordinary trade of the country. We have had extraordinary causes for keeping these funds in active circulation. The preparation continually going on from the first of the year for transport to the Klondike gold-fields, the expenditure on the Crow's Nest Pass Railway, both of these have added their quota to keeping money in circulation. In regard to the former many who had not the money of their own have borrowed it and taken chances of a fortune in the new Eldorado. A great number, it is feared, will be doomed to disappointment. Others, again, coming from the "old country" and elsewhere have money to defray their expenses and sufficient to invest if opportunity offers. These, by buying their outfits in Canada, help to swell the amount of circulation and keep trade lively. But were it otherwise, and that everyone would rest satisfied with his present condition, we would not have to-day the growing and prosperous country we have. The proof of the assertion of the cause of keeping up notes in circulation can be seen by the figures given. Supplies for the purposes before mentioned are invariably cash purchases. As shown in the returns the circulation is high. Investments in permanent securities were taken advantage of, while the legitimate barometer of trade, viz., current loans, remain normal or below what they were a year ago when much less money was in circulation. Deposits of the people fell off in January. That is the natural course of events and need hardly be explained, but they are still over $26,000,000 more than they were on January 30, 1897.

In looking over the items one fact is ascertained, that although there were many reductions during the month, compared with the same date last year under nearly every heading an increase is shown.

The February return also is disposed to inactivity, but like its predecessor compares well for the year, and indeed comparing February with January of these years the comparison is strongly in favor of 1898. Naturally we seek a cause and again we are obliged to come to the conclusion that the Klondike excitement is an important factor. The cutting in railroad rates is also not an unlikely cause of a distribution of money.

During February an increase of $812,201 in note circulation took place, and stands nearly $5,000,000 above the figures of the same month for 1897. In 1895 bank notes in circulation decreased in February $101,482. The same month in 1896 an increase of $390,471 is shown; in 1897 note circulation increased $201,040 for that month, and for 1898 the increase is as shown above.

STATISTICAL ABSTRACT OF CANADIAN CHARTERED BANKS—COMPARISON OF THE IMPORTANT ITEMS.

ASSETS.	*Mar. 31, 1898.*	*Feb. 28, 1898.*	*Mar. 31, 1897.*	*Increase and decrease for month.*	*Increase and decrease for year.*
Specie and Dominion notes	$23,521,040	$23,492,422	$24,303,465	Inc., $28,618	Dec., $782,425
Notes of and checks on other banks	7,937,640	9,775,768	6,902,150	Dec., 1,838,128	Inc., 1,035,490
Due from banks and agencies in foreign countries	19,482,365	20,793,570	15,480,005	Dec., 1,311,205	Inc., 4,002,360
Due from banks and agencies in United Kingdom	8,200,145	12,843,921	7,965,774	Dec., 4,643,776	Inc., 234,371
Canadian municipal securities and British provincial or foreign or colonial, other than Dominion	16,083,025	15,396,399	11,330,760	Inc., 686,626	Inc., 4,702,265
Railway securities	16,883,859	17,423,300	12,508,735	Dec., 539,440	Inc., 4,375,124
Loans on stocks and bonds on call	20,337,515	21,497,983	14,069,277	Dec., 1,160,468	Inc., 6,268,138
Current loans to the public	218,035,643	211,659,749	213,232,438	Inc., 6,375,894	Inc., 4,803,205
Overdue debts	3,237,576	3,232,918	3,869,078	Inc., 4,658	Dec., 631,502
Total assets	$355,876,759	$357,575,974	$328,471,482	Dec., $1,699,215	Inc., $27,405,277
CAPITAL.					
Capital stock paid up	$62,296,786	$62,294,922	$61,893,256	Inc., $1,864	Inc., $403,530
Reserve fund	27,634,666	27,580,999	26,728,799	Inc., 53,667	Inc., 905,867
LIABILITIES.					
Bank notes in circulation	$35,930,085	$35,823,923	$31,082,521	Inc., $106,162	Inc., $4,847,564
Balance due to Dominion Government	3,561,703	3,976,950	4,109,094	Dec., 415,247	Dec., 547,391
Balance due to Provincial governments	2,452,726	2,842,180	2,939,034	Dec., 389,454	Dec., 486,308
Deposits of the public payable on demand	76,471,017	78,939,572	67,456,225	Dec., 2,468,555	Inc., 9,014,792
Deposits of the public payable after notice	140,525,489	140,799,375	126,191,346	Dec., 273,886	Inc., 14,334,143
Deposits payable on demand or after notice between banks	2,555,465	2,821,895	2,652,299	Dec., 266,430	Dec., 96,834
Due to banks and agencies in foreign countries	509,463	509,585	471,211	Dec., 122	Inc., 38,252
Due to banks and agencies in the United Kingdom	3,353,429	2,067,557	3,534,556	Inc., 1,285,872	Dec., 181,127
Total liabilities	$266,051,460	$268,697,468	$239,088,492	Dec., $2,646,008	Inc., $26,962,968
MISCELLANEOUS.					
Directors' liabilities	$8,122,579	$7,581,920	$8,234,640	Inc., $540,659	Dec., $112,061
Greatest amount of bank notes in circulation at any time during month.	36,939,264	36,099,032	31,750,563	Inc., 840,232	Inc., 5,188,701

Deposit with Dominion Government for security of note circulation (amount required being five per cent. on average maximum circulation for year ending June 30, 1897), $1,863,067.

Deposits of the people during the three years 1895 to 1898 increased as follows:

	Total deposits.
February 28, 1895	$179,639,113
February 28, 1898	219,738,947
Increase	$40,099,834

This amount forms the basis of total liabilities, which increased in the same ratio.

A gradual decline in balances due from banks and agencies in foreign countries was shown from February, 1895, to same month in 1896. The reduction was $4,845,966. The balances from banks and branches in the United Kingdom, February, 1896, to same month, 1897, increased $2,054,725; 1898 increased under these headings over 1897: Great Britain, $3,697,072; foreign countries, $4,185,418.

Owing to a plethora of funds during the quiet periods the banks have invested their surplus in railway and other permanent securities, hence the augmentation under these headings. Call loans on stocks, etc., which a year ago were low, have during the year shown greater activity, the increase reaching $7,733,121. Current loans also have advanced in accordance with the other items; and total assets, influenced by these increases, show a corresponding growth and development.

The March statement is still favorable from a progressive standpoint. The chief items showing commercial activity; bank-note circulation, as may be seen in the abstract, shows an increase of $106,162 for the month and $4,847,564 for the year, showing at once that the volume of business is being maintained. People's deposits show a falling off of about $2,750,000, but are nearly $28,500,000 more than a year ago. Indeed so strongly disposed have the people been to deposit their money in the chartered banks and because of the large amount accumulated therein, that bankers used their influence successfully to have the rate of interest in the Government Post-office Savings banks reduced to 2½ per cent. This is universally condemned by the would-be thrifty. One of the arguments set forth in favor of the reduction is that the banks can lower their rate of interest and, by receiving these deposits at a lower rate, can afford to loan their funds to commercial men at a lower rate of interest.

It will now be in order to watch the reductions made in bank discounts, and notice if the unsettled state of the money market will tempt the banks to seek higher prices for their loans. The increase during the month in the assets side of the statement, though a considerable amount, is confined to one heading, viz., current loans, and under no other could commercial thrift be exemplified. That a great movement has commenced in the kinds of trade that will benefit the country generally can be relied upon with the augmentation under this heading as compared with the same month last year, and as shown in the accompanying abstract the state of general trade was greatly improved.

Another question which is at present disturbing the commercial section of the community is the necessity of an Act for the equitable distribution of the assets of insolvent debtors. A bill is before Parliament, brought by a private member, but it is doubtful if it will reach maturity. The Government declines to father it and not finding favor in their sight means, to a great extent, condemnation.

WAR WITH SPAIN.—On April 25 the following was passed by Congress and approved by the President:

"Be it enacted, etc., First—That war be, and the same is hereby, declared to exist and that war has existed since the 21st day of April, A.D. 1898, including said day, between the United States of America and the Kingdom of Spain.

Second—That the President of the United States be, and he is hereby, directed and empowered to use the entire land and naval forces of the United States and to call into the actual service of the United States the militia of the several States to such extent as may be necessary to carry this Act into effect."

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States Courts and State Courts of last resort will be found in the MAGAZINE'S Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

SALE OF STOCK BY BANK—RECEIVING CHECK IN PAYMENT.

Supreme Court of Pennsylvania, January 3, 1898.

PEPPERDAY *vs.* CITIZENS' NATIONAL BANK OF LATROBE.

A bank sold certain stock for one of its customers, and received the payment, the check of the purchaser drawn to the order of the bank. This check was credited to the account of the customer; but before it was collected the drawers failed, and the check was dishonored: *Held*, that the bank could not charge the same against the account of the depositor.

GREEN, *J.:* If the plaintiff had been the owner of the check in question, and had deposited it with the defendant bank for collection, it may be conceded that the bank would not have been liable for the non-payment of the check.

While the course and the process of collection were rather slow, it was still within the limits of ordinary bank usage, and we think a charge of negligence could not have been established.

But the trouble with the case is that there were no such facts in it.

The plaintiff was not the owner of the check, and he did not deposit it for collection. The check was drawn to the order of the defendant, and was, therefore, the property of the defendant. They might do with it as they chose. The liability of the defendant to the plaintiff was not a liability on the check, or for any use the defendant did make or could make of it. The check was the exclusive property of the defendant. The plaintiff had no interest in it whatever.

In order that the plaintiff might become its owner, it would have been necessary for the defendant to indorse it, so as to make it payable to the plaintiff's order.

Even if the plaintiff had received the physical custody of the check by delivery of its corpus to him, he could not have deposited it in the defendant's bank for collection without the indorsement of it by the defendant to his order or in blank.

But there were no facts of that character in the case. The bank never delivered the check to the plaintiff, nor did they deposit the check to the credit of the plaintiff's account. They assumed it themselves, and, of course, assumed the collection of it. The plaintiff, as a matter of fact, had nothing whatever to do with the check. He had no right, title, or interest in it, and he was never placed in such a position by the bank that he could possibly have exercised any claim of dominion or ownership or interest of any kind in it. Moreover, the defendant still has the check. It has never delivered or tendered it to the plaintiff; and hence, if it had received the check from the plaintiff in regular course, it would have been liable.

In *Bank* vs. *Ashworth* (123 Pa. St. 212) Mr. Justice Paxson, delivering the opinion, said:

"It is safe to say, as a general rule, that when a bank receives a check from one of its depositors for collection, it must return him the check or the money."

The present action is brought by the plaintiff, as a depositor in the defendant bank, to recover the amount of his deposit, $516.86, standing to his credit on the books of the bank, after the refusal of the bank to pay his check for that amount on December 27, 1895.

The defendant refuses to pay the money, because it says that, owing to a transaction which it had with the plaintiff, it had received from the plaintiff fifty-one shares of the capital stock of the Pennsylvania Railroad Company, to be sold for his account, and upon his direction; that they had sent the certificates of stock to a firm of brokers, L. H. Taylor & Co., in Philadelphia, where they remained until on December 17, 1895, the plaintiff directed the defendant to sell twenty shares of the stock at the best market price on the 18th or 19th. This order was communicated to the brokers by the bank, and on December 18 the brokers reported that they had sold the stock. On December 20 the defendant received from the brokers their check on a Philadelphia bank, payable to the order of the defendant bank, for $1,073.75. They then credited the plaintiff's account on their books, and sent the check, with other checks, to Second National Bank of Pittsburg for collection for the account of the defendant bank.

On December 24 they received a telegram, which announced the assignment of Taylor & Co., of Philadelphia, and on December 27 the check came back protested. They charged back on the plaintiff's account the amount of the check and protest, and thus reduced the amount of his credit so that his account was overdrawn.

They claim that they were relieved of liability for the loss on the Taylor check, and might lawfully charge the plaintiff's account with this loss.

The question at once arises, what was the true legal relation between the plaintiff and defendant as to this particular transaction?

It is perfectly clear that it is not a relation of depositor with the bank. The plaintiff, never having had the check, never deposited it with the defendant. It is true, the defendant credited the plaintiff's account with the amount of the check when they received it. They thus made themselves debtor to him for the amount credited. This they had a perfect right to do, and the plaintiff had a perfect right to accept the credit, and draw against it.

When the bank gave the credit to the plaintiff, they, of course, assumed that the check would be paid, as they had a right to do; but does it follow that, when the check was dishonored, several days later, on presentation, the defendant had a lawful right to charge back the loss to the plaintiff's account?

As has already been said, if the check had belonged to the plaintiff, and had been deposited by him, the bank would probably not have been chargeable with the commercial negligence which imposes liability on that ground upon such institutions. But it is perfectly clear that such was not the legal relation of the plaintiff and defendant, and hence the rule which would or might have exempted the bank from liability as a consequence of such a relation, has no application, and cannot be invoked by the bank.

What, then, was their true legal relation? The bank voluntarily undertook to sell the plaintiff's stock at his request. But in doing so they were not exercising any function which pertained to them as a bank. It is no part of the business of a National bank to engage in the selling of stocks for anybody. It was a transaction outside of their regular banking business, and not within their chartered powers. This being so, when the bank received the stock from the plaintiff, and agreed to sell it, it could only be understood to assume the relation of agent for the plaintiff as principal in that particular transaction. When it sold the stock, it was acting as his agent, and became subject to whatever rules of law are applicable to that relation.

Of course, acting in that capacity, it could sell as any other agent, and would be responsible for its acts as any other agent.

In the case of *Bank* vs. *Ashworth*, above referred to, the transaction in question was in the line of ordinary banking business, yet the defendant bank was held liable simply because, in collecting their customer's check, they took a Cashier's check for the check deposited, instead of taking cash.

The action was by a depositor against a bank with which he had deposited a check for $2,622.25 on the Penn Bank. The check was presented next day through the clearing-house, but the Penn Bank had then closed its doors, and the check was protested. A few days later the Penn Bank resumed operations, and was open, and doing business, on the day following. On that day the check was again presented, together with some other checks, by the defendant bank, and in exchange for them all a Cashier's check of the Penn Bank was given to and received by the defendant bank. The Penn Bank was paying all checks presented. The Cashier's check was deposited by the defendant bank with another bank through which it cleared, but on the next business day—which was Monday following the Saturday on which the Cashier's check was given—the Penn Bank again closed its doors, and the Cashier's check was not paid. On these facts we held the defendant bank responsible to the plaintiff for the loss. Paxson, *J.*, further said:

"It was equally clear that, if the collecting bank surrenders the check to the bank upon which it is drawn, and accepts a Cashier's check or other obligation in lieu thereof, its liability to its depositor is fixed, as much so as if it had received the cash. It has no right, unless specially authorized to do so, to accept anything in lieu of money"—citing *Bank* vs. *Goodman* (109 Pa. St. 422), and several other cases.

"We need not discuss the question whether the defendant failed to exercise due diligence in not sending the dishonored check through the clearing-house on Saturday. That it could have been done, and was done by some other parties, distinctly appears by the evidence, and is not disputed. We think the defendant bank fixed its liability by surrendering the check to the Penn Bank, and accepting the Cashier's or teller's check of that bank. As between the defendant and its depositor, this amounted to payment. The plaintiff has neither his check nor his money."

With how much more force do these remarks apply to the present case. Here the defendant accepted the check of Taylor & Co. in payment for the stock, when they had no legal right to accept anything but money. They credited the plaintiff's account with the amount of the check, and thereby assumed it to be that much cash. They might have notified the plaintiff that they had received the check, and delivered it to him, or might have held it for collection before crediting his account. If he had accepted it as cash, the bank would have been exonerated, or if he had agreed they might hold it for collection before giving him credit, and had used due diligence in its collection, they probably could not have been held liable.

But neither of these things was done; on the contrary, they assumed it as cash, and so treated it in their dealing with the plaintiff. We do not see how they can be relieved from responsibility.

In the case of *Bank* vs. *Goodman* (*supra*), we held that a bank which had received for collection from a depositor a check on another bank, and had sent the check to the bank on which it was drawn, and had received from that bank a draft on some other bank, which was not paid, was liable to its depositor for the check he had deposited. It was claimed that there was no negligence, because the usual course of business was followed. But we held this was not sufficient. The Court below said, and we affirmed it:

"The defendant assumed the responsibility of sending the evidence of the plaintiff's right to have the money for which it called collected for their benefit, to the bank which was expected to make payment. Not obtaining the money, but a worthless draft, in return, the defendant, treating the draft as not paid, charged the amount of it back to the plaintiff's account, and, when they called for the check, as the best evidence of their right to recover against the maker, they are informed: 'The check you call for cannot be returned. It was paid, charged to the drawer's account, and cancelled.'"

We held the same doctrine in *Hazlett* vs. *Bank* (182 Pa. St. 118). That an agent for sale has no power to receive anything but money in payment is too familiar a rule to require the citation of authorities to support it. A single reference to one of our most recent decisions, where the subject is reviewed, will suffice. (*Paul* vs. *Grimm*, 165 Pa. St. 139.)

We cannot see how this case can be decided upon the question whether the bank used due diligence in collecting the check of Taylor & Co. It never was the property of the plaintiff. He did not deposit it, and had nothing to do with it. The defendant received it, owned it, held it still holds it, and never even tendered it to the plaintiff. The bank treated it as cash on its own responsibility, and credited the plaintiff's account with the amount of it.

We know of no principle upon which they can charge back to him a check which he never saw, never owned, never had any interest in, and upon which his name never did, and does not now, appear, either as drawer, payee, indorser, or in any other manner whatever. The assignments of error are dismissed.

It is perfectly manifest that, if the bank had paid to the plaintiff in bank notes the amount of the check, and he had put them in his pocket, and gone about his business, the bank could never have recovered back the money. They could pay him the money if they chose, and he could receive it in good conscience. That being so, he could keep it, and could not be compelled to repay it. The law upon that subject is without question. The payment would be voluntary on the part of the bank, and, being such, the plaintiff could conscientiously receive it, and he could thereafter retain it. Now, it so happens that the actual facts make out just such a case. When the bank received the check, and credited the plaintiff's account, they gave him notice to that effect, and thereupon he drew a check for $1,600 against his account, which included the whole amount of the sum credited, and $600 besides; and when the check was presented the bank paid it. It was not until after this that they charged back the credit against the account. This, it is very clear, they could not do without his consent. Judgment affirmed.

DEPOSIT OF FUNDS PENDING LITIGATION—AUTHORITY OF CASHIER.

Supreme Court of South Carolina, February 15, 1898.

POLLOCK *vs.* CAROLINA INTER-STATE BUILDING AND LOAN ASSOCIATION, *et al.*

A Cashier has authority to bind the bank by the receipt of a deposit pending a litigation over the same.

In this case the plaintiff had paid to the Bank of Cheraw under an arrangement agreed to by the bank, that the amount was to be held by it until the amount due by the plaintiff to the Carolina Inter-State Building and Loan Association could be adjusted.

The sum was paid over to the bank. On the same day the plaintiffs gave the bank written notice forbidding it to pay more than $876 to the association. The bank, however, did pay over to the association the full amount claimed by it, without plaintiff's knowledge, and without waiting to ascertain what was due on the mortgage debt. Indemnity was taken by the bank from the association to protect itself in its action. The court found in form of the plaintiff's contention as to the amount due to the association.

BUCHANAN, *J.* (omitting part of the opinion): It is claimed that the agreement of the Cashier to hold the funds paid into the bank was without consideration.

This claim cannot be sustained. Long ago it was decided that "the confidence induced by undertaking any service for another is a sufficient legal consideration to create a duty in the performance of it." *Coggs* vs. *Bernard* (1 Smith, Lead. Cas. *97).

The principle which governs the liability of a corporation for failing to perform a duty voluntarily assumed is precisely the same as that which governs the liability of an individual in the like case. (5 Thomp. Corp. § 6357.)

"In such cases, as stated by Mr. Justice Grier in a leading case (*Railroad Co.* vs. *Derby*, 14 How. 468, 485), the confidence induced by undertaking to perform such a service is sufficient consideration to create a duty in the performance of it." (5 Thomp. Corp. § 6357).

The receiving of deposits by the Cashier of a bank is so obviously for the purpose (among others) for which such institutions are operated that only a passing notice need be taken of the objection that authority was wanting on the part of the Cashier to receive the money paid to it.

The bank received the benefit of it, of course. We think the circuit judge was right in finding that the money was received by the bank under an agreement to hold it, and that but for that agreement it never would have been paid to it; that it was a benefit to the bank; and that there was authority in the Cashier to receive it for the bank. (See 3 Myer's Fed. Dec. 77–84.)

TRUST FUNDS—NOTICE TO BANKS—LIABILITY OF BANK.

Court of Appeals of Maryland, December 1, 1897.

DUCKETT, *et al.* *vs.* NATIONAL MECHANICS' BANK OF BALTIMORE.

Two checks, one drawn, "Pay to the order of S., Cashier, for deposit to C., being balance of purchase money due him as trustee;" and the other drawn, "Pay to the order of S., Cashier to the credit of C., trustee," were placed by the bank to the credit of C. individually, who drew out and embezzled the money: *Held*, that with respect to the first check the action of the bank was proper; but that as to the second check the bank by the terms of it had notice of the trust, and that in placing the amount to the credit of C. individually it was guilty of aiding C. in the diversion of the money and hence was liable for the amount.

MCSHERRY, *C. J.:* These proceedings had their origin in a bill filed by the appellants against the appellees in the circuit court of Baltimore city.

The appellants are trustees, who were appointed, by an order of the circuit court for Prince George's county, in the place and stead of Henry W. Clagett, the survivor of three trustees named in the will of John D. Bowling. To these latter (the testamentary trustees) certain funds were bequeathed by Mr. Bowling, to be held in trust for the purpose designated in the will; but, as those purposes have no relation whatever to the questions presented in the record, they need not be alluded to here. It is only necessary to state that the funds now in controversy formed part of the corpus of that trust estate.

Upon the death of his associates, Clagett became, under a decree of the circuit court for Prince George's county, sole trustee; and thereafter, having made default to the trust estate, was in due course removed, and the appellants were immediately appointed to discharge the trusts created by the will of Mr. Bowling. Among the investments belonging to the trust estate in the hands of Clagett were two mortgages, each for $2,000, one due by Thomas S. Duckett and the other by Washington J. Beall. The mortgage given by Beall was foreclosed by Clagett after he became sole trustee, and the money realized from the sale was paid to him through Mr.

Charles H. Stanley. The payment was made by Mr. Stanley's check, which reads as follows:

"Laurel, Md., February 13, 1892. Citizens' National Bank: Pay to the order of James Scott, Cashier, $2,000 (two thousand dollars), for deposit to credit of Henry W. Clagett; being the balance of purchase money due him as trustee from John R. Coale. C. H. Stanley."

When the Duckett mortgage matured the amount secured by it was paid to Clagett through Mr. Stanley by a check in these words:

"State of Maryland, Citizens' National Bank of Laurel. Laurel, Maryland, Sept. 17, 1892. Pay to the order of James Scott, Cashier, $2,024.30 (two thousand and twenty-four and thirty one-hundreths dollars), to deposit to the credit of Henry W. Clagett, trustee. C. H. Stanley."

Both of these checks were deposited in the National Mechanics' Bank of Baltimore, where Clagett kept an individual or personal account, and the proceeds of each were carried to his credit in that account. Clagett, in his capacity as trustee, had no account with the bank. The individual account of Clagett, including the proceeds of the two checks just transcribed, was drawn on from time to time by him, and after his removal as trustee it was discovered that these funds had been dissipated and spent. Clagett was and still is insolvent. The new trustees (the present appellants) made demand upon the National Mechanics' Bank for a restitution of the amount of the two checks, claiming that the bank was accountable therefor, because it had wrongfully placed the proceeds thereof to Clagett's individual account, instead of to his account as trustee, and had thereby aided and participated in his breach of trust, and to enforce that demand they filed the pending bill against the bank and Clagett. Upon final hearing the circuit court of Baltimore city decreed that the bank was not liable, and dismissed the bill, whereupon this appeal was taken.

The ultimate inquiry is whether, under the circumstances stated, the bank is liable to make good to the new trustees the amounts of these two checks. In addition, there are subordinate questions arising, by way of defense, that will be disposed of after the main one has been dealt with.

* * * * * * * * * *

If the bank knowingly aided and participated in Clagett's breach of trust, then the bank is, beyond dispute, as responsible to the new trustees as is the defaulting trustee himself. This liability of the bank depends, however, altogether upon the contingency that it knowingly aided the trustee, Clagett, to commit the default of which he was undeniably guilty. If without knowledge of Clagett's misconduct, or if without sufficient notice to put it on inquiry that would have enabled it to ascertain that Clagett was mingling with his individual deposits, and using as his own, money that the bank knew, or had the means of knowing, was trust money; or if it was merely the innocent agency through which, without fault or negligence on its part, Clagett depleted the trust estate—then it was not guilty of aiding him in misappropriating the trust fund, and is not liable to restore it. In seeking, then, to solve the principal inquiry, we must look to the record for the evidence which will fasten on the bank this knowledge or notice, if in fact it possessed such knowledge or notice.

At the outset, it ought to be noted that there is a marked difference between the phraseology and the legal effect of the two checks already set forth. The one is payable to Scott, Cashier, for deposit to the credit of Clagett personally—that is, not in his capacity as trustee—though there is a memorandum added of which we will speak in a moment.

The other check is payable to Scott, Cashier, "to deposit to the credit of Henry W. Clagett, trustee."

Apart from these two checks, and the information which they themselves, by their terms, imparted, there is no pretense that the bank had any notice or knowledge that the funds collected on them belonged to or formed part of any trust estate, or were other than Clagett's own individual property. As a consequence, we are restricted to the checks alone in determining whether the bank is liable.

It is true, undoubtedly, that a bank is bound to honor the checks of its customer so long as he has funds on deposit to its credit, unless such funds are intercepted by a garnishment or other like process or are held under the bank's right of set-off. It is equally true that whenever money is placed in bank on deposit, and the bank's officers are unaware that the fund does not belong to the person depositing it, the bank, upon paying the fund out on the depositor's check, will be free from liability, even though it should afterwards turn out that the fund in reality belonged to some one else than the individual who deposited it. It is immaterial, so far as respects the duty of the bank to the depositor, in what capacity the depositor holds or possesses the fund which he places on deposit.

The obligation of the bank is simply to keep the fund safely, and to return it to the proper person or to pay it to his order. If it be deposited by one as trustee, the depositor, as trustee, has the right to withdraw it, and the bank, in the absence of knowledge or notice to the contrary, would be bound to assume that the trustee would appropriate the money, when drawn, to a proper use.

Any other rule would throw upon a bank the duty of inquiring as to the appropriation made of every fund deposited by a trustee or other like fiduciary; and the imposition of such a duty would practically put an end to the banking business, because no bank could possibly conduct business if, without fault on its part, it were held accountable for the misconduct or malversations of its depositors who occupy some fiduciary relation to the fund placed by them with the bank.

In the absence of notice or knowledge, a bank cannot question the right of its customer to withdraw funds, nor refuse (except in the instances already noted), to honor his demands by check; and therefore, even though the deposit be to the customer's credit in trust, the bank is under no obligation to look after the appropriation of the trust funds when withdrawn, or to protect the trust by setting up a *jus tertii* against a demand. But if the bank has notice or knowledge that a breach of trust is being committed by an improper withdrawal of funds, or if it participates in the profits or fruits of the fund, then it will be undoubtedly liable. In support of these general principles, if support they need at all, we may refer to *Munnerlyn* vs. *Bank* (88 Ga. 333); *Bank* vs. *Reilly* (124 Ill. 464); *Board of Chosen Freeholders of County of Essex* vs. *Newark City Nat. Bank* (48 N. J. Eq. 51); *Walker* vs. *Bank* (25 Fed. 255); 1 Morse, Banks, § 317; *Swift* vs. *Williams* (68 Md. 237, 11 Atl. 835).

As the bank, then, would not be responsible for the use made of the trust funds by the trustee unless it knowingly participated in a breach of trust or profited by the fraud, do the checks, which are, as we have said, the only evidence in the record on this bench of the case, show that the bank is liable? As respects the first check, representing the proceeds of the foreclosures of the Beall mortgage, we are of opinion that there is no liability on the part of the bank.

It will be remembered that this particular check was not made payable to Clagett, as trustee, nor, being payable to Scott, Cashier, were the proceeds directed to be placed to the credit of Clagett, trustee. In placing the proceeds to the individual credit of Clagett, the bank did just precisely the thing it was directed on the face of the check to do. In doing this it violated no duty to any one, unless the addition of the words, "being the balance of purchase money due him as trustee from John R. Coale," controlled the explicit direction in the body of the check to deposit the fund to the credit of Clagett individually, and gave the bank notice that, instead of doing what the check required should be done, it must do something it was not instructed to do at all, viz., place the funds to the credit of Clagett as trustee. Mr. Stanley's check was drawn, not on the National Mechanics' Bank, but upon the Citizens' National Bank of Laurel; and the memorandum descriptive of what the funds were, or the source from whence they came, was neither an instruction to the Mechanics' Bank, through which the check passed, as to the account in which these funds, when collected from the Citizens' Bank, should be credited in the Mechanics' Bank, to Clagett, nor was it a notification to the Mechanics' Bank that the funds were impressed with a trust that would be invaded by their being carried to Clagett's individual credit.

On the contrary, the specific instruction on the face of the check was to credit Clagett individually with the proceeds, whatever the origin or ultimate use of those proceeds might be. This memorandum imposed no duty on the Mechanics' Bank, and operated only to subserve the convenience of the drawer of the check.

In the case of *Bank* vs. *Dodge* (124 U. S. 333, 8 Sup. Ct. 521) it appeared that the clerk of the United States District Court for the Southern District of Illinois depos- with the State National Bank the funds belonging to the registry of the court. Whenever a deposit was made it was accompanied by a deposit ticket giving the number of the bankruptcy case to which the fund belonged, and a corresponding entry was made upon the books of the bank, indicating that the particular deposit belonged to a particular case designated by its number. All this was fully understood by the officers of the bank. When checks signed by the clerk, and countersigned by the judge, were drawn upon this account, the number of the case to which the fund to be paid on the check belonged was written on the upper right-hand corner of the check, following the words "Case No." Numerous deposits were made in many cases, but each and every deposit showed the number of the case, and consequently indentified the case, to which each deposit actually belonged. Many checks were drawn upon and paid by the bank in cases in which no deposits had been made by the clerk at all, and the checks themselves showed by the case numbers written on the top right-hand corners, that no deposits belonging to those cases had ever been received, because there were no deposits credited to the cases bearing those numbers.

In consequence of the bank having paid various checks bearing case numbers to the credit of which cases no deposits had ever been made, the entire sum to the credit of the whole account was checked out before Dodge, to whom several checks were given in the distribution of the assets of a particular estate, received his checks and presented them to the bank for payment. In the case in which Dodge was interested as a creditor of a bankrupt there had been deposited, as shown by the deposit tickets and by the entry of the case number on the bank's books, more than sufficient to pay the checks held by Dodge, as well as all other checks delivered to other creditors of the same bankrupt; but because the bank had paid out the funds belonging to this case, on checks bearing the numbers of other and different cases, as to which latter cases there had been no deposits made at all, there were no funds in bank to the credit of the registry with which to pay the checks held by Dodge, and the bank refused to pay them.

Dodge brought suit against the bank, and based his claim to recover on the distinct ground that the bank had actual notice from its own books as to what estates had funds on deposit, and had actual notice, on the face of every check drawn in a case from which no funds had been received, that there were no funds on deposit applicable to the payment of such checks, and that, consequently, when it paid those checks it paid them knowingly out of funds belonging to other and different cases or estates, and was bound to honor the checks held by Dodge, as they were drawn against funds which had been actually deposited as part of the assets of the bankrupt estate of which he was creditor.

But the supreme court held that "no bank is bound to take notice of memoranda and figures upon the margin of a check, which a depositor places there merely for his own convenience, to preserve information for his own benefit; and, in such case, the memoranda and figures are not a notice to the bank that a particular check is to be paid only from a particular fund.

So, too, a mark on a deposit ticket, if intended to require a particular deposit to be kept separate from all other deposits placed to the credit of the same depositor, must be in the shape of a plain direction, if such a duty is to be imposed on the bank." The court likewise held that "the bank had a right to assume that these memoranda of numbers in the deposits and in the checks were merely for the convenience of the court and its officers." Dodge was accordingly denied a recovery.

Unless we give to the memorandum made by Mr. Stanley, for his own convenience, on the first check, an effect which the supreme court declined to give to a much more significant memorandum contained in the checks delivered to Dodge, we must hold that the Mechanics' Bank, by carrying to the personal credit of Clagett the proceeds of the check representing the avails of the Beall foreclosure, did no act that made it liable to the Bowling trust estate for the misappropriation of those particular proceeds by the deposed trustee; and this is so because the memorandum could not operate to qualify the right of Clagett to receive the funds individually, and the bank did no wrong in placing them to his credit in the capacity in which he was obviously authorized to receive them. The bank having, therefore, rightfully entered the proceeds of this first check to Clagett's individual credit, he was entitled to draw them out, so far as the bank was concerned, and the bank was under no obligation and had no authority to interefere with him in doing so.

Precisely for the reasons that the bank is not responsible for the misappropriation of the proceeds of the first check it is liable to the new trustees for the misapplication by Clagett of the funds collected by it on the second check. The second, or Duckett, check, in terms directed the Cashier of the Mechanics' Bank "to deposit" the $2,024.80 "to the credit of Henry W. Clagett, trustee." This was an explicit notification to the bank that Clagett was not the actual owner of the money. (*Bundy* vs. *Town of Monticello*, 84 Ind. 119.)

It was an equally explicit instruction to the bank not to place the funds to the credit of Clagett's personal account. It was consequently more than a mere memorandum made for the convenience of the drawer of the check. Knowing that the money was not Clagett's, but that it was payable to him, and to be deposited to his credit as trustee, the bank had no authority to place it to his individual credit; *American Exch. Nat. Bank* vs. *Loretta Gold & Silver Min. Co.* (165 Ill. 109); and, if loss ensued by reason of Clagett drawing the fund out by checks on his personal account, the bank is liable to make restitution to the trust estate. The bank deliberately participated in the breach of trust of which Clagett was guilty. In fact, the bank took the first step that ended in the spoliation of the trust. Its act in placing distinctly marked trust funds to the personal credit of Clagett was obviously wrongful, and it must bear the resulting consequences.

It is no answer to say that had the bank obeyed the direction given it, and had it opened an account in the name of Clagett, as trustee, and credited that account with these funds, still Clagett could have withdrawn them on checks appropriately signed, and could then have misapplied the money without involving the bank in any liability. This is no answer, simply because what might have been done was not done. Had the bank opened the account for this fund in the name of Clagett, trustee, instead of entering the credit to his personal account, it would have done what it was its plain duty to do, and it would not have been guilty of the error which it did commit. Had it done its duty, and had Clagett afterwards withdrawn the money, as he might have done, and had he then misapplied it without the co-operation of the bank, there would have been no liability incurred by the bank at all. But this was not done, and the failure of the bank to do what it ought to have done cannot be treated as tantamount to the thing that it did do, unless contraries are equivalents of each other. What it ought to have done is not what it did do, and it cannot escape liability upon the mere conjecture that what did happen to the funds might have also happened had the bank not been derelict in its dealings with those funds.

It has, however, been insisted that Clagett knowing that the bank had wrongfully placed trust funds to his individual credit, ratified that wrongful act by his subsequent conduct, and, as his ratification was equivalent to a prior direction to do what was done, the bank is not answerable. Both Clagett and the bank participated in the wrong with respect to the proceeds of the Duckett mortgage. Because they both did wrong, they are both accountable for it. But the contention is, if one of two wrongdoers who reaps the fruits of the joint wrongful act ratifies what his accomplice has done, that accomplice is thereby released and exculpated. This, of course, is not the bald form in which the rather ingenious argument advanced to support the contention is presented. But, reduced to its last analysis, it comes to that startling proposition. The wrong was done, not to the trustee, but to the trust estate. As between the bank and the trustee, his ratification of its act might bind him; but upon what principle can such a ratification bind the beneficiaries of the trust, who have been injured by the joint breach of trust on the part of the bank and the trustee? No ratification by the trustee of the bank's participation in the breach of trust can possibly affect in any way the bank's accountability to the new trustees.

STOCK IN NATIONAL BANK DELIVERED BY IT AS SECURITY—EVIDENCE OF PURPOSE FOR WHICH STOCK DELIVERED.

United States Circuit Court of Appeals, February 7, 1898.

WILLIAMS *vs.* AMERICAN NATIONAL BANK OF ARKANSAS CITY.

In an action to recover money deposited with a National bank the plaintiff may show that stock issued by the bank in his name was issued to him merely as collateral security for such deposit.

In such an action it is no defense to the bank that the stock was issued without authority of law.

This was an action by the plaintiff in error to recover the sum of $28,250 alleged to have been deposited by her with the American National Bank of Arkansas City, Kansas. The defendant claimed that the plaintiff had received certain shares of the bank stock in payment of the loan, which stock had been issued to her in her name. The evidence of the plaintiff tended to show that the stock had been issued to her merely as collateral security for the deposit. At the conclusion of the plaintiff's testimony the Court, on motion of the defendant, instructed the jury to return a verdict for the defendant.

Before Sanborn and Thayer, Circuit Judges, and Phillips, District Judge.

PHILLIPS (*District Judge*): It must be assumed from the argument of counsel that the circuit court regarded the certificate of stock issued to the plaintiff in the nature of a written contract between the parties, the terms of which could not be varied, nor the legal effect thereof avoided, by parol testimony; and that plaintiff was estopped from controverting its apparent character as establishing her status as a stockholder in the bank. On no other theory is it apparent why the learned judge who heard this case directed the verdict for defendant.

Evidence tending to show that a deed absolute on its face, or an assignment of a note without qualification, was made to the grantee or assignee in fact only as a mortgage or security to secure the payment of a sum of money owing by the grantor or assignor to the grantee or assignee, has long been held to be admissible.

In *McMahon* vs. *Macy* (51 N. Y. 155), the referee refused to entertain evidence tending to show that the apparent stockholder held the stock as collateral security. The Court said:

"In this he erred. It is always competent to show that an assignment or conveyance, absolute in form, was only intended as a security. There is nothing in any statute which makes the books of the company incontrovertible evidence of ownership of stock. A person may be the absolute legal and equitable owner of stock without any transfer apparent upon the books."

Instruments of writing expressing on their face a mere sale of property, specifying the articles sold, and acknowledging receipt of payment, are in the nature of a bill of parcels, and as between the parties, is always open to parol evidence to show the real terms upon which the agreement of sale was made. (*Hazard* vs. *Loring*, 10 Cush. 268; *Caswell* vs *Keith*, 12 Gray, 351; *Shaw* vs. *Wilshire*, 65 Me. 492; *Grant* vs. *Frost* [Me.] 18 Atl. 881.)

The law does not invest a certificate of stock in a National bank with such sanctity as to give it immunity against such general rules. It was expressly held in *Burgess* vs. *Seligman* (107 U. S. 20), that a certificate of stock might be shown *aliunde* to have been taken and held as collateral security. The Court said:

"Though issued in form, it was only issued in a qualified sense to subserve a specific purpose by way of collateral security for a limited period, and was returnable to the company when that purpose should be accomplished. It seems to us that the Seligmans, in taking and holding the stock, held it merely in trust by way of collateral security for themselves and others."

The Court further observed:

"We do not know of any iron rule of law which would prevent them from showing this contract relation between them and the company. It is the origin and foundation of their whole connection with it. The sufficiency of the evidence to control their status towards the company is another thing. Its competency seems to us free from doubt. * * * J. & W. Seligman are mere trustees or custodians of it for a special purpose; that purpose being collateral security."

There is no evidence in this record showing that any transfer had been made on the stock register of the bank to the plaintiff, nor that she had participated in any stockholders' meeting, or in any declared dividends. On the contrary, her testimony was that she never authorized any such transfer, nor had any knowledge thereof. Without her knowledge and consent, no action of the bank officers could create an estoppel against her, or render her liable as a stockholder as between her and the bank. (*Stephens* vs. *Follett*, 43 Fed. 842; *Keyser* vs. *Hitz*, 133 U. S. 138; *Burgess* vs. *Seligman*, *supra*.)

While there may have been acts by the plaintiff—such as statements in some of her letters—inconsistent with some statements made in her testimony at the trial, they were not so conclusive as to warrant the court in pronouncing judgment thereon. Their probative force lay within the exclusive province of the jury, for the reason that they were debatable in character. It follows that it was likewise error to exclude the testimony of the witness McCluney.

The plea of *ultra vires* interposed against the contract declared on is not tenable. The plaintiff's action, in its essence, is not predicated upon, nor is it for the enforcement of, a contract for stock. In effect, the action is for money had and received. It is to recover the amount of money deposited and loaned by the plaintiff with and to the bank. The bank owes the plaintiff for the money left by her with it, independent of the certificate of stock. Such certificate, according to her contention, having been issued by the bank merely as collateral security for the money received from the plaintiff, it is a matter of entire indifference whether that certificate of stock be with or without value, or invalid in law for the want of power on the part of the bank or authority of the Cashier to issue it as collateral security for a loan of money made to it. The plaintiff in the petition tenders back to the bank the certificate of stock, and demands her money.

It is no defense to an action for money had and received, based upon a good consideration, both in law and morals, for the bank to say that the collateral security it put up with the plaintiff was issued without authority. This proposition so stands to reason and justice as not to require any authorities for its support. (4 Thomp. Corp. par. 5258; *Sioux City Terminal Railroad & Warehouse Co.* vs. *Trust Co. of North America*, 82 Fed. 125.)

The judgment of the circuit court is reversed, and the case is remanded for further proceedings in conformity with this opinion.

NOTE PAYABLE ON DEMAND—INDORSER—PRESENTMENT FOR PAYMENT.

Supreme Court of New Jersey, February 21, 1898.

STATE (EMERALD & PHENIX BREWING COMPANY, PROSECUTOR) *vs.* FOLEY.

1. One who, being named as payee in a negotiable promissory note, places his name upon the back of it in order to give credit to the maker, must be regarded as a commercial indorser when the note is delivered by the maker to a third party.
2. In order to bind an indorser, a promissory note payable "on demand after date" must be presented for payment in a reasonable time after its date.*
3. The circumstances to be considered in determining what is a reasonable time for the presentation of such a note are only those which relate to the ability of the holder, excluding any notion of credit or indulgence to the maker.
4. The rights and obligations of the indorser of a negotiable promissory note cannot be varied by parol evidence of his oral agreement made before or at the time of his indorsing the note.

(Syllabus by the Court.)

DIXON, *J.*: The transaction shown by the testimony in the court of common pleas was as follows: The plaintiff's agent, Foley, the defendant, and one Kelly, orally agreed together, on September 4, 1895, that the plaintiff should lend Kelly $250, for which Kelly should give the plaintiff his note, payable at a bank in Newark, "on demand after date," to the order of Foley, indorsed by Foley as surety, and that Kelly should pay $5 a week until the note was satisfied; that thereupon the note was so drawn, signed by Kelly, and indorsed in blank by Foley, and delivered to the agent, and then the plaintiff paid Kelly the $250; that Kelly afterwards paid weekly installments of $5 each until $180 were paid, and then ceased; that on June 10, 1896, the plaintiff demanded payment of the note at the bank, and, payment being refused, gave immediate notice thereof to Foley, the indorser. On these proofs the common pleas decided that the indorser was responsible for the balance of the note. The indorser contends that such decision is erroneous.

It seems proper, in dealing with this controversy, first to consider the effect of the writing, irrespective of the oral agreement. At the time when the defendant placed his name upon the back of the instrument, and it was delivered to the plaintiff, the writing had no legal validity; and hence it was not a negotiable promissory note owned by the payee, and by him transferred by indorsement to a third party. Its legal validity came into existence only when, on the strength of it, the plaintiff advanced the $250 to Kelly. The signature of the defendant, therefore, lacked this ingredient of a strict indorsement under the law merchant. Nevertheless it seems that the defendant must be regarded as a commercial indorser. (*Smith* vs. *Becket*,

* See Negotiable Instruments Law. Sec. 131, N. Y. Act.

13 East. 187; *Field* vs. *Nickerson*, 13 Mass. 181; *Merritt* vs. *Todd*, 23 N. Y. 28; *Jones* vs. *Bank* [Pa. Sup.] 13 Atl. 84; *Perry* vs. *Green*, 19 N. J. Law, 61; *Johnson* vs. *Ramsey*, 43 N. J. Law, 279.)

Consequently his obligation to pay, as evidenced by his indorsement, was conditioned upon due demand for payment being first made in accordance with the terms of the note. The note was payable "on demand after date."

In *Hitchings* vs. *Edmands*, 132 Mass. 338, this expression was deemed equivalent to "on demand;" but in *Crim* vs. *Starkweather*, 88 N. Y. 340, a distinction was noted, the words "on demand" rendering the note immediately due, while the words "on demand after date" required that some time should elapse before demand could be made, and therefore before the note became due. The New York case comports more exactly with the terms used, but plainly a demand forthwith after the day of the date would be in accordance with the contract.

The question, therefore, on this note, is, when, after its date should the holder make demand of payment, and give notice of default to the indorser, in order to make his obligation to pay absolute? The cases all hold that that must be done in a reasonable time; or, as it is sometimes stated, the holder must use due diligence.

The circumstances to be considered in determining whether a demand has been made in due time are scarcely suggested by the phrase "a reasonable time," but the form of the rule requiring due diligence in the holder indicates what, in *Merritt* vs. *Todd* (23 N. Y. 28), Chief Justice Comstock declared to be the true principle—that it is merely the reasonable ability of the holder which can be considered, excluding any notion of credit or indulgence to the maker.

On this principle it is manifest that due demand of this note was not made. There is not the slightest evidence of any reason, outside of indulgence to the maker, for postponing the demand from September 5, 1895, until June 10, 1896. It therefore is manifest that, unless the rights of the defendant as indorser can be affected by his oral agreement, made before he signed his name, he cannot be held to pay the note.

In *Field* vs. *Nickerson*, 13 Mass. 181, the opinion seems to favor the view that a contemporaneous understanding between indorser and indorsee that demand should be deferred would bind the indorser; and in *Sise* vs. *Cunningham*, 1 Cow. 397, it is said that proof of the indorser's assent to such an arrangement would undoubtedly preclude him from availing himself of the defense that demand had not been made as by the mere terms of the note it ought to have been.

To the same effect is *Jones* vs. *Bank* (Pa. Sup. 13 Atl. 84). But, in *Perry* vs. *Green* (19 N. J. Law, 61) Chief Justice Hornblower, expressing the opinion of this court, said:

"It may well be doubted whether parol evidence of any agreement to extend the time of payment, or, in other words, to alter the force of a written contract, would be admissible."

The doctrine thus doubted seems now to be completely repudiated in this State, and the principle to be firmly established that the signature upon a negotiable promissory note, made by a party thereto, imports a precise agreement, constructed by the law merchant upon the tenor of the note, which cannot be varied by parol evidence of any preceding or contemporaneous oral arrangement. (*Chaddock* vs. *Vanness*, 35 N. J. Law, 517; *Johnson* vs. *Ramsey*, 43 N. J. Law, 279; *Middleton* vs. *Griffith*, 57 N. J. Law, 442.)

In case of the indorsement of such a note by the payee, one of the provisions of his agreement thus implied is that his conditional obligation to pay the debt shall be discharged if demand be not made of the maker according to the terms of the note.

In view of these decisions, we must conclude that the present defendant's right to be discharged because of the plaintiff's failure to demand payment of the note before June 10, 1896, could not be impaired by the parol evidence of his contemporaneous agreement for the indulgence of the maker.

It follows that the judgment of the common pleas in favor of the plaintiff should be reversed.

CASHIER—SALE OF NOTE—PRESUMPTION OF AUTHORITY.

Supreme Court of Indiana, March 20, 1898.

HAWKINS, *et al.* *vs.* FOURTH NATIONAL BANK OF NEW YORK, *et al.*

Where a bank has received the proceeds of a note sold by its Cashier, the bank will be estopped to deny the authority of the Cashier to sell the same.

The Fourth National Bank of New York brought this action against the Indianapolis National Bank, Edward Hawkins, Receiver of the Indianapolis National Bank; the Eagle Machine-Works Company, and the First National Bank of Knightstown, upon a note executed by the Eagle Machine-Works Company to the Indianapolis National Bank, and by it indorsed to said Fourth National Bank of New York, and to enforce a lien on certain notes pledged to secure the same, which were in the hands of Hawkins, Receiver.

The First National Bank of Knightstown filed an answer to said complaint, and also a cross complaint against its co-defendants and said plaintiff, upon a note executed by said Eagle Machine-Works Company, alleging that said note was secured by said notes in the hands of Hawkins, as Receiver. The defendants to said complaint and to said cross complaint each filed answers thereto.

After issues were joined, the Court, at the request of appellants, made a special finding of the facts, and stated its conclusions of law thereon, and, over a motion for a *venire de novo* and a motion for a new trial, rendered judgment in favor of the Fourth National Bank of New York, against the Eagle Machine-Works Company and the Indianapolis National Bank, for the amount of said note and interest, and in favor of the First National Bank of Knightstown, against the Eagle Machine-Works Company, for the amount of the note, principal and interest, sued upon in said cross complaint; and that said banks recovering said judgments have a lien on the collateral notes held by Hawkins, Receiver, and any money collected thereon by him; and that the same be first applied to the payment of certain costs and expenses, and then to the payment of the judgment in favor of the First National Bank of Knightstown, and the interest thereon, and then to the payment of the judgment in favor of the Fourth National Bank of New York, and the interest thereon.

MONKS, *J.:* It is insisted that, under the statute of the United States (Rev. St. U. S. § 5209), the Cashier of the Indianapolis Bank had no power to sell said note to the Knightstown Bank unless such authority was conferred upon such Cashier by the board of directors of said bank; that the burden of proving such authority was upon the Knightstown Bank, and, as the special finding does not state that such authority was conferred by the board of directors upon the Cashier, it is equivalent to a finding that such was not conferred by the board of directors of said bank.

The board of directors of the Indianapolis Bank had the power to authorize the Cashier of said bank to sell said note for $5,000 to the Knightstown Bank, and the facts stated in the special finding show that he did on behalf of said bank sell said note; and the presumption from said facts is that said sale as made was authorized or that the same was ratified by said board of directors until the contrary appears. (*National State Bank of Terre Haute* vs. *Vigo County Nat. Bank*, 141 Ind. 352, 355, and authorities cited; *Smith* vs. *Manufacturing Co.* 148 Ind. 333–344, and authorities cited; *People's Bank* vs. *National Bank*, 101 U. S. 181, 183; 17 Am. & Eng. Enc. Law 148; 3 Am. & Eng. Enc. Law [2d Ed.] 843, 844.)

But even if the special finding stated that said Cashier was not authorized by the board of directors to sell said note on behalf of said bank, as it is found that the said Indianapolis Bank received $4,930 for said note, and retained the same, and has returned no part thereof, said bank and its Receiver are estopped from denying that said Cashier was authorized by the board of directors to sell said note, or that the sale was ratified by said board. (*People's Bank* vs. *National Bank*, *supra.*)

In said last-named case the Vice-President of a National bank, without any authority from the board of directors, guarantied the payment of certain notes, the proceeds of which said bank received and retained; and in an action upon said guaranty the Supreme Court of the United States held that said National bank had the power to give said guaranty, and that it is presumed that the Vice-President was authorized by the board of directors to execute said guaranty, and that the bank, by its retention of the proceeds of the notes the payment of which was guarantied, was estopped from denying such authority; that such retention of the proceeds rendered the act of its officers as binding as if it had been expressly authorized.

The Court, at page 183, said:

"We see no reason to doubt that, under the circumstances of this case, it was competent for the defendant (a National bank) to give the guaranty here in question. It is to be presumed the Vice-President had rightfully the power he assumed to exercise, and the defendant is estopped to deny it. * * * All the parties in the transaction and the privies were agents of the defendant. If there were any defect of authority on their part, the retention of and enjoyment of the proceeds of the transaction by the principal constituted an acquiescence, as effectual as would have been the most formal authorization in advance or the most formal ratification afterwards."

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

A reasonable charge is made for Special Replies asked for by correspondents—to be sent promptly by mail. See advertisement in back part of this number.

Editor Bankers' Magazine: TOPEKA, Kans., April 29, 1898.

SIR:—Bank at A sent sight draft to bank at B for collection which bore a detachable "No Protest" ticket as a part of the item; the letter of transmittal, however, said nothing concerning protest. The bank protested and looks to bank at A for the fees, to which the latter bank does not think the former is entitled. Is the "No Protest" ticket a sufficient waiver, or is it necessary to incorporate same in the letter accompanying? CASHIER.

Answer.—The purpose of a "No Protest" slip is to give notice to the collecting agents dealing with the paper that the holder does not wish the paper protested. It is quite as effectual for this purpose as an instruction in a letter. It was therefore improper for bank at B to protest the draft, unless its general instructions from the bank at A to protest all paper not paid were sufficiently broad to cover a case of this kind.

Editor Bankers' Magazine: BURLINGTON, Ky., April 6, 1898.

SIR:—A depositor makes two checks of same date, to different payees. These checks are presented through the same mail to the drawee bank for payment and refused, because the drawer has not sufficient funds in bank to pay both checks. These checks go to protest. Next day, another check of same party to another payee is presented to the bank for payment. The drawer has the same funds in the bank he had when the first two checks were presented. What is the duty of the bank as to the last check generally. And especially where the bank knows the two first checks are yet in the hands of the notary, not having been returned to the parties presenting them for payment. Would the fact that the checks have been returned vary the duty of the bank? Could the holder of the two first checks by any

proceeding recover pro rata, or at all, the money in the bank to the maker's credit at the time payment of the checks was demanded? Would the fact that the first two checks bore different dates make any difference as to the duty of the bank in regard to their payment in case put in question number 1? This whole transaction to be governed by Kentucky law, as a check is held in Kentucky to operate as an assignment—the death of the drawer before the check is presented for payment, does it revoke the check? Suppose a bank in the same State has been notified that checks of certain dates have been given sufficient to absorb the drawer's whole fund in bank, but have not been presented for payment, what is the duty of the bank on presentment for payment of a check of later date? J. C. REVILL.

Answer.—The questions above propounded illustrate the complications and practical inconvenience resulting from the rule that the drawing and delivery of a check is an assignment of the deposit *pro tanto*. In all such cases the only safe course for the bank to pursue is to refuse to pay all checks, and then, when sued by one of the checkholders, to bring the others in by an interpleader, and pay the money into court. The date of the check would not necessarily determine the question of priority, for the assignment becomes effectual on the date of delivery, and the check of a subsequent date may have been delivered first. The check first presented to the bank should be paid if there are funds sufficient for that purpose; and the mere fact that the bank officers may know that there are other checks outstanding which have not been presented would not change the rule. But if several checks are presented at the same time the question of priority would depend upon the time of delivery; and this the bank would have no means for determining with certainty.

Editor Bankers' Magazine: **BALTIMORE, Md., April 18, 1898.**

SIR:—We sent in our regular remittance letter to a bank in the State of G—— a check on another bank in the same State. The bank upon which the check was drawn was the only bank in the town, and our correspondent sent the check the only way they could, and that was to the bank itself. They waited several days for an answer, and having received none, they sent an inquiry, to which the bank answered "We sent you check on —— instant; if not received, let us know, and we will issue duplicate." They immediately replied that check had not been received, and to send duplicate. To this request no answer was made. After waiting several days more, the first bank wrote again, and on the following day the bank in the town closed its doors. The maker of the check now claims that due diligence was not used by the banks through which the item passed, and that he is released from any responsibility attached to it. It has been found out since that the Cashier of the bank, who said he had sent a draft in payment of the original check, did draw up a draft, but instead of putting the letter in the post office, put it in the safe of the bank, where he evidently knew that it would never reach its destination. It was done simply to have some excuse for not remitting promptly. What is your opinion as to the responsibility on the check? CASHIER.

Answer.—The question of law arising upon the facts of the case, viz., whether a bank which has received by mail for collection from a distance, a check drawn upon a bank in another locality which is the only bank in that place, may send the check directly to the drawee bank, is still an open one.

In *Merchants' National Bank* vs. *Goodman* (109 Pa. St. 422) it was said by the Supreme Court of Pennsylvania: "We think that the principle may be stated as a true one that no firm, bank, corporation, or individual can be deemed a suitable agent, in contemplation of law, to enforce in behalf of another a claim against itself. * * * We interpret the cases to which we have referred as establishing the rule of transmission to a suitable correspondent or agent to mean that such suitable agent must, from the nature of the case, be some other than the person who is to make the payment. By no other rule can the rights of endorsers be protected if it is the interest of the party who is to make the payment to hinder, postpone, or defeat payment. This imposes no hardship on the institution undertaking to transmit for collection, which can always protect itself by stipulating that special instructions by the depositor shall be given which will save the collecting bank from all risk or peril."

And a similar rule has been held in other cases, where the bank was primarily liable on the instrument, as where the instrument was a certificate of deposit, or a certified check. (*Drovers' Nat. Bank* vs. *Provision Company*, 117 Ill. 100; *First Nat. Bank* vs. *Fourth Nat. Bank*, 56 Fed. Rep. 967; *German Nat. Bank* vs. *Burn*, 12 Colo. 589.) In *Drovers' Nat. Bank* vs. *Provision Company* (117 Ill. 100) the Supreme Court of Illinois said: "If the collecting bank has no proper agent at the place through which to make the collection, it should so inform the customer and act on his instructions. But if it takes the check without special stipulation, the customer is authorized to assume that it has a suitable agent to whom the paper may be transmitted, and that it will make the collection through such agent."

But where it receives such check through the mail, it has no opportunity to get instructions without delay, and perhaps without considerable delay; and it must do the best that the circumstances will permit. There may be good reasons, therefore, why the court might hold that in such a case it would not be negligence to send the check direct to the drawee bank. As the bank in the State of G—— appears to have discharged its full duty in all other respects, the question of its liability turns upon the question whether it acted negligently in sending the check to the drawee bank. We think that the circumstances permit this case to be distinguished from the other cases on the subject, and hence that the question is an open one.

Editor Bankers' Magazine: NEW YORK, April 6, 1898.

SIR:—A gives a check to B for $5,000. B deposits same in his bank and either has his check certified against it or draws the cash the same day. The check is duly presented through the clearing-house the next day and refused by drawee bank on the ground that the maker A has stopped payment upon it. B's bank under the New York Clearing-House rules redeems the check; but suppose B has become insolvent or for any reason fails to make good the check to his bank? A, however, is perfectly able to do so. Could he not be compelled to pay to B's bank as an innocent holder in due course the amount of the check on which he has stopped payment?

J. C. EMORY.

Answer.—Yes. The bank would be deemed a holder for value; for the Negotiable Instruments Law (Section 51) provides that "Value is any consideration sufficient to support a simple contract;" and the advance of money, or the incurring of a liability by certifying the check, would be such a consideration. The drawer of a check is, as respects the holder, in the same position as the drawer of a bill. (Id. Section 321.) And his engagement is that on due presentment the instrument will be accepted and paid, or both, according to its tenor, and that if it be dishonored, and the necessary proceedings on dishonor be duly taken, he will pay the amount thereof to the holder, or any subsequent indorser who may be compelled to pay it. (Id. Section 111.) Protest or notice of dishonor is not necessary in such a case to charge the drawer, he having countermanded payment. (Id. Section 185.)

Editor Bankers' Magazine: LYNN, Mass., April 5, 1898.

SIR:—Where should demand be made, that indorser may be held, on a note dated "Lynn, Mass.," signed by a party, both residing and doing business in another city or town, and not made payable at any specified place?

W. M. BREED, *Cashier.*

Answer.—No place of payment being specified, the note should be presented at the maker's residence or place of business, wherever that may be. (*Gates* vs. *Beecher*, 60 N. Y. 518, 522; *Holtz* vs. *Boppe*, 37 N. Y. 634; Story on Bills, Section 362; *Cox* vs. *National Bank*, 100 U. S. 704; Am. and Eng. Encyclopedia of Law, Vol. 4, p. 376.) The fact that the note is dated at Lynn does not make it payable there; and presentment at any place there would not be sufficient, at least if the maker's residence or place of business is known to the holder. (*Orleans Bank* vs. *Whittemore*, 12 Gray, [Mass.] 472.)

NOTICES OF NEW BOOKS.

[All books mentioned in the following notices will be supplied at the publishers' lowest rates on application to BRADFORD RHODES & Co., 78 William Street, New York.]

A GRADED BANKING SYSTEM. Formed by the Incorporation of Clearing-Houses under a Federal Law, with Power to Issue a Clearing-House Currency Secured by Pledge of Bank Assets. For the Protection and Support of Commercial Credit, and the Equalization of Interest Throughout the Nation. By THEODORE GILMAN, New York: Hougton, Mifflin & Co.

The underlying principle of Mr. Gilman's plan is to unite the banks of the country for the purposes of mutual advantage. As a banker and a practical financier, he perceives that commercial assets are the true basis of bank circulation, but to trust the issue of currency thus secured to our numerous small competitive banks would be unwise, while anything like a strong central bank is not in accord with the spirit of our political institutions. To obviate the difficulties presented by this situation of affairs Mr. Gilman would have the clearing-houses incorporated and placed under Federal supervision, and to the larger of such organizations in each State he would grant the power to issue circulating notes to the banks on the pledge of their commercial assets or on deposit of gold coin. Only $75 in notes would be issued on each $100 of assets.

The issue of clearing-house certificates has been found of great usefulness in allaying panics, and there may be some doubt of using in ordinary times what has proven so valuable in emergencies. It may be argued on the other hand that the legalization and extension of the use of this form of money might prevent panics altogether.

We can not agree with the proposal to make certain of these certificates a legal tender. There should be but one kind of legal tender, and that the standard coin.

There is no doubt that the clearing-houses of the country under proper Federal laws could issue a safe and elastic currency based upon commercial assets, and it would be much wiser to place the issue of such currency under such a restrictive power than to entrust it indiscriminately to the banks individually.

Mr. Gilman has elaborated a plan that contains many good features, and his presentation of the defects of our present banking and currency system shows not only a thorough familiarity with the subject but a correct comprehension of the reforms needed. His book is a most valuable contribution to the literature of monetary discussion, and may be read with profit by all interested in this subject.

A SOUND, HONEST, TRUE AND STABLE MONEY. The Luttgen Monetary System. By FRED'K WM. LUTTGEN, New York city.

It would hardly be fair to explain the above system in detail, for the author says it is a perfect system, and as the book may be had for $2.50, any one who has been kept awake of nights pondering over this problem will certainly be willing to expend that small sum to get a satisfactory solution of the currency puzzle.

Mr. Luttgen believes in the gold standard, which, he maintains, can be uniformly and permanently established only by means of bimetallism. He truly says that "The demonetization of silver was entirely due to the development and exactions of commerce. * * * The legislation of 1873, instead of being a crime * * * was most judicious and to the best interest of the country."

According to the author the monetary question has not been understood by our people nor by their representatives. Ten years ago, he says, he took up the study of the subject with a perseverance that should lead to a final solution. His investigations led to the conclusion that "the National banks have been the great disturbing element in the past five or six years, and have forced the repeated panics upon us."

It is hardly possible to conceive that any one who entertains such a notion with respect to National banks could invent a currency plan worth a moment's consideration. But it is only just to Mr. Luttgen to say that his currency scheme is not so foolish as might be inferred from his unreasonable prejudice against National banks. On the contrary it contains some good ideas, along with some unsound ones; and the plan for using silver as money at its market ratio is probably as good a device as could be invented for that purpose.

Mr. Luttgen says (p. 55): "A serious crisis is overhanging our institutions and social order."

This is one point upon which most of the reformers are agreed: because the world will not accept their particular nostrums, they predict the occurrence of dire disasters. We must confess our inability to see any signs of a general crash, even if the country should refuse to adopt the Luttgen Monetary System.

THE GREAT POWER; ITS ORIGIN, USE AND INFLUENCE. A brief explanation of the necessity for Monetary Reform. By M de P. WEBB. London: Kegan Paul, French, Trubner & Co., Ltd.

This is an argument for the restoration of silver to a larger place in the money of Great Britain, the author favoring limited free coinage by international agreement. The destructive effects of the alleged appreciation in the purchasing power of gold are dwelt upon at great length. The volume is a clear and logical statement of the case from the author's standpoint, and much superior to the Bryan and "Coin" style of bimetallic literature.

UNIVERSAL INTEREST TABLES. By JAMES PANTON HAM. London: Effingham Wilson.

These tables are designed for calculating interest at any rate on the moneys of all countries. The decimal system is used, the rate of interest being calculated at one per cent., the decimals being extended so that interest may be calculated for any number of days, on any sum, of any current coinage in the world.

REPUBLICAN RESPONSIBILITY FOR PRESENT CURRENCY PERILS. By PERRY BELMONT. New York: G. P. Putnam's Sons.

The political phases of the currency question are hardly proper subjects of discussion in the MAGAZINE, which prefers to consider the question from an entirely non-partisan standpoint. It must be admitted that the Republican party has made many concessions to unsound financial principles, but its record in resuming specie payments and in beating the Bryan free silver forces in 1896 was highly creditable. There were, of course, many Democrats who agreed with the Republican party in both these contests.

Mr. Belmont, in trying to fix the responsibility for the greenbacks on the Republican party, is perhaps merely unconsciously humorous. But for the attempted withdrawal of the Southern States from the Union there would have been no greenbacks, and it was not the Republican party that inaugurated the secession movement. The recent vote in the House on the Teller bond resolution showed that the Democrats in Congress were for paying the bonds in silver, while the Republicans, with one exception, voted for payment in gold. A still later vote in the House showed that the Democrats, with a few exceptions, favored an issue of $150,000,000 more greenbacks.

Bad as the greenback system is, the worst peril that threatens the country to-day is the peril of free silver, which the Democratic party is trying to force on the country. The Republican party, supported by many thousands of patriotic Democrats, is opposed to this and all other attempts to impair the standard of value.

VAN VELZER'S SIX PER CENT. INTEREST TABLES. Containing an accurate calculation of interest at six per cent. for days, months and years, on all sums from one cent to fifteen thousand dollars. Computed by C. A. VAN VELZER, B. S. Price, $1.50.

This book will be found well adapted to the use of banks in New York State, and in other States where the rate of interest is six per cent. Interest is given at this rate on all principal sums, in dollars, from $1 to $1,000, and from the latter figure the principal is increased each time by $100 up to $15,000. The computations are claimed to be absolutely accurate, and the low price of the book, which is well printed and substantially bound, will also recommend it to those who desire a help of this kind at a reasonable cost.

OPEN MINTS AND FREE MONEY By WM. BROUGH. New York: G. P. Putnam's Sons.

Mr. Brough would be fair to the friends of gold and silver, and favors the repeal of the Acts which make silver and gold dollars an equivalent tender, and would open the mints to free coinage of both metals. This would permit of the circulation of both metals on their merits without any legislative props. The Government stamp on a coin would mean only what it ought to—that the piece of metal contained so many grains of a certain standard of fineness.

The author also proposes to repeal all laws making paper money a legal tender, and favors a law pledging the nation to the payment in gold money of all its present outstanding obligations.

There are several interesting chapters in the book, among the subjects handled being "Money, Capital and Banking," "Relative Value of Precious Metals," "On the Standard of Value," "Credit as a Monetary Factor," etc.

SCOTTISH BANKING DURING THE PERIOD OF PUBLISHED ACCOUNTS, 1865–1896. By ANDREW WILLIAM KERR, F. S. A., Scot., author of "History of Banking in Scotland." London: Effingham Wilson.

This is an admirable treatise on one of the best banking systems of the world, a knowledge of which can not be too widely spread in our own country.

Referring to the note issues of the banks the author says that on the notes in actual circulation the banks make but little profit, but the provision of the system allowing the holding of the notes as till money by the banks has greatly promoted the extension of banking offices and added to their profits. Contrasting the issue of bank and Government notes the author says:

"The issuing of notes by banks is much more economical and convenient for the nation than a State issue would be; and, although in some cases the latter ways have been quite successful, in others the consequences have been very disastrous. Besides, while sometimes necessary, it is a dangerous power to place in the hands of a government. The conjunction, on the other hand, of the issue of notes with general banking business gives a reciprocal advantage to each department such as cannot be obtained when they are dissociated. What would our Scottish banks have been without their note issues? What, indeed, would Scotland have been without them? It was the notes that cultivated the land, caught the fish on the coasts, and developed the trade and commerce of the country; thus producing the deposits which have enabled the banks to bring their advantages within the reach of every one. Take away their liberty to issue notes, and the Scottish banks must withdraw many of their branches, increase their charges, and perhaps even reduce their deposit interest rates. An extension of freedom to issue notes, under proper conditions to secure convertibility, would be a much more advantageous arrangement for the nation, than a curtailment of the right."

THE LAW OF NEGOTIABLE INSTRUMENTS, STATUTES, CASES AND AUTHORITIES. Edited by ERNEST W. HUFFCUT, Professor of Law in Cornell University College of Law. One Octavo Volume, 716 pages. Price, in law canvas, $4.00 net; in sheep, $4.50 net. New York: Baker, Voorhis & Co.

This work is based upon the Negotiable Instruments Law as enacted in New York, Connecticut, Colorado, Florida, Maryland and Virginia, and submitted for enactment in the other States by the Commissioners on Uniformity of Laws. This Law is itself based upon the English Bills of Exchange Act, as drafted by Judge Chalmers, and first published as Chalmers' Digest of the Law of Bills of Exchange, Promissory Notes, and Checks. The Negotiable Instruments Law is, therefore, a Digest of the Law of Bills, Notes, and Checks, embodying the results of thousands of decided cases, and now enacted as a Code in several American States. Whether in force in a particular State or not, it expresses correctly the law of Negotiable Instruments in all jurisdictions, and no better statement of the law can anywhere be found for purposes of study or instruction.

To supplement this Digest, the editor has collected and arranged in accordance with the analysis of the law over 300 cases (mostly American), from which the Digest might mainly be drafted, and which serve to show every important rule in operation upon concrete facts. These cases have been carefully annotated, the cases and annotations together making a complete commentary upon this important statute. By an ingenious arrangement of cross-references, the reader has always before him the enactment of the Legislature and the decisions of the courts.

The numerous cases cited fully illustrate the application of the rules of the new law, and combined with the other admirable features of the book constitute a volume of the highest value to bankers, lawyers and students of the law.

DIRECTORY OF DIRECTORS IN THE CITY OF NEW YORK. New York: The Audit Co.

This is an alphabetical list of the names of the directors of banks, trust companies, insurance companies and manufacturing and other corporations in New York city. It is attractively printed and well bound and will be found very convenient and valuable for reference. The list of names fills 600 pages.

Trans-Mississippi and International Exposition.—An exhibition of the resources and achievements of the great West will be made at the Trans-Mississippi and International Exposition to be held at Omaha, Nebraska, from June to November of the present year.

The plans for the exposition have been laid out on generous lines, and the numerous buildings designed to contain the exhibits are of great architectural beauty, recalling the Columbian Exposition at Chicago in 1893.

Great enterprise has been shown by the business men of Omaha in planning and carrying to a successful issue an undertaking of such magnitude. The exposition will be well worth seeing, and it will afford an opportunity to many people in other parts of the country to become better acquainted with the great empire of the West whose growth and progress have had no parallel.

Fortunately for many of the bankers, they will be enabled to see the exposition on their way to Denver to attend the convention of the American Bankers' Association.

Specie a

	Number of banks.
CENTRAL RESERVE CITIES.	
New York City	48
Chicago	16
St. Louis	6
Total of central reserve cities	70
OTHER RESERVE CITIES.	
Boston	53
Albany	6
Brooklyn	5
Philadelphia	39
Pittsburg	30
Baltimore	22
Washington	11
Savannah	2
New Orleans	7
Louisville	6
Houston	5
Cincinnati	13
Cleveland	13
Detroit	6
Milwaukee	5
Des Moines	4
St. Paul	5
Minneapolis	6
Kansas City	5
St. Joseph	2
Lincoln	3
Omaha	8
San Francisco	4
Total of other reserve cities	260
Total of all reserve cities	330
COUNTRY BANKS.	
Maine	82
New Hampshire	51
Vermont	49
Massachusetts	213
Rhode Island	57
Connecticut	81
Total of New England States	533
New York	267
New Jersey	103
Pennsylvania	355
Delaware	18
Maryland	47
District of Columbia	1
Total of Eastern States	791
Virginia	35
West Virginia	33
North Carolina	27
South Carolina	16
Georgia	27
Florida	15
Alabama	26
Mississippi	10
Louisiana	12
Texas	197
Arkansas	7
Kentucky	68
Tennessee	49
Total of Southern States	522
Ohio	226
Indiana	111
Illinois	202
Michigan	76
Wisconsin	74
Minnesota	59
Iowa	161
Missouri	50
Total of Middle States	959
North Dakota	25
South Dakota	26
Nebraska	92
Kansas	102
Montana	21
Wyoming	11
Colorado	39
New Mexico	6
Oklahoma	5
Indian Territory	11
Total of Western States	338
Washington	[illegible]
Oregon	[illegible]
California	[illegible]
Idaho	[illegible]
Utah	[illegible]
Nevada	[illegible]
Arizona	[illegible]
Total of Pacific States	[illegible]
Total of Country Banks	3, [illegible]
Total of United States	3, [illegible]

Lawful Money R

Cities, States, and Territories.	Deposits.	Reserve required.
		25 per cent.
New York City	$624, 679, 487.47	$156, 169, 871.87
Chicago	123, 739, 322.26	30, 934, 830.56
St. Louis	35, 497, 989.45	8, 874, 497.36
Central Res. Cities	783, 916, 799.18	195, 979, 199.79
Boston	163, 537, 005.93	40, 884, 251.48
Albany	10, 208, 149.49	2, 552, 037.37
Brooklyn	15, 535, 907.36	3, 883, 976.84
Philadelphia	126, 751, 376.28	31, 687, 844.07
Pittsburg	50, 761, 319.39	12, 690, 329.85
Baltimore	31, 274, 522.77	7, 818, 630.69
Washington	14, 316, 886.34	3, 579, 221.59
Savannah	674, 371.00	168, 592.75
New Orleans	18, 419, 169.65	4, 604, 792.42
Louisville	10, 759, 449.95	2, 689, 862.49
Houston	3, 038, 147.43	759, 536.86
Cincinnati	34, 007, 218.08	8, 501, 804.52
Cleveland	28, 260, 298.72	7, 065, 074.68
Detroit	18, 905, 871.53	4, 726, 467.88
Milwaukee	23, 785, 958.18	5, 946, 489.54
Des Moines	3, 337, 211.97	834, 302.99
St. Paul	14, 365, 875.50	3, 591, 468.88
Minneapolis	10, 471, 695.81	2, 617, 923.95
Kansas City	26, 626, 813.49	6, 656, 703.37
St. Joseph	3, 107, 490.63	776, 872.66
Lincoln	1, 877, 288.50	469, 322.12
Omaha	13, 191, 620.04	3, 297, 905.01
San Francisco	14, 232, 747.86	3, 558, 186.96
Other Res. Cities	637, 446, 395.90	159, 361, 598.97
All Reserve Cities	1, 421, 363, 195.08	355, 340, 798.76
		15 per cent.
Maine	16, 892, 659.14	2, 533, 898.87
New Hampshire	11, 049, 458.17	1, 657, 418.73
Vermont	9, 213, 402.86	1, 382, 010.43
Massachusetts	83, 891, 943.53	12, 583, 791.53
Rhode Island	21, 175, 724.18	3, 176, 358.63
Connecticut	37, 618, 841.63	5, 642, 826.24
New Eng. States	179, 842, 029.51	26, 976, 304.43
New York	96, 344, 334.26	14, 451, 650.14
New Jersey	59, 508, 067.11	8, 926, 210.07
Pennsylvania	122, 589, 762.47	18, 388, 464.37
Delaware	5, 241, 674.10	786, 251.11
Maryland	11, 298, 715.50	1, 694, 807.33
District of Columbia	828, 068.34	124, 210.25
Eastern States	295, 810, 621.78	44, 371, 593.27
Virginia	16, 268, 232.67	2, 440, 234.90
West Virginia	8, 674, 239.02	1, 301, 135.85
North Carolina	6, 074, 949.64	911, 242.44
South Carolina	5, 103, 167.33	765, 475.10
Georgia	7, 274, 735.28	1, 091, 210.29
Florida	4, 176, 445.16	626, 466.77
Alabama	8, 050, 188.53	1, 207, 528.28
Mississippi	2, 982, 572.02	447, 385.80
Louisiana	2, 733, 890.22	410, 083.54
Texas	39, 460, 295.76	5, 919, 044.36
Arkansas	2, 617, 357.70	392, 603.66
Kentucky	13, 849, 837.52	2, 077, 475.63
Tennessee	21, 438, 706.46	3, 215, 805.97
Southern States	138, 704, 617.31	20, 805, 692.60
Ohio	66, 900, 739.10	10, 035, 110.86
Indiana	36, 175, 243.25	5, 426, 286.49
Illinois	53, 753, 161.98	8, 062, 974.30
Michigan	30, 247, 335.67	4, 537, 100.35
Wisconsin	24, 321, 247.59	3, 648, 187.14
Minnesota	16, 426, 406.73	2, 463, 961.01
Iowa	30, 483, 090.07	4, 572, 463.51
Missouri	8, 906, 439.40	1, 335, 965.91
Middle States	267, 213, 663.79	40, 082, 049.57
North Dakota	5, 425, 874.48	813, 881.17
South Dakota	4, 199, 428.58	629, 914.28
Nebraska	12, 291, 008.23	1, 843, 651.23
Kansas	21, 548, 775.93	3, 232, 316.39
Montana	9, 748, 454.36	1, 462, 268.15
Wyoming	2, 451, 694.46	367, 754.16
Colorado	33, 136, 759.75	4, 970, 513.97
New Mexico	2, 812, 058.77	421, 808.82
Oklahoma	960, 127.57	144, 019.14
Indian Territory	1, 567, 271.35	235, 090.71
Western States	94, 141, 453.48	14, 121, 218.02
Washington	11, 669, 460.42	1, 750, 419.06
Oregon	9, 712, 934.85	1, 456, 940.23
California	13, 618, 202.32	2, 042, 730.34
Idaho	2, 102, 355.08	315, 353.26
Utah	3, 551, 632.27	532, 744.84
Nevada	301, 503.15	45, 225.47
Arizona	1, 303, 588.78	195, 538.32
Pacific States	42, 259, 676.87	6, 338, 951.52
Country Banks	1, 017, 972, 062.74	152, 695, 809.41
United States	2, 439, 335, 257.82	508, 036, 008.17

Reserve of the National Banks on February 18, 1898.

Reserve held.	Ratio of reserve.	Cash reserve. Required.	Cash reserve. Held.	Classification of reserve held. Specie.	Legal tenders.	U. S. certificates of deposit.	Due from reserve agents.	Redemption fund with Treasurer.
	Per cent							
$179,600,645.26	$28.75	$155,429,621.87	$178,860,395.26	$107,313,686.26	$42,221,709	$29,325,000	------	$740,250.00
40,560,194.40	32.78	30,885,330.56	40,510,694.40	21,776,794.40	15,093,900	3,640,000	------	49,500.00
8,568,180.48	24.14	8,793,047.36	8,486,730.48	2,736,720.48	4,020,010	1,730,000	------	81,450.00
228,729,020.14	29.18	195,107,999.79	227,857,820.14	131,827,201.14	61,335,619	34,695,000	------	871,200.00
56,537,957.79	34.57	20,304,150.74	21,531,419.29	12,128,894.29	7,042,525	2,360,000	$34,730,588.50	275,950.00
4,879,071.09	47.80	1,269,268.69	1,238,470.70	920,046.70	318,424	------	3,627,100.39	13,500.00
4,398,920.55	28.31	1,927,543.42	2,062,037.17	1,135,698.17	926,339	------	2,307,993.38	28,890.00
45,465,975.42	35.87	15,689,127.88	24,224,912.58	12,837,957.58	2,221,955	9,165,000	20,931,474.52	309,588.32
16,896,933.66	33.29	6,229,946.80	7,642,730.50	5,071,794.50	2,570,936	------	9,023,766.91	230,436.25
11,198,913.29	35.80	3,864,652.85	6,688,021.65	4,198,549.65	829,472	1,660,000	4,419,566.64	89,325.00
5,614,991.84	39.22	1,770,252.06	2,800,686.00	2,272,521.00	498,165	30,000	2,775,588.34	38,717.50
303,668.36	45.03	82,001.38	155,759.00	110,200.00	45,559	------	143,319.36	4,590.00
9,097,737.03	49.39	2,288,501.21	4,127,547.35	2,282,951.35	1,449,596	395,000	4,942,399.68	27,790.00
4,903,107.30	45.57	1,325,806.24	1,170,622.25	638,694.25	531,928	------	3,694,235.05	38,250.00
2,267,206.60	74.62	375,268.43	1,514,048.35	682,295.35	831,753	------	744,158.25	9,000.00
11,955,493.66	35.16	4,124,979.76	4,350,931.65	1,903,270.65	1,747,661	700,000	7,352,717.01	251,845.00
10,359,902.15	36.66	3,502,077.34	3,116,401.90	2,065,966.90	1,050,435	------	7,182,580.25	60,920.00
6,675,433.71	35.31	2,337,318.94	2,430,829.00	1,667,442.00	763,387	------	4,192,854.71	51,750.00
9,651,502.53	40.58	2,957,044.77	3,197,964.02	2,161,004.02	1,036,960	------	6,421,138.51	32,400.00
1,147,478.42	34.38	410,558.99	368,774.80	203,034.80	165,740	------	765,518.62	13,185.00
5,961,689.10	41.50	1,790,065.44	2,143,370.00	1,895,106.00	248,264	------	3,806,981.10	11,338.00
2,785,039.05	26.60	1,302,211.98	1,204,761.30	831,824.30	372,937	------	1,566,777.75	13,500.00
9,478,069.43	35.60	3,322,726.68	2,186,573.00	1,332,273.00	854,300	------	7,280,266.43	11,250.00
1,411,547.65	45.42	385,061.32	341,796.90	182,035.90	159,761	------	1,063,000.75	6,750.00
559,222.09	29.79	231,256.06	231,626.25	147,518.25	84,108	------	320,845.84	6,750.00
4,774,619.84	36.10	1,634,890.00	2,020,712.85	1,470,796.85	549,916	------	2,725,781.99	28,125.00
6,430,94[illegible].47	45.18	1,773,468.48	5,522,873.10	5,513,988.10	8,885	------	896,823.37	11,250.00
232,753,447.03	36.51	78,898,249.45	100,272,869.61	61,653,863.61	24,309,006	14,310,000	130,915,477.35	1,565,100.07
461,482,467.17	32.47	274,006,249.24	328,130,689.75	193,481,064.75	85,644,625	49,005,000	130,915,477.35	2,436,300.07
5,606,108.54	33.19	915,770.45	1,571,360.34	1,264,220.34	307,140	------	3,790,275.45	244,472.75
3,275,309.67	29.64	594,229.99	935,593.95	660,714.95	274,879	------	2,167,871.97	171,843.75
3,078,486.81	33.41	480,693.17	873,020.60	673,387.60	199,633	------	2,025,188.71	180,277.50
21,566,248.31	25.71	4,699,681.42	7,013,582.69	4,766,268.69	2,142,314	105,000	13,718,077.62	834,588.00
6,044,032.33	28.54	1,134,241.45	1,763,608.04	1,103,396.04	660,212	------	3,939,669.29	340,756.00
11,813,488.34	31.40	2,111,031.49	3,830,656.70	3,078,586.70	752,070	------	7,617,584.14	365,247.50
51,383,674.00	28.57	9,935,647.97	15,987,822.32	11,546,574.32	4,336,248	105,000	33,258,667.18	2,137,184.50
29,626,806.38	30.75	5,485,426.36	8,404,586.44	5,582,523.44	2,682,063	140,000	20,484,135.69	738,084.25
19,285,552.23	32.41	3,469,477.53	5,615,270.72	3,429,401.72	2,185,869	------	13,417,765.26	252,516.25
37,194,216.08	30.34	7,032,824.68	11,932,920.61	8,351,827.61	3,581,093	------	24,454,892.81	808,402.66
1,718,444.48	32.78	300,806.44	479,843.50	348,602.50	131,241	------	1,204,365.98	34,236.00
3,264,647.04	24.89	642,201.50	1,130,503.53	713,960.53	416,543	------	2,044,839.93	89,303.58
370,212.31	44.71	45,184.10	271,534.10	261,986.10	9,548	------	87,428.21	11,250.00
91,459,878.52	30.92	16,975,920.61	27,834,658.90	18,688,301.90	9,006,357	140,000	61,693,427.88	1,931,791.74
4,672,763.46	28.11	942,159.46	1,753,330.11	958,241.11	795,089	------	2,834,597.10	84,836.25
2,640,378.49	30.44	496,757.24	1,133,743.65	711,539.65	422,204	------	1,447,392.09	59,242.75
1,986,245.57	32.70	352,370.28	841,642.25	586,588.25	255,054	------	1,114,286.57	30,316.75
1,326,634.21	26.00	297,521.54	782,092.75	364,778.75	417,314	------	522,870.21	21,671.25
3,015,777.20	41.46	419,350.32	1,298,337.70	672,187.70	626,150	------	1,674,605.00	42,834.50
1,284,701.14	30.76	244,660.71	523,323.16	229,713.16	293,610	------	746,562.98	14,815.00
3,262,568.05	40.53	467,087.49	1,115,932.26	717,827.26	398,105	------	2,106,826.23	39,809.56
1,321,427.24	44.30	174,657.98	325,264.60	102,467.60	222,797	------	985,421.81	10,740.83
1,409,645.29	51.56	159,263.42	345,201.45	254,054.45	91,147	------	1,052,518.84	11,925.00
19,672,620.39	49.85	2,286,283.64	5,886,311.08	3,272,949.08	2,613,362	------	13,582,974.06	203,335.25
1,402,604.84	53.59	152,514.46	322,922.35	234,571.35	88,351	------	1,068,364.99	11,317.50
5,084,634.59	36.71	766,989.05	1,393,556.24	952,475.24	441,081	------	3,531,075.35	160,003.00
8,809,515.20	41.09	1,254,387.55	2,841,607.55	1,603,907.55	1,237,700	------	5,888,070.55	79,837.10
55,889,515.67	40.29	8,014,003.14	18,563,265.15	10,661,301.15	7,901,964	------	36,555,565.78	770,684.74
23,472,657.77	35.09	3,810,482.10	7,967,383.32	4,804,247.32	3,163,136	------	14,996,368.85	508,905.60
15,013,973.61	41.48	2,085,232.86	5,665,500.70	4,262,497.70	1,403,003	------	9,125,268.56	213,204.35
19,180,950.98	35.68	3,114,816.10	5,799,675.17	4,046,733.17	1,752,942	------	13,106,341.76	275,934.05
10,274,569.02	33.97	1,762,974.14	2,616,186.48	1,930,601.48	685,585	------	7,528,717.54	129,665.00
9,303,713.31	38.25	1,419,279.06	2,336,069.96	1,782,163.96	553,906	------	6,867,653.85	99,989.50
6,008,337.61	36.58	963,840.61	1,482,297.90	1,164,317.90	317,980	------	4,471,680.21	54,359.50
10,237,760.90	33.59	1,764,239.38	3,034,989.71	2,122,044.71	912,945	------	7,040,906.15	161,865.04
3,370,440.58	37.84	514,240.46	925,181.37	581,580.37	343,601	------	2,394,894.46	50,364.75
96,852,403.78	36.25	15,435,104.71	29,827,284.61	20,694,186.61	9,133,098	------	65,530,831.38	1,494,287.79
1,761,171.73	32.46	317,398.67	491,388.90	286,014.90	205,374	------	1,249,398.33	20,384.50
1,350,843.99	32.17	243,847.30	565,990.95	376,081.95	189,909	------	764,557.01	20,296.03
4,491,428.77	36.54	710,724.59	976,890.79	672,926.79	303,964	------	3,447,698.23	66,839.75
8,394,567.61	38.96	1,251,700.76	2,036,626.41	1,362,516.41	674,110	------	6,254,876.70	103,064.50
3,913,332.08	40.14	572,708.06	1,456,987.65	901,510.65	555,477	------	2,425,846.43	30,498.00
729,014.84	29.74	143,491.77	270,597.50	221,921.50	48,676	------	449,392.59	9,024.75
14,862,170.70	44.85	1,965,505.89	6,244,541.20	4,696,989.20	1,547,552	------	8,560,880.25	56,749.25
711,836.64	25.31	162,603.52	294,258.30	193,373.30	100,885	------	402,278.34	15,300.00
560,420.43	58.37	56,482.86	83,688.40	43,918.40	39,770	------	473,920.03	2,812.00
757,539.05	48.33	91,048.28	166,178.20	79,840.20	86,338	------	583,890.85	7,470.00
37,532,325.84	39.87	5,515,511.70	12,587,148.30	8,835,093.30	3,752,055	------	24,612,738.76	332,438.78
4,589,824.67	39.33	684,259.23	2,430,247.29	2,231,277.29	198,970	------	2,119,806.38	39,771.00
2,691,816.71	27.71	564,194.69	1,514,924.60	1,487,524.60	27,400	------	1,130,438.61	46,453.50
5,960,998.96	43.77	787,531.74	2,659,307.74	2,567,758.74	91,549	------	3,227,788.21	73,901.00
790,933.27	37.62	122,946.30	321,666.55	248,392.55	73,274	------	461,279.22	7,987.50
1,240,713.76	34.93	198,472.93	788,112.55	744,645.55	43,467	------	416,038.71	36,562.50
60,406.62	20.00	17,721.19	20,033.00	19,882.00	151	------	39,451.12	922.50
551,034.72	42.27	75,185.33	227,949.85	171,922.85	56,027	------	315,509.87	7,575.00
15,885,726.70	37.59	2,450,311.41	7,962,241.58	7,471,403.58	490,838	------	7,710,312.12	213,173.00
349,003,524.51	34.28	58,326,499.54	112,762,420.86	77,896,860.86	34,620,560	245,000	[illegible],361,543.10	6,879,580.85
810,485,991.68	33.23	332,332,748.78	440,893,110.61	271,377,925.61	120,265,185	49,250,000	360,277,020.45	[illegible]

STATE BANKERS' ASSOCIATIONS.

REPORTS OF RECENT AND PROSPECTIVE MEETINGS.

IOWA BANKERS' ASSOCIATION.

The Iowa Bankers' Association will hold its twelfth annual convention at Mason City, Iowa, May 25 and 26, in Parker's Opera House.

The Mason City bankers are making arrangements to make this meeting an unusually pleasant one. At a recent meeting the Council of Administration arranged a very satisfactory programme, which, so far as completed, will be as follows:

WEDNESDAY, MAY 25.

10 A. M.—Invocation—Rev. Chas. H. Rogers, Mason City.
Address of Welcome—Hon. Geo. W. Brett, Mayor of Mason City.
Response—Hon. Calvin Manning, Ottumwa.
President's Review—Chas. R. Hannan, Council Bluffs.
Secretary's Report.
Treasurer's Report.
Report of Council of Administration.
Introduction of resolutions and appointment of committees.
2 P. M.—Report of special and other committees.
Five minute reports from group chairmen.
Address—Hon. Smith McPherson, Red Oak.
Address—"Legislation and Legislative Tinkering," Hon. Carroll Wright, Director Des Moines National Bank.
Unfinished business.

THURSDAY, MAY 26.

9.30 A. M.—Address—"Some Suggestions," E. D. Huxford, Cashier Cherokee (Ia.) State Bank.
Address—"Days of Grace," Hon. C. Hayward, President, Davenport (Ia.) National Bank.
Address - Subject to be announced, Hon. Jacob Sims, Council Bluffs.
2 P. M.—Two addresses, speakers and subjects to be announced.
Election of officers; unfinished business; adjournment.

ARKANSAS BANKERS' ASSOCIATION.

The eighth annual meeting of the Arkansas Bankers' Association convened at Little Rock, April 21, F. H. Head, of Pine Bluff, presiding. In his annual address President Head spoke of the necessity of a uniform code of State laws governing commercial transactions, and described the bankers' associations as an effective means of securing legislation in this direction.

W. R. Grim, Cashier of the Texarkana National Bank, presented a paper on the subject, "Should Bank Officials Furnish Surety Bonds Merely as a Courtesy."

A committee was appointed to draft a resolution to the effect that surety bonds should not be furnished without compensation.

Report of the Treasurer showed cash in the general fund, $216.08, and in the protective fund, $493.05.

Hon. Jacob Treiber, of Little Rock, read a valuable paper on the "Rights and Liabilities of Banks."

Resolutions indorsing President McKinley in the present war crisis were adopted by a standing vote. The reciprocal draft system in vogue in Texas, Georgia and other States was adopted after a lengthy debate.

Officers were elected as follows: President, S. S. Faulkner, Cashier First National Bank, Helena; first vice-president, Oscar Davis, Cashier German National Bank, Little Rock; second vice-president, J. P. Coffin, Cashier People's Savings Bank, Batesville; third vice-president, Charles McKee, Cashier Bank of Fordyce; fourth vice-president, J. M. Barker, Cashier Bank of Atkins; fifth vice president, J. W. Underwood, Cashier German-American Bank, Stuttgart; sixth vice-president, S. A. Pernot, Cashier Crawford County Bank, Van Buren; secretary, M. H. Johnson, Little Rock; treasurer, W. J. Stowers, Cashier Bank of Morrillton; delegate to convention of American Bankers' Association, W. J. Thompson, Little Rock; alternate, Gordon N. Peay, Cashier Worthen & Co., Little Rock; executive council, J. S. Pollock, Cashier Exchange National Bank, Little Rock; C. N. Rix, President Arkansas National Bank, Hot Springs; W. Y. Foster, President Hempstead County Bank, Hope.

NEBRASKA BANKERS' ASSOCIATION.

The Bankers' Association of Nebraska was organized at Wakefield, April 22. Invitation had been sent out by the committee, and an elaborate programme was prepared and carried out with entire success.

L. Kimball, Cashier of the Wakefield State Bank, called the meeting to order, and an organization was effected by the election of the following officers:

Chairman, A. L. Tucker, President Citizens' Bank, Wayne; secretary, W. P. Logan, Cashier Farmers' State Bank, Newcastle.

Hon. Thomas Rawlings delivered the address of welcome, the response being made by the chairman. The chair then appointed the following committees:

On resolutions—D. Mathewson, E. R. Guerney, Franz Nelson, W. L. Mote, G. L. Wood.

On permanent organization—E. R. Guerney, W. L. Mote, C. H. Randall, H. F. Wilson, G. A. Luikhart.

The programme was opened by E. T. Kearney in a discussion on "Rates of Exchange and Collections," which subject was further discussed by Messrs. Bucholz, Kimball, Everett, Acres, Guerney and E. H. Luikhart. "Profits of Collections," was discussed by A. M. Merrill, D. Mathewson and W. P. Manley. F. A. McCornack made a talk on "The Effect of War on the Banking Business." This subject was further discussed by P. L. Hall, W. P. Manley and V. E. Wilson.

At the opening of the afternoon session the chair introduced P. L. Hall, secretary of the State banking board, who delivered an interesting and instructive address, receiving a unanimous vote of thanks at its close.

The committee on permanent organization reported as follows: A. L. Tucker, permanent president; W. H. Bucholz, vice-president; W. P. Lyons, secretary; L. Kimball, treasurer. The report was adopted, and it was voted to hold the next meeting at Wayne, on Arbor day, April 22, 1899

The committee on resolutions reported the following, which were adopted:

"*Resolved*, That it is the sense of this convention that the movement toward organization for mutual pleasure and profit be continued.

2. That the bankers of Nebraska should work to the end of receiving uniform and adequate rates of exchange and collection throughout the district.

3. That the convention has not only full faith in the honesty and integrity of the people of Nebraska, but also in their general prosperity and the prospects of the State as a whole.

4. That we extend thanks to the citizens of Wakefield for their courteous hospitality.

5. That we commend and indorse the course of the national Administration with reference to Cuba, and recommend, now that hostilities have begun, so vigorous a policy be pursued that the punishment of Spain shall stand a warning to the barbarous and uncivilized nations of the earth forever."

After a discussion by G. A. Luikhart on "Rates of Interest on Time Deposits," the convention adjourned.

In the evening a banquet was tendered the members of the association, being presided over by the ladies of Wakefield. Music was furnished by the Wakefield cornet band. The addresses were numerous, and both witty and instructive. President Wattles delivered an eloquent half-hour address on the Trans-Mississippi Exposition to be held at Omaha.

NEW YORK STATE BANKERS' ASSOCIATION.

The Fifth Annual Convention of the New York State Bankers' Association will be held at the International Hotel, Niagara Falls, Friday and Saturday, July 22 and 23, 1898.

Full details in regard to transportation and programme will be made public later.

It is hoped that every bank in the State will send a delegate to this convention, and every delegate is expected to bring a lady, for whose comfort and entertainment special arrangements will be made.

Special reception committees have been appointed from each group to facilitate introductions between the members of the different groups.

CHARLES ADSIT,
Chairman Committee of Arrangements.

TEXAS BANKERS' ASSOCIATION.

The Fourteenth Annual Convention of the Texas Bankers' Association met at Austin, May 10, 11 and 12. A full report of the meeting will be published in the next number of the MAGAZINE. Following is the programme:

MAY 10—MORNING SESSION, 10 O'CLOCK.

Call to order by the President.
Prayer—By Rev. R. J. Briggs.
Address of Welcome—By Hon. Jno. D. McCall, Mayor of Austin.
Response—By Mr. M. B. Loyd, of Fort Worth.
Address of the President; Report of the Secretary; Report of the Treasurer; Report of Executive Committee; Report of Standing Committees; Report of Special Committees; Report of Districts; Report of Delegates to Convention of American Bankers' Association.

MAY 10—AFTERNOON SESSION.

Unfinished business.
New business.
Address—"The Gage Plan for Currency Reform," by Mr. A. V. Lane, of Dallas.
Discussion led by Mr. W. Willeford, of Flatonia.
Short Topics of Interest—Discussion led by Mr. H. P. Hilliard, of Austin.

MAY 11—MORNING SESSION.

Prayer—By Rev. J. A. French.
Address—"The Evolution of the Gold Standard," by Mr. A. P. Woolridge, of Austin.

Discussion led by Mr. J. F. Miller, of Gonzales, and Mr. L. L. McInnis, of Bryan.
Address—"State Banks," by Mr. D. J. Young, of Canadian.
Discussion led by Mr. Lewis Hancock, of Austin.

May 11—Afternoon Session.

Report of Committee on "District Clearing-House Associations," by Mr. G. W. Voiers, of Forney, Chairman.

Every member is especially requested to be prepared to discuss this subject, as the committee will present what is considered a practical plan, and will ask the association to try it as an experiment.

Address—"Postal Savings Banks," by Mr. W. L. Murphy, of Mexia.
Discussion led by Mr. J. Z. Miller, of Belton.

A reception, tendered by the citizens of Austin, will be held in the parlors of the Driskill Hotel, commencing at 8 o'clock, p. m.

May 12—Morning Session.

Prayer—By Rev. J. A. McDonald.
Address—"How to Encourage Cattle Feeding by Farmers," by Mr. G. A. Levi, of Victoria.
Discussion led by Mr. W. M. McGregor, of Wichita Falls.
Address—"The District System," by Mr. Geo. E. Webb, of San Angelo.
Discussion led by Mr. D. E. Waggoner, of Ladonia, and Mr. J. W. Butler, of Clifton.

May 12—Afternoon Session.

Election of officers.
Selection of time and place for next annual meeting.
Appointment of Delegates to American Bankers' Association Convention.
Adjournment.

An excursion tendered by the citizens of Austin, a forty mile trip up the Lake on the steamer "Ben Hur," will leave at 3 o'clock, p. m.

The Reserve Cities.—According to the reports of the National banks in the reserve cities, as made to the Comptroller of the Currency on February 18, and published in full in the April number of the Magazine, the relative rank of the cities in respect to the total resources of the National banks was as follows:

Cities.	*Resources.*	*Cities.*	*Resources.*
New York	$800,000,000	Brooklyn	$21,000,000
Boston	267,000,000	St. Paul	20,000,000
Chicago	195,000,000	Washington	20,000,000
Philadelphia	189,000,000	Omaha	20,000,000
Pittsburg	86,000,000	Minneapolis	18,000,000
St. Louis	66,000,000	Louisville	16,000,000
Baltimore	57,000,000	Albany	15,000,000
Cincinnati	55,000,000	Houston	5,000,000
Cleveland	46,000,000	Des Moines	5,000,000
Kansas City	34,000,000	St. Joseph	4,000,000
Milwaukee	32,000,000	Lincoln	3,000,000
New Orleans	28,000,000	Savannah	2,000,000
Detroit	26,000,000		
San Francisco	25,000,000	Total	$2,053,000,000

New York, which as the financial center of the country holds a large part of the reserves of the banks of the whole country, naturally leads, the total resources being $800,000,000 against $1,253,000,000 for all the rest of the country.

A remarkably good showing is made by Pittsburg, which is fifth in the list, standing ahead of St. Louis, Baltimore, Cincinnati and Cleveland.

The figures given herewith are in round millions, and are therefore somewhat less than the actual amounts. They are significant as showing the concentration of National banking capital in the cities. On the same date the total resources of all the National banks in the United States were $3,946,947,114, and the banks in the reserve cities had resources exceeding $2,053,000,000.

CHANGES IN THE NEW YORK BANKING LAW.

Among the bills passed by the last session of the New York Legislature, and which have become a law by the signature of the Governor, are the following:

AN ACT *to amend the banking law, relative to securities in which deposits may be invested.*

Section 1. Subdivision six, of section one hundred and sixteen, of chapter six hundred and eighty-nine, of the laws of eighteen hundred and ninety-two, entitled "An Act in relation to banking corporations," as amended by the Act chapter eight hundred and thirteen of the laws of eighteen hundred and ninety-five, is hereby amended so as to read as follows:

6. In bond and mortgages on unincumbered real property situated in this State, worth at least twice the amount loaned thereon. Not more than sixty five per centum of the whole amount of deposits shall be so loaned or invested. If the loan is on unimproved and unproductive real property, the amount loaned thereon shall not be more than forty per centum of its actual value. [The matter following in quotation marks is new.]

"No investment in any bond and mortgage shall be made by any Savings bank except upon the report of a committee of its trustees charged with the duty of investigating the same, who shall certify to the value of the premises mortgaged or to be mortgaged, according to their best judgment, and such report shall be filed and preserved among the records of the corporation. Also in the first mortgage bonds of any railroad corporation of this State, the principal part of whose railroad is located within this State; or in the mortgage bonds of any such railroad corporation of an issue to retire all prior mortgage debt of such railroad corporation; provided that at no time within five years next preceding the date of any such investment shall such railroad corporation have failed regularly and punctually to pay the principal and interest of all its mortgage indebtedness, and in addition thereto or regularly and punctually to have paid dividends upon all its outstanding capital stock during the preceding five years, at the rate of not less than four per centum per annum; and provided, further, that at the date of every such dividend the outstanding capital stock of such railroad corporation shall have been equal to at least one-half of the total mortgage indebtedness of such railroad corporation, including all bonds issued or to be issued under any mortgage securing any bond in which such investments shall be made. Not more than twenty per centum of the whole amount of deposits shall be so loaned or invested. Street railroad corporations shall not be considered railroad corporations within the meaning of this section." § 2. This Act shall take effect immediately.

Section twenty of the banking law in regard to the verification of reports is amended so as to make the oath of verification declare the reports true and correct in all respects *to the best of the knowledge and belief* of the officer or individual banker making the report.

Assessments of National Bank Stock.—The Comptroller of the Currency has made a ruling that the assessments of the shares of insolvent National banks to make good deficiencies in the assets are subject to review, basing the ruling on the following decision of the Supreme Court in the case of the *United States* vs. *Knox* (102 U. S. 425):

"In the process to be pursued to fix the amount of the separate liability of each of the shareholders, it is necessary to ascertain, (1) the whole amount of the par value of all the stock held by all the shareholders; (2) the amount of the deficit to be paid after exhausting all the assets of the bank; (3) then to apply the rule that each shareholder shall contribute such sum as will bear the same proportion to the whole amount of the deficit as his stock bears to the whole amount of the capital stock of the bank at its par value. There is a limitation of this liability. It cannot in the aggregate exceed the entire amount of the par value of all the stock. The insolvency of one stockholder, or his being beyond the jurisdiction of the court, does not in anywise affect the liability of another; and if the bank itself, in such case, holds any of its stock, it is regarded in all respects as if such stock were in the hands of a natural person, and the extent of the several liability of the other stockholders is computed accordingly." (*Crease* vs. *Babcock* 10 Metc. Mass. 325.)

The Supreme Court having thus determined the basis on which the Comptroller fixes the amount of the assessment to be levied against the shareholders of an insolvent bank, no other course is proper than a reconsideration of the question of the amount of the deficiency when the matter is brought before him on complaint of depositors or stockholders, or where an error becomes manifest to him in the course of the administration of the trust.

The position of the Comptroller in his relations to the stockholders is that of a trustee for the collection, in the interest of the creditors, of the legal liabilities of the stockholders. In pursuance of this duty, when, on further administration of the trust, an error in a former assessment is demonstrated in estimating the deficiency in the assets of the trust at too small an amount, it will be the duty of the Comptroller to review the former action and, if necessary, to levy an additional assessment on the stockholders of the insolvent bank for the purpose of collecting from each stockholder that proportion of the difference between the estimated and the actual deficiency which the stock of the individual stockholder bears to the total stock of the bank.

If, through an error as to the exact deficiency, there is collected a greater amount from the shareholders than that for which they are liable, the Comptroller then becomes trustee for the stockholders who have paid such excess, charged with the return of the said excess to the contributing stockholders in the proportion in which they have paid their original assessment. The determination of the amount to be returned must necessarily be deferred until the closing of the trust, an amount being reserved by the Comptroller sufficient to afford full protection to said contributing shareholders against any contingency of change in the amount collected from the assets over the estimated value of assets at the time of the assessment.

STATE BANKS—REPORTS OF SUPERVISING OFFICERS.

NEBRASKA.

STATE OF NEBRASKA, DEPARTMENT OF BANKING,
LINCOLN, NEBRASKA, February 1, 1898.

To the Honorable J. F. Cornell, Auditor Public Accounts; J. B. Meserve, State Treasurer; and C. J. Smyth, Attorney-General, Members of the State Banking Board of the State of Nebraska.

GENTLEMEN:—I have the honor to submit herewith the Annual Report of the Department of Banking for the year 1897. This is the sixth annual report, and embraces the period commencing December 31, 1896, and ending November 30, 1897.

On November 30, 1897, the records of the department show a total of 398 commercial and Savings banks in active operation in the State with an aggregate paid-up capital of $7,855,278.

Of this number, 311 were incorporated with a total capital of $6,420,665, seventy-eight private with total capital of $1,198,200 and nine Savings banks with a total capital of $236,413.

There were fifteen new banks organized with an aggregate capital of $232,500 and thirty-two banks discontinued business with an aggregate capital of $482,000. Four banks having re-organized varying their capital somewhat.

Of the banks reported as having discontinued business, four have been placed in the hands of Receivers, two have availed themselves of the provisions of Section 35 of the banking Act, and were placed under bond to pay all liabilities in full, and twenty-six have paid all liabilities.

The four insolvent banks which were placed in the hands of Receivers show the following condition of affairs:

LIABILITIES.		RESOURCES.	
Capital stock	$140,000	Loans and discounts	$268,933
Deposits	144,507	Cash funds	21,787
Bills payable	31,295	Other assets	19,713
Other liabilities	26,844	Banking house, furniture and fixtures, including real estate	32,212
Total	$342,646	Total	$342,646

The comparative statement of the condition of the banks under the supervision of this department as shown under date of December 31, 1896, and the condition November 30, 1897, reveals an increase, during the year, in the item of deposits, of $3,675,402, while the item loans and discounts, during the same period, shows an increase of only $802,565.

It is also shown that the reserve has increased from thirty-three per cent. at the close of the year 1896 to thirty-nine per cent. at the close of the present year.

The resources of the banks have improved materially in character with the return of bountiful crops, and with a cessation of the vicious and uncalled-for attacks upon credits in this State, made for political purposes, which have characterized the last two years.

Loans are being made by the banks with a degree of conservatism herotofore unknown. It is also observable that while extreme caution is used by the banks in extending credit that the borrower is equally cautious in assuming new liabilities.

A process of liquidation has been going on for some time that has given the banks an opportunity to recover from recent crop failures and other depressing influences, and those fortunate enough to weather past storms are now getting upon a solid and enduring basis. Both bank and bank customer have learned from the experience of the past few years, that financial safety requires an unused credit reserve. The practice that obtained with both bank and people in the past to keep in active use, not only all available cash reserve, but all credit that could be commanded, is now recognized as a practice full of danger.

The above conditions and the recognition of the above facts strengthens the banks and makes them, at this time, more worthy of the confidence of the people than at any previous time in the history of the State.

The item, other real estate, shown in the summary, is in excess of what conservative banking would suggest. The department has been somewhat lenient with the banks in its treatment of this item due to the weak demand for this class of property, but with an already apparent market for it, will the coming year insist upon the importance of eliminating as far as possible this objectionable feature. The acquisition of this property by the banks, has not been a matter of choice but rather of necessity, as it was taken largely in lieu of debts previously contracted. This item promises a marked decrease during the coming year.

The present banking law, while in the main proving satisfactory, and a valuable protection to depositors, needs amending, especially looking to larger powers of the State Banking Board.

The most apparent weakness being the want of provision for supervision, by this department, over the affairs of banks that are placed in the hands of Receivers. As the law now is, the department is abruptly estopped from all knowledge or supervision of a bank the moment a Receiver takes charge, and the creditor of such bank has no recourse from the acts of the Receiver except to the court whose creature the Receiver is. This is a palpable wrong.

I am of the opinion that provision should also be made, requiring the approval of this department in the selection of reserve agents or correspondents by the banks under its jurisdiction. The report herewith submitted shows approaching $4,000,000 of the reserve of banks under State jurisdiction to be held by National banks; institutions which so far as State supervision or control is concerned, are foreign corporations. No State banking authority has or is supposed to have any but public information regarding the condition of these banks. It would be but the part of practical business sagacity to provide that such of these banks as desire to act as reserve agents for the banks under control of the State, should be required to show to the State Banking Board that their condition is such as to enable them to safely guard the important trust given in their care.

The department feels gratified with the showing made in relation to the banks that have discontinued business during the year. Of the thirty-two banks that have ceased doing business during the year but four have been placed in the hands of Receivers and two have availed themselves of the provisions of section 35 of the Banking Act, and have required time in which to adjust their affairs.

By means of the efficient aid of the board of examiners and the co-operation of the stockholders and depositors, many liquidations have been made without resorting to the expense and delays incident to the winding up of affairs by liquidating agents and Receivers.

In conclusion, I wish to extend my sincere thanks to the bankers of the State for their uniform courtesy to me as your Secretary and for the promptness with which they have met all the requirements of the department.

I am, Gentlemen, very respectfully, your obedient servant.

P. L. HALL, *Secretary State Banking Board.*

Report of the Condition of the Incorporated, Private and Savings Banks (Three Hundred and Ninety-Eight in Number) in the State of Nebraska at the Close of Business November 30, 1897.

RESOURCES.

Loans and discounts	$15,405,374
Overdrafts	220,424
Bonds, stocks, securities, judgments, claims, etc	330,316
Due from National, State and private banks and bankers	3,761,611
Banking house, furniture and fixtures	1,266,121
Other real estate	891,501
Current expenses and taxes paid	444,798
Premium on United States and other bonds and securities	2,119
Cash items	111,679
Cash	1,573,062
Other assets	108,654
Total	$24,115,663

LIABILITIES.

Capital stock paid in	$7,855,278
Surplus fund	882,896
Undivided profits	1,028,150
Dividends unpaid	7,749
General deposits	13,903,940
Notes and bills rediscounted	148,328
Bills payable	286,382
Other liabilities	3,987
Total	$24,115,663

NEW JERSEY.

DEPARTMENT OF BANKING AND INSURANCE,
TRENTON, February 16, 1898.

To the Honorable the Senate and General Assembly:

In compliance with the statute, I have the honor to submit the report of this department for the year ending December 31, 1897, exhibiting the condition, at the close of business on that day, of Savings banks, State banks of discount and deposit and safe deposit trust companies, and also giving the results of the examinations of the Savings banks made during the past year.

SAVINGS BANKS.

The number of Savings banks now in operation is twenty-six, an increase of one since the last report, the new institution being the Essex County Savings Bank, located at East Orange. The certificate authorizing its establishment was issued on July 2 last.

The following table presents the resources and liabilities and chief statistical data reported by the institutions for January 1, 1898, in comparison with the corresponding items for the previous year:

CONDITION OF THE SAVINGS BANKS.

RESOURCES.	*Jan. 1, 1897.*	*Jan. 1, 1898.*
Bonds and mortgages	$18,886,299	$20,539,069
United States bonds	6,066,152	6,290,863
District of Columbia 3.65 per cent. bonds	529,740	539,700
Bonds of the State of New Jersey	8,040	1,025
Bonds of cities in this State	5,519,227	6,229,556
Bonds of counties in this State	1,673,267	2,172,171
Bonds of towns and townships in this State	1,541,052	1,491,726
Bonds of boroughs and villages in this State	189,348	363,509
Bonds of other States	....	27,750
Bonds of cities in other States	212,476	2[illegible]2,380
Bonds of counties in other States	13,700	5,100
Railroad bonds (first mortgage)	5,932,504	6,062,846
All other bonds and stocks	432,066	609,064
Call loans on collaterals	1,463,264	1,834,819
Banking house properties	666,240	805,990
Other real estate	509,553	611,604
Cash deposited in banks and trust companies	1,468,591	1,854,979
Cash on hand	419,558	346,513
Interest due and accrued	586,136	624,688
Other assets	30,648	29,290
Total assets	$46,197,951	$50,142,662
LIABILITIES.		
Amount due depositors	$41,535,877	$44,883,624
Other liabilities	*143,727	*143,408
Surplus	4,518,347	5,115,630
Total liabilities	$43,197,951	$50,142,662
STATISTICAL.		
Number of depositors or open accounts	161,713	170,100
Average amount of each account	$257	$264
Number of accounts opened or re-opened during the year	33,091	35,365
Number of accounts closed during the year	25,945	29,978
Amount deposited during the year, excluding interest credited	$20,176,077	$21,502,938
Amount withdrawn during the year	19,516,311	19,500,138
Interest credited for the year	1,236,981	1,292,679
Salaries paid for the year	167,165	171,058
Other current expenses for the year	74,357	84,227

* Capital stock, $100,000.

The results of the past year's operations, as reported, exhibit very substantial and gratifying gains, and evidence the general improvement in industrial and business conditions.

The total resources of the institutions now exceed fifty millions of dollars, the increase for the past year being $3,944,711, which is greater by $1,563,874 than the increase for 1896.

The amount deposited during the year, excluding interest credited, was $2,002,800 in excess of the amount withdrawn, which is more than three times the excess for the year before.

The net gain in the number of depositors or open accounts is 8,387, or 1,241 in excess of the gain in 1896. The average amount of each deposit or open account has increased $7.02.

The amount due depositors shows an increase of $3,317,747, which is seventy-six per cent. greater than the previous year's gain.

Loans on mortgages have increased $1,652,790. In the year before the increase was $747,847.

The increase in bonds owned is $1,828,029 at market values and $1,500,678 at par values. The changes in the bond investments during the year, on the latter basis, are shown in the following table:

BONDS.	*Par values Jan. 1, 1898.*	*Increase and decrease.*
United States bonds, four per cent	$5,029,200	$171,000
United States bonds, five per cent	340,000	53,000
United States bonds, six per cent	132,000	*190,000
District of Columbia bonds, 3.65 per cent	477,000	....
New Jersey State bonds, six per cent	100,000	*7,000
Bonds of cities in New Jersey	5,963,812	686,961
Bonds of counties in New Jersey	2,082,000	467,500
Bonds of towns and townships in New Jersey	1,454,511	*43,603
Bonds of boroughs and villages in New Jersey	345,482	164,319
Bonds of other States	25,000	25,000
Bonds of cities in other States	229,900	19,000
Bonds of counties in other States	5,100	*8,200
Railroad bonds (first mortgage)	5,309,000	56,500
Other bonds and stocks	588,070	156,200
Total	$22,081,076	$1,500,677

* Decrease.

The amount loaned on collaterals has decreased $128,445.

Real estate for banking purposes shows an aggregate increase of $139,750, and the amount acquired under foreclosure an increase of $102,051.

Cash on hand and on deposit in banks and trust companies is greater by $313,343.

The increase in surplus, taking the assets at market values, was $597,283, and on par value of bonds and market values of real estate the increase was $269,931, the total surplus on th latter basis having now reached $3,102,015.

The $1,292,679 of interest credited depositors for the year is an increase of $55,698 over the amount credited for 1896, the average rate credited being, approximately, about three p cent.

The current expenses for the year, inclusive of taxes on banking-house properties an rents paid for banking rooms, show an increase over 1896 of $13,762, the total being $255,285, which averages $1.50 for each deposit or open account at the beginning of the present year, and is fifty-one hundredths of one per cent. of the total assets and fifty-seven hundredths of one per cent. of the total deposits at the same date. These ratios vary but slightly from those for the previous year.

It is a pleasure to state that the examinations made by the department during the past year were, as a rule, attended with results that reflect credit upon the managers and officers of our Savings banks, and seem to fully justify the confidence reposed by the public in their integrity and prudence and in the financial stability of the institutions.

STATE BANKS.

The affairs of the greater number of our State banks of discount and deposit are conducted along prudent lines and with a proper regard for the interests of their creditors and stockholders; but the investigations instituted by this department have disclosed, in some instances, conditions that necessitated the taking of extreme measures, and involved large pecuniary sacrifices on the part of stockholders and others, in order to protect the credit and solvency of the institutions. The conditions referred to were brought about by excessive loans to favored individuals and corporations whose financial responsibility did not warrant such an extent of accommodations, and in whose undertakings directors or officers of the bank were to a greater or less degree personally interested; all of which, it is respectfully submitted, demonstrates the necessity for legislation restricting the aggregate amount of loans by any bank to any one individual, firm, corporation or company to a certain proportion, say ten per cent., of its paid-up and unimpaired capital, and providing a suitable penalty for the violation thereof. Exception could be made in the case of the discount of paper based on actual business transactions and representing actually existing values. A statute of this kind, while allowing ample scope for all legitimate business, would restrain the action of imprudent managers and enhance the security of the institutions, and I would recommend its early consideration by the Legislature.

Resources and Liabilities of State Banks.

Resources.	*Resources Dec. 31, 1897.*	*Increase and decrease.*
Loans and discounts	$7,808,856	$112,467
Overdrafts	10,942	*577
United States bonds and premium	78,243	*86,948
Stocks, securities, etc	726,015	75,056
Banking house, furniture, etc	348,126	*37
Other real estate	159,945	42,655
Bonds and mortgages	217,646	40,633
Due from other banks	1,455,490	490,685
Checks and cash items	28,669	*6,408
U. S. Currency and National banks notes	445,596	8,612
Gold coin	75,836	*24,256
Silver coin	39,966	*8,180
Nickels and cents	6,112	*4,905
Other assets	29,817	17,774
Total resources	$10,925,836	$656,570
Liabilities.		
Capital stock	$1,735,460	....
Surplus fund	980,839	*$1,310
Undivided profits, less current expenses and taxes paid.	323,998	40,798
Due to other banks	266,157	25,586
Dividends unpaid	20,880	3,839
Individual deposits, subject to check	7,804,107	624,043
Demand certificates of deposit	171,728	36,807
Time certificates of deposit	34,257	11,772
Certified checks	27,023	7,299
Cashiers' checks outstanding	3,906	721
Notes and bills re-discounted	49,244	*12,476
Bills payable	....	*80,000
Other liabilities	7,732	*4
Total liabilities	$10,925,836	$656,570

* Decrease.

Trust Companies.

The trust companies reporting their condition at the close of the past year number twenty-three, which is an increase of one since the last report, the new institution being the Standard Finance and Trust Company, with principal office at Jersey City. It was authorized to commence business on February 15, 1897, with a paid-up capital of $100,000, which has since been increased to $200,000. The following companies, previously organized, have increased their paid-up capital during the year, viz.: Monmouth Trust and Safe Deposit Company, of Asbury Park, $50,000; New Jersey Trust and Safe Deposit Company, of Camden, $24,170; Passaic Trust and Safe Deposit Company, of Passaic, $10,000.

Aggregate Resources.

The aggregate resources at the beginning of each of the years 1897 and 1898 of the three classes of domestic institutions whose affairs are hereinafter set forth were as follows:

Resources.	*Jan. 1, 1897.*	*Jan. 1, 1898.*
Savings banks	$46,197,951	$50,142,662
Banks of discount and deposit	10,268,766	10,925,836
Trust companies	22,417,129	26,2 9,730
Total resources	$78,883,846	$87,327,728
Net increase for the year		$8,443,882

The name, location and paid-up capital of the several institutions are given in the table following:

NAME, LOCATION AND CAPITAL OF THE TRUST COMPANIES.

NAME.	*Location.*	*Capital.*
Atlantic Safe Deposit and Trust Co.	Atlantic City	$25,000
Burlington County Safe Deposit and Trust Co.	Moorestown	100,000
Camden Safe Deposit and Trust Co.	Camden	100,000
Central Trust Co.	Camden	100,000
Cumberland Trust Co. of Bridgeton	Bridgeton	100,000
Fidelity Title and Deposit Co.	Newark	350,000
Greenville Banking and Trust Co.	Jersey City	50,000
Hudson Trust and Savings Institution	West Hoboken	125,000
Lakewood Trust Co.	Lakewood	25,000
Mechanics' Trust Co.	Bayonne	50,000
Monmouth Trust and Safe Deposit Co.	Asbury Park	100,000
Morristown Trust Co.	Morristown	100,000
New Jersey Title Guarantee and Trust Co.	Jersey City	200,000
New Jersey Trust and Safe Deposit Co.	Camden	200,000
Passaic Trust and Safe Deposit Co.	Passaic	60,000
Paterson Safe Deposit and Trust Co.	Paterson	100,000
People's Bank and Trust Co.	Passaic	100,000
People's Safe Deposit and Trust Co.	Jersey City	100,000
Savings Investment and Trust Co.	East Orange	50,000
Security Trust and Safe Deposit Co.	Camden	50,000
Silk City Safe Deposit and Trust Co.	Paterson	100,000
Standard Finance and Trust Co.	Jersey City	200,000
Trenton Trust and Safe Deposit Co.	Trenton	100,000

The important position attained by this class of the State's financial institutions, within a comparatively brief period, is indicated in the following table, which gives the principal items of resources and liabilities as reported for each of the last eight years:

DATE.	*Capital.*	*Deposits.*	*Surplus and profits.*	*Total resources.*	*No. of Companies.*
December 31, 1889	$861,250	$3,513,220	$266,551	$4,888,604	11
" 1890	1,162,500	4,646,315	378,218	6,575,190	13
" 1891	1,470,000	6,507,678	442,640	8,919,723	15
" 1892	1,695,000	9,752,510	702,468	12,898,700	19
" 1893	1,800,350	9,997,963	788,858	13,624,012	19
" 1894	1,863,875	12,184,394	945,837	15,949,126	19
" 1895	1,920,000	15,183,158	1,070,521	19,502,432	19
" 1896	2,250,830	17,295,869	1,259,984	22,417,128	22
" 1897	2,435,000	20,876,380	1,546,446	26,259,730	23

The aggregate resources and liabilities of the trust companies on December 31, 1897, as reported, and the increase and decrease since the close of the previous year, are given in the following table:

CONDITION OF THE TRUST COMPANIES.

RESOURCES.	*December 31, 1897.*	*Increase and Decrease.*
Bonds and mortgages	$6,025,973	$732,659
Stocks and bonds	5,096,666	1,085,807
Demand loans on collaterals	5,689,118	772,979
Time loans on collaterals	1,088,982	*67,396
Loans to cities and towns	306,902	212,862
Loans on personal security, including bills purchased	2,822,405	382,313
Overdrafts	6,100	621
Due from banks and trust companies, and private bankers and brokers	218,137	*349,984
Banking house, furniture, fixtures, etc	922,336	80,516
Other real estate	179,133	28,472
Cash on deposit in banks or trust companies	2,748,260	814,200
Cash on hand	683,657	68,431
Checks and cash items	120,954	53,644
Title plant	192,730	*5,012
Interest due and accrued	145,906	28,873
Other assets	12,468	3,601
Total resources	$26,259,730	$3,842,601

LIABILITIES.		
Capital stock	$2,435,000	$184,170
Surplus fund	425,307	*209,671
Undivided profits, net amount	1,121,188	496,134
Demand deposits	10,467,857	1,817,127
Time deposits	10,408,523	2,263,384
Interest accrued on deposits	19,286	*3,872
Due to banks and trust companies and private bankers and brokers	47,711	14,909
Bonds outstanding	1,101,000	1,000
Bills payable	45,000	*279,000
Due on account of mortgage loans	61,555	13,801
Trust funds uninvested	37,882	*6,813
Dividends unpaid	16,515	435
Other liabilities	72,961	51,496
Total liabilities	$26,259,730	$3,842,601
SUPPLEMENTARY.		
Total profits received during 1897	$1,142,773	$146,133
Total expenses during the year	462,604	59,846
Interest paid to and credited depositors	399,370	54,374
Dividends to stockholders declared during the year	86,500	5,205
Number of depositors at the date of this report	51,432	7,175
Number of deposits on which interest is allowed at this date	39,248	5,435
Total amount of such deposits	$16,552,308	$4,192,643

* Decrease.

The large gains in deposits and resources show that these institutions, in common with others, have experienced a very favorable year. The increase in deposits was nearly twenty-one per cent., as compared with an increase of fourteen per cent. in 1896. In total resources the increase was seventeen per cent., or about two per cent. in excess of the increase in the year before.

A number of the trust companies have pursued the policy of accumulating an ample surplus, to cover possible contingencies, before commencing the payment of dividends. The wisdom and prudence of such a course will not admit of question, and its expediency and propriety in the case of such institutions is emphasized by the absence of definite statutory regulations regarding the investment of their funds. It is hoped, therefore, that the plan will commend itself to the managers of every such institution. WILLIAM BETTLE,

Commissioner of Banking and Insurance.

RHODE ISLAND.

The six (6) State banks show an increase in resources, since filing their last statement, of $39,503. The average rate of dividend for the year was 4 per cent. The deposits of thirty-five Savings banks and institutions for savings, including those in process of liquidation, amount to $69,434,455; the increase from the year previous is $750,757.

A comparison of returns with those of a year ago shows this gain was made mostly by small depositors. The number depositing less than five hundred dollars has increased 1,968; the whole number of depositors increased 2,153.

The resources of the Savings institutions now in active operation amount to $71,735,579; the average dividend paid by them is 4 3-58 per cent. Since the publication of the last report the Phenix Savings Bank, of Phenix, went into liquidation, paying a dividend, August 17, of 25 per cent.

The average rate of dividend for the year, including those paid by banks in liquidation, is 5 25-66 per cent.

The capital stock of the trust companies increased $13,768, the increase being made by the Warren Trust Company.

The total deposits: participation account shows a gain of $401,900; general account a gain of $873,073.

The Mercantile Trust Company went into voluntary liquidation by a vote of the stockholders, November 10, 1897.

Deposits on interest, November 19, 1897, in the various banks, Savings institutions and trust companies amounted to $73,418,045. A. C. LANDERS,

PROVIDENCE, March 23, 1898. *State Auditor and Insurance Commissioner.*

BANKING AND FINANCIAL NEWS.

This Department includes a complete list of NEW NATIONAL BANKS (furnished by the Comptroller of the Currency), STATE AND PRIVATE BANKS, CHANGES IN OFFICERS, DISSOLUTIONS AND FAILURES, etc., under their proper State heads for easy reference.

NEW YORK CITY.

—Cochran & Close have dissolved and are succeeded by Frederick B. Cochran & Co.

—The proposed stamp tax of two cents on each bank check drawn for an amount above $20 is said by some bankers not to go far enough. It is said the tax should be placed upon all checks without exception. Otherwise a man could split up a payment into several $20 checks, and thus evade the tax. Between 175,000 and 225,000 checks pass through the clearing-house daily, of which fully one-half are for $20 or less.

—By a recent court decision the stockholders of the Madison Square Bank have been held liable to make good to depositors the deficiency in the value of the assets coming into the hands of the Receiver. Depositors have already received sixty per cent. of their claims.

—The Mercantile National Bank has brought a test suit against the city to restrain the collection of taxes on bank shares in excess of two-thirds of their value, asserting that such shares should not be taxed higher than real estate, which is assessed at two-thirds. The suit involves many millions of dollars, and is brought in behalf of nearly all the banks of the city.

—Benjamin Perkins has been elected President of the Continental National Bank to fill the vacancy caused by the resignation of Edmund D. Randolph, resigned to engage in other business. Alexander D. Seymour, who is at the head of the loan department, was made Second Vice-President. Mr. Perkins is a well-known business man. For thirty years he was a member of the mercantile corporation, S. & W. Welsh, of Philadelphia and this city. Mr. Seymour attained his position after nearly a quarter of a century of employment in the bank, which he entered as a clerk.

—On April 4 the New York Life Insurance Co. offered to place $10,000,000 at the immediate disposal of the United States, on such terms as the Government should deem just.

—A number of the banks of the city have offered the Government their services free in distributing the bonds proposed in the bill for a popular loan.

—The Colonial Safe Deposit Co. has opened for business in the St. Paul building.

—Messrs. Farson Leach & Co., investment bankers, have removed their banking offices from No. 2 Wall St. to the ground floor of the new Syndicate Building, corner of Nassau and Liberty Streets.

—The bankers and brokers of the city are organizing a regiment to fight against Spain.

—George B. White, a wholesale leather merchant, was indicted April 19. He is charged with having obtained large sums of money from banks in New York, Boston and Philadelphia, knowing his firm was about to fail.

—Williamson & Co. have been succeeded by Williamson & Squire.

—E. K. Willard, of the firm of Willard & Blount, was expelled from the Stock Exchange, April 19, on the charge of transacting business contrary to the rules of the Exchange. The firm has dissolved.

—Hon. Lyman J. Gage, Secretary of the Treasury, while in the city on April 27 to attend the dinner given by the Trustees of the Grant Monument Fund, met a number of bankers at the Sub-Treasury, and learned their views in regard to the proposed popular loan to aid in carrying on the war against Spain. The bankers pledged their co-operation in making the loan a success. Secretary Gage said that a loan of $200,000,000, together with the amount to be raised from the revenue and the cash in the Treasury, would give the Government about $520,000,000 for the first year of the war.

—Edmund D. Randolph, President of the Continental National Bank, has resigned that position to become Chairman of the Executive Committee of the New York Life Insurance Co., to which he was elected at a meeting of the trustees on April 13. This is a very important office, owing to the magnitude of the Company's transactions. Mr. Randolph will bring to his new work a large experience gained as the chief executive officer of the Continental National Bank.

—Since February 25 the gold imports at New York have amounted to $60,763,350.

—Edward Earle has been appointed Assistant Cashier of the Nassau Bank.

—On account of ill-health Samuel H. Rathbone has resigned as President of the Nineteenth Ward Bank and has been succeeded by Joseph J. Kittel, one of the directors.

—Gov. Black has signed the bill incorporating the New York Realty, Bond Exchange and Trust Co.: capital, $1,000,000.

—Messrs. Buckhout, Davis & Co. announce their removal from No. 2 Wall Street to No. 71 Broadway.

—Wm. Henry Hays has been admitted as a member of the firm of E. St. John Hays & Co.

—The following banks were recently designated as additional city depositories: Produce Exchange Trust Co., Bronx Borough Bank, Bank of New Amsterdam, Yorkville Bank and the Market and Fulton National Bank.

—On May 3 the board of directors of the Mount Morris Bank accepted the resignation of William H. Payne as President, and Thomas L. Watt was elected as his successor. Mr. Payne will continue a director of the bank.

—Frederick K. Keller, who has been Second Vice-President of the West Side Bank, was recently elected First Vice-President, taking the place of the late John Mulford. Charles Rohe, one of the directors, has been elected Second Vice-President.

—The partnership of Rensselaer H. Bissell, Homer W. Nichols and Brayton Ives, trading as R. H. Bissell & Co., will be dissolved on June 1.

NEW ENGLAND STATES.

Boston.—At the annual meeting of the Suffolk Savings Bank Wm. Endicott, Jr., was re-elected President; and Charles H. Parker, for many years Treasurer, was chosen Vice-President.

—Owing to increasing business it is announced that Samuel Little has found it necessary to retire as President of the National Rockland Bank. He is succeeded by Robert B. Fairbrain, who has been Cashier of the bank for twenty-eight years.

Bank May Liquidate.—It is reported that the Merchants' National Bank, of Gardiner, Me., is considering the advisability of going into liquidation.

Suicide of a Cashier.—Lemuel T. Terry, who was Cashier of the Mechanics' National Bank, New Bedford, Mass., committed suicide on April 23. He is reported to have used a large amount of the bank's funds in speculation. The bank has $600,000 capital and $250,000 surplus, besides considerable undivided profits.

Granite Provident Association.—Bank Examiner F. E. Timberlake, of Maine, has advised the shareholders of the failed Granite State Provident Association not to accept the offer of 12½ per cent. for the amount paid by them on their shares. He says:

"If the Maine shareholders should accept the offer of 12½ per cent. made by the Chicago speculators, they would receive in the aggregate only about $50,000 on the $400,000 paid the association. This amount being much less than that of the fund in the hands of the State Treasurer alone. I do not believe that any large number of shareholders are likely to accept this proposition."

MIDDLE STATES.

Philadelphia.—On April 9 the Commercial National Bank announced that it had made an arrangement for consolidating its business with that of the Fourth Street National Bank.

—Wm. D. Gardner has been elected President of the Sixth National Bank, succeeding the late Capt. Jonathan May. Wm. S. Emley was elected Vice-President.

—Spencer M. Janney has been elected a director of the Farmers and Mechanics' National Bank.

—John W. Coleman has been appointed Assistant Cashier of the Southwark National Bank.

—The Manufacturers' National Bank has reduced its capital from $750,000 to $500,000. Shareholders are to receive par in cash for stock at the rate of one share in every three of their holdings.

—A new banking and brokerage firm has been formed by Lowry & Wagner.

—The Security Trust and Life Insurance Co. has decided hereafter to confine its operations to life insurance, and has arranged with the Tradesmen's National Bank to take over its deposit liability.

Pittsburg, Pa.—It is reported that the Odd Fellows' Savings Bank will change its title to the Traders and Mechanics' Bank.

—Frank M. Wallace has resigned as a National bank examiner, and will become Cashier of a National bank.

—The Union Trust Co. will put up a new building to cost $150,000, to replace the one recently destroyed by fire.

High Price for Apples.—Mr. A. H. Baker, Cashier of the Jenkintown (Pa.) National Bank was robbed recently in a Philadelphia street car of a bag containing $600. Mr. Baker was on his way to Jenkintown and the bag was on the seat along side him. When he started to leave the car he found the bag gone, and another in its place. The substitute bag contained only four apples.

Bankers' Meeting.—Group V of the New York State Bankers' Association held its annual meeting at the Fort Orange Club, Albany, April 16. Officers were chosen as follows: Chairman, Wm. H. Rainey, Cashier National Union Bank, Kinderhook; Secretary, F. E. Howe, Assistant Cashier Manufacturers' National Bank, Troy; executive committee—F. S. Atwell, Cashier First National Bank, Port Henry; M. C. Brown, Cashier Utica City National Bank, Utica; Willis G. Nash, Cashier New York State National Bank, Albany; Geo. R. Wilsdon, Cashier National Bank of Cohoes; Charles T. Beach, Cashier National Bank of Sandy Hill.

New Trust Company.—The Westchester Trust Co. has been authorized to begin business at Yonkers, N. Y., with $200,000 capital. Its directory is very strong, and includes prominent local and New York capitalists.

Pay to Go On While They Fight.—The First National and Citizens' National banks of Saratoga Springs, N. Y., have announced that they will continue the salaries and hold open the places of their employees who have enlisted as volunteers in the local military company.

Appointed Bank Examiner.—Col. W. E. Griffith, of Cumberland, Md., has been appointed a National bank examiner. He is a bookkeeper in the First National Bank of Cumberland, and an expert accountant. He served in the Civil War on the Union side, and is a colonel on the staff of Gov. Lowndes.

Buffalo, N. Y.—An interesting branch of work has been introduced into the grammar schools of this city. Wm. C. Cornwell, President of the City Bank, has furnished a list of rules and general instructions for familiarizing the pupils with the methods of transacting business with a bank. The work combines both theoretical and practical lessons in banking, and will prove of great value in encouraging habits of thrift and forming proper ideas as to the real functions of banks.

New National Bank.—The People's National Bank is being organized at Denton, Md.

Baltimore, Md.—The National Farmers and Planters' Bank has had its building partially rebuilt and generally improved. The banking rooms on the first floor have been handsomely decorated and tastefully furnished.

A Lady President.—Mrs. E. S. Tome, widow of the late Jacob Tome, the well-known philanthropist, has been elected President of the Cecil National Bank, Port Deposit, Md., succeeding her husband in that position.

N. Y. State Bankers' Association.—The Fifth Annual Convention of the New York State Bankers' Association will be held at Niagara Falls July 22 and 23.

SOUTHERN STATES.

Richmond, Va.—A called meeting of the stockholders of the Citizens' Exchange Bank was held April 7. The charter granted by the last Legislature was submitted and adopted. Reports submitted by the President showed the bank to be in a very satisfactory condition. Since February 18 loans and discounts have increased from $481,000 to $591,000, and deposits show a gain of twenty-five per cent., now amounting to $470,000. Directors were chosen as follows: H. W. Rountree, Frank A. Davenport, T. L. Alfriend, B. Rand Wellford, John Addison, W. Otto Nolting, R. Lancaster Williams, Robert G. Rennolds, T. H. Ellett, James H. Capers, John W. Rothert, W. M. Habliston.

Decision Against Bank Directors.—A decision has been handed down by the Supreme Court of North Carolina in the case of Houston, *et al.* vs. Thornton, *et al.*, directors of the failed People's Bank of Fayetteville, N. C. The decision affirms that of the lower court, which gave judgment in favor of the plaintiffs, who claimed that by reason of false statements of the bank's condition, published over the names of the defendants and other directors, they were induced to purchase a number of shares of the stock, which soon afterwards became utterly worthless through the negligence of the defendants.

Demorest, Ga.—The bank of Demorest, Ga., is succeeded by C. E. Hendrickson.

New Southern Banks.—A new bank will be opened at St. Francisville, La., about June 1; capital, $20,000.

—P. M. Du Bose is reported as interested in the organization of a new bank at Courtland, Ala.

—The Bank of Central Arkansas, Lonoke, was recently chartered with $12,500 capital.

—The Bank of Louisa, Va., has been chartered; capital stock to be not less than $10,000.

—The Security State Bank has been organized at Starkville, Miss., with $25,000 capital.

—E. Patten & Co., of Smithville, will establish a new bank at Liberty, Tenn.

Jacksonville, Fla.—The National Bank of Jacksonville is putting up a new building for its use, which is almost completed.

WESTERN STATES.

Chicago.—Employees of the National Bank of the Republic who volunteer to fight in the land and naval forces of the United States will have their places held open for them during the hostilities with Spain, and will have their lives insured for $1,000, the money to be paid in case of loss of life in defense of the Government.

—On April 6 the deposits of the Illinois Trust and Savings Bank, according to its official report, were $39,731,577, which is said to be the highest total ever officially reported by any bank in the city.

—A banquet was given at the Grand Pacific Hotel by the Chicago Credit Men's Association on April 12. The officers of the association are: President, R. C. Hall; Vice-President, E. L. Wedeles; Treasurer, James B. Forgan; Secretary, Malcolm Green. Among the speakers was Hon. James H. Eckels, ex-Comptroller of the Currency and President of the Commercial National Bank. His topic was "The Association of Credit Men as Viewed by the Banker." He said in part:

"The benefits that ought to spring from such an association as this should be great, for here is the nucleus for governing the proper extension of credits. Every association of this kind of business men but emphasizes and illustrates the solidarity and interdependence of the business houses of this country. There is no business house that can stand aloof and say that it does not matter how other business houses conduct their business or extend credit. For the interests of business houses are so interlaced that the prosperity of one adds to the prosperity of the other, and the loss of one is reflected in the loss of the others. No house engaged in a line of business that is legitimate ought to be unwilling to have another house in that line know within legitimate limits the character of business it is doing and the character of customers with whom it is dealing. The very confidence that you extend to your customers is the confidence that business houses should have in one another. This is a rule that should apply not only to commercial houses but to banks as well, for as a last resort the bank is applied to for the money necessary to carry on business. The same mutual confidence that should apply between business houses should apply between banks, and there is a growing feeling that such a state of things should be brought about."

—J. B. Breese & Co. succeed Breese & Cummings.

—In the United States Circuit Court here, on April 18, Judge Grosscup handed down a decision in favor of R. R. Beard, Receiver of the First National Bank of Pella, Ia., against Milmine, Bodman & Co. and C. B. Congdon & Co., stock brokers, in this city. The suit was brought by the Receiver to recover funds which E. R. Cassat, President of the bank, had paid to the brokers before the failure of the bank in order to speculate on the Board of Trade. The grounds of the suit were that the defendants knew the money was being lost and should have ascertained whether it belonged to Cassat or to some institution with which he was connected. Cassat lost nearly $65,000.

—On April 12 the corner-stone of "Pleasant Home," the new residence of Mr. and Mrs. John Farson, in Oak Park, was laid with pleasing ceremonies. Among the publications placed in the stone was a copy of the BANKERS' MAGAZINE for January, containing a portrait and sketch of Mr. Farson. The new house is large, and tasteful in design.

—Reports of thirteen of the principal State banks on April 6 show an increase of $4,752,400 in loans and $3,845,700 in deposits since January 10.

Des Moines, Ia.—The banks of this city all report very substantial gains in deposits during the past year, the total increase being more than $2,500,000, and the aggregate is now about $9,000,000. A general decline in interest rates is reported.

New Bank in Prospect.—Efforts are being made to organize a new bank at Montrose, Colo.

Trust Company Chartered.—The Fort Wayne (Ind.) Trust Co. has been chartered with $200,000 capital stock.

Banks to Consolidate.—It is reported that the Bank of Maxwell, Ia., and the Security Bank will consolidate, forming a new State bank with $50,000 capital.

Kansas City, Mo.—The Hocker-Arnold-Woodson Brokerage Co. was recently incorporated with $50,000 capital.

—Garland M. Jones and others have organized the Central Trust Co. with $100,000 capital.

Detroit, Mich.—Charles F. Lawson, Assistant Cashier of the Peninsular Savings Bank, has resigned to become manager of a branch of the Dime Savings Bank at the corner of Woodward and Milwaukee Avenues.

Omaha, Neb.—The Trans-Mississippi and International Exposition will be opened in this city next month, continuing until November.

—The American Investments Co. was recently organized here. It is said the company will loan money on mortgages at four per cent. interest.

Jamestown, N. Dak.—A new State bank is to be established here with $50,000 capital.

Guthrie, Okla.—The Oklahoma Savings, Loan and Trust Co. has been incorporated here with $5,000 capital.

New Bank in Colorado.—The Eldora (Colo.) Bank opened for business April 16.

Cincinnati, O.—The annual meeting of the Cincinnati Clearing-House Association was held April 5. M. M. White, who has been President for a number of years, requested that he be relieved of the duties of the office. G. P. Griffith was chosen as his successor, and Geo. H. Bohrer was made Vice-President. Clearings for the year ending March 31 were $1,284,193,600, an increase of $119,540,900 over the previous year.

—At the annual meeting of the Cincinnati Savings Society, on April 21, a very satisfactory condition of the bank's affairs was shown.

—A reduction of the capital of the Equitable National Bank from $350,000 to $250,000 is pending.

Milwaukee, Wis.—By a recent decision of the Supreme Court the directors of the failed Plankinton Bank may yet be held liable for the losses to depositors, amounting to over $500,000. By the decision of a lower court they were relieved of responsibility, on technical points, but the Supreme Court recently overruled this decision and remanded the case for a new trial.

Has a New Home.—The First National Bank, of Fort Collins, Colo., has just moved into its new building, a handsome and substantial structure, two stories in height, with a massive front of red stone.

Indiana State Banks.—Reports of the condition of the State banks of Indiana, as made to the State Auditor on April 26, show total resources of $16,659,572, compared with $16,106,286 on May 18, 1897. Deposits were $10,902,900 on the former date and $10,061,750 on the latter. The number of banks is now ninety-four against ninety-seven a year ago.

Long Years of Service.—Anson H. Miller, for forty-five consecutive years Cashier of the First National Bank, of Fremont, Ohio, is one of the oldest Cashiers in the country. He is now seventy-four years of age.

Kansas Banking News.—A new bank was recently opened at Westmoreland, Kans., with $20,000 capital.

—Thomas Kirby is organizing the Kirby State Bank at Abilene, Kans.

—A charter has been granted to the State Bank of Vliets, Kans.

—The business of the Blue Rapids (Kans.) City Bank has been sold to the State Bank of Blue Rapids.

—The United States Bank has been organized at Abilene, Kans., and will begin business about June 1.

—C. M. Condon & Co., of Coffeyville, Kans., have reorganized under the State law as the C. M. Condon Company State Bank, capital, $40,000.

—The State Bank of Hamlin, Kans., has reduced its capital stock from $50,000 to $6,500. Formerly the law permitted a bank to organize with $50,000 capital stock, only ten per cent. of which was required to be paid up. The new banking law requires that the capital must be fully paid in.

—The Farmers' State Bank of Westmoreland, Kans., has filed its charter with the Secretary of State. It has a capital stock of $20,000.

—The Bank of Delphos, Kans., has been changed from a private bank to the State Bank of Delphos; capital, $20,000.

New Banks Organizing.—Hammond, Minn., will have a new State Bank about July 1.

—Ireton, Iowa, has a new Savings bank.

—A new bank is being organized at Lake City, Minn.

—The Citizens' Bank has been incorporated at Petersburg, Ky.; capital, $30,000.

—Articles of incorporation have been filed by the Deposit Bank of Germantown, Ky.; capital stock, $50,000.

—McPhail & Macomber are organizing a new bank at Standish, Mich.

—South Lyon, Mich., is to have a new bank. D. H. Powers and A. B. Avery, of Pontiac, are reported as the owners.

—A new bank is reported at Omer, Mich. Its title is the Arenac Exchange Bank; capital, $40,000.

—Sumner Lombard and others have established a new private bank at Alden, Minn.

—E. T. McCall will be Cashier of the new bank at Lake City, Minn.

—Edward Patten & Co., of Smithville, Mo., will open a bank at Liberty, Mo.

—The Farmers' Bank has been incorporated at Turney, Mo.

—Edwin Colson is said to be interested in organizing a new bank at Woodstock, N. J.

—The Farmers' Exchange State Bank has been incorporated at Bathgate, No. Dak.

—The Richland (Ohio) Savings Bank has been incorporated with $50,000 capital.

—A charter has been granted to the Enid (Okla.) State Bank.

—The Oklahoma Savings, Loan and Trust Co., has been chartered at Guthrie.

—Application for a charter for the Bank of Geary, Okla., is reported.

—The Bank of Viborg, South Dak., is a new institution.

—Albion, Wis., is to have a new Savings bank with $20,000 capital. William Coleman and others are interested.

—The Bank of Stroud, Okla., has been chartered with $5,000 capital.

—Goldsmith & Kalb, Lima, Ohio, will be succeeded by the National Bank of Lima; capital, $100,000.

—The Eagle Bank has been organized at Owensboro, Ky., with $15,000 capital.

Capital To Be Doubled.—The Croghan Bank and Savings Co., of Fremont, Ohio, on account of an increase of business, has decided to make its capital $50,000, which is an addition of $25,000. Business men in the vicinity quickly took the new stock at a premium. While the list of shareholders will be enlarged, no change will be made in the officers or management.

PACIFIC SLOPE.

San Francisco.—The California Mortgage and Savings Bank has reorganized and changed its name to the German-American Bank. This bank was incorporated October 4, 1890, at San Luis, Obispo, but removed to this city about a year ago. Its paid-up capital is $250,000, which is to be increased to $1,000,000.

—Austin C. Tubbs, President of the Tubbs Cordage Co., was recently elected President of the Tallant Banking Co. in place of John D. Tallant, who is travelling abroad.

—Returns from all the banks under the jurisdiction of the Bank Commissioners show the following change in resources for the past year:

	1897.	*1898.*
Savings banks	$141,715,739	$150,283,502
Private banks	2,420,349	2,718,164
Commercial banks	115,917,312	114,910,053
Total	$260,053,400	$267,911,719

Change of Owners.—E. H. Snowden, of South Dakota, recently purchased the Bank of Ellensburg, Wash., from Messrs. Barroll & Bell.

New State Bank.—The Covina Valley Bank has been incorporated at Covina, Cal., with $25,000 capital.

California Savings Banks.—Reports from the forty-seven Savings banks in the interior of California show deposits of $29,049,100.

Gold Contracts in Washington.—The Supreme Court of Washington, all five of the judges concurring, has decided that contracts calling for payments specifically in gold coin are valid, and that the law of that State providing that any debt due in that State, though gold was the money of payment specified in the contract, should be discharged by a tender of other lawful money, is void "as being an attempt to legislate on a subject belonging exclusively to the Federal Government."

Butte, Montana.—The contest over the possession of the controlling interest in the First National Bank has been finally settled in favor of the President of the bank, Andrew J. Davis. Mr. Davis was presented with 950 of the bank's shares by his uncle, the late Judge A. J. Davis. After the death of the latter, the administrator of the estate, at the solicitation of others, brought an action to set aside the gift, but the validity of the transfer was sustained by the district and Supreme courts of the State. An appeal was taken to the United States Supreme Court, which has recently decided that no Federal questions were involved in the case, thus confirming Mr. Davis' title to the shares.

The First National Bank is a particularly strong institution, having $200,000 capital, $374,000 undivided profits and $50,000 surplus, and deposits amounting to about $1,800,000. Its total resources are $2,445,541—a good showing, especially in view of the fact that the bank has paid nearly a million dollars to the heirs of the Davis estate since August last.

Condition of Wyoming Banks.—Harry G. Henderson, State Examiner for Wyoming, furnishes the BANKERS' MAGAZINE the following statement of the condition of the State and private banks of Wyoming at the close of business February 18:

ASSETS.	*State banks.*	*Private banks.*	*Total.*
Loans and discounts	$188,154	$660,235	$848,389
Warrants, stocks and bonds	9,502	18,973	28,475
Overdrafts	7,061	18,660	25,721
Banking house	6,813	20,168	26,981
Furniture and fixtures	4,819	9,626	14,445
Other real estate and property	1,789	300	2,089
Expenses and taxes paid	564	7,853	8,417
Due from banks and bankers	109,731	184,193	293,924
Checks and cash items	1,440	8,216	9,656
Specie, legal tenders, bank notes, etc	25,329	67,158	92,487
Total	$355,207	$995,386	$1,350,593
LIABILITIES.			
Capital stock	72,000	183,516	255,516
Surplus	29,000	2,500	31,500
Undivided profits	14,062	9,726	23,788
Deposits subject to check	161,466	415,316	576,782
Demand certificates of deposit	14,795	16,473	31,268
Time certificates of deposit	63,882	351,089	414,971
Due banks and bankers	......	7,702	7,702
Rediscounts and bills payable	....	9,060	9,060
Total	$355,207	$995,386	$1,350,593
Per cent. of reserve to liabilities	56 per cent.	31 per cent.	....

CANADA.

New Branches Opened.—The Union Bank of Canada has opened a branch at Wawanesa, Manitoba.

—Manitou, Manitoba, is to have a branch of the Union Bank of Canada.

—The new branch of the Bank of Hamilton, at Morden, Manitoba, will be in charge of H. Grey, of Simcoe, Ont.

—A branch of the Merchants' Bank of Canada has been opened at Portage la Prairie, Manitoba, succeeding Alloway & Champion.

—The Merchants' Bank of Canada has opened a branch at Medicine Hat, N. W. Ter.

—A new branch of the Merchants' Bank of Halifax is reported at Victoria, B. C.

Western Bank of Canada.—The sixteenth annual meeting of the Western Bank of Canada was held at Oshawa, Ontario, April 13. During the year deposits have increased $100,000, and business generally has been of an average nature. An improvement is shown in net earnings, which were about 10¼ per cent. on the capital. The earnings were $39,746; the usual seven per cent. dividend, was paid and $6,000 was added to the Rest account, which now amounts to $118,000.

FAILURES, SUSPENSIONS AND LIQUIDATIONS.

Colorado—DENVER.--A dividend of ten per cent. was recently paid to the creditors of the Union National Bank, making eighty per cent. in all.

Georgia.—On April 14 the Naval Store and Lumberman's Bank, of Cordele, closed. Deposit liabilities are from $10,000 to $15,000.

Illinois—CHICAGO.—The recent assessment of ten per cent. on the capital of the Chemical National Bank will pay the claims against the bank, including 2½ per cent. interest.

Iowa.—The assets of the Home Savings Bank, Sioux City, are $116,268; liabilities, excluding capital, $71,551.

Massachusetts—BOSTON.—At a meeting of the directors of the Everett National Bank, April 15, it was unanimously voted to place the bank in liquidation, transferring its business to the Shoe and Leather National Bank. The action of the Everett National in going into liquidation is in line with a movement that has been in progress for some time looking to the reduction of banking capital. It is stated that the assets of the bank are in good condition, and that the stock is considerably above par.

—On April 30 the Hampshire County National Bank, of Northampton, was closed by a bank examiner, and the President, Lewis Warner, is reported a defaulter to an amount estimated as high as $300,000, lost in various speculations.

The Hampshire Savings Bank, of which Warner was Treasurer, will also require thirty days' notice before paying deposits. It has lost a small amount only.

It is reported that as the Savings bank and the National bank were in the same banking rooms, Warner easily substituted the assets when the examination of either bank was made. This was discovered by the bank examiners and led to the closing of the National bank.

Missouri—ST. LOUIS.—Ex-Governor W. J. Stone, Receiver of the Mullanphy Savings Bank, recently filed a petition in the circuit court, charging the directors of the bank with mismanagement and praying for permission to sue them for damages because $300,000 worth of alleged worthless notes, held by the bank among its assets, cannot be collected. Receiver Stone states that he has paid about half of the $616,000 in claims against the bank.

—On April 15 the Bank of Winfield went into liquidation, having been notified by the State Bank Examiner that in order to continue business it would have to assess shareholders to make up losses sustained by making bad loans.

Nebraska.—Charles A. Sweet & Co., of Palmyra, closed April 13. Their last statement showed deposits $11,770; loans, $11,480; cash, $2,600.

New York—NEW YORK CITY.—The Standard National Bank has arranged to liquidate its business through the new Produce Exchange Trust Co. This action is due to the fact that the bank could not successfully compete for business with banks of larger capital.

—On May 3 the First National Bank, of Carthage, was closed, and it is reported that the President, E. H. Myers, is a defaulter to the amount of probably $100,000, which he is said to have used in speculative schemes.

Pennsylvania—PHILADELPHIA.—A dividend of ten per cent was recently paid to the creditors of the Chestnut Street National Bank. The stockholders' assessment calls for $500,000, and of this about $200,000 comes from sources outside of the Singerly estate, and will provide for another ten per cent.; and if the $300,000 due from the Singerly estate should be collected still further reductions may be effected in the liabilities.

—Samuel Hazlett, doing business at Washington, Pa., as a private banker, made an assignment April 1, confessing judgment for $22,600.

Wisconsin.—On April 16 a sale of the assets of the Douglas County Bank, West Superior, took place. Assets of a face value of $80,000 were sold for $7,100. The liabilities are $184,000.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of New National banks organized since our last report. Names of officers and other particulars regarding these New National banks will be found under the different State headings.

5117—First National Bank, Juneau, Alaska Territory. Capital $50,000.
5118—Northampton National Bank, Easton, Penn. Capital $100,000.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

First National Bank, Checotah, Ind. Ter.; by J. A. Cochran, *et al.*
First National Bank, Dysart, Iowa; by A. N. Felton, *et al.*
Leavitt and Johnson National Bank, Waterloo, Iowa; by John H. Leavitt, *et al.*
People's National Bank, Denton, Maryland; by Fred R. Owens, *et al.*
National Bank of Lima, Lima, Ohio; by Goldsmith & Kalb, *et al.*
Market National Bank, Pittsburg, Penn.; by David P. Black, *et al.*
Jack County National Bank, Jacksboro, Texas; by T. C. Phillips, *et al.*
First National Bank, Mineola, Texas; by H. M. Cate, *et al.*
National Bank of Union City, Union City, Penn.; by William Warden, *et al.*

NEW BANKS, BANKERS, ETC.

ALASKA TERRITORY.

JUNEAU—First National Bank; capital $50,000; Pres., W. T. Summers; Cas., H. H. Eddy.

ALABAMA.

MOBILE—Fidelity Trust and Loan Co.; capital $250,000.

ARKANSAS.

LITTLE ROCK—International Loan and Trust Co.; Pres., W. A. J. Phillips; Vice-Pres., W. Jones; 2d Vice-Pres., J. H. Smith; Sec., F. I. Smith; Treas., J. P. Robinson; Gen. Mgr., W. D. Breckenridge.

CALIFORNIA.

COVINA—Covina Valley Bank; capital, $25,000.

SAN FRANCISCO—German-American Bank; capital, $1,000,000.

COLORADO.

ELDORA—Eldora Bank.

GEORGIA.

CRAWFORDVILLE—Bank of Crawfordville; capital, $25,000; Pres., John F. Holden; Vice-Pres., J. A. Kendrick; Cas., M. F. Griffith; Asst. Cas., Roger T. Brooke.

ILLINOIS.

ANNAWAN—Lager & Co.

PALESTINE—Wm. Fife & Son.

INDIANA.

FORT WAYNE—Fort Wayne Trust Company; capital, $100,000; Pres., Henry C. Paul; 1st Vice-Pres., I. M. Foster; 2d Vice-Pres., A. E. Hoffman; Sec., C. A. Wilding; Asst. Sec., Wm. Paul Jr.

LOGANSPORT—Logansport Safe Deposit Co.; capital, $20,000.

IOWA.

BUFFALO CENTER—Citizens' State Bank; capital, $30,000; Pres., P. M. Joice; Vice-Pres., B. J. Thompson.

HARRIS—Bank of Harris.

HUMESTON—Bank of Humeston; capital, $30,000.

KIRKMAN—Bank of Kirkman; capital, $12,000; Frank DeKlotz, owner.

MAXWELL—State Bank of Maxwell (successor to Bank of Maxwell and Security Bank); capital, $50,000; Pres. C. McLain; Vice-Pres., N. L. Gridley; Cas., H. J. Garlock.

MISSOURI VALLEY—State Savings Bank; capital, $25,000; Cas., W. J. Burke; Asst. Cas., W. R. Cox.

NEW ALBIN—New Albin Savings Bank; (organizing).

TINGLEY—Bennie & Richey.

WATERLOO—Leavitt & Johnson Nat'l Bank (successor to Leavitt & Johnson); capital, $100,000; Pres., John H. Leavitt; Cas., Ira Rodamer; Asst. Cas., W. C. Logan.

KANSAS.

ABILENE—United States Bank; capital, $12,000; Pres., G. C. Sterl; Cas., C. H. Patterson.——Kirby State Bank.

CHETOPA—Farmers and Merchants' State Bank; capital, $15,000; Pres., W. G. Hoover; Vice-Pres., E. W. Bedell; Cas., Harry W. Bedell.

FORT SCOTT—Real Estate Trust Co. (organizing); capital, $50,000.
VLIETS—State Bank; capital, $12,500.
WESTMORELAND—Farmers' State Bank; capital, $20,000; Pres., A. Richards; Cas., J. L. Rogers.

KENTUCKY.

GERMANTOWN—Deposit Bank of Germantown; capital, $50,000.
OWENSBORO—Eagle Bank; capital, $25,000; Cas., W. H. Moore.
PETERSBURG—Citizens' Bank; capital, $30-000.

MAINE.

HARTLAND—Waterville Trust Co.; Mgr., G. M. Lancey.
PORTLAND—Mercantile Trust Co.; capital, $100,000; Pres., Henry P. Cox; Sec., Chester H. Pease.

MARYLAND.

WESTMINSTER—Westminster Deposit and Trust Co.; capital, $50,000.

MICHIGAN.

ANN ARBOR—Ann Arbor Clearing-House Association; Mgr., F. H. Belser.
CAMDEN—O. D. Chester.
GRAYLING—Crawford County Exchange Bank (Michelson & Hanson); capital, $2,000; Cas., H. A. Bauman.
HOMER—Nix & Fellows; E. M. Nix, and E. J. Fellows, owners.
OMER—Arenac Exchange Bank; capital, $40,000.——McPhail & Macomber.
SOUTH LYON—South Lyon Banking Co. (successor to Josiah E. Just & Co.); capital, $5,000; Cas., Harry S. German; D. H. Power and A. B. Avery, owners.

MINNESOTA.

HAMMOND—State Bank; capital, $10,000.

MISSISSIPPI.

STARKVILLE—Security State Bank; capital, $7,500; Pres., W. W. Magruder; Vice-Pres., T. B. Carroll; Cas., E. W. Lampkin; Asst. Cas., A. J. Moore.

MISSOURI.

KANSAS CITY—Central Trust Co.; capital, $50,000; Pres., J. C. Hill; Vice-Pres., H. B. Johnson; (will not receive deposits).
MOUNT MORIAH—Bank of Mount Moriah; capital, $10,000; Pres., T. F. Gray; Vice-Pres., L. H. Bussell; Cas., W. P. Chambers.
SKIDMORE—Cook & Son.

NEBRASKA.

KENNARD—Farmers and Merchants' Bank; capital, $10,000.
OMAHA—American Investment Co.; capital, $100,000.

NEW YORK.

COPENHAGEN—Fred H. Angel.
NEW YORK CITY—Peters & Andrews.

NORTH DAKOTA.

BATHGATE—Farmers' Exchange State Bank.
COURTNEY—Courtney State Bank (organizing).
JAMESTOWN—State Bank; capital, $50,000.

OHIO.

CINCINNATI—Briggs, Smith & Co.; Cas., F. H. Smith; Asst. Cas., J. W. Ross, Jr.
GROVE HILL—Exchange Bank.
LIMA—Nat'l Bank of Lima; capital, $100,000.
MAGNOLIA—Citizens' Bank.
RICHLAND—Richland Savings Bank; capital, $50,000.

OKLAHOMA TERRITORY.

ENID—Enid State Bank; capital, $10,000.
GEARY—Bank of Geary; capital, $15,000.
GUTHRIE—Oklahoma Savings, Loan and Trust Co.; capital, $5,000.
STROUD—Bank of Stroud; capital, $5,000; Pres., H. S. Emmerson; Cas., E. H. Emmerson.

PENNSYLVANIA.

EASTON—Northampton National Bank; capital, $100,000; Pres., Thomas Rinek; Cas., E. J. Richards.
MESHOPPEN—Vaughn & Hahn.
PHILADELPHIA—Lowry & Wagner.
WASHINGTON—Trust and Guarantee Co.; capital, $150,000.
WATERFORD—F. W. Ensworth.

SOUTH DAKOTA.

SIOUX FALLS—Sioux Falls Trust Co.; capital, $50,000.
WAUBAY—Bank of Waubay (M. Rexford); capital, $5,000.

TEXAS.

CONROE—Thorp & Griffith.
DALLAS—Texas Savings and Trust Co.; capital, $50,000; Pres., Webster Snyder, Vice-Pres., Geo. S. Graham; Sec. and Treas., B. T. Barry.
PORT ARTHUR—Port Arthur Loan and Trust Co.; Pres., Henry F. Best; Sec. and Gen. Mgr., Chas. Meeker; Treas., C. H. Hamlin.

VIRGINIA.

LOUISA—Bank of Louisa; capital, $10,000; Pres., S. D. Crenshaw; Vice-Pres., W. H. Urquhart; Cas.. Thomas Armstrong.

WASHINGTON.

SEATTLE—International Trust Co.; capital, $50,000; Pres., Fred W. Piper; Sec., Daniel C. Mitchell.

WISCONSIN.

SUN PRAIRIE—Bank of Sun Prairie (Thos. C. Hayden); capital, $100,000.

WYOMING.

GRAND ENCAMPMENT—Bank of Grand Encampment (organizing).

CANADA.

MANITOBA.

MANITOU—Union Bank of Canada.
WAWANESA—Union Bank of Canada.

BRITISH COLUMBIA.

DAWSON CITY—Bank of British North America; J. Cran, Mgr.; D. Doig, Sub-Mgr.
VICTORIA—Merchants' Bank of Halifax.

NORTHWEST TERRITORY.

MEDICINE HAT—Merchants' Bank of Canada.

CHANGES IN OFFICERS, CAPITAL, ETC.

CALIFORNIA.

SAN FRANCISCO—Tallant Banking Co.: Austin C. Tubbs, Pres., in place of John D. Tallant; Kirkham Wright, Sec.

COLORADO.

PUEBLO—Pueblo National Bank; no Cas. in place of N. D. Hinsdale.

CONNECTICUT.

NEW HAVEN—Mechanics' National Bank; Edwin F. Mersick, director, deceased.

DISTRICT OF COLUMBIA.

WASHINGTON—Central National Bank; corporate existence extended until April 11, 1918.

FLORIDA.

FERNANDINA—First National Bank; no Asst. Cas. in place of T. M. Hawkins.

GEORGIA.

BRUNSWICK—Brunswick Savings and Trust Co.; Hoyt Gale, Cas. in place of Louis Fleming.

DEMOREST—Bank of Demorest; succeeded by C. E. Hendrickson.

ROCHELLE—Rochelle Banking Co.; R. L. Brush, Pres., deceased.

ROME—First National Bank; P. H. Hardin, Vice-Pres., deceased.

ILLINOIS.

CANTON—First National Bank; W. O. Dean, Pres. in place of R. B. Underwood, deceased.

CHICAGO—Security Title and Trust Co.; capital increased from $1,500,000 to $1,600,000.——Commercial National Bank; Henry W. King, director, deceased.——State Bank; Christian Jevne, director, deceased.——Merchants' Loan and Trust Co.; Peter L. Yoe, director, deceased.——Breese & Cummings; succeeded by J. B. Breese & Co.

DECATUR—Citizens' National Bank; J. N. Baker, Actg. Cas. in place of John A. Dawson.

JACKSONVILLE—First National Bank; Felix E. Farrell, Asst. Cas.

INDIANA.

HAGERSTOWN—Commercial Bank; Thomas Allen, Asst. Cas., resigned.

INDIANAPOLIS—Fletcher National Bank; Vice-Pres., A. M. Fletcher; Asst. Cas., S. A. Morrison.

IOWA.

ARTHUR—Bank of Arthur; sold to Farmers Loan and Trust Co., Sioux City.

ATLANTIC—Commercial Bank; R. G. Phelps, Pres., deceased.

BURLINGTON—German-American Savings Bank; Wm. A. Torrey, Cas., deceased.

CASEY—Citizens' Bank; J. W. Gray, owner.

GARDEN GROVE—Farmers' Bank; J. P. Jordan, S. Metier and J. R. White, owners; J. R. White, Cas. in place of W. M. Wood.

HUMESTON—Humeston State Bank; E. F. Pumphrey, Cas. in place of E. E. Dent.

MANNING—State Bank; Henry Pollock, Asst. Cas.

NEOLA—Farmers and Merchants' State Bank; Ed. Cotter, Cas. in place of Peter Eagan, Jr.

PERRY—Citizens' Bank; S. S. Dillenbeck & Son, owners.

PETERSON—First National Bank; J. E. Allison, Asst. Cas. in place of A. C. Hastings.

SANBORN—First National Bank; Arthur Vyse, Asst. Cas.

SHELDON—Security Savings Bank; T. W. Marshall, Pres.; Geo. Mennig, Vice-Pres.

SWEA CITY—Swea City Bank; A. D. Clarke, owner.

WEBSTER CITY—First National Bank; H. W. McDonald, Asst. Cas. in place of Simon Sogard.

WHITING—Whiting Bank; E. M. Cassady, Pres. in place of Fred McCausland.

KANSAS.

BLUE RAPIDS—Blue Rapids City Bank; succeeded by State Bank.

COFFEYVILLE—C. M. Condon Co. Bank; succeeded by C. M. Condon & Co. State Bank); capital, $40,000; C. M. Condon, Pres.; Chas. T. Carpenter, Vice-Pres.; C. M. Ball, Cas.

HAMLIN—State Bank of Hamlin; capital stock reduced from $50,000 to $6,500.

INMAN—Bank of Inman; capital increased from $5,000 to $7,500; Thos. C. Sawyer, Vice-Pres. in place of W. R. Clark.

KENTUCKY.

LEXINGTON—Phoenix National Bank; B. S. Gentry, Vice-Pres. in place of H. Kendall.

LOUISVILLE—Columbia Finance and Trust Co.; Chas. F. Johnson, Vice-Pres., resigned.

LOUISIANA.

FRANKLIN—St. Mary's Bank; R. Emmet O'Neill, Cas. in place of R. H. Washburn.

SHREVEPORT—Commercial National Bank; P. Youree, Pres. in place of Simon Levy, Jr., deceased; W. E. Hamilton, Vice-Pres. in place of P. Youree.

MAINE.

BELFAST—People's National Bank; R. F. Dunton, Pres. in place of L. A Knowlton; Charles E. Knowlton, Vice-Pres. in place of R. F. Dunton.

MARYLAND.

PORT DEPOSIT—Cecil National Bank; E. S. Tome, Pres. in place of Jacob Tome, deceased; Thomas C. Bond, Vice-Pres.

MASSACHUSETTS.

BOSTON—Tremont National Bank; Wm. J. Mandell, Cas. in place of Daniel E. Snow, deceased; no Asst. Cas. in place of Wm. J. Mandell.——Suffolk Sav'gs Bank; Charles Henry Parker, Vice-Pres.——Second National Bank; C. F. Fairbanks, Vice-Pres.

FALL RIVER—Metacomet National Bank; Frank S. Stevens, Pres., deceased.

FITCHBURG—Worcester North Savings Institution; Amasa Norcross, Pres., deceased.

HARWICH—Cape Cod Five Cents Savings Bank; Alex. T. Newcomb, Pres.; E. K. Crowell and Joshua Crowell, Vice-Prest's. ——Cape Cod National Bank; J. H. Cummings, Vice-Pres. in place of Levi Eldridge, deceased.

LOWELL—Wamesit National Bank; Samuel Horn, director, deceased.

MONSON -Monson Nat'l Bank; S. F. Cushman, Pres. in place of R. M. Reynolds, deceased; Theodore Reynolds, Vice-Pres.

NEW BEDFORD—Mechanics' National Bank; Lemuel T. Terry, Cas., deceased; James W. Hervey, Asst Cas.

NORTHAMPTON—Northampton Nat'l Bank; capital reduced from $400,000 to $200,000.

SPRINGFIELD—Pynchon Nat'l Bank; Homer Foot, director, deceased.

MICHIGAN.

DETROIT—Peninsular Savings Bank; Charles F. Lawson, Asst. Cas., resigned.

HASTINGS—Hastings National Bank; J. T. Lombard, Pres. in place of Daniel Striker, deceased; John F. Goodyear, Vice-Pres. in place of J. T. Lombard; H. G. Hayes, Asst. Cas.

HOMER—Homer Banking Co.; Thomas Lyon, Pres., deceased.

IONIA—State Savings Bank; F. A. Sessions, Cas., resigned.

KALAMAZOO—Kalamazoo National Bank; no Cas. in place of Theron Y. Sebring; E. P. Sumption, Asst. Cas.

MUSKEGON—Muskegon Savings Bank; John W. Moon, Pres., deceased.

MINNESOTA.

MOORHEAD—First National Bank; Franklyn James Burnham, Pres., deceased.

WATERVILLE—Bank of Waterville; Jas. Slocum, Jr., Pres., deceased; bank in hands of administrator.

MISSISSIPPI.

SCRANTON — Scranton State Bank; H. M. Plummer, Cas., deceased.

MISSOURI.

KIRKSVILLE—First International Bank; capital reduced to $25,000.

PLATTSBURG—Clay & Funkhouser Banking Co.; J. A. J. Funkhouser, Vice-Pres., deceased.

TURNEY — Farmers' Bank; capital, $10,500; Pres., Ewen C. Hole; Cas., Walter W. Silvius.

MONTANA.

BUTTE—State Savings Bank; John A. Creighton, Pres.

NEBRASKA.

BEAVER CITY—First National Bank; C. H. Edee, Asst.Cas. in place of A. C. Ellenberger.

NEW HAMPSHIRE.

PORTSMOUTH—National Mechanics and Traders' Bank; John Sise, Pres., deceased.

NEW JERSEY.

BOONTON—Boonton National Bank; E. A. Fisher, Asst. Cas.

ORANGE—Second National Bank; W. Stanley Grinsted, Asst. Cas.

RED BANK—First National Bank; James L. Terhune, Pres. in place of James H. Peters, deceased; Henry Campbell, Cas. in place of James L. Terhune.

NEW YORK.

BATAVIA — First National Bank; Samuel Parker, Pres. in place of L. C. McIntyre, deceased.

COXSACKIE—National Bank of Coxsackie; D. Geroe Gree :e, Vice-Pres. in place of Chas. Brav, deceased.

KINGSTON—First National Bank of Rondout; J. T. Johnson, Vice-Pres. in place of Chas. Bray, deceased.

LIBERTY—Sullivan County National Bank; A. P. Du Bois, Vice-Pres. in place of H. J. Sarles.

NEW YORK CITY—Nassau Bank; Edward Earle, Asst. Cas.——Williamson & Co.: succeeded by Williamson & Squire.——Leather Manufacturers' National Bank; G. W. McGarrah, Cas. in place of Isaac H. Walker. ——Nineteenth Ward Bank; Joseph J. Kittel, Pres. in place of Samuel H. Rathbone, resigned.——Union Dime Savings Institution; Channing Moore Britton, Vice-Pres., deceased.——Franklin Nat. Bank; Chas. W. Hackett, director, deceased.——Buckhout, Davis & Co.; removed to 71 Broadway.—— E. W. Wilson & Co.: removed to 96 Broadway.——Continental National Bank; Benjamin Perkins, Pres.; Alexander Duncan Seymour, 2d Vice-Pres.——Cochran & Close; succeeded by Frederick B. Cochran & Co. ——C. I. Hudson & Co.; partners, Charles I. Hudson & Edward J. Hudson.——Daniel O'Dell & Co.; Charles E. Titus, admitted to firm.——E. St. John Hays & Co.; Wm. Henry Hays, admitted to firm.——Bank of New Amsterdam; Thomas C. Acton, director, deceased.——Mount Morris Bank; Thomas L. Watt. Pres. in place of William H. Payne, resigned.——West Side Bank; Frederick K. Keller, 1st Vice-Pres. in place of John Mulford; Charles Rohe, 2d Vice-Pres. in place of Frederick K. Keller.

SARANAC LAKE—Adirondack National Bank; Alfred L. Donaldson, Vice-Pres. in place of Wm. Minshull; Wm. Minshull, Cas. in place of John F. Neilson.

NORTH CAROLINA.

REIDSVILLE—Bank of Reidsville; P. B. Johnston, Pres. in place of W. P. Bethell; R. T. Williams, Vice-Pres.

OHIO.

ARCANUM—First National Bank; W. H Chancellor, Asst. Cas.

CINCINNATI—Cincinnati Clearing-House Association; Griffith P. Griffith, Pres. in place of M. M. White.——Equitable National Bank; capital reduced from $350,000 to $250,000.

DAYTON—Dayton National Bank; R. C. Schenck, Pres. in place of Wm. H. Simms; no Cas. in place of James A. Martin, deceased.

EAST LIVERPOOL—Potters' National Bank; R. W. Patterson, Asst. Cas.

FREMONT—Crogan Bank & Savings Co.; reported will increase capital to $50,000.

ORWELL—Orwell Banking Co.; F. H. Perkins, Cas., deceased.

WARREN—Second National Bank; Charles A. Harrington, Cas., resigned; to be succeeded by Samuel C. Iddings.

WOOSTER—Wooster National Bank; no Cas. in place of C. V. Hard.

OKLAHOMA.

MULHALL—Citizens' Bank; G. W. Burford, Pres.; H. C. Burford, Vice-Pres.; G. E. Burford, Cas.

WOODWARD—Gerlach Bank; capital increased from $6,500 to $15,000.

PENNSYLVANIA.

ANNVILLE—Annville National Bank; corporate existence extended until April 17, 1918.

CATASAUQUA—National Bank of Catasauqua; J. J. Glick, Acting Cas.

CHESTER—First National Bank; Reece L. Thomas, Asst. Cas.

EASTON—Northampton County National Bank; expired by limitation, May 1, 1898.

LANCASTER—Conestoga National Bank; David B. Landis, Pres., deceased.

MERCER—First National Bank; A. J. McKean, Pres. in place of Wm. Logan.

PHILADELPHIA—Southwark National Bank; John W. Coleman, Asst. Cas.——Farmers & Mechanics' National Bank; Spencer M. Janney, elected director.——Investment Co. of Philadelphia; James G. Leiper, Pres., and William Wood, Vice-Pres., resigned; succeeded temporarily by Evans R. Dick & R. A. Williams, Jr., respectively.——Manufacturers' National Bank; capital reduced from $750,000 to $500,000.——Sixth National Bank; Wm. D. Gardner, Pres.; Wm. S. Emley, Vice-Pres.——Commercial National Bank; absorbed by Fourth Street National.——Security Trust & Life Insurance Co.; discontinued business; deposits transferred to Tradesmen's National Bank.——Redmond, Kerr & Co.; succeeded by Graham, Kerr & Co.

PITTSBURG—Iron & Glass Dollar Savings Bank; Frederick Baxmyer, director, deceased.——Odd Fellows' Bank; title changed to Traders & Mechanics' Bank; Jacob F. Diffenbacher, Vice-Pres., deceased.——State Bank; Saml C. Pierce, director, deceased.

SHAMOKIN—Guarantee Tr. & Safe Dep. Co.; E. G. Seiler, Vice-Pres.; J. H. Conley, Sec.

YORK—Western National Bank; E. A. Rice in place of Harry L. Motter.

SOUTH DAKOTA.

AURORA—Bank of Aurora; C. S. Ricker, Pres.; Geo. H. Larrabee, Vice-Pres.; Ida E. Lloyd, Asst. Cas.

TENNESSEE.

BRISTOL—National Bank of Bristol; John H. Caldwell, Vice-Pres.——Dominion National Bank; H. E. McCoy, Pres., deceased.

MEMPHIS—Manhattan Savings Bank & Trust Co.; R. C. Graves, Pres., deceased.

TEXAS.

DAINGERFIELD—National Bank of Daingerfield; J. M. Moore, Pres. in place of J. Y. Bradfield; J. C. Jenkins, Vice-Pres. in place of W. B. Womack; J. Y. Bradfield, Cas. in place of J. C. Jenkins; J. Bradfield, Asst. Cas. in place of A. C. Richardson.

SEGUIN—E. Nolte & Son's Bank; E. Nolte, Sr., Pres., deceased.

VERMONT.

BRANDON—Brandon National Bank; D. D. Burditt, Vice-Pres. in place of E. D. Thayer.

MONTPELIER—First National Bank; Ralph B. Denny, Asst. Cas.

VIRGINIA.

RICHMOND—City Bank of Richmond; Moses Millhiser, director, deceased; also director of Virginia Trust Co.——National Bank of Virginia; Fred'k E. Nolting, Vice-Pres. in place of L. Z. Morris.

STAUNTON—Augusta National Bank; Andrew Bowling, Vice-Pres. in place of C. S. Baker.

WASHINGTON.

ELLENSBURG—Bank of Ellensburg; E. H. Snowden, owner.

WEST VIRGINIA.

PARKERSBURG—Citizen's National Bank; J. M. Jackson, Jr., Vice-Pres.

WISCONSIN.

GREEN BAY—Kellogg National Bank; Wm. Bigelow, Vice-Pres. in place of F. Hurlbut.

WATERTOWN—Wisconsin National Bank; Peter V. Brown, Cas., deceased.

WAUPUN—First National Bank; W. E. Caldwell, Vice-Pres.

CANADA.

ONTARIO.

BLENHEIM—Canadian Bank of Commerce; G. A. Holland, Manager in place of F. Y. Checkley.

PETERBORO—Canadian Bank of Commerce; R. C. McHarrie, Mgr. in place of William Manson.

MANITOBA.

PORTAGE LA PRAIRIE—Alloway & Champion's Bank; sold to Merchants' Bank of Canada.

NOVA SCOTIA.

HALIFAX—Bank of British North America; G. W. G. Bonner, Mgr.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

GEORGIA.

CORDELE — Naval Store and Lumberman's Bank; closed April 14.

ILLINOIS.

SPRINGERTON — Citizens' Bank; reported closed.

MASSACHUSETTS.

BOSTON—Everett National Bank; in liquidation; business transferred to Shoe and Leather National Bank.

NORTHAMPTON—Hampshire County National Bank.

MINNESOTA.

MADISON LAKE—Bank of Madison Lake; in liquidation.

MISSOURI.

MORRISVILLE—Morrisville Bank; assigned to W. B. Dunnegan.

WINFIELD—Bank of Winfield; in voluntary liquidation April 15.

NEBRASKA.

BRADSHAW—Citizens' Bank.

CORDOVA—Bank of Cordova; in voluntary liquidation.

PALMYRA—C. A. Sweet & Co.

NEW YORK.

CARTHAGE—First National Bank; in hands of National Bank Examiner.

NEW YORK CITY—Willard & Blount; dissolved.——Standard National Bank; in voluntary liquidation.

NORTH DAKOTA.

BATHGATE—First National Bank; in voluntary liquidation, March 26.

PENNSYLVANIA.

WASHINGTON—Samuel Hazlett, assigned.

SOUTH DAKOTA.

COLUMBIA—C. E. Corry.

FULTON—Fulton State Bank; in voluntary liquidation.

TEXAS.

HILLSBORO—Hill County National Bank; in voluntary liquidation by resolution of stockholders, April 5, 1898.

The Business Revival in Colorado.

The BANKERS' MAGAZINE for April contains a very encouraging and enthusiastic letter on "Colorado's Increasing Prosperity," the author of which is Mr. Edward R. Hanley of this city. It is a review of what Colorado did in 1897 and a prediction of what it will do in 1898 and the immediately following years.

The story told is familiar to Colorado people, but no doubt it was new to many, if not a great majority, of the readers of the MAGAZINE in which the letter was printed. It is just such communications to just such magazines that will do Denver and Colorado good. The people of the East—where the BANKERS' MAGAZINE has a large circulation—know far too little about Colorado, its natural resources and the character of its population. Too many of them looked upon it as a State of but a single industry—the production of silver. Believing this, they concluded that with the great decline in the price of that metal the prosperity of the State would fail and that disaster would come to all who had large investments here. It is evident that this has worked great injury, and that it would do the State and city almost incalculable good if so wrong an impression should be removed.

We are glad that so optimistic a letter as the one written by Mr. Hanley has been given place in a publication devoted to the banking interests of the country. It is good seed, much of which, we trust, has fallen upon good ground.—*Denver Republican.*

The April number of the BANKERS' MAGAZINE contains an article from the pen of Mr. Edward R. Hanley of this city, which sums up the industrial product of Colorado for 1897, and bases thereon a favorable outlook for financial and real estate conditions for the present year. While Mr. Hanley's facts are not new, they are grouped in such a concise manner as to produce a profound effect in banking circles, which are accustomed to make deductions from the class of facts so powerfully presented in this article. When, within a few lines, the products of gold, silver, iron, coal and other minerals are stated, and also the output of farms, and gardens, and orchards, and factories, and stock ranges and quarries, the wonderful variety of Colorado's productive resources can be seen at a glance.

The value of Mr. Hanley's article lies in the class of people that it will reach. It establishes Colorado's present industrial activity and the rapid development that awaits her material resources beyond all dispute. While this was well known to Coloradoans, it has not been so well recognized among those whom Mr. Hanley's article will reach, and hence the great service that it will be to the State.—*Rocky Mountain News.*

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, May 4, 1898.

WAR BETWEEN THE UNITED STATES AND SPAIN, averted several times during the past five years almost miraculously, became an accomplished fact last month and it is now the dominant factor in business and finance. The final steps that led to open hostilities followed each other rapidly. On April 11 the President sent his message to Congress asking power to intervene between Cuba and Spain to secure peace but without recognizing the independence of Cuba or the belligerency of the insurgents.

On April 13 the House, by a vote of 322 to 19, passed a resolution in harmony with the views of the President. On April 16 the Senate, 67 to 21, passed a resolution declaring Cuba free and recognizing the provisional government. On April 18 the House accepted the Senate resolution except the recognition provision. On April 19 the amended resolution passed both houses and the next day, April 20, it was signed by the President. On April 21 Spain gave our Minister at Madrid his passports and war began, and at the present time the country is rejoicing over the result of the first great naval battle at Manila, which ended in the destruction of the Spanish fleet.

The problem which now confronts the country is to adapt itself to the changed conditions. War is an extravagance and even when waged with a puny enemy costs money. What the bill for freeing Cuba is to be cannot be estimated at present, but Congress is now considering measures for increasing the Government revenues by taxation, and the Administration has been consulting with the leading bankers of the country as to the raising of money by the issuing of bonds. There is no doubt that ample means will be provided for the maintenance of the war, whether it be of long or short duration.

It is highly improbable that the burden of war will rest as heavily upon the American people now as it did in 1861–5. Then, with a population of about 30,000,000 nearly one-third of which was either in opposition to the Government or not contributing to it, the Government collected annually more than $180,000,000, ranging from about $52,000,000 in 1862 to $322,000,000 in 1865. With 74,000,000 people in accord and ready to make all necessary sacrifice, it is quite possible to raise the money needed to conduct the present war even without resorting to borrowing at all.

The cost of the Civil War and the means taken to meet it are shown in the following statement:

YEAR ENDED JUNE 30.	*War and navy expenditures.*	*Total expenditures.*	*Receipts from customs.*	*Receipts from internal revenue.*	*Total receipts.*	** Borrowed.*
1861	$35,388,687	$66,650,218	$39,582,126	....	$41,476,299	$24,000,000
1862	431,818,915	469,570,242	49,056,398	....	51,919,261	434,000,000
1863	666,575,647	718,734,276	69,059,642	$37,640,788	112,094,945	596,000,000
1864	776,096,013	864,979,101	102,316,153	109,741,134	243,412,971	599,000,000
1865	1,153,307,834	1,295,099,289	84,928,261	209,464,215	322,031,158	865,000,000

* Net amount after deducting loans paid off.

In the year before the war the Government spent for war and navy $35,000,000, in the last year of the war $1,153,000,000. The annual receipts of the Government from various sources of taxation increased from about $41,500,000 to $322,000,000 in four years. To carry on the war the Government borrowed from $434,000,000 to $865,000,000 per annum in each of the four years. In 1865 the people were paying for the support of the Government more than $18 per capita per annum. That rate of revenue now would yield the Government about $1,000,000,000 per annum, or more than $600,000,000 in excess of what the recent revenues have been.

While the Government has been spending a good deal of money recently for war purposes, the official statements do not yet show the full measure of the cost of our war with Spain even to date. In March the expenditures for war and navy were about $10,400,000, and in April $18,800,000, a total in two months of $29,200,000. A year ago they amounted to $12,700,000. Even with expenses entirely normal the revenues would be deficient, and now it is essential that measures should be promptly devised to provide for the future needs of the Government.

There is a cash balance in the Treasury of about $216,000,000, of which $100,000,000 is the gold reserve. The gold balance is now nearly $181,000,000, and in this particular the Treasury occupies an exceptionally strong position. Two years ago there was less than $50,000,000 of gold on hand. So great is the supply of gold, while the supply of notes, particularly of the small denominations, is so limited that the Treasury announced last month that no more deposits would be received at the New York Sub-Treasury on account of shipments of currency from Washington or telegraphic transfers to any point.

The movement of currency from New York to other points has been exceptionally large, and to the war this condition is also mainly due.

The New York banks are once more passing through an experience such as seems to be inevitable whenever any event tends to unsettle confidence. Week after week for more than two months past there has been a drain upon the banks, and but for the extraordinary gold import movement the reserves would have been seriously depleted. While the paying off of loans to some extent has caused a decrease in deposits, there has also been a very heavy movement of money to interior points, out-of-town banks taking precautions to protect themselves in view of the war developments.

Since February 11 it is estimated that $32,000,000 net has been shipped by the leading banks of this city to outside banks. For months prior to that date the movement of money was in the other direction and funds flowed into our banks until the banks were confronted with the question of declining to pay interest on deposits of their correspondents. The amount due from our National banks alone to other banks on February 18 was $334,000,000, an increase since December of $47,000,000, and since March 9, 1897, of $84,000,000. Two years ago the amount was only about $180,000,000. The next statement of the National banks will probably show a great change in the other direction.

The changes that have occurred in the deposits, loans and reserves of the clearing-house banks of this city recently are almost without parallel in their history.

	November 7, 1896.	*February 11, 1898.*	*Increase.*	*April 30, 1898.*	*Decrease.*
Loans	$442,179,700	$639,836,400	$197,656,700	$570,198,100	$69,638,300
Deposits	438,437,600	738,683,800	300,246,200	658,503,800	80,180,500
Specie	63,702,600	114,967,700	51,265,100	158,392,800	*43,425,100
Legal tenders	60,717,200	102,140,300	41,423,100	50,737,700	51,402,600
Total reserve	124,419,8 0	217,108,000	92,688,200	209,130,500	7,978,500
Surplus reserve	14,810,400	32,437,050	17,626,650	44,504,675	*12,067,625

* Increase.

It is interesting to note the extraordinary accumulation of money that occurred since November, 1896, when the tide turned, and also the recent withdrawal of funds accompanied by a decrease in loans. The principal items of the bank statements of November 7, 1896, and February 11 and April 30, 1898, are shown in the preceding table.

From November 7, 1896, to February 11, 1898, there was almost a continuous increase in deposits, the net increase for that period amounting to more than $300,000,000 while loans and reserves also increased in large amounts. Since February 11 deposits have been reduced more than $80,000,000 and loans nearly $70,000,000, but the banks hold within about $8,000,000 as much cash as they did in February. The character of the reserves has however changed very materially. The specie reserve has increased $43,425,000 while the legal-tender reserve has decreased $51,402,600. Compared with November 7, 1896, the specie reserve has increased nearly $95,000,000 but the legal-tender reserve is $9,000,000 less than it was then. The banks as well as the Treasury have become overstocked with gold.

The gold import movement which began late in February has added to our stock of gold some $60,000,000 in the last two months. The net imports into the United States in March were about $30,000,000, and there was received at New York in April about $25,000,000 more. Since July 1 last year we have imported $85,000,000 of gold, and in the two remaining months of the fiscal year it is possible that the movement will be favorable enough to make the year a record breaker as to gold imports.

We have had another reminder of the way foreign countries check a drain of gold, differing so essentially from our method of calling upon the Government in time of need. For a long time the Bank of England viewed with apparent indifference the large movement of gold to this country. It maintained its rate of discount at three per cent. until April 7, when its gold holdings had fallen to $150,000,000, the lowest point touched in four years, and the proportion of its reserve to liabilities had dropped to 37.25 per cent., the lowest in nearly five years. It advanced its rate from three to four per cent. on April 7, the same as it did in the autumn of 1896, and late in the month advanced the buying price of gold to 77 shillings 9¾ pence per ounce. As a result of this action the bank's reserves have since been increasing, and gold imports to the United States have fallen off.

Our foreign trade still shows the most extraordinary favorable balances, the net exports in March amounting to more than $51,000,000, and for the nine months ended March 31 to nearly $471,000,000. There never has been an export balance for a similar period to compare with this in the history of the country, and it justifies the expectation of further gold imports should we need more of the precious metal.

The value of securities has been more or less influenced by the war situation. Prices declined at the New York Stock Exchange early in the month, but touched about their lowest on April 21, the day that war was practically declared by the dismissal of our minister by the Spanish Government. Since that date there has been a partial recovery.

If stocks and bonds have declined food products on the other hand have advanced, notably wheat and corn, which are about 20 and 5 cents respectively higher per bushel than they were a month ago. Cotton, however, is still selling at a low point, about 6⅛ cents.

The short supply of wheat apparently has justified the extraordinary advance that has taken place in its price in the past year although speculation in Chicago has been an active stimulant. The time has come when the crop of 1898 begins to attract attention and the report of the Department of Agriculture showing the condition of winter wheat on April 1 is full of encouragement. The average is put at

86 per cent. which compares with 81.4 per cent. in 1897, 77.1 per cent. in 1896, 41.4 per cent. in 1895, 86.7 per cent. in 1894, 77.4 per cent. in 1893 and 81.2 per cent. in 1892. In only one year of the past six years was the condition more favorable on April 1 than this year.

The Department has completed its final estimate of the cereals in 1897, and we append the figures for wheat, corn and oats, as follows:

	Area.	*Yield per acre.*	*Production.*	*Value per bushel.*
	Acres.	Bushels.	Bushels.	Cents.
Wheat	39,465,066	13.4	530,149,168	80.8
Corn	80,095,051	23.8	1,902,967,932	26.3
Oats	25,730,375	27.2	698,667,809	21.2

As to the general business situation the prospect and the realization of war have undoubtedly caused a halt. The volume of business as reflected by the operations of the clearing-houses of the country is still considerably in excess of previous recent years, but April clearings are nearly 12 per cent. less than those of March, which latter were smaller than those of January.

The railroads have been reporting large increase in earnings, but the present demoralization of rates, which affects all the trunk lines, must be eating deeply into the profits of the companies. Carrying grain from Chicago to New York, all rail, for ten cents per 100 pounds can not be profitable and the more business done at that figure the worse off must be the roads handling the traffic. The rate cutting extends further west than Chicago and it is not confined to grain.

Activity in the iron trade has been checked to some extent by the conditions of war, although there exists much variance of opinion in the trade as to the future effect of the demand for iron products for war purposes. Prices are still unsatisfactory and the producers of pig iron are anxious for improvement. For the first time since last July there has been a decrease in the weekly output, which was 233,839 tons on April 1 as compared with 234,430 tons on March 1.

NATIONAL BANKS OF THE UNITED STATES.—The summary of the statements of the National banks of the country showing their condition on February 18, 1898, was published by the Comptroller of the Currency last month. The number of banks continues to decrease, only 3,594 being in operation as compared with 3,607 on December 15. Since May 4, 1893, there has been a decrease of 236. There was a further decrease of $765,034 in capital since December last, and is $13,000,000 less than it was a year ago, and $25,000,000 less than two years ago. The individual deposits are far in excess of the total ever before reported, aggregating nearly $1,983,000,000. They have increased in the past two months $66,000,000, and are $532,000,000 more than they were in October, 1893, when the depression of that year

CONDITION OF THE NATIONAL BANKS OF THE UNITED STATES.

	Capital.	*Surplus.*	*Individual deposits.*	*Gold.*	*Silver.*	*Legal tenders.*
Feb. 28, 1896	$653,994,915	$247,178,188	$1,648,092,868	$156,894,030	$39,123,428	$141,242,513
May 7, 1896	652,089,780	247,546,067	1,687,629,515	157,761,800	44,611,646	147,006,652
July 14, 1896	651,144,855	248,368,423	1,668,413,507	161,853,560	41,981,889	140,378,290
Oct. 6, 1896	648,540,325	247,690,075	1,597,891,058	160,723,890	40,084,742	142,334,730
Dec. 17, 1896	647,186,395	247,339,567	1,639,688,398	181,020,260	44,520,448	156,973,612
Mar. 9, 1897	642,424,195	247,130,031	1,669,219,961	188,304,755	45,644,107	186,332,852
May 14, 1897	637,002,895	246,736,684	1,728,083,971	190,896,251	45,680,082	174,144,992
July 23, 1897	632,153,042	246,403,782	1,770,480,563	193,686,596	47,236,006	172,596,020
Oct. 5, 1897	631,488,095	246,345,020	1,853,349,128	195,895,107	43,492,595	149,494,929
Dec. 15, 1897	629,655,354	246,416,688	1,916,630,252	207,093,145	45,070,408	158,404,875
Feb. 18, 1898	628,890,320	248,484,530	1,982,660,933	222,855,517	48,522,409	169,515,185

had reduced them to a low point. In the past year the deposits have increased $313,000,000. The reserves have increased $30,000,000 since December as follows: gold, $16,000,000; silver, $3,000,000; and legal tenders, $11,000,000. As compared with March 9, 1897, the National banks have gained $34,500,000 gold and $3,000,000 silver, but they have $17,000,000 less legal tenders. Loans have increased $55,000,000 since December last, and nearly $252,000,000 since March, 1897.

MONEY IN CIRCULATION IN THE UNITED STATES.—The money in circulation has increased $1 per capita in the last two months, more than $80,000,000 having gone into our circulating medium since March 1. Last month there was an increase of $50,702,797 of which $34,908,768 was in gold coin. There was an increase of $20,742,-731 in United States notes—greenbacks—partly offset by a decrease of $10,985,000 in currency certificates. The only other important change was an increase of $4,915,676 in silver certificates.

MONEY IN CIRCULATION IN THE UNITED STATES.

	Jan. 1, 1898.	*Mar. 1, 1898.*	*April 1, 1898.*	*May 1, 1898.*
Gold coin	$547,568,360	$553,884,882	$582,129,742	$617,068,510
Silver dollars	61,491,078	59,020,904	58,562,597	58,561,008
Subsidiary silver	65,720,306	64,270,811	64,618,802	64,586,273
Gold certificates	36,557,689	36,440,789	36,319,199	35,951,999
Silver certificates	376,695,592	380,287,427	387,770,898	392,686,574
Treasury notes, Act July 14, 1890	103,443,936	98,464,430	99,709,432	99,588,970
United States notes	262,480,927	264,164,186	267,305,587	288,048,318
Currency certificates, Act June 8, 1872	43,315,000	48,430,000	37,900,000	26,915,000
National bank notes	223,827,755	221,413,230	221,742,388	223,884,790
Total	$1,721,100,640	$1,726,376,659	1,756,058,645	$1,806,761,442
Population of United States	73,725,000	73,990,000	74,122,000	74,255,000
Circulation per capita	$23.34	$23.33	$23.69	$24.33

MONEY IN THE UNITED STATES TREASURY.—The failure of the Government revenues to meet expenditures makes a neces-ary decrease in the cash in the Treasury the decrease last month being about $7,450,000. The Treasury gained about $5,000,000 gold but lost $4,000,000 silver and nearly $10,000,000 of greenbacks.

MONEY IN THE UNITED STATES TREASURY.

	Jan. 1, 1898.	*Mar. 1, 1898.*	*Apr. 1, 1898.*	*May 1, 1898.*
Gold coin	$151,910,176	$151,609,155	$147,256,076	$138,518,601
Gold bullion	45,559,060	52,454,816	63,647,258	83,671,585
Silver Dollars	394,327,049	399,079,443	400,637,825	401,323,414
Silver bullion	102,284,736	100,819,300	99,829,432	99,551,903
Subsidiary silver	10,679,899	11,960,092	11,965,278	12,018,967
United States notes	84,200,089	82,516,830	79,375,429	58,632,696
National bank notes	5,186,886	3,417,842	2,739,491	2,728,961
Total	$794,147,895	$801,857,478	$805,459,789	$791,446,078
Certificates and Treasury notes, 1890, outstanding	560,012,217	563,622,646	561,699,529	555,142,543
Net cash in Treasury	$234,135,678	$238,234,832	$243,751,260	$236,303,535

THE MONEY MARKET.—The local money market showed a hardening tend ncy during most of the mon h, but latterly rates have declined. A four per cent. rate for call money was a frequent event, but the decrease in Stock Exchange operations caused a reduction late in the month to 1½ @ 2½ per cent. Considerable money has gone to the interior and that with the war excitement has caused the banks to restrict their operations in time money and commercial paper, while the check to business activity has also made the inquiry for money smaller. At the close of the month call money ruled at 2¼ to 3½ per cent. the average rate being about 2¼ per cent. Banks and trust companies quote 4 per cent. as the minimum on Stock Exchange collateral. Time money on Stock Exchange collateral was quoted at

6 per cent. for all periods but some loans on choice collateral were made at 5½ per cent. for six months. For commercial paper the rates are 6 per cent., for 60 to 90 days endorsed bills receivable, 6½ @ 7 per cent. for first-class four to six months single names, and 7 @ 9 per cent. for good paper having the same length of time to run. The rates for money in this city on or about the first of the month for the past six months are shown in the following table:

MONEY RATES IN NEW YORK CITY.

	Dec. 1.	Jan. 1.	Feb. 1.	March 1.	April 1.	May 1.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Call loans, bankers' balances........	1¾–2	2½–4	1½–2	1½–2½	1½–5	2¼–3½
Call loans, banks and trust companies.	2 –	3½–4	1½–2	2½–	2 –2½	4 –
Brokers' loans on collateral, 30 to 60 days.	2½–	3½–	2½–	3 –3½	4 –4½	6 –
Brokers' loans on collateral, 90 days to 4 months.	2½–3	3½–4	2½–3	3½–4	5 –6	6 –
Brokers' loans on collateral, 5 to 7 months.	3 –3½	3½–4	3 –	4 –	5 –6	6 –
Commercial paper, endorsed bills receivable, 60 to 90 days.	3 –	3½–4	3 –	3½–	5 –	6 –
Commercial paper prime single names, 4 to 6 months.	3½–4	4 –5	3¼–4	3½–4	5½–6	6½–7
Commercial paper, good single names, 4 to 6 months.	4 –5	5 –6	4 –5	4½–5	6½–7½	7 –9

NEW YORK CITY BANKS.—Nearly $24,000,000 of deposits were withdrawn from the banks in the New York Clearing-House Association last month, making a loss of more than $80,000,000 since the middle of February. The specie holdings are still increasing, having gained nearly $17,000,000 during the month and $43,000,000 in less than three months, while legal-tenders have been reduced $14,000,000 since April 1, and $51,000,000 since February 11. The surplus reserve, which was less than $21,000,000 at the beginning of March, is now $44,500,000, an increase of nearly $10,000,000 in the past month. Nearly $26,000,000 of loans were retired in April,

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	Specie.	Legal tenders.	Deposits.	Surplus Reserve.	Circulation.	Clearings.
Apr. 2...	$595,851,200	$141,556,200	$64,723,800	$682,236,800	$35,720,800	$13,865,500	$782,961,700
" 9...	587,783,300	142,977,000	59,518,700	669,836,000	35,066,475	13,888,100	665,828,300
" 16...	580,085,400	147,531,000	55,694,500	663,519,300	37,846,075	13,939,100	630,947,700
" 23...	572,646,300	155,417,200	53,412,200	661,217,200	43,525,100	14,079,900	628,183,209
" 30...	570,198,100	158,392,800	50,737,700	658,503,300	44,504,675	14,254,200	631,658,500

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

MONTH.	1896.		1897.		1898.	
	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.
January	$501,089,300	$15,939,675	$530,785,000	$33,286,950	$675,064,200	$15,788,750
February......	490,447,200	39,623,400	563,331,800	59,148,250	722,484,200	35,609,450
March.........	489,612,200	24,442,150	573,769,300	57,520,975	729,214,800	22,729,125
April..........	481,795,700	17,005,975	569,226,500	47,666,575	682,236,800	35,720,800
May...........	495,004,100	22,944,275	576,863,900	48,917,625	658,503,300	44,504,675
June...........	498,874,100	22,230,675	575,600,000	46,616,100		
July	499,046,900	20,328,275	604,983,700	41,884,875		
August........	485,014,000	17,728,600	623,045,000	45,720,150		
September....	451,934,800	8,836,200	636,996,000	39,517,700		
October.......	454,733,100	16,526,025	619,358,200	15,550,400		
November	446,445,900	17,463,225	625,339,000	24,271,800		
December.....	490,684,300	31,411,625	666,278,600	22,122,950		

Deposits reached the highest amount, $738,683,800 on February 11, 1898, and the surplus reserve $111,623,000 on February 3, 1894.

making a reduction of $72,000,000 in the last two months. These changes are of exceptional magnitude but have had only a minimum effect upon the money market.

NON-MEMBER BANKS—NEW YORK CLEARING-HOUSE.

	Loans and Investments.	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Surplus.*
Apr. 2.....	$59,897,100	$64,455,200	$3,156,400	$3,897,700	$8,253,800	$2,911,400	$2,105,500
" 9.....	60,807,200	65,897,000	3,169,000	4,140,000	8,552,600	2,906,800	2,294,150
" 16.....	61,243,800	65,785,600	3,221,900	4,419,100	7,605,300	2,709,800	1,509,200
" 23.....	61,076,500	65,230,700	3,367,900	4,389,400	7,521,900	2,523,800	1,495,325
" 30.....	60,842,900	64,425,100	3,478,200	4,249,400	7,545,000	2,196,000	1,362,325

BOSTON AND PHILADELPHIA BANKS.—The changes in the condition of the clearing-house banks of Boston and Philadelphia are shown in the following tables:

BOSTON BANKS.

Dates.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
Apr. 2........	$179,716,000	$178,176,000	$11,382,000	$9,651,000	$5,423,000	$101,024,068
" 9........	178,095,000	176,250,000	11,474,000	8,890,000	5,568,000	95,665,900
" 16........	176,385,000	176,787,000	11,835,000	8,431,000	5,704,000	93,158,000
" 23........	173,178,000	176,539,000	12,307,000	7,835,000	5,792,000	83,409,700
" 30........	171,690,000	172,618,000	13,596,000	6,889,000	5,880,000	88,000,800

PHILADELPHIA BANKS.

Dates.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
Apr. 2..................	$115,675,000	$121,414,000	$33,840,000	$5,860,000	$69,561,600
" 9..................	112,845,000	119,790,000	34,287,000	5,815,000	60,990,700
" 13..................	112,745,000	121,206,000	35,272,000	5,813,000	66,125,200
" 26..................	112,009,000	120,111,000	35,022,000	5,815,000	67,844,400
" 30..................	111,209,000	118,218,000	33,707,000	5,968,000	54,149,300

EUROPEAN BANKS.—The leading European banks suffered a considerable depletion of their gold reserve last month, the Bank of England losing more than $3,000,000 the Bank of Germany $17,000,000, and the Bank of Austro Hungary $3,000,000. The Bank of France lost only about $600,000. The Bank of England has $23,000,000 less gold than it held a year ago and the Bank of France $12,000,000 less. The Bank of Russia holds nearly $100,000,000 more gold than it did a year ago.

GOLD AND SILVER IN THE EUROPEAN BANKS.

	January 1, 1898.		*April 1, 1898.*		*May 1, 1898.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
England............	£30,453,493	....	£32,464,048	....	£31,780,643	....
France............	78,114,972	£48,230,367	74,495,069	£48,723,893	74,878,145	£48,614,718
Germany............	29,316,000	15,102,000	32,172,000	16,574,000	28,767,000	14,819,000
Austro-Hungary...	36,475,000	12,334,000	36,643,000	12,540,000	36,014,000	12,555,000
Spain............	9,431,000	10,300,000	9,625,000	10,860,000	9,819,000	8,728,000
Netherlands........	2,629,000	6,820,000	2,767,000	6,947,000	2,879,000	6,940,000
Nat. Belgium.......	2,824,000	1,412,000	2,779,000	1,390,000	2,847,000	1,423,000
Totals...........	£189,243,465	£94,198,367	£190,945,117	£97,304,893	£186,479,788	£93,079,718

MONEY RATES ABROAD.—The heavy gold exports to the United States and the war between the United States and Spain have influenced an advance in rates for money abroad. The Bank of England advanced its rate of discount from 3 to 4 per cent. on April 7 and the Bank of Germany made a similar advance on April 9. The Bank of France maintains its rate of 2 per cent. Discounts of 60 to 90 day bills in London at the close of the month were 3¾ per cent. against 2⅞ per cent. a month ago. The open rate at Paris was 2 per cent. the same as a month ago; at Berlin and Frankfort 3⅜ @ 3½ per cent., an advance of ½ @ ⅝ per cent.

MONEY RATES IN FOREIGN MARKETS.

	Nov. 12.	Dec. 10.	Jan. 14.	Feb. 11.	Mar. 18.	Apr. 1.
London—Bank rate of discount.....	3	3	3	3	3	3
Market rates of discount:						
60 days bankers' drafts......	2⅞	2⅞	2½	2¾	2⅞—3	2⅞
6 months bankers' drafts....	2¾—	2¾—	2⅝	2⅛—⅝	2⅞	2⅞
Loans—Day to day..........	1½	2	1⅛	2	2	2
Paris, open market rates...........	2	2	2	1¾	1¾	1⅞
Berlin, "	4⅛	4⅛	3¼	2⅝	2¾	2¾
Hamburg, "	4⅛	4⅝	3½	2⅞	2⅞	2¾
Frankfort, "	4¼	4¾	3⅛	2 1/16	2⅞	2⅞
Amsterdam, "	3	2½	2⅝	2⅝	2½	2⅞
Vienna, "	3¾	3⅞	3½	3⅝	3⅝	3⅝
St. Petersburg, "	5	5	5	5	5	4⅝
Madrid, "	4	4	4	4	4	4
Copenhagen, "	5	5	5	4	4	4

BANK OF ENGLAND STATEMENT AND LONDON MARKETS.

	Jan. 12, 1898.	Feb. 13, 1898.	Mar. 16, 1898.	Apr. 13, 1898.
Circulation (exc. b'k post bills)...........	£27,502,390	£26,600,235	£26,429,470	£27,802,810
Public deposits............................	9,391,449	15,417,084	18,909,353	11,996,514
Other deposits............................	40,370,457	35,961,137	36,272,556	35,906,140
Government securities.....................	14,023,036	13,999,565	14,158,120	13,197,953
Other securities...........................	33,169,652	32,329,262	35,816,210	34,087,675
Reserve of notes and coin.................	20,684,878	23,245,676	23,717,099	18,433,658
Coin and bullion...........................	31,387,268	33,045,911	33,316,569	29,436,468
Reserve to liabilities......................	41 7/16%	45 1/16%	42⅞%	38⅝%
Bank rate of discount..................	3%	3%	3%	4%
Market rate, 3 months' bills..............	2⅜%	2¾%	2⅞@3%	2⅞@3¾%
Price of Consols (2¾ per cents.)..........	112 11/16	112 9/16	111 11/16	110⅝
Price of silver per ounce..................	26 9/16d.	26 1/16d.	25⅝d.	26d.
Average price of wheat....................	34s. 11d.	34s. 10d.	35s. 10d.	35s. 2d.

FOREIGN EXCHANGE.—The sterling market was weak until late in the month, but a number of causes have combined to give it strength. The export movement of grain and cotton has been affected by the scarcity of vessels, the purchases by the Government for war purposes being responsible for this. Increased premiums for insurance have also had a similar affect. Remittances by the Government for purchases of vessels and war materials abroad caused a scarcity in exchange and sales of American securities for foreign account created a demand for sterling. On the other hand a heavy falling off in the usual tourist business on account of the war is causing a decrease in demand. Considerable gold came from abroad but the late advance in sterling has checked the movement.

RATES FOR STERLING AT CLOSE OF EACH WEEK.

Week ended	Bankers' Sterling. 60 days.	Bankers' Sterling. Sight.	Cable transfers.	Prime commercial. Long.	Documentary Sterling. 60 days.
April 1.........	4.80¾ @ 4.81	4.83½ @ 4.83¾	4.84¼ @ 4.84½	4.80¼ @ 4.80½	4.79¾ @ 4.80¼
" 8.........	4.80 @ 4.80¼	4.83¼ @ 4.83½	4.84 @ 4.84¼	4.79½ @ 4.79¾	4.79 @ 4.80
" 15.........	4.79¾ @ 4.80	4.83¼ @ 4.83½	4.84 @ 4.84¼	4.79 @ 4.79½	4.78½ @ 4.79¼
" 22.........	4.79¾ @ 4.80	4.83¾ @ 4.84	4.84½ @ 4.84¾	4.79¼ @ 4.79½	4.78¾ @ 4.79¾
" 29.........	4.80¾ @ 4.81	4.84 @ 4.84¼	4.84¾ @ 4.85	4.80 @ 4.80¼	4.79½ @ 4.80½

Foreign Exchange—Actual Rates on or about the First of Each Month.

	Jan. 1.	*Feb. 1.*	*March 1.*	*April 1.*	*May 1.*
Sterling Bankers—60 days	4.82¼— ½	4.82¼— ½	4.81¾— 2	4.80¾— 1	4.80¾— 1
" " Sight	4.84¾— 5	4.84½— ¾	4.84 — ½	4.83¾— 4	4.84 — ¼
" " Cables	4.85¼— ½	4.84¾— 5	4.84½— ¾	4.84¼— ½	4.84¾— 5
" Commercial long	4.81¾— 2	4.81½— 2	4.80½— 1½	4.80 — ¼	4.80 — ¼
" Docu'tary for paym't.	4.81¼— ½	4.81½— 2	4.80½— 1½	4 79½—80½	4.79½—80½
Paris—Cable transfers	5.19⅜—	5.20 — 9⅜	5.21¼—20⅝	5.22½— 1⅞	5.21⅞— ¼
" Bankers' 60 days	5.21⅞—	5.21⅞— 1¼	5.23⅛—	5.24⅜—	5.23¾—
" Bankers' sight	5.20⅝— 1/16	5.20 1/16—20	5.21⅞— ¼	5.23⅛— 2½	5.22½— 1⅞
Antwerp—Commercial 60 days.	5.24⅜— 3¾	5.24⅜— 3¾	5.25⅝—25	5.27½— 6⅞	5.28⅛— 7½
Swiss—Bankers' sight	5.22½— 1⅞	5.22½— 1⅞	5.23¾— ⅛	5.25 — 4⅜	5.24⅜— ¾
Berlin—Bankers' 60 days	94 7/16— ½	94 7/16— ½	94 5/16— ⅜	93 15/16— 4	93 13/16— ⅞
" Bankers' sight	95⅛— 3/16	94 15/16— 5	94⅝— 11/16	94⅜— 7/16	94 5/16— ⅜
Brussels—Bankers' sight	5.21¼—20⅝	5.20⅝—	5.22½— 1⅞	5.23¾—	5.23⅛—
Amsterdam—Bankers' sight	40⅛— 3/16	40 3/16— ¼	40⅛— 3/16	39 15/16—40	40 — 1/16
Kronors—Bankers' sight	26 13/16— ⅞	26 13/16— ⅞	26¾— 13/16	26¾— 13/16	26 11/16— ¾
Italian lire—sight	5.45¼— 2¼	5.47¾—44	5.49⅛ - 6⅛	5.52⅝—49⅝	5.60 —57

Silver.—The price of silver in London last month touched the highest point recorded since January last, advancing from 25 11-16d to 26 5-16d per ounce, a gain of ⅝d. There was an increased demand for silver for India and late in the month the French Government invited tenders for 1,000,000 ounces which it is to coin for foreign colonies. The closing price for the month was at the highest point 26 5-16d.

Monthly Range of Silver in London—1895, 1896, 1897.

Month.	*1896.*		*1897.*		*1898.*		Month.	*1896.*		*1897.*		*1898.*	
	High	*Low.*	*High*	*Low.*	*High*	*Low.*		*High*	*Low.*	*High*	*Low.*	*High*	*Low.*
January	30½	30⅜	29 13/16	29 11/16	26¾	26 1/16	July	31⅝	31⅜	27 11/16	26⅜		
February	31 3/16	30¾	29¾	29 11/16	26¼	25 3/16	August	31⅜	30⅝	26⅛	23¾		
March	31 11/16	31⅛	29⅜	28 3/16	26 1/16	25	Septemb'r	30 11/16	30	27¼	23¾		
April	31 3/16	30 11/16	28⅛	28 3/16	26 3/16	25 11/16	October	30 3/16	29¾	27⅛	26		
May	31 3/16	30 13/16	28 3/16	27⅝			Novemb'r	30 3/16	29¾	27⅛	26⅜		
June	31 5/16	31 5/16	27¾	27⅛			Decemb'r	30	29 11/16	27¾	25 5/16		

Gold and Silver Coinage.—The large imports of gold bullion have caused an increase in gold coinage the demand for currency making it necessary to change the bullion into coin. More than $8,000,000 of gold was coined during the month and less than $1,000,000 of silver. The subsidiary coinage amounted to $104,290.

Coinage of the United States.

	1897.		*1898.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*
January	$7,803,420	$1,964,800	$3,420,000	$1,624,000
February	10,152,000	1,519,794	4,085,302	1,167,564
March	13,770,900	1,617,654	5,385,463	1,488,139
April	8,800,400	1,535,000	8,211,400	948,000
May	4,489,950	1,600,000		
June	2,100,547	1,856,754		
July	377,000	260,000		
August	8,756,250	701,436		
September	8,762,375	1,050,092		
October	3,845,000	2,301,000		
November	3,544,000	2,103,000		
December	3,626,642	1,977,167		
Year	$76,028,484	$18,486,697	$21,102,165	$5,227,703

National Bank Circulation.—For the first time in a number of months there was an increase in bank note circulation in April, the increase amounting to $1,632,117. Nearly $3,000,000 of Government bonds were deposited to secure circulation and the increase in notes based upon bonds was $2,527,182. The lawful money on deposit to retire circulation was reduced $895,015, and now amounts to $31,891,404.

National Bank Circulation.

	Jan. 31, 1898.	*Feb. 28, 1898.*	*Mar. 31, 1898.*	*Apr. 30, 1898.*
Total amount outstanding	$226,444,906	$224,747,082	$224,396,019	$226,030,136
Circulation based on U. S. bonds	192,724,299	191,056,818	191,611,600	194,138,732
Circulation secured by lawful money	33,720,607	33,690,214	32,786,419	31,891,404
U. S. bonds to secure circulation:				
Four per cents. of 1895	26,406,150	25,556,150	26,446,650	27,654,150
Pacific RR. bonds, 6 per cent	2,751,000	2,725,000	2,528,000	3,081,000
Funded loan of 1891, 2 per cent	22,240,750	22,259,250	22,194,250	22,301,750
" " 1907, 4 per cent	148,140,100	146,897,100	146,794,350	147,014,600
Five per cents. of 1894	15,949,650	15,977,150	16,402,150	17,111,150
Total	$215,487,650	$213,414,650	$214,365,400	$217,162,650

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1895, $4,660,000; Pacific Railroad 6 per cents., $311,000; 2 per cents of 1891, $1,459,500; 4 per cents of 1907, $17,474,000; 5 per cents. of 1894, $4,020,000; a total of $27,924,500. The circulation of National gold banks, not included in the above statement, is $83,615.

United States Public Debt.—The net cash in the Treasury was reduced $10,300,000 but a decrease of about $700,000 in the National bank note redemption account and other small changes in items of debt made the increase in net debt of the Government about $9,700,000. The public debt statement shows an indebtedness of $14,004,560 on account of Pacific railroad bonds not matured and of $460,000 for similar bonds matured but not yet presented for payment, which items are not included in the totals.

United States Public Debt.

	Jan. 1, 1898.	*Mar. 1, 1898.*	*April 1, 1898.*	*May 1, 1898.*
Interest bearing debt:				
Funded loan of 1891, 2 per cent	$25,364,500	$25,364,500	$25,364,500	$25,364,500
" " 1907, 4 "	559,641,500	559,644,050	559,644,050	559,644,950
Refunding certificates, 4 per cent	44,220	42,730	42,730	42,160
Loan of 1904, 5 per cent	100,000,000	100,000,000	100,000,000	100,000,000
" 1925, 4 "	162,315,400	162,315,400	162,315,400	162,315,400
Total interest-bearing debt	$847,365,620	$847,366,680	$847,366,680	$847,367,010
Debt on which interest has ceased	1,330,270	1,327,670	1,283,780	1,280,680
Debt bearing no interest:				
Legal tender and old demand notes	346,735,363	346,735,363	346,735,363	346,735,363
National bank note redemption acct.	32,268,146	33,452,434	32,612,218	31,974,969
Fractional currency	6,886,937	6,886,272	6,885,252	6,885,252
Total non-interest bearing debt	$385,890,446	$386,974,069	$386,232,834	$385,595,584
Total interest and non-interest debt.	1,234,586,337	1,235,668,419	1,234,883,294	1,234,243,274
Certificates and notes offset by cash in the treasury:				
Gold certificates	38,128,149	38,015,149	37,927,149	37,555,149
Silver "	387,925,504	391,908,504	394,630,504	396,325,504
Certificates of deposit	44,555,000	50,660,000	41,230,000	27,735,000
Treasury notes of 1890	106,348,280	104,669,280	103,615,280	102,691,280
Total certificates and notes	$576,956,933	$585,252,933	$577,402,933	$564,306,933
Aggregate debt	1,811,543,270	1,820,921,352	1,812,286,227	1,798,550,207
Cash in the Treasury:				
Total cash assets	861,391,370	856,571,766	853,798,468	831,117,862
Demand liabilities	625,916,601	631,007,563	627,631,525	615,307,240
Balance	$235,474,769	$225,564,203	$226,166,943	$215,810,622
Gold reserve	100,000,000	100,000,000	100,000,000	100,000,000
Net cash balance	135,474,769	125,564,203	126,166,943	115,810,622
Total	$235,474,769	$225,564,203	$226,166,943	$215,810,622
Total debt, less cash in the Treasury.	999,111,568	1,010,104,216	1,008,716,351	1,018,432,652

Supply of Money in the United States.—There was an increase in the stock of money in the country in April of $43,000,000, which is fully accounted for by a gain of more than $41,000,000 in gold and of nearly $2,000,000 in National bank notes, a slight increase having occured in silver caused by the coinage of bullion into silver dollars.

Supply of Money in the United States.

	Jan. 1, 1898.	*Mar. 1, 1898.*	*Apr. 1, 1898.*	*May 1, 1898.*
Gold coin	$699,478,536	$705,494,087	$729,385,818	$750,557,111
Gold bullion	45,559,060	52,454,816	63,647,258	83,671,535
Silver dollars	455,818,122	458,100,347	459,200,422	459,884,422
Silver bullion	102,284,736	100,819,300	99,829,432	99,551,902
Subsidiary silver	76,400,207	76,230,903	76,584,060	76,605,240
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	229,014,641	224,831,072	224,481,879	226,118,751
Total	$1,955,236,318	$1,964,611,491	$1,999,809,905	$2,043,064,977

Certificates and Treasury notes represented by coin, bullion, or currency in Treasury are not included in the above statement.

Coin and Bullion Quotations.—Following are the ruling quotations in New York for foreign and domestic coin and bullion:

Foreign and Domestic Coin and Bullion—Quotations in New York.

	Bid.	*Asked.*		*Bid.*	*Asked.*
Trade dollars	$ .60	......	Twenty marks	$4.74	$4.78
Mexican dollars	.45¼	$ .46⅛	Spanish doubloons	15.50	15.70
Peruvian soles, Chilian pesos	.40¼	.42	Spanish 25 pesos	4.78	4.83
English silver	4.82	4.85	Mexican doubloons	15.50	15.70
Victoria sovereigns	4.84	4.87	Mexican 20 pesos	19.50	19.60
Five francs	.93	.95	Ten guilders	3.95	3.99
Twenty francs	3.83	3.87			

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 26 1/16d. per ounce. New York market for large commercial silver bars, 57 @ 58c. Fine silver (Government assay), 57⅛ @ 58⅛c.

Foreign Trade.—The exports of merchandise from the United States in March aggregated nearly $113,000,000 making the sixth time in the last seven months that the total exceeded $100,000,000. Such a record has no parallel in the previous history of our foreign trade. The imports on the other hand were much below their normal volume, only about $61,500,000, causing an excess of exports amounting to more than $51,000,000. This added to the enormous balance of the previous eight months give a total of nearly $471,000,000 net exports since July 1, 1897. This exceeds the extraordinary record of the previous year by $147,000,000 and is $400,000,000 more than the net exports of the corresponding nine months of 1895–96. We gained nearly $30,000,000 of gold by import in March and exported net nearly $1,800,000 of silver. The net exports of merchandise and specie for the month

Exports and Imports of the United States.

Month of March.	Merchandise.			Gold Balance.	Silver Balance.
	Exports.	*Imports.*	*Balance.*		
1893	$66,516,571	$86,663,524	Imp., $20,146,953	Exp., $1,504,991	Exp., $1,755,200
1894	70,640,839	66,031,689	Exp., 4,609,150	" 2,929,241	" 2,837,722
1895	65,161,847	69,295,493	Imp., 4,133,646	Imp., 4,226,697	" 2,042,450
1896	75,574,184	66,455,663	Exp., 9,118,521	" 354,596	" 2,260,668
1897	87,282,247	76,351,444	" 10,930,803	" 864,234	" 2,940,388
1898	112,817,863	61,507,437	" 51,310,426	" 29,943,271	" 1,789,332
Nine Months.					
1893	653,389,931	643,737,443	Exp., 9,652,488	Exp., 52,254,180	Exp., 12,393,736
1894	709,467,690	486,308,146	" 223,159,544	Imp., 59,374,098	" 28,074,607
1895	623,047,515	535,529,109	" 87,518,406	Exp., 37,888,091	" 19,676,690
1896	678,241,057	607,650,496	" 70,590,561	" 52,039,667	" 23,652,081
1897	822,280,460	498,866,838	" 323,413,622	Imp., 65,363,486	" 25,012,008
1898	926,161,233	455,190,540	" 470,961,693	" 57,513,350	" 17,749,568

exceed $23,000,000 and for the nine months $430,000,000. In the previous year the net balance was only $283,000,000 for the same period and in 1895–96 only $146,000,000.

Government Revenues and Disbursements.—The receipts of the Government in April were nearly $5,000,000 less than in the corresponding month last year and deducting the receipts on account of the sale of the Kansas Pacific Railway, $2,651,500 last month, they were $7,500,000 less than in April 1897. The decrease however, is fully accounted in the customs revenues which by sugar importations were swelled to nearly $24,500,000 last year, while this year they were only about $14,200,000. The war disbursements are now beginning to cut an important figure in the expenses, the total expenditures in April being $44,314,062 of which $6,223,814 were for war and $12,556,938 for navy. A deficit of more than $11,000,000 is shown for the month but the actual deficit was about $14,000,000.

United States Treasury Receipts and Expenditures.

Receipts. Source.	April. 1898.	Since July 1, 1897.	Expenditures. Source.	April. 1898.	Since July 1, 1897.
Customs	$14,193,977	$121,797,381	Civil and mis	$9,024,995	$84,625,775
Internal revenue	14,819,037	138,767,465	War	6,223,814	55,140,401
Miscellaneous	3,999,929	80,362,154	Navy	12,556,933	40,249,164
			Indians	532,599	9,971,712
Total	$33,012,943	$340,926,950	Pensions	10,867,717	124,000,885
			Interest	5,108,004	33,685,309
Excess of expenditures	$11,301,119	$6,746,246	Total	$44,314,062	$347,673,196

United States Treasury Cash Resources.

	Jan. 31.	Feb. 28.	Mar. 31.	April 30.
Net gold	$164,061,350	$167,434,000	$173,686,764	$180,968,631
Net silver	19,971,716	15,896,079	9,498,663	5,733,488
U. S. notes	25,898,914	33,808,491	41,277,632	31,621,433
Miscellaneous assets (less current liabilities)	*13,261,177	*21,736,630	*29,587,008	*27,217,044
Deposits in National banks	45,194,962	31,825,573	31,281,277	600,402
Available cash balance	$241,865,766	$227,224,513	$226,157,327	$218,968,954

* Excess of liabilities.

United States Government Receipts and Expenditures and Net Gold in the Treasury.

Month.	1897. Receipts.	1897. Expenditures.	1897. Net Gold in Treasury.	1898. Receipts.	1898. Expenditures.	1898. Net Gold in Treasury.
January	$24,316,994	$30,269,389	$144,800,493	$37,333,628	$36,696,711	$162,669,408
February	24,400,997	28,796,056	148,661,209	28,572,358	26,599,256	166,048,822
March	36,217,662	27,212,998	152,786,464	32,958,750	31,882,444	172,976,186
April	37,812,135	32,072,097	153,340,889	33,012,943	44,314,062	*180,968,631
May	29,797,390	29,109,259	144,319,562			
June	36,584,708	22,934,694	140,790,738			
July	39,027,364	50,100,909	140,817,699			
August	19,023,615	33,588,047	144,216,377			
September	21,933,098	25,368,815	147,663,105			
October	24,391,415	33,701,512	153,573,147			
November	43,363,605	37,810,839	155,815,111			
December	59,646,698	27,634,092	159,341,067			

* This balance as reported in the Treasury sheet on the last day of the month.

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of April, and the highest and lowest during the year 1898, by dates, and also, for comparison, the range of prices in 1897:

	Year 1897.		Highest and Lowest in 1898.		April, 1898.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	17	9⅛	13⅝—Feb. 7	10¼ Apr. 21	11¾	10¼	10⅞
" preferred	35¼	17	32⅝—Feb. 8	22⅞—Mar. 12	26¾	23⅛	25⅝
Baltimore & Ohio	21⅛	9	19 —Feb. 3	12⅜—Jan. 25	17⅛	15⅛	15⅞
Bay State Gas	16¾	3⅞	5⅛—Jan. 21	2⅜—Mar. 21	3¼	2⅛	2⅜
Brooklyn Rapid Transit	37⅝	18⅝	48¼—Feb. 18	35 —Mar. 12	40	35¼	37⅞
Canadian Pacific	82	46½	90½—Jan. 20	72 —Apr. 21	81⅞	72	81⅞
Canada Southern	62⅛	44½	57⅜—Feb. 5	44½—Mar. 12	48	46	47½
Central of New Jersey	108¼	68¼	98¼—Jan. 7	86½—Mar. 26	94	88¼	93½
Central Pacific	18	7⅛	14 —Feb. 16	11 —Apr. 23	12	11	11
Ches. & Ohio vtg. ctfs	27⅛	15⅝	24⅞—Feb. 1	17¼—Mar. 26	20	17¼	18½
Chicago & Alton	170	140	166⅞—Jan. 14	150 —Mar. 14	155	150	150
Chicago, Burl. & Quincy	102¼	69⅝	108¼—Feb. 11	85⅞—Mar. 26	95¼	88	93
Chicago & E. Illinois	61	37¼	60¼—Feb. 1	49 —Apr. 19	50½	49	49
" preferred	103	95	113½—Feb. 1	102 —Jan. 7	106¾	106½	106½
Chicago Gas	108¾	73¼	....	....	....	....	....
Chicago, Great Western	20⅝	3⅝	16¼—Jan. 8	9⅛—Feb. 24	11¼	9⅞	10⅞
Chic., Indianapolis & Lou'ville	13	8	10¼—Jan. 14	7 —Feb. 24	....	....	....
" preferred	38¼	26	33⅜—Feb. 2	23 —Apr. 16	24½	23	24½
Chic., Milwaukee & St. Paul	102	69¼	97½—Jan. 12	83¼—Apr. 21	91	83¼	87⅞
" preferred	146	130½	149½ Feb. 16	140 —Apr. 25	143	140	140¾
Chicago & Northwestern	132½	101¾	130½—Feb. 11	113¼—Mar. 12	120½	115	118¾
" preferred	165½	153	174 —Feb. 19	163 —Jan. 3	....	....	....
Chicago, Rock I. & Pacific	97¼	60¼	94½—Jan. 28	80 —Mar. 25	88½	82	85
Chic., St. Paul, Minn. & Om	89½	47	79 —Feb. 11	65 —Mar. 12	70⅞	68	68
" preferred	150⅝	133	155 —Feb. 28	148 —Jan. 5	....	....	....
Clev., Cin., Chic. & St. Louis	41½	21½	38¼—Jan. 31	25 —Mar. 12	28¾	25½	27⅞
" preferred	86½	63	87 —Feb. 1	77½—Mar. 9	80	80	80
Col. Coal & Iron Devel. Co	2	⅜	⅞—Jan. 28	¼—Apr. 7	¼	¼	¼
Col. Fuel & Iron Co	27⅞	15¾	26⅝—Jan. 11	17 —Mar. 12	19¾	17	17½
Col. Hocking Val. & Tol	18	1½	8¼—Feb. 10	5 —Mar. 18	6	5¼	5¼
" preferred	46	14	27½—Feb. 10	17 —Jan. 7	17	17	17
Consolidated Gas Co	241½	136½	195¼—Jan. 25	167 —Mar. 26	182	170½	175
Delaware & Hud. Canal Co	123	99⅝	114½—Feb. 3	104 —Apr. 21	108½	104	107¼
Delaware, Lack. & Western	164	146½	159 —Feb. 5	144¼—Apr. 21	150½	144¼	144¼
Denver & Rio Grande	14¾	9¼	13 —Jan. 12	10 —Apr. 26	11¾	10	10
" preferred	50½	36	52¾—Feb. 9	40 —Apr. 21	45	40	42½
Edison Elec. Illum. Co., N. Y.	132½	101¾	135 —Jan. 20	119 —Apr. 8	119	119	119
Erie	19	11½	16¼—Feb. 4	11 —Apr. 21	12¾	11	11½
" 1st pref	46⅝	27	43⅜—Feb. 11	29¼—Apr. 22	34½	29¼	32¼
" 2d pref	25⅝	15½	21⅝—Feb. 11	15½—Apr. 22	16½	15½	16
Evansville & Terre Haute	34	20	25 —Jan. 7	23 —Jan. 7	....	....	....
Express Adams	165	147¼	180 —Feb. 10	97¼—Apr. 29	102	97¼	97¼
" American	119½	109½	130 —Feb. 14	116 —Jan. 5	126	120	123
" United States	48	37	45 —Feb. 9	38 —Apr. 14	42	38	40
" Wells, Fargo	120	97	120 —Feb. 14	113 —Jan. 10	118	114¼	115½
Great Northern, preferred	141	120	162 —Feb. 4	130 —Jan. 12	150	150	150
Illinois Central	110¾	91½	108⅞—Jan. 31	96 —Apr. 21	100½	96	99
Iowa Central	13¾	6	9½—Jan. 13	7¼—Mar. 18	8¼	7¼	8¼
" preferred	41¾	23	35 —Jan. 8	25 —Apr. 28	25¼	25	25¼
Laclede Gas	49¾	22	48 —Jan. 19	37½—Mar. 25	43	39¼	43
" preferred	96	70¼	94½—Jan. 14	85 —Mar. 12	87	85	85
Lake Erie & Western	22½	13	18⅝—Feb. 8	12½—Mar. 14	14½	13¾	14
" preferred	79⅞	58¼	76¼—Feb. 8	66 —Mar. 14	70½	69¼	70½
Lake Shore	181	152	194¾—Jan. 29	170¾—Jan. 4	185	179	180⅝
Long Island	55	38	50 —Feb. 9	40 —Jan. 20	....	....	....
Louisville & Nashville	63⅞	40⅛	60½—Jan. 31	44 —Apr. 21	51¼	44	47⅝
Manhattan consol	113	81¾	120¼—Jan. 14	91 —Mar. 26	99¼	91¼	95⅜
Metropolitan Street	133½	99¾	171½—Feb. 14	125¼—Mar. 26	142⅛	131⅞	139⅞
Michigan Central	111⅞	90	114⅞—Feb. 8	99½—Mar. 12	105½	100½	101½
Minneapolis & St. Louis	31½	16	30⅞—Feb. 15	24 —Mar. 11	25	24½	24¾
" 1st pref	90	77¾	88¼—Feb. 15	85½—Jan. 13	....	....	....
" 2d pref	62¾	46	59¾—Feb. 15	46 —Mar. 26	50½	50	50
Missouri, Kan. & Tex	16⅞	10	14¼—Jan. 26	10 —Apr. 13	10¾	10	10¾
" preferred	42	24¾	41 —Jan. 28	28¾—Mar. 12	33¾	30	31¾

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1897.		Highest and Lowest in 1898.		April, 1898.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Missouri Pacific	40¼	10	35⅝—Jan. 28	22 —Mar. 12	28¼	24¼	26¾
Mobile & Ohio	32	18	32½—Feb. 7	24¾—Apr. 19	25	24¾	25
N. Y. Cent. & Hudson River	115⅛	92⅛	119¾—Jan. 28	105 —Mar. 26	113	106⅛	110
N. Y. Chicago & St. Louis	17⅝	11	15⅝—Jan. 31	11⅝—Mar. 14	13	11¼	11¾
" 1st preferred	81½	67⅝	76 —Jan. 31	73 —Feb. 19	....	....	....
" 2d preferred	43½	24	40¼—Jan. 29	28 —Mar. 25	....	....	....
N. Y., New Haven & Hartf'd.	186	160	195½—Feb. 2	178¼—Jan. 7	184	182½	184
N. Y., Ontario & Western	20⅛	12¾	18⅞—Feb. 2	13⅜—Apr. 25	14⅞	13⅜	14
N. Y., Sus. & Western	20	6½	18 —Jan. 5	8 —Jan. 8	....	....	....
" preferred	45	18¼	38 —Feb. 11	23 —Jan. 10	28	28	28
Norfolk & Western	17¼	9	17 —Feb. 7	11½—Apr. 21	12½	11½	11½
" preferred	48½	17	56¼—Feb. 7	42½—Mar. 12	46¾	43	45¼
North American Co	6⅛	3⅝	6⅜—Feb. 17	4¼—Jan. 15	5½	5	5¼
Northern Pacific tr. receipts.	22⅜	11	28⅝—Jan. 31	19 —Feb. 24	24⅝	21	24⅜
" pref tr. receipts	61⅛	32⅛	69 —Jan. 31	56⅞—Mar. 12	63⅜	57½	63⅜
Oregon Railway & Nav	41	10	51¼—Feb. 1	35½—Jan. 7	44¼	43	44
" preferred	73½	37⅞	72½—Jan. 20	65½—Mar. 29	67	66⅞	66⅞
Oregon Short Line	28¾	10⅞	33¾—Feb. 17	19⅜—Jan. 3	30	27⅛	27⅞
Pacific Mail	39¼	24	32⅜—Feb. 4	21 —Apr. 21	25⅜	21	22
Pennsylvania R. R.	119	103⅛	120⅝—Feb. 7	110¾—Mar. 12	114½	111	114
Pitts., Cin. Chic. & St. Louis	39½	11½	46¼—Feb. 7	38⅞—Jan. 5	44	43	43
" preferred	70½	44½	71 —Feb. 7	57 —Mar. 23	60	58	60
Pullman Palace Car Co	185	152	189¾—Feb. 11	165 —Mar. 12	173	170	170⅛
Reading Voting Tr. ctfs	29¼	16¼	23⅝—Jan. 6	15½—Mar. 25	17⅞	15⅝	16½
" 1st prefered	57¾	38½	54⅛—Feb. 3	36 —Mar. 12	40½	36¾	39½
" 2d preferred	35⅞	22½	29 —Jan. 6	18⅞—Mar. 26	21	19¼	20½
Rome, Wat. Ogdens' g	122½	117	123 —Jan. 4	116¼—Mar. 26	118	118	118
St. Louis & San Francisco	9	4	7¾—Jan. 8	6 —Mar. 26	6⅞	6	6¼
" 1st preferred	59⅜	37	58½—Feb. 7	52½—Mar. 12	56½	55	55½
" 2d preferred	27½	12	28 —Feb. 8	22½—Feb. 24	26½	22¾	24½
St. Louis & Southwestern	7	1	5 —Feb. 1	3¾—Jan. 24	4¼	4	4
" preferred	14⅜	3½	11 —Jan. 27	7¼—Mar. 12	10	9	9
St. Paul & Duluth	30	20	25 —Jan. 8	20½—Jan. 6	21	21	21
" preferred	87½	75	87½—Feb. 14	78 —Apr. 20	78	78	78
St. Paul, Minn. & Manitoba	125	114	138 —Mar. 5	123⅞—Jan. 12	130¼	130	130
Southern Pacific Co	23½	13⅛	22 —Jan. 12	12 —Apr. 13	14¼	12	13
Southern Railway	12¼	7	9⅞—Feb. 10	7 —Apr. 21	8⅛	7	8
" preferred	38⅜	22⅞	33¼—Feb. 11	23⅝—Mar. 26	27⅛	24⅛	26
Tennessee Coal & Iron Co	35⅛	17	28½—Jan. 11	17 —Mar. 12	21½	18⅝	20
Texas & Pacific	15	8	12⅝—Feb. 15	8⅞—Mar. 12	10⅜	9	9¾
Union Pacific trust receipts	27¾	4⅛	36½—Feb. 1	16⅛—Mar. 25	20¾	18	19½
Union Pac., Denver & Gulf	11⅝	1	10¼—Feb. 18	5⅜—Apr. 20	7½	5⅜	5⅞
Wabash R. R.	9¾	4⅝	7⅞—Jan. 12	6¼—Mar. 26	7⅛	6¼	6¾
" preferred	24⅞	11½	19⅞—Jan. 18	14¼—Mar. 7	16	14⅝	15¾
Western Union	96¼	77¼	93⅜—Jan. 10	82¼—Mar. 26	87½	83½	86⅜
Wheeling & Lake Erie	6½	½	3¾—Jan. 11	1⅛—Mar. 12	2	1⅛	2
" preferred	29	2⅜	16 —Jan. 12	9¼—Mar. 12	10	9¾	9¾
Wisconsin Central	4⅜	1	3⅞—Jan. 17	⅞—Jan. 6	....	....	....
"Industrial" Stocks:							
American Co. Oil Co	26⅞	9½	23½—Jan. 10	15½—Mar. 25	17½	16¼	17
" preferred	80½	52¼	77¼—Feb. 1	66 —Mar. 14	70	67	70
American Spirits Mfg Co	15⅞	6½	11½—Apr. 27	6½—Jan. 20	11½	7⅛	10⅝
" preferred	36	15	27½—Apr. 27	16 —Mar. 26	27½	16	25
American Sugar Ref. Co	159⅛	109⅛	145 —Jan. 7	107½—Mar. 26	125	112⅝	123⅞
" preferred	121½	100¼	116 —Jan. 6	103 —Mar. 25	109	104½	109
American Tobacco Co	96⅜	67½	117 —Apr. 14	83¾—Jan. 24	117	95½	102¾
" preferred	115	100	118½—Feb. 18	112¼—Mar. 26	118	113	116
General Electric Co	41⅜	28⅝	39¾—Feb. 7	29¼—Mar. 12	33¾	30¼	32⅜
National Lead Co	44	21⅞	37⅞—Jan. 7	26¼—Mar. 26	31	27¾	29½
" preferred	109¾	88⅜	109½—Feb. 10	99 —Apr. 22	104	99	102½
National Linseed Oil Co	23½	10	19 —Jan. 14	15 —Mar. 25	16	15	16
National Starch Manfg. Co	13	3	9 —Feb. 10	5 —Apr. 25	5	5	5
Standard Rope & Twine Co	11¾	2¾	5⅝—Feb. 16	3¼—Jan. 3	4	3½	3⅝
U. S. Leather Co	10¼	6¼	7¾—Feb. 7	5¼—Apr. 25	5⅞	5¼	5⅜
" preferred	72	50½	67 —Jan. 31	53¾—Mar. 26	58¾	56	58½
U. S. Rubber Co	25¼	10	21⅞—Feb. 15	14¼—Mar. 12	17	15½	17
" preferred	76⅞	50	74⅜—Feb. 15	60 —Mar. 12	68	63	67¼

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

LAST SALE, PRICE AND DATE AND HIGHEST AND LOWEST PRICES AND TOTAL SALES FOR THE MONTH.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	APRIL SALES. *High.*	APRIL SALES. *Low.*	APRIL SALES. *Total.*
Ala. Midland 1st gold 6s	1928	2,800,000	M & N	91	Jan. 20,'98	....	....	....
Ann Arbor 1st g 4's	1995	7,000,000	Q J	82	Apr. 29,'98	83⅝	81	64,000
Atch., Top. & S. F.								
Atch Top & Santa Fe gen g 4's	1995	116,417,000	A & O	86¼	Apr. 30,'98	88⅛	85	1,759,500
" registered		....	A & O	89⅝	Mar. 22,'98	....	....	....
" adjustment, g. 4's	1995	51,728,000	NOV	58¾	Apr. 30,'98	59¾	56	4,898,500
" registered		....	NOV	....	....	....	....	....
" Equip. tr. ser. A. g. 5's	1902	1,000,000	J & J	....	....	....	....	....
" Chic. & St. L. 1st 6's	1915	1,500,000	M & S	....	....	....	....	....
Atlan. av. of Brook'n imp. g. 5's	1934	1,500,000	J & J	82⅛	Feb. 8,'96	....	....	....
Atlanta & Danville 1st g. 5's	1950	1,238,000	J & J	97	Apr. 21,'98	97	95	7,000
B. & O. 1st 6's (Parkersburg br.)	1919	3,000,000	A & O	100⅛	Apr. 29,'98	104	100	218,000
" 5's, gold	1885–1925	3,021,000	F & A	92	Mar. 26,'98	....	....	....
" coupons off				....	....	....	....	....
" registered			F & A	95	Feb. 4,'98	....	....	....
" eng. ctfs of deposit		6,979,000	......	92½	Apr. 12,'98	92½	92½	1,000
B. & O. con. mtge. gold 5's	1988	5,265,000	F & A	97	Apr. 6,'98	97	97	1,000
" registered			F & A	107⅛	Mar. 7,'94	....	....	....
" J.P.M. & Co. cfs. dep'it		6,713,000	......	97	Apr. 6,'98	97	97	2,000
Balti. Belt, 1st g. 5's int. gtd.	1990	6,000,000	M & N	84	Jan. 11,'98	....	....	....
W. Virginia & Pitts. 1st g. 5's	1990	4,000,000	A & O	111	Dec. 12,'95	....	....	....
Monongahela River 1st g. g., 5's	1919	700,000	F & A	104½	July 1,'92	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s	1930	2,500,000	M & S	99	Jan. 27,'98	....	....	....
Colo. & Cin. Midl'd 1st ext 4½'s	1939	2,000,000	J & J	92½	Aug. 30,'92	....	....	....
Ak. & Chic. Junc. 1st g. s. g. 5's	1930	1,500,000	M & N	102⅛	Nov. 21,'95	....	....	....
" coupons off		....	......	80	Nov. 1,'97	....	....	....
Pittsb. & Connellsville 1st g. 4's	1946	2,536,000	J & J	103⅛	Oct. 8,'97	....	....	....
B & O. Southwest'n 1st g. 4½'s	1990	10,667,000	J & J	99	Feb. 2,'98	....	....	....
" 1st c. g. 4½'s	1993	10,511,000	J & J	60	June 9,'97	....	....	....
" 1st inc. g. 5's "A"	2043	8,651,000	NOV	25	Aug. 18,'94	....	....	....
" "B"	2043	9,655,000	DEC	9⅛	Feb. 3,'98	....	....	....
B. & O. Sw. Term Co. gtd g 5's	1942	1,200,000	M & N	....	....	....	....	....
Ohio & Miss. 1st con. 4's	1947	2,615,000	J & J	105¼	Feb. 1,'98	....	....	....
" 2d con. 7's	1911	2,952,000	A & O	121	Mar. 3,'98	....	....	....
" 1st Spr'gfield div. 7's	1905	1,984,000	M & N	105	Apr. 30,'98	105	105	2,000
" 1st gen. 5's	1932	405,000	J & D	98	Apl. 2,'92	....	....	....
Brooklyn City 1st con. 5's	1941	4,373,000	J & J	115	Sept. 13,'97	....	....	....
Brooklyn E. Tr. Co. cfs 1st g. 6s's	1924	3,464,000	......	79	Apr. 15,'98	79	79	6,000
" Tr. Co. ctfs. 2d g. 5's	1915	1,246,000	......	....	....	..	....	....
" 1st instal. paid			......	....	....	....	....	....
Seas. & B. B. Tr. Co. cfs. 1st g. g. 5's	1942	1,357,000	......	70⅛	Dec. 14,'97	....	....	....
" 1st instal. paid			......	....	....	....	....	....
Union Ele. Tr. Co. ctfs. 1st g. g. 6's	1937	6,124,000	......	80	Apr. 15,'98	80	80	11,000
Brooklyn Rapid Transit g. 5's	1945	6,398,000	A & O	92	Apr. 29,'98	93	91	109,000
Brunswick & Western 1s g. 4's	1938	3,000,000	J & J	74	Sept. 1,'96	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's	1937	4,407,000	M & S	105	Apr. 13,'98	106⅛	105	8,000
Rochester & Pittsburg. 1st 6's	1921	1,300,000	F & A	127	Mar. 2,'98	....	...	....
" cons. 1st 6's,	1922	3,920,000	J & D	123	Apr. 12,'98	123	123	1,000
Clearfield & Mah. 1st g. g. 5's	1943	650,000	J & J	121¼	May 26,'96	....	....	....
Buffalo & Susquehanna 1st g. 5's	1913	1,211,500	A & O	100	Feb. 27,'96	....	....	....
" registered			A & O	....	....	....	....	....
Burlington, Cedar R. & N. 1st 5's	1906	6,500,000	J & D	105¾	Apr. 30,'98	106	105¾	14,000
" con. 1st & col. tst 5's	1934	6,425,000	A & O	103	Apr. 25,'98	103	100	2,000
" registered			A & O	97	Feb. 9,'98	....	....	....
Minneap's & St. Louis 1st 7's. g.	1927	150,000	J & D	140	Aug. 24,'95	....	....	.... ..
Ced. Rap Ia. Falls & Nor. 1st 6's	1920	825,000	A & O	108	Dec. 10,'97	....	....	....
" 1st 5's	1921	1,905,000	A & O	105	Jan. 4,'98	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest price and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME. Principal Due	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	APRIL SALES. High.	APRIL SALES. Low.	APRIL SALES. Total.
Canada Southern 1st int. gtd 5's, 1908	13,920,000	J & J	108	Apr. 28,'98	110	107¾	30,000
" 2d mortg. 5's,............1913	5,100,000	M & S	105	Apr. 30,'98	106⅛	105	36,000
" registered..................		M & S	106⅛	May 22,'97	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's, 1937	4,880,000	M & N	87	Apr. 21,'98	87	87	2,000
Central R'y of Georgia, 1st g. 5's. 1945	7,000,000	F & A	115	Apr. 16,'98	115	115	2,000
" registered $1,000 & $5,000....		F & A	....		....	....	....
" con. g. 5's..............1945	16,500,600	M & N	84¾	Apr. 29,'98	86¾	84¾	15,000
" con. g. 5's, reg. $1,000 & $5,000		M & N	....		....	....	....
" 1st. pref. inc. g. 5's,.....1945	4,000,000	OCT 1	38⅛	Apr. 15,'98	38⅛	38⅛	5,000
" 2d pref. inc. g. 5's.......1945	7,000,000	OCT 1	12	Apr. 13,'98	12⅛	11	15,000
" 3d pref. inc. g. 5's.......1945	4,000,000	OCT 1	7⅜	Mar. 2,'98	....	....	....
" Macon & Nor. Div. 1st g. 5's..................1946	840,000	J & J	92	Jan. 6,'98	....	....	....
" Mobile div. 1st g. 5's....1946	1,000,000	J & J	95⅜	Jan. 19,'98	....	....	....
" Mid. Ga. & Atl. div. g 5s. 1947	413,000	J & J	....		....	....	....
Central Railroad of New Jersey,							
" 1st consolidated 7's...1899	3,836,000	Q J	104⅛	Mar. 22,'98	....	....	....
" convertible 7's........1902	1,167,000	M & N	112½	Dec. 3,'97	....	....	....
" deb. 6's.................1908	466,000	M & N	110½	Feb. 15,'98	....	....	....
" gen. g. 5's..........1987	43,924,000	J & J	110⅞	Apr. 29,'98	112⅛	109⅛	86,000
" registered...............		Q J	108¼	Apr. 28,'98	110¾	108¾	24,000
Lehigh & W.-B. con. assd. 7's...1900	5,500,000	Q M	99¾	Apr. 30,'98	100½	99¾	25,000
" mortgage 5's..........1912	2,691,000	M & N	90	Mar. 15,'98	....	....	....
Am. Dock & Improvm't Co. 5's, 1921	4,987,000	J & J	110	Apr. 26,'98	111	110	6,000
N. J. Southern int. gtd 6's......1899	411,000	J & J	104	Nov. 13,'96	....	....	....
Cen. Pac. Speyer & Co. cfs. dep. A. 1898	3,210,000	......	103	Feb. 18,'98	....	....	....
" " " B C D. 1899		......	103	Feb. 18,'98	....	....	....
" ext g 5's series E......1898		J & J	103	Feb. 24,'98	....	....	....
" Speyer & Co. cfs. dep. E. 1900		......	....		....	....	....
" " " F G H I. 1901		......	....		....	....	....
" San Joaquin br. g 6's..1900	6,080,000	A & O	105	Feb. 23,'97	....	....	....
" gtd. g 5's..............1939	4,279,000	A & O	84⅛	Sept. 16,'96	....	....	....
" Speyer & Co. eng. ctfs....	8,004,000	......	....		....	....	....
" land grant g 5's.......1900	2,294,000	A & O	102	Mar. 19,'98	....	....	....
" Cal. & O. div. ex. g. 7's, 1918	4,358,000	J & J	101⅛	Dec. 6,'97	....	....	....
Western Pacific bonds 6's......1899	2,735,000	J & J	101	Mar. 17,'98	....	....	....
North. Ry. (Cal.) 1st g. 6's, gtd..1907	3,964,000	J & J	94	Nov. 30,'97	....	....	....
" gtd. g. 5's.............1938	4,800,000	A & O	100	Apr. 26,'98	101½	100	99,000
Cent. Wash. Tr. Co. cts. 1st g. 6's. 1938	1,497,000	......	40	Feb. 2,'98	....	....	....
Charleston & Sav. 1st g. 7's.......1936	1,500,000	J & J	108¾	Dec. 13,'96	....	....	....
Ches. & Ohio pur. money fd......1898	879,000	J & J	101⅛	Jan. 7,'98	....	....	....
" 6's, g., Series A..........1908	2,000,000	A & O	119½	Mar. 3,'98	....	....	....
" Mortgage gold 6's......1911	2,000,000	A & O	118	Apr. 28,'98	118	115⅛	8,000
" 1st con. g. 5's............1939	24,979,000	M & N	112⅞	Apr. 29,'98	113¼	112⅛	105,000
" registered..................		M & N	114	Feb. 7,'98	....	....	....
" Gen. m. g. 4½'s.........1992	23,722,000	M & S	76¼	Apr. 30,'98	78	75	639,000
" registered..................		M & S	85	Dec. 30,'93	....	....	....
" (R. & A. d.) 1st c. g. 4's, 1989	6,000,000	J & J	99	Apr. 25,'98	102	99	35,000
" 2d con. g. 4's............1989	1,000,000	J & J	93⅛	Mar. 28,'98	....	....	....
" Craig Val. 1st g. 5's.....1940	650,000	J & J	99⅛	Feb. 7,'98	....	....	....
" Warm S. Val. 1st g. 5's, 1941	400,000	M & S	98	Dec. 21,'93	....	....	....
" Elz. Lex. & B. S. g. g. 5's, 1902	3,007,000	M & S	98½	Apr. 19,'98	98½	97⅛	5,000
Chicago & Alton s'king fund 6's. 1903	1,722,000	J & J	113⅛	Apr. 21,'98	113⅛	113⅛	10,000
Louisiana & Mo. Riv. 1st 7's....1900	1,785,000	F & A	107	Mar. 23,'98	....	....	....
" 2d 7's..................1900	300,000	M & N	112	June 17,'96	....	....	....
St. Louis, J. & C. 2d gtd 7's.....1898	188,000	J & J	104¾	Apr. 25,'97	....	....	....
Miss. Riv. Bdge 1st s. f'd g. 6's..1912	512,000	A & O	105½	Oct. 30,'95	....	....	....
Chicago, Burl. & Quincy con. 7's. 1903	28,924,000	J & J	114⅛	Apr. 25,'98	115	113⅛	22,000
" 5's, sinking fund........1901	2,315,000	A & O	107	Feb. 24,'98	....	....	....
" 5's, debentures..........1913	9,000,000	M & N	105	Apr. 23,'98	106	105	27,000
" convertible 5's..........1903	15,263,900	M & S	105¼	Apr. 14,'98	106	105¼	4,000
" (Iowa div.) sink. f'd 5's, 1919	2,818,000	A & O	102	Mar. 12,'97	....	....	....
" 4's.......................1919	9,050,000	A & O	98	Apr. 4,'98	98	98	30,000
" Denver div. 4's..........1922	5,963,000	F & A	97	Apr. 23,'98	97	97	2,000
" 4's.......................1921	3,200,000	M & S	93¾	Dec. 3,'93	....	....	....
" Chic. & Iowa div. 5's....1905	2,320,000	F & A	107½	Jan. 18,'96	....	....	....

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NAME.	*Principal Due.*	*Amount.*	*Int's paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	APRIL SALES. *High.*	APRIL SALES. *Low.*	APRIL SALES. *Total.*
• Nebraska extensi'n 4's,	1927	26,411,000	M & N	95⅝	Apr. 28,'98	96⅛	95½	90,000
• registered	....		M & N	91	July 10,'97	....	....	....
• Han. & St. Jos. con. 6's,	1911	8,000,000	M & S	119	Mar. 9,'98	....	....	....
Chic. Burl. & Northern, 1st 5's.	1926	8,241,000	A & O	105	Mar. 25,'98	....	....	....
Chicago & E. Ill. 1st s. f'd c'y. 6's.	1907	2,989,000	J & D	116⅛	Mar. 7,'98	....	....	....
• small bonds	....		J & D	112	Apr. 2,'98	....	....	....
• 1st con. 6's, gold	1934	2,653,000	A & O	122	Apr. 19,'98	122⅛	122	3,000
• gen. con. 1st 5's	1937	9,767,000	M & N	104	Apr. 30,'98	105¼	104	34,000
• registered	....		M & N	105	Apr. 5,'98	105	105	1,000
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	109	Feb. 11,'98	....	....	....
Chicago, Indianapolis & Louisville.								
Louisv. N. Alb. & Chic. 1st 6's.	1910	3,000,000	J & J	112	Mar. 11,'98	....	....	....
Chic. Ind. & Louisv. ref. g. 5's.	1947	2,909,000	J & J	82	Apr. 25,'98	82	82	3,000
• refunding g. 6's	1947	4,700,000	J & J	96	Apr. 26,'98	100	96	9,000
Chicago, Milwaukee & St. Paul.								
Mil. & St. Paul 1st 7's $ g, R.d.	1902	3,118,000	J&J	141	Apr. 9,'98	141	141	14,000
• 1st 7's £	1902		J&J	120	Feb. 8,'94	....	....	....
• 1st m. Iowa & D. 7's	1899	316,000	J & J	140⅛	Mar. 17,'98	....	....	....
• 1st m. C. & M. 7's	1903	2,169,000	J & J	141	Apr. 6,'98	141	141	6,000
Chicago Mil. & St. Paul con. 7's,	1905	10,444,000	J & J	140	Apr. 19,'98	141½	140	8,000
• 1st 7's, Iowa & D, ex,	1908	3,412,000	J & J	140⅛	Mar. 28,'98	....	....	....
• 1st 6's, Southw'n div.,	1909	4,000,000	J & J	119⅝	Feb. 17,'98	....	....	....
• 1st 5's, La. C. & Dav.	1919	2,500,000	J & J	110	Mar. 14,'98	....	....	....
• 1st So. Min. div. 6's.	1910	7,432,000	J & J	115	Apr. 21,'98	117	114¼	12,000
• 1st H'st & Dk. div. 7's,	1910	5,680,000	J & J	130	Feb. 3,'98	....	....	....
• 5's	1910	990,000	J & J	109	Oct. 5,'97	....	....	....
• Chic. & Pac. div. 6's,	1910	3,000,000	J & J	118	Mar. 17,'98	....	....	....
• 1st Chic. & P. W. 5's,	1921	25,340,000	J & J	111	Apr. 26,'98	115	111	85,000
• Chic. & M. R. div. 5's,	1926	3,083,000	J & J	114½	Mar. 4,'98	....	....	....
• Mineral Point div. 5's,	1910	2,840,000	J & J	109⅛	Apr. 16,'98	109⅛	109⅛	2,000
• Chic. & Lake Sup. 5's,	1921	1,360,000	J & J	112	Apr. 21,'98	112	112	2,000
• Wis. & Min. div. 5's.	1921	4,755,000	J & J	111	Apr. 29,'98	112	111	9,000
• terminal 5's	1914	4,748,000	J & J	111	Apr. 25,'98	113	111	16,000
• Far. & So. 6's assu.	1924	1,250,000	J & J	127¼	Jan. 27,'98	....	....	....
• cont. si'k. f'd 5's	1916	1,291,000	J & J	106⅛	July 9,'97	....	....	....
• Dakota & Gt. S. 5's.	1916	2,856,000	J & J	110	Apr. 12,'98	110	109	6,000
• g. m. g. 4's, series A.	1989	23,676,000	J & J	103⅛	Apr. 1,'98	103⅛	103½	4,000
• registered	....	....	Q J	105½	Feb. 19,'98	....	....	....
• Mil. & N. 1st M. L. 6's,	1910	2,155,000	J & D	120	Mar. 18,'98	....	....	....
• 1st convt. 6's	1913	5,092,000	J & D	117	Apr. 30,'98	117	117	1,000
Chic. & Northwestern cons. 7's.	1915	12,771,000	Q F	142	Apr. 9,'98	142	142	11,000
• coupon gold 7's	1902	10,792,000	J & D	114	Apr. 29,'98	114⅛	113	11,000
• registered d. gold 7's	1902		J & D	113	Apr. 22,'98	113	113	10,000
• sinking fund 6's.	1879–1929	5,591,000	A & O	117	Mar. 23,'98	....	....	....
• registered	....		A & O	115	Nov. 17,'97	....	....	....
• 5's	1879–1929	7,237,000	A & O	106	Apr. 2,'98	106	106	1,000
• registered	....		A & O	109⅛	Dec. 30,'97	....	....	....
• debenture 5's	1933	9,800,000	M & N	114½	Apr. 20,'98	116	114⅛	40,000
• registered	....		M & N	117	Mar. 8,'98	....	....	....
• 25 year deben. 5's	1909	6,000,000	M & N	108	Apr. 23,'98	108⅛	108	8,000
• registered	....		M & N	109½	Mar. 19,'97	....	....	....
• 30 year deben. 5's	1921	10,000,000	A & O	116½	Feb. 25,'97	....	....	....
• registered	....		A & O	107	Nov. 20,'95	....	....	....
• extension 4's	1886–1926	18,632,000	F A 15	104	Mar. 8,'98	....	....	....
• registered	....		F A 15	100	Nov. 10,'96	....	....	....
• gen. g. 3½'s	1987	4,960,000	M & N	....	....	....	....	....
• • registered	....		Q F	....	....	....	....	....
Escanaba & L. Superior 1st 6's.	1901	455,000	J & J	106	Apr. 21,'98	106	106	7,000
Des Moines & Minn. 1st 7's	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Iowa Midland 1st mortg. 8's	1900	1,128,000	A & O	116	July 9,'96	....	....	....
Chic. & Milwaukee 1st mtg. 7's.	1987	1,641,000	J & J	102¼	Apr. 12,'98	102¼	102¼	2,000
Winona & St. Peters 2d 7's	1907	1,592,000	M & N	127	Apr. 17,'96	....	....	....
Milwaukee & Madison 1st 6's.	1905	1,600,000	M & S	117	Jan. 12,'98	....	....	....
Ottumwa C. F. & St. P. 1st 5's.	1909	1,600,000	M & S	109	Mar. 3,'98	....	....	....
Northern Illinois 1st 5's	1910	1,500,000	M & S	105	Apr. 22,'98	105	105	10,000
Mil., Lake Shore & We'n 1st 6's,	1921	5,000,000	M & N	133⅛	Apr. 21,'98	133⅛	133⅛	1,000
• con. deb. 5's	1907	436,000	F & A	105½	Feb. 24,'97	....	....	....
• ext. & impt. s.f'd g. 5's	1929	4,148,000	F & A	117½	Feb. 24,'98	....	....	....
• Michigan div. 1st 6's.	1924	1,281,000	J & J	134	Mar. 23,'98	....	....	....
• Ashland div. 1st 6's.	1925	1,000,000	M & S	135	Feb. 26,'97	....	....	....
• income	....	500,000	M & N	112	Apr. 27,'96	113	112	6,000
Chic., Rock Is. & Pac. 6's coup.	1917	12,100,000	J & J	132	Apr. 21,'98	132	132	4,000
• 6's registered	1917		J & J	128	Apr. 2,'98	128	128	5,000

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NAME. Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	April Sales. High.	April Sales. Low.	April Sales. Total.
″ exten. and collat. 5's..1934	35,108,000	J & J	106⅝	Apr. 30,'98	106⅛	106¼	1,808,000
″ registered..................		J & J	106½	Apr. 15,'98	106½	106¼	25,000
″ debenture 5's..........1921	4,500,000	M & S	105⅛	Apr. 30,'98	105⅛	105	22,000
″ registered..................	....	M & S					
″ gen. g. 4's.............1988	5,768,000	J & J	103	Apr. 18,'98	103	103	5,000
″ registered		J & J					
Des Moines & Ft. Dodge 1st 4's.1905	1,200,000	J & J	98	Feb. 14,'98			
″ 1st 2½'s................1905	1,200,000	J & J	70	Feb. 28,'98			
″ extension 4 s..............	672,000	J & J	83	Mar. 15,'97			
Keokuk & Des M. 1st mor. 5's..1923	2,750,000	A & O	103	Apr. 21,'98	103	103	1,000
″ small bond............1923	....	A & O	100	Apr. 15,'97			
Chic., St.P., Minn.& Oma.con. 6's.1930	13,695,000	J & D	127	Apr. 29,'98	127	126½	6,000
Chic., St. Paul & Minn. 1st 6's..1918	2,718,000	M & N	130	Mar. 28,'98			
North Wisconsin 1st mort. 6's..1930	800,000	J & J	125	May 4,'88			
St. Paul & Sioux City 1st 6's....1919	6,070,000	A & O	127	Apr. 22,'98	127	126	5,000
Chic., Term. Trans. R. R. g. 4's..1947	18,000,000	J & J	81¼	Apr. 29,'98	82½	80	105,000
Chic. & Wn. Ind. 1st s'k. f'd g. 6's.1919	972,000	M & N	106	June 22,'97			
″ gen'l mortg. g. 6's......1932	9,652,666	Q M	118½	Apr. 23,'98	118½	117½	11,000
Chic. & West Michigan R'y 5's...1921	5,753,000	J & D	98½	Mar. 18,'98			
″ coupons off..................	....	......					
Cin., Ham. & Day. con. s'k. f'd 7's.1905	996,000	A & O	119	Oct. 26,'96			
″ 2d g. 4½'s..............1937	2,000,000	J & J	103½	Mar. 18,'97			
Cin., Day. & Ir'n 1st gtd. g. 5's..1941	3,500,000	M & N	111	Mar. 25,'98			
City Sub. R'y, Balto. 1st g. 5's....1922	2,430,000	J & D	105⅝	Apr. 17,'95			
Clev., Ak'n & Col. eq. and 2d g. 6's.1930	730,000	F & A					
Clev. & Can. Tr. Co. ctfs. 1st 5's for.1917	1,907,000	......	73¼	Mar. 3,'98			
Clev., Cin., Chic. & St. L. gen. m. 4's.1993	7,574,000	J & D	84	Oct. 14,'95			
″ do Cairo div. 1st g. 4's..1939	5,000,000	J & J	90	Jan. 12,'98			
St. Louis div. 1st col. trust g. 4's.1990	9,750,000	M & N	94	Apr. 18,'98	95¼	94	8,000
″ registered..................			90	Mar. 24,'97			
Sp'gfield & Col. div. 1st g. 4's...1940	1,085,000	M & S	87	Oct. 22,'95			
White W. Val. div. 1st g. 4's....1940	650,000	J & J	88½	Jan. 13,'98			
Cin., Wab. & Mich. div. 1st g. 4's.1991	4,000,000	J & J	90	Apr. 12,'98	90	90	2,000
Cin., Ind., St. L. & Chic. 1st g. 4's.1936	7,685,000	Q F	102	Feb. 11,'98			
″ registered..................			95	Nov. 15,'94			
″ con. 6's................1920	731,000	M & N	104	Mar. 29,'98			
Cin., S'dusky & Clev. con. 1st g. 5's 1928	2,571,000	J & J	114	Oct. 7,'97			
Ind. Bloom. & W., 1st pfd. 7's..1900	1,000,000	J & J	107¼	Feb. 19,'97			
Ohio, Ind. & W., 1st pfd. 5's....1938	500,000	Q J					
Peoria & Eastern 1st con. 4's...1940	8,103,000	A & O	75	Apr. 21,'98	76½	75	14,000
″ income 4's.............1990	4,000,000	A	21	Aug. 26,'97			
Clev., C., C. & Ind. 1st 7's s'k. f'd.1899	3,000,000	M & N	105½	Mar. 5,'98			
″ consol mortg. 7's......1914	3,991,000	J & D	132	Mar. 7,'98			
″ sink. fund 7's.........1914		J & D	119⅝	Nov. 19,'89			
″ gen. consol 6's........1934	3,205,000	J & J	128	Nov. 26,'97			
″ registered..................		J & J					
Cin., Sp. 1st m. C., C., C. & Ind. 7's.1901	1,000,000	A & O	107½	Oct. 16,'97			
Clev., Lorain & Wheel'g con. 1st 5's 1933	4,300,000	A & O	100	Mar. 18,'98			
Clev., & Mahoning Val. gold 5's..1938	2,936,000	J & J	103	Apr. 14,'97			
″ registered..................		Q J					
Col. Midld Tr. Co. ctfs. 1st g. 6's asst.1936	6,217,000	J & D	62	Apr. 13,'98	62	61½	3,000
″ Tr. Co. cfs. cn. g. 4's stm gtd assented all inst. pd.............1940	4,873,000	F & A	16½	Apr. 22,'98	16½	16½	4,000
Col., Hock. Val. & Tol. con. g. 5's.1931	406,000	M & S	74	Aug. 10,'97			
″ J. P. M. & Co. eng ctf. $45 pd.	7,694,000	......	71	Apr. 22,'98	72½	70½	16,000
″ gen. mort. g. 6's..........1904	2,000,000	J & D	61	Feb. 14,'98			
″ gen. lien g. 4's..........1996	852,000	J & J					
″ registered, $5,000............		J & J					
Conn., Passumpsic Riv's 1st g. 4's.1943	1,900,000	A & O	102	Dec. 27,'93			
Delaware, Lack. & W. mtge 7's..1907	3,067,000	M & S	122	Apr. 4,'98	122	122	5,000
Syracuse, Bing. & N. Y. 1st 7's..1906	1,966,000	A & O	125¼	Mar. 2,'98			
Morris & Essex 1st m 7's........1914	5,000,000	M & N	140	Mar. 15,'98			
″ bonds, 7's.............1900	281,000	J & J	109	Nov. 23,'97			
″ 7's.................1871-1901	4,991,000	A & O	107	Apr. 21,'98	107	107	2,000
″ 1st c. gtd 7's.. 1915	12,151,000	J & D	136	Apr. 18,'98	139¼	136	6,000
″ registered..................		J & D	136	June 4,'93			
N. Y., Lack. & West'n. 1st 6's...1921	12,000,000	J & J	138	Apr. 18,'98	138	138	3,000
″ const. 5's..............1923	5,000,000	F & A	118½	Nov. 17,'97			
Warren 2d 7's.....................1900	750,000	A & O	113¼	Nov. 6,'95			

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	April Sales. High.	April Sales. Low.	April Sales. Total.
Delaware & Hudson Canal.								
" 1st Penn. Div. c. 7's	1917	5,000,000	M & S	147⅛	Aug. 31, '97	....	....	....
" reg	1917		M & S	143	May 4, '96	....	....	....
Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	125¼	Feb. 11, '98	....	....	....
" registered			A & O	128⅛	Feb. 12, '94	....	....	....
" 6's	1906	7,000,000	A & O	110	Apr. 21, '98	110	110	2,000
" registered			A & O	116⅛	Mar. 22, '97	....	....	....
Rens. & Saratoga 1st c. 7's	1921	2,000,000	M & N	148¾	Aug. 18, '97	....	....	....
" 1st r 7's	1921		M & N	145	Feb. 18, '98	....	....	....
Denver Con. T'way Co. 1st g. 5's	1933	780,000	A & O	....		....	....	....
Denver T'way Co. con. g. 6's	1910	1,219,000	J & J	....		....	....	....
Metropol'n Ry Co. 1st g. g. 6's	1911	918,000	J & J	....		....	....	....
Denver & Rio G. 1st con. g. 4's	1936	28,465,000	J & J	89⅛	Apr. 15, '98	90⅛	89	20,500
" 1st mortg. g. 7's	1900	6,382,500	M & N	108	Apr. 5, '98	108	108	1,000
" impt. m. g. 5's	1928	8,103,500	J & D	87	Apr. 18, '98	89⅝	87	4,500
Des Moines Union Ry 1st g. 5's	1917	628,000	M & N	100	Mar. 30, '98	....	....	....
Detroit, Mac. & Ma. ld gt. 3½ S A.	1911	3,024,000	A & O	17⅛	Apr. 4, '98	17⅛	17⅛	10,000
Detroit & Mack. 1st lien g. 4s	1995	900,000	J & D	67	Mar. 24, '95	....	....	....
" g. 4s	1995	1,250,000	J & D	....		....	....	....
Duluth & Iron Range 1st 5's	1937	6,332,000	A & O	107¾	Mar. 9, '98	....	....	....
" registered			A & O	101⅛	July 23, '89	....	....	....
" 2d l m 6s	1916	1,000,000	J & J	....		....	....	....
Duluth, Red Wing & S'n 1st g. 5's	1928	500,000	J & J	92¼	Feb. 11, '98	....	....	....
Duluth So. Shore & At. gold 5's	1937	4,000,000	J & J	102	Apr. 20, '98	102	102	2,000
Erie, 1st mortgage ex. 7's	1897	2,482,000	M & S	113	Feb. 28, '98	....	....	....
" 2d extended 5's	1919	2,149,000	M & N	116⅛	Dec. 3, '97	....	....	....
" 3d extended 4½'s	1923	4,618,000	M & S	108	Apr. 11, '98	108	108	1,000
" 4th extended 5's	1920	2,926,000	A & O	120⅛	Oct. 29, '97	....	....	....
" 5th extended 4's	1928	709,500	J & D	104⅛	Feb. 21, '98	....	....	....
" 1st cons gold 7's	1920	16,890,000	M & S	141⅛	Mar. 29, '98	....	....	....
" 1st cons. fund c. 7's	1920	3,705,977	M & S	143	Jan. 13, '98	....	....	....
Long Dock consol. 6's	1953	7,500,000	A & O	133⅛	Apr. 12, '98	133⅛	133⅛	10,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	141	Sept. 10, '97	....	....	....
Buffalo & Southwestern m 6's	1908	1,500,000	J&J	....		....	....	....
" small			J&J	....		....	....	....
Jefferson R. R. 1st gtd g 5's	1909	2,800,000	A & O	106	Feb. 11, '98	....	....	....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	110	Apr. 23, '98	111¼	109⅛	25,000
N. Y. L. E. & W. Coal & R. R. Co. 1st g currency 6's	1922	1,100,000	M&N	....		....	...	....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	102	Aug. 31, '96	....	....	....
N. Y. & Greenw'd Lake gt g 5's	1946	1,452,000	M&N	105⅛	Oct. 2, '97	....	....	....
" small								
Erie R.R. 1st con. g-4s prior bds.	1996	30,000,000	J&J	86¼	Apr. 30, '98	88	84¾	293,000
" " registered			J&J	....		....	....	....
" " gen. lien 3-4s	1996	30,927,000	J&J	67	Apr. 29, '98	70⅝	66	120,000
" " registered			J&J	....		....	....	....
Eureka Springs R'y 1st 6's, g	1933	500,000	F & A	65	Nov. 10, '97	....	....	....
Evans. & Terre Haute 1st con. 6's	1921	3,000,000	J & J	114	Apr. 9, '98	114	114	2,000
" 1st General g 5's	1942	2,223,000	A & O	82⅛	Apr. 13, '98	82⅛	82	2,000
" Mount Vernon 1st 6's	1923	375,000	A & O	110	May 10, '93	....	....	....
" Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	95	Sep. 15, '91	....	....	....
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	77⅛	Feb. 16, '98	....	....	....
Flint & Pere Marquette m 6's	1920	3,999,000	A & O	110¾	Apr. 26, '98	112½	110⅛	16,000
" 1st con. gold 5's	1939	2,100,000	M & N	85	Apr. 29, '98	85	85	2,000
" Port Huron d 1st g 5's	1939	3,083,000	A & O	85	Apr. 9, '98	85	85	5,000
Florida Cen. & Penins. 1st g 5's	1918	3,000,000	J & J	103	Aug. 14, '96	....	....	....
" 1st land grant ex. g 5's	1930	423,000	J & J	....		....	....	....
" 1st con. g 5's	1943	4,370,000	J & J	80⅛	May 14, '96	....	....	....
Ft. Smith U'n Dep. Co. 1st g 4½'s	1941	1,000,000	J & J	105	Mar. 11, '98	....	....	....
Ft. Worth & D. C. ctfs. dep. 1st 6's	1921	8,176,000	......	67⅛	Apr. 26, '98	68	67	39,000
Ft. Worth & Rio Grande 1st g 5's	1928	2,863,000	J & J	55	Apr. 23, '98	56	55	19,000
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	90	Mar. 17, '98	....	....	....
Geo. & Ala. Ry. 1st pref. g. 5's	1945	2,230,000	A & O	103	Aug. 11, '97	....	....	....
Ga. Car. & N. Ry. 1st gtd. g. 5's	1927	5,360,000	J & J	83	June 23, '97	....	....	....

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Illinois Central 1st g. 4's	1894							
total outstanding $13,950,000								
" g. 4's	1951	1,500,000	J&J	101⅝	Apr. 15,'98	101⅝	101⅝	3,000
" registered			J&J	112½	July 13,'97	....	....	....
" gold 3½'s	1951	2,499,000	J&J	105	Mar. 16,'98	....	....	....
" registered			J&J	102½	Apr. 15,'98	102½	102½	8,000
" 1st g 3s sterl. £500,000	1951	2,500,000	M & S	92½	July 13,'96	....	....	....
" registered			M & S	....		....	....	....
" 2-10 g. 4's	1904	15,000,000	A & O	101¾	Apr. 18,'98	101⅝	101⅝	19,000
" 2-10 g. 4's registered			A & O	103	Apr. 15,'98	103	103	1,000
" collat. trust gold 4's	1952	24,679,000	M & N	99	Apr. 30,'98	101	97½	10,000
" regist'd			M & N	101	Mar. 19,'98	....	....	....
" col.t.g.4sL.N.O.&Tex.	1953	4,806,000	J & J	99	Sept.29,'97	....	....	....
" registered			J & J	....		....	....	....
" West'n Line 1st g. 4's,	1951	3,550,000	F & A	108	Apr. 12,'98	108	108	3,000
" registered			F & A	....		....	....	....
" Cairo Bridge 4's g.	1950	3,000,000	J & D	101½	Sept. 10,'95	....	....	....
" registered			......			....	....	....
Middle div. registered 5's	1921	600,000	F & A	116½	Aug.16,'95	....	....	....
Chic., St. L. & N. O. gold 5's	1951	16,526,000	J D 15	115½	Apr. 23,'98	116½	115½	2,000
" gold 5's, registered			J D 15	118¾	Apr. 1,'97	....	....	....
" Memph. div. 1st g. 4's,	1951	3,500,000	J & D	103½	Jan. 24,'98	....	....	....
" registered			J & D	....		....	....	....
St. Louis, A. & T. H. 1st 2T. g.5's,	1914		J & D	105	Dec. 28,'97	....	....	....
" registered		2,200,000	J & D	....		....	....	....
Belleville & Carodt 1st 6's	1923	485,000	J & D	115	June 22,'96	....	....	....
St. Louis, South. 1st gtd. g. 4's,	1931	550,000	M & S	90	Nov. 12,'97	....	....	....
Carbond'e & Shawt'n 1st g. 4's,	1932	250,000	M & S	....		....	....	....
Ind., Dec. & West. 1st g. 5's	1935	1,824,000	J & J	98	Mar. 7,'98	....	....	....
Indiana, Ill. & Iowa 1st g. 4's	1939	800,000	J & D	86	Jan. 22,'98	....	....	....
" 1st ext. g. 5's	1943	500,000	M & S	94¼	Nov. 21,'95	....	....	....
Internat. & Gt. N'n 1st. 6's, gold	1919	7,954,000	M & N	123	Feb. 18,'98	....	....	....
" 2d g. 5's	1909	6,593,000	M & S	78⅛	Apr. 21,'98	81	77	24,000
" 3d g. 4's	1921	2,716,500	M & S	47	Mar. 23,'98	....	....	....
Iowa Central 1st gold 5's	1938	6,322,000	J & D	97	Apr. 26,'98	99	97	12,000
Kansas C. & M. R. & B. Co. 1st gtd g. 5's	1929	3,000,000	A & O	....		....	....	....
Kan.C.Pitt.&Gulf 1st & col. g. 5's	1923	21,828,000	A & O	69	Apr. 29,'98	75¾	65	91,000
Kings Co. El. series A. 1st g. 5's	1925	3,177,000	J & J	40	Apr. 28,'98	40	40	6,000
Fulton El. 1st m. g. 5's series A.	1929	1,979,000	M & S	35	Mar. 11,'98	....	....	....
Lake Erie & Western 1st g. 5's	1937	7,250,000	J & J	116⅛	Mar. 14,'98	....	....	....
" 2d mtge. g. 5's	1941	2,600,000	J & J	95	Apr. 29,'98	97½	95	22,000
Northern Ohio 1st gtd g 5's	1945	2,500,000	A & O	100⅛	Jan. 6,'98	....	....	....
Lake Shore & Mich. Southern.								
Detroit, Mon. & Toledo 1st 7's.	1906	924,000	F & A	121	Apr. 28,'98	121	121	5,000
Lake Shore division b. 7's	1899	1,063,500	A & O	106	Feb. 15,'98	....	....	....
" con. co. 1st 7's	1900	9,825,000	J&J	107	Apr. 29,'98	107½	107	19,000
" con. 1st registered	1900		Q J	105½	Apr. 4,'98	105½	105½	10,000
" con. co. 2d 7's	1903	9,081,000	J&D	116½	Apr. 21,'98	116½	116½	5,000
" con. 2d registered	1903		J&D	119	Apr. 9,'98	119	119	3,000
" g 3½s	1997	25,125,000	J & D	102	Apr. 7,'98	102	102	10,000
" " registered			J & D	103	Mar. 29,'98	....	....	....
Cin. Sp. 1st gtd L. S. & M. S. 7's.	1901	1,000,000	A & O	108¼	Dec. 1,'97	....	....	....
Kal., A. & G. R. 1st gtd g. 5's	1938	840,000	J & J	....		....	....	....
Mahoning Coal R. R. 1st 5's	1934	1,500,000	J & J	125	Dec. 9,'97	....	....	....
Lehigh Val. (Pa.) coll. g. 5's	1997	5,000,000	M & N	....		....	....	....
" registered			M & N	....		....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s.	1940	15,000,000	J&J	99	Apr. 28,'98	108	99	12,000
" registered		....	J&J	....		....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's.	1941	10,000,000	A & O	107	Apr. 20,'98	107½	107	3,000
" registered			A & O	109½	July 1,'97	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's.	1933	10,280,000	J & J	92½	Mar. 22,'98	....	....	....
" registered	1933		J & J	....		....	....	....
Lehigh & N. Y., 1st gtd g. 4's	1945	2,000,000	M&S	92	Feb. 23,'98	....	....	....
" registered			M&S	....		....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	....		....	....	....
" " g. gtd 5's	1914	1,250,000	A & O	101	Sept.16,'97	....	....	....
Litchfield Car'n & W. 1st g. 5's	1916	400,000	J & J	95	Feb. 25,'98	....	....	....
Lit. Rock & M., tr. co. ctfs. for 1st g. 5's	1937	3,145,000	......	25	Apr. 29,'98	....	....	....

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	APRIL SALES. *High.*	APRIL SALES. *Low.*	APRIL SALES. *Total.*
Long Island R. 1st mtg. 7's	1898	1,121,000	M & N	101⅝	Nov. 26,'97	....	....	....
Long Island 1st cons. 5's	1931	3,610,000	Q J	120	Mar. 15,'98	....	....	....
Long Island gen. m. 4's	1938	3,000,000	J & D	88½	Apr. 29,'98	88½	88	5,000
" Ferry 1st g. 4½'s	1922	1,500,000	M & S	86¼	Apr. 6,'98	86¾	86¾	6,000
" g. 4's	1932	325,000	J & D	91	Sept. 27,'97	....	....	....
" deb. g. 5's	1934	1,500,000	J & D	100	May 25,'97	....	....	....
N. Y. & Rock'y Beach 1st g. 5's	1927	984,000	M & S	100	Mar. 3,'96	....	....	....
" 2d m. inc	1927	1,000,000	S	106½	July 9,'97	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's	1935	1,726,000	A & O	107½	Dec. 15,'97	....	....	....
Brooklyn & Montauk 1st 6's	1911	250,000	M & S	....	....	....	....	....
" 1st 5's	1911	750,000	M & S	107½	July 16,'96	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's	1932	1,075,000	Q JAN	103½	June 17,'95	....	....	....
N. Y. B. Ex. R. 1st g. g'd 5's	1943	200,000	J & J	....	....	....	....	....
Montauk Extens. gtd. g. 5's	1945	300,000	J & J	....	....	....	....	....
Louisv'e Ev. & St. Louis								
" 1st con. TrCo. ct. gold 5's	1939	3,406,000	J & J	33	Feb. 18,'98	....	....	....
" Gen. mtg. g. 4's	1943	2,432,000	M & S	9½	Aug. 21,'97	....	....	....
Louis. & Nash. Cecilian brch. 7's	1907	490,000	M & S	106	Nov. 11,'97	....	....	....
" N. O. & Mobile 1st 6's	1930	5,000,000	J & J	121½	Mar. 24,'98	....	....	....
" 2d 6's	1930	1,000,000	J & J	107½	Feb. 3,'97	....	....	....
" E., Hend. & N. 1st 6's	1919	2,030,000	J & D	113	Apr. 5,'98	113	113	2,000
" general mort. 6's	1930	10,058,000	J & D	116½	Apr. 21,'98	117¾	116½	15,000
" Pensacola div. 6's	1920	580,000	M & S	103½	Sept. 24,'97	....	....	....
" St. Louis div. 1st 6's	1921	3,500,000	M & S	121	July 12,'97	....	....	....
" 2d 3's	1980	3,000,000	M & S	67	May 25,'95	....	....	....
" Nash. & Dec. 1st 7's	1900	1,900,000	J & J	110	Dec. 23,'97	....	....	....
" So. N. Ala. si'g fd. 6s	1910	1,942,000	A & O	92½	Sept. 30,'96	....	....	....
" gold 5's	1937	1,764,000	M & N	104	Apr. 7,'98	104	104	16,000
" Unified gold 4's	1940	14,994,000	J & J	83	Apr. 26,'98	86½	83	167,000
" registered	1940		J & J	83	Feb. 27,'93	....	....	....
" Pen. & At. 1st 6's, g. g.	1921	2,753,000	F & A	99	Apr. 23,'98	99	99	2,000
" collateral trust g. 5's	1931	5,129,000	M & N	101¾	Apr. 18,'98	102¼	101½	41,000
" L. & N. & Mob. & Montg 1st. g. 4½s	1945	4,000,000	M & S	107½	Feb. 19,'98	....	....	....
" N. Fla. & S. 1st g. g. 5's	1937	2,096,000	F & A	87½	Apr. 5,'98	87½	87½	10,000
South & N. Ala. con. gtd. g. 5's	1936	3,673,000	F & A	94½	Apr. 21,'98	94¼	94¼	3,000
Kentucky Cent. g. 4's	1987	6,742,000	J & J	85	Apr. 12,'98	85	85	6,000
L. & N. Louv. Cin. & Lex. g. 4½'s	1931	3,258,000	M & N	103	Jan. 18,'98	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's	1945	3,000,000	M & S	....	....	....	....	....
Louisville Railw'y Co. 1st c. g. 5's	1930	4,600,000	J & J	109	Mar. 19,'98	....	....	....
Manhattan Railway Con. 4's	1990	24,065,000	A & O	90	Apr. 27,'98	93	90	59,000
Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	115	Apr. 30,'98	115⅛	114⅛	24,000
" 2d 6's	1899	4,000,000	M & N	103	Apr. 19,'98	103	102½	17,000
Manitoba Swn. Coloniza'n g. 5's	1934	2,544,000	J & D	....	....	....	....	....
Market St. Cable Railway 1st 6's	1913	3,000,000	J & J	....	....	....	....	....
Metro. St. Ry. gen. col. tr. g. 5's	1997	12,500,000	F & A	109	Apr. 29,'98	110	108½	98,000
B'way & 7th ave. 1st con. g. 5's	1997	7,650,000	J & D	114½	Apr. 27,'98	118½	114½	21,000
" registered			J & D	112½	May 29,'95	....	....	....
Columb. & 9th ave. 1st gtd g 5's	1993	3,000,000	M & S	116	Apr. 21,'98	118½	116	12,000
" registered			M & S	....	....	....	....	....
Lex ave & Pav Fer 1st gtd g 5's	1993	5,000,000	M & S	117	Apr. 20,'98	117¾	117	21,000
" registered			M & S	....	....	....	....	....
Mexican Central.								
" con. mtge. 4's	1911	58,903,000	J & J	63	Apr. 25,'98	63	63	2,000
" 1st con. inc. 3's	1939	17,072,000	JULY	19	Jan. 20,'96	....	....	....
" 2d 3's	1939	11,310,000	JULY	9	Jan. 30,'96	....	....	....
" equip. & collat. g. 5's	1917	950,000	A & O	....	....	....	....	....
Mexican Internat'l 1st con g. 4's	1942	4,635,000	M & S	74	Apr. 30,'98	74¼	72¼	550,000
Mexican Nat. 1st gold 6's	1927	11,416,000	J & D	90	Mar. 6,'95	....	....	....
" 2d inc. 6's "A" 1917 coup. due March 1, 1889, stamped 1% paid		12,265,000	M & S	42⅜	Nov. 12,'96	....	....	....
				....	....	....	....	....
" 2d inc. 6's "B"	1917	12,265,000	A	13	July 9,'97	....	....	....
Mexican Northern 1st g. 6's	1910	1,336,000	J & D	97	Feb. 11,'97	....	....	....
" registered			J & D	....	....	....	....	....
Michigan Cent. 1st con. 7's	1902	8,000,000	M & N	113	Mar. 28,'98	....	....	....
" 1st con. 5's	1902	2,000,000	M & N	103½	Apr. 21,'98	103½	103½	1,000

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" 6's	1909	1,500,000	M & S	122	Feb. 25,'98			
" coup. 5's	1931	3,576,000	M & S	125⅛	Jan. 20,'98			
" reg. 5's	1931		Q M	121	Dec. 6,'97			
" mort. 4's	1940	2,600,000	J & J	106	Feb. 25,'98			
" mtge. 4's reg			J & J	108	Jan. 7,'98			
Battle C. Sturgis 1st g. g. 6's	1989	476,000	J & D					
Mil. Elec. R. & Light con. 30 yr. g. 5's	1926	6,103,000	F & A					
Minneapolis & St. Louis 1st g. 7's	1927	950,000	J & D	135⅛	Aug. 4,'97			
" 1st con. g. 5's	1934	5,000,000	M & N	102	Apr. 28,'98	105	100⅛	42,000
" Iowa ext. 1st g. 7's	1909	1,015,000	J & D	127	Nov. 22,'97			
" Southw. ext. 1st g. 7's	1910	636,000	J & D	129	May 16,'96			
" Pacific ext. 1st g. 6's	1921	1,382,000	J & A	121¼	Aug. 31,'97			
Minneapolis & Pacific 1st m. 5's	1936	3,208,000	J & J	102	Mar. 26,'87			
" stamped 4's pay. of int. gtd.								
Minn., S. S. M. & Atlan. 1st g. 4's	1926	8,280,000	J & J	94	Apl. 2,'95			
" stamped pay. of int. gtd.				89¾	June 18,'91			
Minn., S. P. & S. S. M., 1st c. g. 4's	1838	6,710,000	J & J					
" stamped pay. of int. gtd.								
Minn. St. R'y 1st con. g. 5's	1919	4,050,000	J & J	97	Dec. 18,'95			
Missouri, K. & T. 1st mtge g. 4's	1990	39,718,000	J & D	85¼	Apr. 30,'98	87	82¾	431,500
" 2d mtge. g. 4's	1990	20,000,000	F & A	58¾	Apr. 29,'98	61⅛	57½	829,000
" 1st ext gold 5's	1944	998,000	M & N	83	Jan. 31,'98			
" of Texas 1st gtd g. 5's	1942	2,685,000	M & S	80	Apr. 18,'98	80	80	12,000
" Kan. C. & P. 1st g. 4's	1990	2,500,000	F & A	74	Mar. 4,'98			
" Dal. & Waco 1st g. g. 5's	1940	1,340,000	M & N	75	Apr. 25,'98	75	75	2,000
Booneville Bdg. Co. gtd. 7's	1906	599,000	M & N					
Tebo. & Neosho 1st 7's	1903	187,000	J & D					
Mo Kan. & East'n 1st gtd. g. 5's	1942	4,000,000	A & O	98½	Apr. 25,'98	98¾	98½	15,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	96	Apr. 30,'98	96	94	121,000
" 3d mortgage 7's	1906	3,828,000	M & N	105½	Apr. 29,'98	109	103½	57,000
" trusts gold 5's	1917	14,376,000	M & S	79	Feb. 23,'98			
" registered			M & S					
" 1st collateral gold 5's	1920	7,000,000	F & A	60	Apr. 28,'98	64	60	7,000
" registered			F & A					
Pacific R. of Mo. 1st m. ex. 4's	1938	7,000,000	M & S	103	Apr. 7,'98	103	103	1,000
" 2d extended g. 5's	1938	2,573,000	F & A	106½	Feb. 3,'98			
Verdigris V'y Ind. & W. 1st 5's	1926	750,000	M & S					
Leroy & Caney Val. A. L. 1st 5's	1926	520,000	J & J					
St. L. & I'rn. Mt. 1st ex. 4½'s	1897	4,000,000	F & A	107½	Feb. 25,'98			
" 2d. ext g. 5's	1946	6,000,000	M & N	104½	Apr. 6,'98	104½	104½	5,000
" Ark'nsas b'nch ext 5's	1895	2,500,000	J & D	104¼	Apr. 25,'98	104¼	104¼	1,000
" g. con. R.R. & l. gr. 5's	1931	18,274,000	A & O	87⅝	Apr. 30,'98	88	86	371,000
" stamped gtd gold 5's	1931	6,945,000	A & O	87	Apr. 26,'98	88½	87	13,000
Mob. & Birm., prior lien, g. 5's	1945	374,000	J & J					
" small		226,000	J & J					
" inc. g. 4's	1945	700,000	J & J					
" small		500,000						
Mobile & Ohio new mort. g. 6's	1927	7,000,000	J & J	118	Mar. 19,'98			
" 1st entension 6's	1927	974,000	J & D	119	Dec. 6,'97			
" gen. g. 4's	1938	9,450,500	Q J	72	Apr. 29,'98	74	70	44,000
St. Louis & Cairo gtd g. 4's	1931	4,000,000	M & S	86	Dec. 17,'95			
Nashville, Chat. & St. L. 1st 7's	1913	6,800,000	J & J	128	Apr. 4,'98	128	128	2,000
" 2d 6's	1901	1,000,000	J & J	105¾	Nov. 9,'97			
" 1st cons. g. 5's	1928	5,913,000	A & O	100	Apr. 29,'98	100	100	3,000
" 1st 6's T. & Pb.	1917	300,000	J & J					
" 1st 6's McM. M.W. & Al.	1917	750,000	J & J	108	Mar. 24,'96			
" 1st g. 6's Jasper Branch	1923	371,000	J & J					
O. & N. East. prior lien g. 6's	1915	1,320,000	A & O	106½	Aug. 13,'94			
N. Y. Cent. & Hud. R. 1st c. 7's	1903	30,000,000	J & J	113½	Apr. 21,'98	115¼	113¼	28,000
" 1st registered	1903		J & J	113½	Apr. 20,'98	115	113½	15,000
" debenture 5's	1904	10,000,000	M & S	106	Apr. 21,'98	107½	106	8,000
" debenture 5's reg			M & S	106	Apr. 1,'98	106	106	10,000
" reg. deben. 5's	1889-1904	1,000,000	M & S	108½	Feb. 21,'98			
" debenture g. 4's	1905	15,000,000	J & D	102	Apr. 9,'98	102	102	2,000
" registered			J & D	104¾	Feb. 5,'98			

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• deb. cert. ext. g. 4's	1905	6,450,000	M & N	102	Apr. 9,'98	108⅛	102	7,000
• registered			M & N	104	Mar. 26,'98	....	....	....
Harlem 1st mortgage 7's c.	1900	12,000,000	M & N	109	Apr. 20,'98	109	109	20,000
• 7's registered	1900		M & N	109⅛	Jan. 27,'98	....	....	....
N. Jersey Junc. R. R. g. 1st 4's	1986	1,650,000	F & A	103	May 7,'97	....	....	....
• reg. certificates			F & A	....	....	....	....	....
West Shore 1st guaranteed 4's		50,000,000	J & J	106	Apr. 30,'98	107¾	102¾	119,000
• registered			J & J	103	Apr. 28,'98	107	101⅛	88,500
Beech Creek 1st. g. gtd. 4's	1936	5,000,000	J & J	108⅛	Nov. 16,'97	....	....	....
• registered			J & J	105⅛	June 12,'96	....	....	....
• 2d gtd. 5's	1936	500,000	J & J	....	....	....	....	....
• registered		....	J & J	....	....	....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd g. 4's ser. A.	1940	770,000	J & J	86	Nov. 15,'97	....	....	....
• small bonds series B		33,100	J & J	....	....	....	....	....
Gouv. & Oswega. 1st gtd g. 5's	1942	300,000	J & D	....	....	....	....	....
R. W. & Og. con. 1st ext. 5's	1922	9,081,000	A & O	120	Mar. 18,'98	....	....	....
coup. g. bond currency			A & O	....	....	....	....	....
Nor. & Montreal 1st g. gtd 5's	1916	130,000	A & O	....	....	....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's	1918	375,000	M & N	....	....	....	....	....
Oswego & Rome 2d gtd gold 5's	1915	400,000	F & A	110	Oct. 16,'94	....	....	....
Utica & Black River gtd g. 4's	1922	1,800,000	J & J	107⅛	Oct. 14,'97	....	....	....
Mohawk & Malone 1st gtd g. 4's	1991	2,500,000	M & S	100	Mar. 14,'94	....	....	....
Carthage & Adiron 1st gtd g. 4's	1981	1,100,000	J & D	....	....	....	....	....
N. Y. & Putnam 1st gtd g. 4's	1993	4,000,000	A & O	103	May 22,'96	....	....	....
N. Y. & Northern 1st g. 5's	1927	1,200,000	A & O	126	Feb. 14,'9[illegible]	....	....	....
N.Y., Chic. & St. Louis 1st g. 4's	1937	19,425,000	A & O	100¾	Apr. 30,'98	102⅛	100	80,000
• registered			A & O	104	Apr. 21,'97	104	104	1,000
N. Y., N. Haven & H. 1st reg. 4's	1903	2,000,000	J & D	104⅛	Oct. 7,'97	....	....	....
• con. deb. receipts	$1,000	15,007,500	A & O	145	Apr. 12,'98	145	145	1,000
• small certifs.	$100	1,430,000	......	145	Apr. 12,'98	145	145	800
Housatonic R. con. g. 5's	1937	2,838,000	M & N	125¼	Feb. 6,'97	....	....	....
New Haven and Derby con. 5's	1918	575 000	M & N	115⅛	Oct. 15,'94	....	....	....
N. Y. & New England 1st 7's	1905	6,000,000	J & J	119	Feb. 11,'98	....	....	....
• 1st 6's	1905	4,000,000	J & J	114	May 27,'97	....	....	....
N.Y., Ontario & W'n con. 1st g. 5's	1939	5,600,000	J & D	106	Apr. 25,'98	106⅛	106	61,500
• Refunding 1st g. 4's	1992	8,875,000	M & S	97	Apr. 29,'98	97¼	97	29,000
• Registered......$5,000 only.		....	M & S	83⅝	Aug. 25,'92	....	....	....
N. Y., Sus. & W. 1st refunded 5's	1937	3,750,000	J & J	99	Apr. 27,'98	105	99	16,000
• 2d mortg. 4½'s	1937	453,000	F & A	90	Mar. 8,'98	....	....	....
• gen. g. 5's	1940	2,547,000	F & A	85	Apr. 30,'98	90	83	31,000
• term. 1st mtg. g. 5's	1943	2,000,000	M & N	110	Apr. 29,'98	111⅛	110	23,000
• registered	$5,000		M & N	....	....	....	....	....
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	95	Apr. 26,'98	97⅞	95	17,000
Midland R. of N. Jersey 1st 6's	1910	3,500,000	A & O	116	Apr. 18,'98	116	116	5,000
N.P. 1st m.R.R.&L.G.S.F.g.c.6's	1921	9,836,000	J & J	113⅞	Apr. 28,'98	114	113	26,000
• registered			J & J	113⅞	Apr. 29,'98	113⅞	113⅞	5,000
St. Paul & N. Pacific gen 6's	1923	7,985,000	F & A	128	Dec. 8,'97	....	....	....
• registered certificates			Q F	126	Nov. 3,'97	....	....	....
N. P. Ry prior ln reg.&ld.gt.g.4's	1997	85,088,000	Q J	91⅛	Apr. 30,'98	93½	90⅛	768,500
• registered			Q J	93	Apr. 6,'98	93¼	93	18,000
• gen. lien g. 3's	2047	56,000,000	Q F	59	Apr. 30,'98	60½	57	358,500
• registered			Q F	....	....	....	....	....
Nor. Pacific Term. Co. 1st g. 6's	1933	3,910,000	J & J	106	Apr. 1,'98	106	106	25,000
Norfolk & Southern 1st g. 5's	1941	750,000	M & N	105	Mar. 7,'98	....	....	....
Norfolk & Western gen. mtg. 6's	1931	7,283,000	M & N	120	Mar. 17,'98	....	....	....
• New River 1st 6's	1932	2,000,000	A & O	118	Mar. 17,'98	....	....	....
• imp'ment and ext. 6's	1934	5,000,000	F & A	117	Feb. 9,'98	....	....	....
• Sci'o Val & N.E. 1st g. 4's	1989	5,000,000	J & N	82	Apr. 26,'98	84	82	13,000
• C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	101	Feb. 23,'97	....	....	....
Norfolk & West. Ry 1st con. g. 4s.	1996	23,199.400	A & O	76⅝	Apr. 30,'98	79½	74¾	100,500
• registered			A & O	....	....	....	....	....
• small bonds			A & O	....	....	....	....	....

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Ogdb'g & L. Chapl. 1st con. 6's	1920	3,500,000	A & O	49	Apr. 13,'96	....	....	....
Ogdensburg & Lake Chapl. inc.	1920	800,000	O	....	....	....	....	....
" inc.	small	200,000	O	82	Feb. 26,'87	....	....	....
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	102¼	Jan. 26,'98	....	....	....
" gen. mortg. g 6's	1937	2,428,000	A & O	85	Dec. 16,'96	....	....	....
Ohio Southern 1st mortg. 6's	1921	3,924,000	J & D	84⅞	Feb. 21,'98	....	....	....
" gen. mortg. g 4's	1921	1,543,000	M & N	14½	Feb. 11,'98	....	....	....
" gen. eng. Trust Co. certs...		1,255,000	......	10	Mar. 31,'98	....	....	....
Omaha & St. Lo. 1st g 4's	1901	2,376,000	J & J	76½	Apr. 25,'98	76½	76½	1,000
Oregon Improvement Co. 1st 6's	1910	254,000	J & D	109	Feb. 25,'98	....	....	....
" eng. Tr. Co. ctfs. of dep.....		8,717,000	......	105	Apr. 30,'98	106	102	86,000
" " std. int. pd. to Dec. 1,'97		....	......	....	....	....	....	....
" con. mortg. g 5's	1939	652,000	A & O	32¼	Aug. 24,'97	....	....	....
" Trust Co. reor cts all ins pd.		5,897,000	......	52⅞	Apr. 30,'98	57½	49¾	474,000
Oregon Ry. & Nav. 1st s. f. g. 6's	1909	1,605,000	J & J	112½	Apr. 22,'98	112½	111	11,000
Oregon R. R. & Nav. Co. con. g 4's	1946	18,550,000	J & D	89½	Apr. 27,'98	93	89	117,000
Oregon Short Line 1st g. 6's	1922	13,651,000	F & A	118	Apr. 30,'98	120½	118	36,000
Utah & Northern 1st 7's	1908	4,993,000	J & J	120	Dec. 13,'97	....	....	....
" g. 5's	1926	1,877,000	J & J	102	May 24,'94	....	....	....
Oreg. Short Line 1st con. g. 5's	1946	10,837,000	J & J	97½	Apr. 30,'98	100	96	171,000
" non-cum. inc. A 5's	1946	7,185,000	SEPT.	59⅞	Apr. 29,'98	63¼	59½	97,000
" non-cum. inc. B. & col. trust		14,841,000	OCT.	40½	Apr. 27,'98	47	40½	50,000
Panama s. f. subsidy g 6's	1910	1,782,000	M & N	101½	Dec. 21,'91	....	....	....
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	108	Apr. 21,'98	109¾	108	25,000
" reg	1921		J & J	112¾	Dec. 21,'97	....	....	....
" gtd. 3½ col. tr. reg. cts.	1937	5,000,000	M & S	....	....	....	....	....
Pitts., C. C. & St. Louis con. g 4½'s								
" Series A	1940	10,000,000	A & O	111	Mar. 28,'98	....	....	....
" Series B	1942	10,000,000	A & O	109	Apr. 21,'98	110½	109	5,000
" Series C	1942	2,000,000	M & N	105	Jan. 16,'97	....	....	....
" Series D gtd. 4's	1945	4,863,000	M & N	102	Oct. 9,'97	....	....	....
Pitts., C. & St. Louis 1st c. 7's	1900	6,863,000	F & A	106¾	Mar. 1,'98	....	....	....
" 1st reg. 7's	1900		F & A	109¼	Apr. 23,'97	....	....	....
Pitts., Ft. Wayne & C. 1st 7's	1912	2,917,000	J & J	141	Feb. 9,'98	....	....	....
" 2d 7's	1912	2,546,000	J & J	140	Mar. 15,'98	....	....	....
" 3d 7's	1912	2,000,000	A & O	126	Aug. 26,'95	....	....	....
Chic., St. Louis, & P. 1st c. 5's	1932	1,506,000	A & O	113	May 14,'96	....	....	....
" registered		....	A & O	110	May 3,'92	....	....	....
Cleve. & Pitts. con. s. fund 7's	1900	1,810,000	M & N	109	Apr. 19,'97	109	109	3,000
" gen. gtd. g. 4½'s Ser. A	1942	3,000,000	J & J	113	Apr. 18,'95	....	....	....
" Series B	1942	1,628,000	A & O	....	....	....	....	....
St. Louis, V. & T. H. 2d 7's	1898	1,000,000	M & N	102	Jan. 24,'98	....	....	....
" 2d gtd. 7's	1898	1,600,000	M & N	102¾	Mar. 7,'98	....	....	....
G. R. & Ind. Ex. 1st gtd. g 4½ g	1941	4,434,000	J & J	107	May 18,'96	....	....	....
Allegh. Valley gen. gtd. g. 4's	1942	5,389,000	M & S	102	Nov. 10,'97	....	....	....
Newp. & Cin. Bge Co. gtd g. 4's	1945	1,400,000	J & J	....	....	....	....	....
Penn. RR. Co. 1st Rl Est. g 4's	1923	1,675,000	......	108	May 12,'97	....	....	....
con. sterling gold 6 per cent	1905	22,762,000	J & D	....	....	....	....	....
con. currency, 6's registered	1905	4,718,000	Q M 15	....	....	....	....	....
con. gold 5 per cent	1919	4,998,000	M & S	....	....	....	....	....
" registered			Q Mch	....	....	....	....	....
con. gold 4 per cent	1943	3,000,000	M & N	....	....	....	....	....
con. Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	111	July 8,'97	....	....	....
U'd N. J. RR. & Can Co. g 4's	1944	5,646,000	M & S	115½	Feb. 14,'98	....	....	....
Del. R. RR. & Bge Co 1st gtd g. 4's	1936	1,300,000	F & A	....	....	....	....	....
Peo., Dec. & Ev. Tr. Co. ctf. 1st g. 6's	1920	1,140,000	J & J	95	Apr. 28,'98	95	95	5,000
" Ev. div. Tr. Co. cf 1st g. 6's	1920	1,433,000	M & S	96	Feb. 15,'98	....	....	....
" Tr. Co. ctfs. 2d mort 5's	1926	1,851,000	M & N	14½	Dec. 30,'97	....	....	....
" " 1st instal. paid.....		....	......	....	....	....	....	....
Peoria & Pekin Union 1st 6's	1921	1,500,000	Q F	120	Apr. 22,'98	120	120	5,000
" 2d m 4½'s	1921	1,499,000	M & N	86½	Feb. 25,'98	....	....	....
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov. 17,'93	....	....	....

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Pittsburg, Clev. & Toledo 1st 6's	1922	2,400,000	A & O	108½	Apr. 5,'93	....	....	....
Pittsburg, Junction 1st 6's	1922	1,440,000	J & J	124	Mar. 12,'96	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A	1928	2,000,000	A & O	112	Mar. 25,'93	....	....	....
Pittsburg, McK'port & Y. 1st 6's	1932	2,250,000	J & J	117	May 31,'89	....	....	....
" 2d g. 6's	1934	900,000	J & J	....	....	....	....	....
McKspt & Bell. V. 1st g. 6's	1918	600,000	J & J	....	....	....	....	....
Pittsburg, Pains. & Fpt. 1st g. 5's	1916	1,000,000	J & J	95½	Apr. 2,'95	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's	1940	3,000,000	A & O	105½	Apr. 6,'98	105½	104	7,000
" 1st cons. 5's	1943	523,000	J & J	98	July 14,'97	....	....	....
Pittsburg & West'n 1st gold 4's	1917	9,700,000	J & J	77	Apr. 28,'98	81	76½	58,000
" Mort. g. 5's	1891-1941	3,500,000	M & N	33½	Mar. 1,'97	....	....	....
Pittsburg, Y & Ash. 1st cons. 5's	1927	1,562,000	M & N	....	....	....	....	....
Reading Co. gen. g. 4's	1997	58,668,000	J & J	79⅜	Apr. 30,'98	80¾	77¾	788,000
" registered			J & J	....	....	....	....	....
Rio Grande West'n 1st g. 4's	1939	15,200,000	J & J	78½	Apr. 27,'98	81½	78½	84,000
Rio Grande Junc'n 1st gtd. g. 5's	1939	1,850,000	J & D	94¾	Feb. 16,'98	....	....	....
Rio Grande Southern 1st g. 3-4	1940	4,510,000	J & J	54	Feb. 2,'98	....	....	....
Salt Lake City 1st g. sink fu'd 6's	1913	297,000	J & J	....	....	....	....	....
St. Jo. & Gr. Isl. 1st g. 2.342	1947	3,500,000	J & J	68¼	Apr. 29,'98	70	68¼	11,000
St. Louis & San F. 2d 6's, Class A	1906	500,000	M & N	114	Apr. 23,'98	114	114	1,000
" 2d g. 6's, Class B	1906	2,726,500	M & N	114½	Apr. 14,'98	114½	113½	9,500
" 2d g. 6's, Class C	1906	2,400,000	M & N	114	Mar. 17,'98	....	....	....
" 1st g. 6's P. C. & O.	1919	1,035,000	F & A	118	May 23,'92	....	....	....
" gen. g. 6's	1931	7,807,000	J & J	114	Apr. 25,'98	117½	114	20,000
" gen. g. 5's	1931	12,293,000	J & J	99⅛	Apr. 26,'98	102½	98½	49,000
" 1st Trust g. 5's	1987	1,099,000	A & O	92½	Apr. 14,'98	92½	92½	2,000
Ft. Smith & Van B. Bdg. 1st 6's	1910	319,000	A & O	105	Oct. 4,'96	....	....	....
Kansas, Midland 1st g. 4's	1937	1,608,000	J & D	....	....	....	....	....
St. Louis & San F. R. R. g. 4's	1996	6,388,000	J & D	70½	Apr. 30,'98	73	69	156,000
" South'n div. 1st g. 5's	1947	1,500,000	A & O	90½	Apr. 29,'98	90½	90	11,000
St. Louis S. W. 1st g. 4's Bd. ctfs.	1989	20,000,000	M & N	70¼	Apr. 27,'98	74½	70	53,000
" 2d g. 4's inc. Bd. ctfs.	1989	8,000,000	J & J	26	Mar. 30,'98	....	....	....
St. Paul City Ry. Cable con. g. 5's	1937	2,480,000	J&J15	90	Nov. 8,27	....	....	....
" gtd. gold 5's	1937	1,138,000	J & J	90	Mar. 20,'96	....	....	....
St. Paul & Duluth 1st 5's	1913	1,000,000	F & A	117	Mar. 14,'98	....	....	....
" 2d 5's	1917	2,000 000	A & O	109	Feb. 21,'98	....	....	....
St. Paul, Minn. & Manito'a 2d 6's	1909	8,000,000	A & O	122¾	Jan. 29,'98	....	....	....
" Dakota ext'n 6's	1910	5,676,000	M & N	118½	Mar. 25,'98	....	....	....
" 1st con. 6's	1933	13,344,000	J & J	128	Feb. 26,'98	....	....	....
" 1st con. 6's, registered			J & J	120	Aug. 19,'95	....	....	....
" 1st c. 6's, red'd to 4½'s		21,196,000	J & J	107	Mar. 21,'98	....	....	....
" 1st cons. 6's register'd			J & J	105	Nov. 4,'95	....	....	....
" Mont. ext'n 1st g. 4's	1937	7,805,000	J & D	95	Apr. 22,'98	97	95	20,000
" registered			J & D	96	Feb. 19,'97	....	....	....
Minneapolis Union 1st 6's	1922	2,150,030	J & J	127¼	Feb. 8,'98	....	....	....
Montana Cent. 1st 6's int. gtd.	1937	6,000,000	J & J	118½	Apr. 19,'98	118½	118½	2,000
" 1st 6's, registered			J & J	115	Apr. 24,'97	....	....	....
" 1st g. g. 5's	1937	2,700,000	J & J	107½	Apr. 29,'98	107	107	13,000
" registered			J & J	....	....	....	....	....
Eastern Minn, 1st d. 1st g. 5's	1908	4,700,000	A & O	105½	Apr. 12,'98	105½	105½	4,000
" registered			A & O	....	....	....	....	....
Willmar & Sioux Falls 1st g. 5's	1938	3,625,000	J & D	111	Mar. 9,'98	....	....	....
" registered			J & J	....	....	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's	1919	3,872,000	J & J	100½	Oct. 20,'97	....	....	....
Sav. Florida & Wn. 1st c. g. 6's	1934	4,056,000	A & O	106⅝	Aug. 2,'97	....	....	....
" 1st g. 5's	1934	1,780,000	A & O	104½	Oct. 18,'97	....	....	....
Seaboard & Roanoke 1st 5's	1926	2,500,000	J & J	104¾	Feb. 5,'98	....	....	....
Sodus Bay & Sout'n 1st 5's, gold	1924	500,000	J & J	105	Sept. 4,'86	....	....	....
South Caro'a & Georgia 1st g. 5's	1919	5,250,000	M & N	92	Apr. 29,'98	94½	92	7,000

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	April Sales. High.	April Sales. Low.	April Sales. Total.
Southern Pacific Co.		...	...	...	...	...	...	...
Gal. Harrisb'gh & S.A. 1st g 6's	1910	4,756,000	F & A	107	Jan. 20,'98	...	...	...
" 2d g 7's	1905	1,000,000	J & D	105	Mar. 5,'98	...	...	...
" Mex. & P. div 1st g 5's	1931	13,418,000	M & N	96½	Apr. 29,'98	96½	95¾	122,000
Houst. & T C 1st Waco & N 7's	1903	1,140,000	J & J	125	June 29,'92	...	...	...
" 1st g 5's int. gtd	1937	7,107,000	J & J	108	Apr. 25,'98	110	108	9,000
" con. g 6 s int. gtd	1912	3,455,000	A & O	107	Mar. 18,'98	...	...	...
" gen. g 4's int. gtd	1921	4,297,000	A & O	78	Apr. 28,'98	78¼	76¾	114,000
Morgan's La & Tex. 1st g 6's	1920	1,494,000	J & J	120½	Feb. 17,'98	...	...	...
" 1st 7's	1918	5,000,000	A & O	127	Apr. 30,'98	127	127	1,000
N. Y. Tex. & Mex. gtd. 1st g 4's	1912	1,442,500	A & O	...	...	...	...	...
Oreg. & Cal. 1st gtd. g 5's	1927	18,842,000	J & J	75	Jan. 6,'98	...	...	...
San Ant. & Aran Pass 1st gtd g 4's	1943	18,886,000	J & J	56¼	Apr. 30,'98	58	55½	130,000
Tex. & New Orleans 1st 7's	1905	1,620,000	F & A	111	Mar. 1,'97	...	...	...
" Sabine div. 1st g 6's	1912	2,575,000	M & S	106¼	Nov. 17,'97	...	...	...
" con. g 5's	1943	1,620,000	J & J	98¼	Apr. 30,'98	98½	98	122,000
South'n Pac. of Ariz. 1st 6's	1909–1910	10,000,000	J & J	102	Apr. 28,'98	104¼	102	118,000
South. Pac. of Cal. 1st g 6's	1905–12	30,577,500	A & O	110	Jan. 24,'98	...	...	...
" 1st con. gtd. g 5's	1937	19,671,000	M & N	95¾	Apr. 28,'98	96¼	95¾	111,000
Austin & Northw'n 1st g 5's	1941	1,920,000	J & J	82	Apr. 29,'98	83¾	82	104,000
So. Pacific Coast 1st gtd. g. 4's	1937	5,500,000	J & J	...	...	...	...	...
So. Pacific of N. Mex. c. 1st 6's	1911	4,180,000	J & J	106¾	Apr. 29,'98	107½	106¾	104,000
Southern Railway 1st con. g 5's	1994	26,962,000	J & J	88¾	Apr. 30,'98	90¾	87	413,000
" registered			J & J	...	...	...	...	...
East Tenn. reorg. lien g 4's	1938	4,500,000	M & S	100	Feb. 16,'98	...	...	...
" registered			M & S	...	...	...	...	...
Alabama Central, 1st 6's	1918	1,000,000	J & J	112¼	Aug. 17,'97	...	...	...
Atl. & Char. Air Line, income	1900	750,000	A & O	104	May 24,'95	...	...	...
Col. & Greenville, 1st 5–6's	1916	2,000,000	J & J	119	Dec. 22,'97	...	...	...
East Tenn., Va. & Ga. 1st 7's	1900	3,123,000	J & J	106¼	Mar. 16,'98	...	...	...
" divisional g 5's	1930	3,106,000	J & J	112½	Apr. 5,'98	112½	112½	2,000
" con. 1st g 5's	1956	12,770,000	M & N	108	Apr. 30,'98	109½	107	32,000
Ga. Pacific Ry. 1st g 5–6's	1922	5,660,000	J & J	118½	Apr. 26,'98	119½	118	14,000
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	112	Apr. 28,'98	114¾	112	14,000
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	118	Apr. 16,'98	118	118	1,000
" equip. sink. f'd g 5's,	1909	897,000	M & S	101	Nov. 2,'97	...	...	...
" deb. 5's stamped	1927	3,368,000	A & O	96	Apr. 26,'98	96	96	5,000
Vir. Midland serial ser. A 6's	1906	600,000	M & S	...	...	...	...	...
" small			M & S	...	...	...	...	...
" ser. B 6's	1911	1,900,000	M & S	...	...	...	...	...
" small			M & S	...	...	...	...	...
" ser. C 6's	1916	1,100,000	M & S	...	...	...	...	...
" small			M & S	...	...	...	...	...
" ser. D 4–5's	1921	950,000	M & S	...	...	...	...	...
" small			M & S	...	...	...	...	...
" ser. E 5's	1926	1,775,000	M & S	...	...	...	...	...
" small			M & S	...	...	...	...	...
" ser. F 5's	1931	1,310,000	M & S	...	...	...	...	...
Virginia Midland gen. 5's	1936	2,392,000	M & N	102⅛	Apr. 14,'98	102⅛	102	18,000
" gen. 5's. gtd. stamped	1926	2,466,000	M & N	102	Apr. 14,'98	102	102	2,000
W. O. & W. 1st cy. gtd. 4's	1924	1,025,000	F & A	84	Aug. 10,'97	...	...	...
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	110½	Apr. 22,'98	110½	110½	1,000
Spokane Falls & North. 1st g. 6's	1939	2,812,000	J & J	...	...	...	...	...
Staten Island Ry 1st gtd. g 4½s	1943	500,000	J & D	...	...	...	...	...
Sunbury & Lewiston 1st g. 4's	1936	500,000	J & J	...	...	...	...	...
Ter. R. R. Assn. St. Louis 1g 4½'s	1939	7,000,000	A & O	110½	Feb. 19,'98	...	...	...
" 1st con. g. 5's	1894–1944	4,500,000	F & A	105½	Apr. 29,'98	105½	105½	10,000
St. L. Mers. bdg. Ter. gtd g. 5's	1930	3,500,000	A & O	103	Oct. 27,'96	...	...	...
Terre Haute Elec. Ry. gen. g 6's	1914	444,000	Q JAN	105⅜	Dec. 18,'95	...	...	...
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th	1905	3,784,000	M & S	110½	Feb. 14,'98	...	...	...
" 1st gold 5's	2000	21,049,000	J & D	98⅛	Apr. 30,'98	100	97¼	165,000
" 2d gold income, 5's	2000	23,227,000	MAR.	31¼	Apr. 30,'98	32	29¾	286,000
Third Avenue 1st g 5's	1937	5,000,000	J & J	117¼	Apr. 26,'98	123	117¼	13,000

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Name. Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	April Sales. High.	April Sales. Low.	April Sales. Total.
Toledo & Ohio Cent. 1st g 5's....1935	3,000,000	J & J	104½	Apr. 26,'98	104	104	8,000
" 1st M. g 5's West. div...1935	2,500,000	A & O	108½	Jan. 6,'98	....	....	....
" gen. g. 5's.... 1935	1,500,000	J & D	....	....	....	....	....
" Kanaw & M. 1st g. g. 4's.1990	2,340,000	A & O	78	Apr. 29,'98	78	78	5,000
Toledo, Peoria & W. 1st g 4's....1917	4,900,000	J & D	70	Apr. 15,'98	70	70	6,000
Tol., St.L.&K.C. Tr. Rec. 1st g 6's.1916	8,234,000	M & N	85½	Apr. 11,'98	86½	85½	26,000
Ulster & Delaware 1st c. g 5's....1928	1,852,000	J & D	100	Apr. 21,'98	101	98¾	17,000
Union Elevated (Chic.) 1st g.5's.1945	4,212,000	A & O	....	....	....	....	....
Union Pacific R. R. & ld gt g 4s.1947	84,235,000	J & J	90½	Apr. 30,'98	91½	88½	4,963,500
" registered..................		J & J	....	....	....	....	....
Union Pac. Tr. Co. cts. g. 4½s..1918	2,000,000	M & N	44	Apr. 22,'98	44	44	1,000
Kansas Pacific 1st 6's...........1895	1,436,000	F & A	111¼	June 7,'97	....	....	....
" 1st 6's.................1896	1,990,000	J & D	114	Sept. 29,'97	....	....	....
Cent. Br. Un. Pac. f'd cpns 7's.1895	630,000	M & N	96	June 22,'93	....	....	....
U.P. Den.&GT.Co.cf.1stc.g.5's.1939	15,288,000	J & D	50¾	Apr. 30,'98	54½	49½	792,000
Wabash R.R. Co., 1st gold 5's....1939	31,664,000	M & N	107⅞	Apr. 30,'98	108	105½	349,000
" 2d mortgage gold 5's..1939	14,000,000	F & A	76½	Apr. 30,'98	77½	75	196,000
" deben. mtg series A..1939	3,500,000	J & J	....	....	....	....	....
" series B...............1939	25,740,000	J & J	21½	Apr. 28,'98	23	21	25,000
" 1st g.5's Det.& Chi.ex.1940	3,500,000	J & J	97	Apr. 25,'98	100½	97	12,000
St. L., Kan. C. & N. St. Chas. B. " 1st 6's.................1908	1,000,000	A & O	108½	Mar. 12,'98	....	....	....
Western N.Y. & Penn. 1st g. 5's..1937	10,000,000	J & J	105	Apr. 29,'98	105	103	7,000
" gen g. 2-3-4's............1943	10,000,000	A & O	47¼	Apr. 26,'98	52½	47¼	76,000
" inc. 5's..... 1943	10,000,000	Nov.	13½	Mar. 10,'98	....	....	....
West Chic. St. 40 yr. 1st cur. 5's. 1928	3,969,000	M & N	....	....	....	....	....
" 40 years con. g. 5's......1936	6,031,000	M & N	99	Dec. 28,'97	....	....	....
West Va. Cent'l & Pac. 1st g. 6's.1911	3,000,000	J & J	108	Feb. 18,'96	....	....	....
Wheeling & Lake Erie 1st 5's....1926	1,265,000	A & O	101½	Mar. 7,'98	....	....	....
" Trust Co. certificates......	1,735,000	......	100	Mar. 18,'98	....	....	....
" Wheeling div. 1st g. 5's.1928	1,500,000	J & J	90	Mar. 18,'98	....	....	....
" exten. and imp. g. 5's...1930	1,624,000	F & A	92½	Mar. 11,'98	....	....	....
" consol mortgage 4's....1992	1,600,000	J & J	62¼	July 20,'96	....	....	....
Wisconsin Cent.Co. 1st trust g.5's1937	1,987,000	J & J	34	Nov. 16,'97	....	....	....
" eng. Trust Co. certificates.	10,013,000	......	37	Apr. 30,'98	39	36½	180,000
" income mortgage 5's...1937	7,775,000	A & O	6½	Jan. 19,'98	....	....	....

UNITED STATES GOVERNMENT SECURITIES.

Name Principal Due.	Amount.	Int'st Paid.	Year 1898 High.	Year 1898 Low.	April Sales. High.	April Sales. Low.	April Sales. Total.
United States 2's registered........Opt'l	25,364,100	Q M	98½	98	98	98	10,000
" 4's registered..............1907	559,634,000	J A J&O	113⅝	106	109½	106	145,100
" 4's coupon................1907		J A J&O	114¾	107	111	107	75,200
" 4's registered..............1925	162,315,400	Q F	129½	116¾	121½	116¾	229,500
" 4's coupon..................1925		Q F	129¾	117⅝	122¼	117⅝	536,500
" 5's registered.............1904	100,000,000	Q F	115	111½	111½	111½	10,000
" 5's coupon.................1904		Q F	115	110¼	111⅞	110½	42,000
" 6's currency..................1899	14,004,560	J & J	104	102⅞	102⅞	102⅞	60,000
" 4's reg. cer. ind. (Cherokee)1899	1,660,000	MAR	....	....	....	....	......
District of Columbia 3-65's...........1924	14,033,600	F & A	....	....	....	....	......
" small bonds......................		F & A	....	....	....	....	......
" registered........................		F & A	....	....	....	....	......
" funding 5's...................1899	800,400	J & J	....	....	....	....	......
" " small..................		J & J	....	....	....	....	......
" " registered.............		J & J	....	....	....	....	......

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MISCELLANEOUS BONDS.

NAME. Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	April Sales. High.	April Sales. Low.	April Sales. Total.
American Cotton Oil deb. g. 8's..1900	3,068,000	Q F	106⅛	Apr. 30,'98	106⅛	106⅛	1,000
Am. Spirit Mfg. Co. 1st g. 6's....1915	2,000,000	M & S	71	Apr. 29,'98	71	66	21,000
Atlanta Gas Light Co. 1st g. 5's..1947	1,150,000	J & D	....	....	....	....	....
Barney & Smith Car Co. 1st g. 6's.1942	1,000,000	J & J	....	....	....	....	....
Bost. Un. Gas tst ctfs s'k f'd g. 5's.1939	7,000,000	J & J	90¼	Jan. 26,'98	....	....	....
B'klyn Union Gas Co. 1st con. g. 5's.1945	18,081,000	M & N	109⅛	Apr. 27,'98	112⅛	109⅛	51,000
B'klyn Wharf & Wh. Co. 1st g. 5's.1945	17,500,000	F & A	92	Apr. 23,'98	92	92	1,000
Chic. Junc. & St'k Y'ds col. g. 5's.1915	10,000,000	J & J	109⅛	Feb. 9,'97	....	....	....
Colo. Coal & Iron 1st con. g. 6's..1900	2,954,000	F & A	95	Apr. 17,'98	96	95	3,000
Colo. C'l & I'n Devel. Co. gtd g. 5's.1909	700,000	J & J	81	Feb. 11,'97	....	....	....
• Coupon off................	....	......	....	....	....	....	....
Colo. Fuel Co. gen. g. 6's..........1919	1,043,000	M & N	104	Jan. 13,'98	....	....	....
Col. Fuel & Iron Co. gen. sf g 5's..1943	2,021,000	F & A	83½	Jan. 18,'98	....	....	....
Columbus Gas Co., 1st g. 5's......1932	1,175,000	J & J	104½	Jan. 28,'98	....	....	....
Commercial Cable Co. 1st g. 4's.2397.	18,000,000	Q & J	101⅛	Apr. 28,'98	101⅛	101⅛	2,500
• registered....................		Q & J	104	Feb. 16,'98	....	....	....
Detroit City Gas Co. g. 5's.......1923	3,885,000	J & J	....	....	....	....	....
Detroit Gas Co. 1st con. g. 5's....1918	1,049,000	F & A	90	Apr. 29,'98	92	90	4,000
Edison Elec. Illu. 1st conv. g. 5's.1910	4,312,000	M & S	109	Apr. 29,'98	109⅝	108	7,000
• 1st con. g. 5's...........1995	2,156,000	J & J	114½	Apr. 6,'98	114⅝	114½	6,000
• Brooklyn 1st g. 5's......1940	1,500,000	A & O	110⅛	Feb. 4,'97	....	....	....
• registered..................		A & O	....	....	....	....	....
Equitable Gas Light Co. of N. Y.							
• 1st con. g. 5's...........1932	2,500,000	M & S	102	Feb. 14,'98	....	....	....
Erie Teleg. & Tel. col. tr. g s fd 5's.1926	1,960,000	J & J	98¼	Mar. 9,'98	....	....	....
General Electric Co. deb. g. 5's...1922	6,000,000	J & D	99	Apr. 29,'98	101⅛	96	24,000
Grand Riv. Coal & Coke 1st g. 6's.1919	780,000	A & O	90	Nov. 26,'95	....	....	....
Grand Rapids Gas Light Co. 1st							
• g. 5's....................1915	1,225,000	F & A	92½	Mar. 11,'95	....	....	....
Hackensack Wtr Reorg. 1st g. 5's.1926	1,090,000	J & J	107⅛	June 3,'92	....	....	....
Hend'n Bdg Co. 1st s'k. f'd g. 6's.1931	1,728,000	M & S	111	Aug. 23,'97	....	....	....
Hoboken Land & Imp. g. 5's.....1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Illinois Steel Co. debenture 5's...1910	6,200,000	J & J	86	May 8,'96	....	....	....
• non. conv. deb. 5's......1910	7,000,000	A & O	70	Apl. 23,'97	....	....	....
Iron Steamboat Co. 6's...........1901	500,000	J & J	75⅛	Dec. 4,'95	....	....	....
Jefferson & Clearfield Coal & Ir.							
• 1st g. 5's................1926	1,975,000	J & D	107	May 27,'97	....	....	....
• 2d g. 5's..................1926	1,000,000	J & D	80	May 4,'97	....	....	....
Kansas City Mo. Gas Co. 1st g 5's.1922	3,750,000	A & O	....	....	....	....	....
Lac. Gas L't Co. of St. L. 1st g. 5's.1919	10,000,000	Q F	100	Apr. 28,'98	101⅛	100	21,000
• small bonds................			97⅛	Nov. 1,'95	....	....	....
Madison Sq. Garden 1st g. 5's....1919	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim. gen. g. 4's.1940	1,300,000	M & N	55	Aug. 27,'95	....	....	....
Metrop. Tel & Tel. 1st s'k f'd g. 5's.1918	2,000,000	M & N	103¼	Jan. 5,'92	....	....	....
• registered..................		M & N					
Mich. Penins. Car Co. 1st g 5's...1942	2,000,000	M & S	85	June 5,'97	....	....	....
Nat. Starch Mfg. Co., 1st g 6's...1920	3,837,000	J & J	106	Mar. 14,'98	....	....	....
Newport News Shipbuilding & Dry Dock 5's............1890-1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. & N. J. Tel. gen. g 5's cnv..1920	1,261,000	M & N	100	June 4,'95	....	....	....
N. Y. & Ontario Land 1st g 6's...1910	443,000	F & A	92¼	May 5,'96	....	....	....
Peop's Gas & C. Co. C. 1st g. g 6's.1904	2,100,000	M & N	114¾	Dec. 18,'97	....	....	....
• 2d gtd. g. 6's............1904	2,500,000	J & D	102	Mar. 29,'98	....	....	....
• 1st con. g 6's............1943	4,900,000	A & O	119⅛	Feb. 19,'98	...	....	....
• refunding g. 5's........1947	2,500,000	M & S	....	....	....	....	....
• refuding registered....		M & S	....	....	....	....	....
Chic. Gas Lt & Coke 1st gtd g. 5's.1937	10,000,000	J & J	103	Apr. 16,'98	104	103	30,000
Con. Gas Co. Chic. 1st gtd. g. 5's.1936	4,346,000	J & D	101	Apr. 19,'98	102	101	31,000
Eq. Gas & Fuel, Chic. 1st gtd. g. 6's.1905	2,000,000	J & J	107	Dec. 24,'97	....	....	....
Peoria Water Co. g 6's......1889-1919	1,254,000	M & N	100	June 23,'92	....	....	....
Pleasant Valley Coal 1st g 6's....1920	590,000	M & N	106⅞	Oct. 14,'95	....	....	....

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MISCELLANEOUS BONDS—*Continued.*

NAME.	*Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE.		APRIL SALES.		
				Price.	*Date.*	*High.*	*Low.*	*Total.*
Procter & Gamble, 1st g 6's	1940	2,000,000	J & J	118	Apr. 4,'98	113	118	1,000
St. Louis Terml. Cupples Station. & Property Co. 1st g 4½'s 5-20	1917	3,000,000	J & D	....		....	....	....
So. Y. Water Co. N. Y. con. g 6's	1923	478,000	J & J	101	Feb. 19,'97	....	....	....
Spring Valley W. Wks. 1st 6's	1906	4,975,000	M & S	....		....	....	....
Standard Rope & Twine 1st g. 6's	1946	2,955,000	F & A	55¼	Apr. 23,'98	57	55¼	7,000
" " inc. g. 5's	1946	7,500,000	......	12	Apr. 13,'98	12	11	11,000
Sun. Creek Coal 1st sk. fund 6's	1912	400,000	J & D	....		....	....	....
Ten. Coal, I. & R. T. d. 1st g 6's	1917	1,244,000	A & O	84½	Mar. 28,'98	....	....	....
{ " Bir. div. 1st con. 6's	1917	3,399,000	J & J	80	Apr. 18,'98	82	80	34,000
{ Cah. Coal M. Co. 1st gtd. g 6's	1922	1,000,000	J & D	84	May 2,'95	....	....	....
{ De Bard. C & I Co. gtd. g 6's	1910	2,428,000	F & A	83	Jan. 26,'98	....	....	....
U. S. Leather Co. 6% g s. fd deb.	1915	6,000,000	M & N	114	Apr. 30,'98	115½	113½	17,000
Vermont Marble, 1st s. fund 5's	1910	640,000	J & D	....		....	....	....
Western Gas Co. col. tr. g. 5's	1933	3,805,500	M & N	101	Mar. 16,'98	....	....	....
Western Union deb. 7's	1875-1900	3,680,000	M & N	105½	Feb. 25,'98	.. .	....	....
{ " 7's, registered	1900		M & N	105	Mar. 11,'98	....	....	....
{ " debenture, 7's	1884-1900	1,000,000	M & N	105½	July 7,'97	....	....	....
{ " registered			M & N	104½	Nov. 12,'97	....	....	....
{ " col. trust cur. 5's	1938	8,502,000	J & J	105¾	Apr. 28,'98	109	105	13,000
{ Mutual Union Tel. s. fd. 6's	1911	1,957,000	J & J	111	Mar. 16,'98	....	....	....
{ Northwestern Telegraph 7's	1904	1,250,000	J & J	....		....	....	....
Wheel L. E. & P. Cl Co. 1st g 5's	1919	846,000	J & J	68	Dec. 23,'96	....	....	....
Whitebrst Fuel gen. s. fund 6's	1908	570,000	J & D	....		....	....	....

BANKERS' OBITUARY RECORD.

Acton.—Thomas C. Acton, formerly President of the Bank of New Amsterdam, New York city, and a director of the bank since his retirement from active business, died at his country residence, Saybrook, Conn., May 1. Mr. Acton was born in New York in 1823. He had held a number of local offices and was President of the Board of Police Commissioners and Acting Superintendent at the time of the draft riots. In the latter capacity he took personal command of the police and displayed great bravery. He served for some years as Superintendent of the United States Assay office, and later was appointed Assistant Treasurer at New York. In 1885 he organized the Bank of New Amsterdam, and until a short time ago was its President. He was one of the founders of the Union League Club.

Britton.—Channing M. Britton, Vice-President of the Union Dime Savings Bank, New York city, died April 21.

Brown.—Peter V. Brown, Cashier of the Wisconsin National Bank, Watertown, Wis., died April 19, aged eighty years. He had resided at Watertown since 1837.

Brush.—R. L. Brush, a prominent manufacturer and President of the Rochelle (Ga.) Banking Co., died April 12.

Burnham.—Franklyn J. Burnham, President of the First National Bank, Moorhead, Minn., and a prominent attorney, died April 18. He was a veteran of the Civil War.

Diffenbacher.—Jacob F. Diffenbacher, Vice-President of the Odd Fellows' Savings Bank, Pittsburg, Pa., died April 1.

Funkhouser.—J. A. J. Funkhouser, Vice-President of the Clay & Funkhouser Banking Co., Plattsburg, Mo., died April 20.

Graves.—R. C. Graves, President of the Manhattan Savings Bank and Trust Co., Memphis, Tenn., died April 18.

Hardin.—P. H. Hardin, a wealthy and influential citizen of Rome, Ga., and Vice-President of the First National Bank, died April 3, aged eighty years.

Kidder.—Col. J. S. Kidder, formerly President of the Amoskeag Bank, Manchester, N. H., died April 6.

Landis.—David B. Landis, President of the Conestoga National Bank, Lancaster, Pa., was shot and killed by a tenant of his, April 7.

Levy.—Simon Levy, Jr., President of the Commercial National Bank, Shreveport, La., died March 27. He was born in Germany about fifty-nine years ago.

Lyon.—Thomas Lyon, President of the Homer Banking Co., Homer, Mich., died March 30. Mr. Lyon was born at Bethel, N. Y., in 1819. He located at Homer in 1870 and had been engaged in banking since that time.

Moon.—John W. Moon, President of the Muskegon (Mich.) Savings Bank and a former member of Congress, died April 5.

McCoy.—H. E. McCoy, President of the Dominion National Bank, Bristol, Va., died April 30, aged thirty-three years.

Noel.—P. G. Noel, a well-known business man of Topeka, Kans., and formerly President of the First National Bank of that city, died April 23.

Nolte.—E. Nolte, Sr., President of Nolte & Son's Bank, Seguin, Tex., died April 13. He had been prominently connected with the business enterprises of the place for forty years.

Norcross.—Amasa Norcross, President of the Worcester North Savings Institution, Fitchburg, Mass., and a director of the Rollstone National Bank, died in Paris, April 2. He was born in New Hampshire seventy-five years ago. In 1847 he began the practice of law and was for nearly forty years a prominent leader of the Worcester county bar. He had been a member of both branches of the Massachusetts Legislature, and of the National House of Representatives, and was the first Mayor of Fitchburg.

Perkins.—F. H. Perkins, Cashier of the Orwell (Ohio) Banking Co., died April 22.

Peters.—James H. Peters, President of the First National Bank, Red Bank, N. J., died April 13, aged forty-seven years.

Reynolds.—R. M. Reynolds, President of the Monson (Mass.) National Bank, died April 3.

Sise.—John Sise, President of the National Mechanics and Traders' Bank, Portsmouth, N. H., and also a trustee of the Portsmouth Savings Bank, died April 15. He was born at Portsmouth in 1830. Mr. Sise was largely interested in insurance and other business enterprises. He had been a member of the State Legislature.

Snow.—Daniel E. Snow, Cashier of the Tremont National Bank, Boston, died April 17. He was born at South Danvers (now Peabody) in 1826, and after receiving a common-school education began his business life as a dry goods clerk. At the age of twenty-one he entered the employ of the Boylston National Bank, Boston, where he remained for two years, when he went to the Tremont National, serving the bank in various capacities. For the past six years he had been Cashier.

Stevens.—Frank S. Stevens, President of the Metacomet National Bank, Fall River, Mass., died April 25. He was one of the California Argonauts in 1849, and established the first stage line between Sacramento, Cal., and Portland, Ore. He was born at Rutland, Vt., in 1827. Mr. Stevens was a director in a number of manufacturing corporations.

Striker.—Hon. Daniel Striker, President of the Hastings (Mich.) National Bank, and who was Secretary of State from 1871-74, died April 12.

Torrey.—Wm. A. Torrey, Cashier of the German-American Savings Bank, Burlington, Iowa, died April 12, aged seventy-one years.

New Counterfeit $2 Treasury Note.—Series of 1891; check letter D; plate number 38; J. Fount Tillman, Register; D. N. Morgan, Treasurer; portrait of McPherson; small scalloped seal. This counterfeit is apparently printed from etched plates, of only fair workmanship, on heavy bond paper, on which a few red pen marks have been made to represent the silk fibre of the genuine On center face of note the word "Bearer" in script lettering is spelled "Beurer." On left end back of note the word "Bureau" in Bureau of Engraving and Printing is spelled "Beaureau." The numbering and seal are very light, and the color shows through on back of note. In the imprint "Register of the Treasury" and "Treasurer of the United States" the letters are very irregular in size and formation. The portrait is poor, as is also the lathe work and parallel ruling.

THE

BANKERS' MAGAZINE.

RHODES' JOURNAL OF BANKING and THE BANKERS' MAGAZINE Consolidated.

FIFTY-SECOND YEAR. JUNE, 1898. VOLUME LVI, NO. 6.

DURING THE MONTH that has elapsed since the declaration of war, the country has been rapidly losing the effervescence and fine excitement attendant on the first stages of a fight, and is settling down to a sentiment of cool determination. It is now generally beginning to be realized, that in departing from the traditional policy of non-interference with foreign powers, a most serious and important step has been taken, which in all probability will affect the whole future of the United States as a nation.

Hitherto without special alliances or foreign entanglements, the country has now become a part of the great web of European diplomacy. In touching Spain the whole balanced system of European international politics has been shaken, and this country must now calmly prepare to meet all the consequences. To do justice to the resources and strength of the nation, great efforts will have to be made both by the leaders and the people. A large army must be gathered and trained. The navy must be increased to a point that has never before been contemplated. This is not the work of days or months.

It is possible that this war, owing to the unpreparedness of the nation, may require, in order that a proper prestige may be preserved, as many years as the Civil War. Thinking people are beginning to see these possibilities.

The most important of all things is to be sure that the financial system of the country is in order. It is only by a perfect system that the resources of the nation can be effectually and economically applied. The lessons of the Civil War ought to be of value in this emergency. The mistakes of that period ought to be avoided. The country in 1861 was extremely weak in a financial sense. The whole expenses of the Government previous to 1861 were not much more than $100,000,000 a year. There was no national system of banking.

Taxation had always been light, and one-half of the nation was in rebellion. Not one of the statesmen of that period had experience in finance on a large scale. After the first repulses of the Northern armies in 1861 the expenses attendant upon the great efforts to properly exert the strength of the loyal States entirely swamped the existing financial system. In the ensuing financial difficulty it is not surprising that the passage of the legal-tender Acts seemed to be the only resource. This forced loan did enable the expenses of the war to be paid, but it also nearly doubled those expenses.

In most respects the country in 1898 is as unprepared for a foreign war as in 1861 it was unprepared for a civil war. In regard to its financial methods it is in much better condition, provided our leaders are not led to abandon the experience gained during the last thirty-seven years. There are plain and satisfactory ways of putting the Treasury in condition to draw constantly on the resources of the country, without oppressing or crippling them, even if these drafts should extend over years. What is taken in one direction should be returned in another.

Under an appropriate system of finance, the enterprise, the industry and the products of the land, can be all brought into an exact correlation for the support of our armies and war ships. Such a system should be analogous to the action of the elements in distributing the water supply, which drawn up by the sun, carried by the clouds and distributed in rain, nourishes agriculture and industry, and is again returned to the clouds to be again redistributed.

Congress is now engaged in preparing a system of loans and a system of taxation to sustain these loans. A measure to improve the banking system is also under consideration.

In 1861 the necessity of a uniform banking system was seriously felt. One of the earliest measures recommended by Secretary CHASE was for National banks. But the opposition of the existing State banks had to be overcome, and from this circumstance and the fact that time was required to organize and put in operation the new banks, and an empty Treasury pressing, Congress was forced into passing the legal-tender Acts. The National banking law was therefore postponed until 1863, and the banks did not fairly get into operation until 1865, almost at the close of the war. To-day the National banking system is in full operation with the exception of the restrictions imposed on them in regard to the issue of currency.

If Secretary CHASE in 1861 had had the National system available as it now is, he could have procured from the banks an ample amount of currency to meet all the demands of the Treasury without the necessity of resorting to the dangerous expedient of the legal-tender note. The stock of money in the country to-day, including the various forms of paper currency, and gold and silver coin, is ample for ordinary purposes. Of course in purchasing the quantities of supplies, and in the payment of soldiers, more than the usual amount may be necessary; this additional amount can readily be furnished by the banks, if the measure now before Congress becomes a law.

In 1861, notwithstanding the issue of legal-tender notes and the suspension of specie payments, the bonds of the United States were kept on a coin basis by the expedient of paying the interest in coin. It was this fact that saved the credit of the United States in the darkest days of the Civil War.

THE PLANS FOR CARRYING ON THE WAR, with which the War and Navy Departments are deluged, speak well for the ingenuity of the general public and for their willingness to give advice gratis. This tendency to devise war plans will probably draw off a great deal of the talent that has hitherto been exercising itself on the currency, perhaps to the real advantage of a satisfactory settlement of monetary questions. Where minds are active and a quantity of unemployed genius is thirsting for recognition, any public question attracts to itself volunteer suggestions almost without limit. As these suggestions are sure to be to a very great extent contradictory and incongruous, they tend to delay the settlement of the matter involved.

When any reform or any new project is advanced there is always a mass of conservatisms to be overcome. Disinclination to act masks itself plausibly under the argument of let well enough alone. The multitude of contradictory plans and theories have really been a great stumbling-block in the way of monetary reform. The conservative element has found in these a strong argument for delay. All of these propositions seem to have some merit. They must all be carefully examined, and in this examination time is lost and nothing is done.

Now that a more attractive subject has arisen, it will draw a great many of these active minds from the occupation of reforming the currency and give them plenty of congenial activity in aiding the Government to gloriously terminate the war with Spain. The army of critical minds also will now find new employment in keeping a close watch on the movements of the army and navy and issuing notes of solemn warning at proper times. One advantage will be that the war cannot be much advanced or delayed by either advice or criticism. It is a good strong subject that will go on and run its course with little danger of being smothered down by disinterested criticism or gratuitous advice.

It may be imagined that even such eminent commanders as JULIUS CÆSAR and NAPOLEON were not entirely satisfactory to the critics and unemployed geniuses of their day. It is related that HANNIBAL once attended a lecture delivered at some ancient lyceum where a philosopher of great reputation descanted at length on the duties and qualifications of a great commander. The audience gave unstinted applause, but it was observed that HANNIBAL, like Br'er Rabbit, "laid low and said nothing." Some one finally ventured to ask his opinion of the fine-spun opinions of the lecturer. He merely replied, "I have seen a good many old fools in my time, but this fellow is the biggest old fool I ever saw." He then went on and conducted his campaign in Italy without much reference to the rules laid down by the sapient philosopher.

The latter, however, had his revenge when HANNIBAL at length succumbed to SCIPIO and fate at Zama, and probably said, "I told you so," with much unction.

War, however, is a mingled game of science and chance, and therefore a fair field for a great deal of speculative planning. Finance is an exact science in which the lessons of experience are a sound foundation upon which to base future operations. The trouble with the discussion of the monetary question has been that too many of the participants in it have neglected calculation, and relied too much on their imagination.

It is to be hoped that the attention of this class will be drawn away to the wider field afforded by the war, and in such case there will be an illustration of the adage that it is an ill wind that blows nobody any good.

THE FINANCES OF SPAIN are known to be on an unsatisfactory footing, but the nation is making desperate efforts to meet the financial strain of the war, and the largest powers of the Government will be exercised in the effort to raise money, and as the national pride has been roused there appears to be no limit to the sacrifices they are willing to make to maintain the honor of the nation.

The Bank of Spain is the great financial institution of the country. It was organized in 1874 and possesses the exclusive right to issue circulating notes. The limit of issue was originally about $150,000,000, but in 1891 this limit was doubled. Ostensibly the Bank is required to keep a reserve of one-third of its circulation, one-half of it being gold. The actual outstanding circulation in 1890 was $46,800,000 and the notes were then at a slight discount in gold, and with the continual increase in the issue of notes which has been going on the premium on gold is now fifty per cent.

The fact is that the Bank has not for a long time paid for its notes. It professes to redeem them in silver, but the fall in the price of silver has made the gold value of the bullion in the silver coin of less value than the gold value of the bank notes of the same denomination. The stock of gold in the Bank is simply held and is of no particular service as circulation, although it may be drawn on in the emergencies of the war. The circulation has steadily increased as the Government has made demands on the Bank, until last April the limit of $300,000,000 had nearly been reached.

The Bank makes advances to the Government on the security of bonds and Treasury notes. Therefore, as the Government has now unlimited power to make loans and to lay taxes, there seems to be no limit to the extent to which the issues of the Bank of Spain may be extended in support of the war. No doubt they will continue to depreciate from the gold par and will very soon be worth less than the silver coin, but when a nation becomes thoroughly aroused and determined, paper money becomes merely a means of bringing into action all the material strength of the country. It is really a forced loan levied upon the whole property of the nation regardless of individual rights and of every thing except the one object of preserving the life of the nation. The assignats of France, the paper money of the Confederate States, the Continental money of the Revolution, all served the purpose, and finally remained valueless in the hands of the last holders. The legal-tender notes of the Civil War did not depreciate to this extent, but at one time they progressed far in this direction and the losses to individuals through their fluctuations never were and never can be adjusted.

It is of course a sublime sight to see a nation aroused to this degree of sacrifice. The heroism which throws the remaining water and bread in a besieged town over the walls, in order to defy and discourage the besiegers, is admirable; but where it is not a result of dire necessity it becomes ridiculous.

The conduct of Spain in showing a willingness to ignore all rights of property in order to preserve the integrity of her honor, forced as it is by necessity, is no example for the United States. Those who in this country without necessity would endanger all the rights of property, by seeking to carry on the war by issues of irredeemable paper and depreciated silver, take the short step which intervenes between the sublime and the ridiculous. Moreover the Bank of Spain is not the Government or the nation. It may fail ultimately to redeem its notes, and the Government may still retain its credit. It is not governed in its management by political considerations, and is amenable for all its actions to the judiciary of the land. Between irredeemable notes issued by a bank and irredeemable notes issued by a Government there is a wide difference in favor of the bank notes retaining, if the worst comes to the worst, a greater value than

Government notes. The men who in the United States now advocate new issues of greenbacks and depreciated silver, would be the first to object to an institution here similar in character to the Bank of Spain.

It is as well, however, not to count too much on the inability of Spain to carry on war on account of financial weakness. There may be other reasons why she may fail to make headway against this country, but it will not be wholly from lack of money.

THE RISE IN THE PRICE OF PROVISIONS is quite naturally ascribed to the war with Spain. But the closest observers do not as yet altogether acknowledge the connection. The great staple article of wheat is the basis of the provision market. Bread is the staff of life, and when it is cheap it causes a smaller consumption of all other classes of provisions. When it becomes dear then people turn to other articles. Therefore the rise in the price of wheat has increased the demand in other directions, and the prices of other grains, of meats, etc., have felt the impulse of this demand. But the price of wheat has been affected by other causes than the war with Spain.

The wheat harvest in the United States for the year 1897 was abundant, but in most other wheat producing countries there were entire or partial failures, and a large part of the population of the world is for some months to come dependent upon the granaries of the United States for their supplies. This is undoubtedly the most important factor influencing the price of this grain.

But on the other hand there is reason to believe that if it had not been for the war with Spain, the nations with deficient supply would have been slower in making purchases. They would undoubtedly have dwelt longer on the promise of this year's harvest, and permitted their stocks to have been more reduced before paying the present high price.

A foreign war undertaken by the United States introduces a new element into foreign calculations. Hitherto this country has been passive and the great nations of Europe have been able to establish colonies and acquire territory without regard to the seventy million of people who occupy the heart of the Western Continent. The United States counted as nothing either as an ally or a foe. Among the European powers a satisfactory balance had been adjusted. England and Russia, France and Germany were paired, as the Senators say. Holland, Austria, Italy and Spain, Turkey and the other minor States, merely formed the planetary systems of one or the other of these great double stars. The laws and manners of the European universe were thoroughly understood, and the art of preserving peace by strong armaments on land and sea, threatening perpetually but never exceeding menace, had apparently reached perfection. The great powers were free to pursue their plans, in Africa and China, in India, and among the islands of the oceans, only keeping the European balance in view. Each country overcrowded at home was seeking new occupation for its people in trade and commerce through the ends of the earth. A barbarous land like Africa, a country like China falling to pieces through the hoariness of its civilization, were the game to be divided among them. The islands of the sea were the resting places for their ships.

When Japan invaded China, a new factor was introduced. Japan now has to be reckoned with. But Japan merely entered into strife with effete China, and there was plenty left for all. She did not attack any of the European powers, either the great orbs or the little. The outlying possessions of the Western powers were not threatened by a power just emerging into civilization.

The United States, however, driven to desperation by the influences of Spanish misgovernment in the West Indies, has attacked Spain and the consequences of this move, so contrary to the former policy of the great republic, arouse the most surprising forecasts and speculations.

This country has been looked upon as a great peaceful nation furnishing all other nations with supplies from its surplus resources. The leaders in Europe apprehend that this change of policy on the part of the United States may mean more than the people of the United States may themselves yet realize. Hitherto the citizens of this republic have been content to develop the resources of their great territory. While this territory is great, and there are still large portions of it capable of further development, it is undoubtedly true that the richest portions of it have been pretty well exploited. The United States itself no longer affords the same opportunities for the rapid acquirement of wealth by individuals that it once did. Things have become more regular and settled, and the way to fortune requires to successfully walk therein a longer apprenticeship, and a sterner and more patient endurance. The causes which have been at work in the older countries of Europe, sending out the enterprising spirits to look through the world for riches easily acquired, are beginning to work here. Home markets do not content us. Foreign leaders know too, that from the training and experience of Americans in the past, from their system of government, there must necessarily be a larger proportion of the population fitted for foreign enterprises. The rush to Alaska and the demand for the annexation of the Sandwich Islands are pointers in this direction.

Nor is the history of the United States devoid of incidents showing that there has always been an eager hunger for the acquisition of territory. The Louisiana purchase, the acquisition of Texas and California, and the purchase of Alaska, all show how willing this people are to forgive statesmen who sin in this direction.

All these signs and omens point to a rising desire to place the United States on a par with European nations, in the opportunities for the world's trade and adventure. It is really too much to expect that a people of Anglo-Saxon descent, and filled with the wandering Anglo-Saxon spirit, will be content to become a second China on the Western Continent. The ruling peoples of the world have always been migratory. The migrations of modern times proceed under the disguise of the extension of trade and commerce. No European nation, except Russia, has the population of the United States, and no European nation has a population so fitted both by tradition and experience for foreign enterprise. The United States is from its extended seacoasts a maritime nation. Russia has yet to struggle for free and commodious ports.

This country therefore to foreigners manifests all the symptoms of being about to enter into competition for the world's trade, with advantages which no European nation, except Great Britain, can at all compete. The war with Spain is merely a preliminary and an incitement. Conservative men may deplore this evident tendency, but they will not be able to stop it. Therefore the powers of Europe regard this war with Spain with great seriousness. It implies most assuredly, they think, the acquisition of all outlying Spanish possessions. Nations may promise, but they cannot keep promises where the logic of events goes contrary to them. So the United States may promise to wage only a war for the humanization of Cuba, but foreigners have little faith in this being the only result. It is not bad faith they suspect us of, but merely that we do not yet see clearly the whole consequences of the undertaking. If forced into a career of conquest, into further acquisitions to protect these conquests, the United States shall become a colonizing power, her resources will not be at the disposal of foreigners as heretofore. They will be needed for our own purposes.

It was this feeling in regard to the future which has led foreigners to buy largely of our grain in this time of scarcity. They wish to be prepared as far as possible. While then the scarcity alone is a reason for the high price of wheat, the war with its attendant uncertainty must be acknowledged to be another factor.

THE WAR REVENUE BILL, as reported by the Senate Finance Committee, imposes a special tax on banks and bankers. This excise tax is $100 for banks with $50,000 capital or less, and $2 additional for each thousand dollars in excess of $50,000. Mutual Savings banks, having no capital, are of course not subject to this tax. Bank checks, drafts, and certificates of deposit are also taxed two cents on every such instrument. Further taxes on banks are provided for in the bill as follows:

"Every person, bank, association, company or corporation engaged in the business of banking shall pay a special excise tax which shall be equal to one forty-eighth of one per centum each month upon the average amount of the deposits of money subject to payment by check or draft represented by certificate of deposit or otherwise, whether payable on demand or at some future day."

It has been assumed that another section imposes a further tax of one-fourth of one per cent. per annum on the gross earnings of the banks, though apparently an exemption in this section would relieve banks from the payment of this tax.

The banks now pay a tax of one per cent. upon their circulating notes, besides being heavily taxed for State and municipal purposes.

A fair tax upon banking capital and upon net earnings is not objectionable, and no banker will resist paying his due proportion of the expenses of the present war. Banks are now generally taxed higher than real estate, and also much higher than other personal property, a large proportion of which escapes taxation altogether. Since the banks are compelled to make and publish sworn statements of condition, it is impossible for them to evade the full amount of taxes for which they are liable.

As it came from the House the only tax on banks provided for in the bill was a stamp tax of two cents on each check for $20 or more. The limitation has been removed by the Senate Finance Committee. While this tax will cause some annoyance, it is so small, as proposed by the House, that it will not arouse opposition.

The tax on bank deposits is one that is sure to work great injury to the business interests of the country. We do not need to produce any figures to prove that the largest part of the circulating medium of the United States and the bulk of bank deposits are composed of checks, drafts, and other forms of credit instruments. Therefore, a tax on bank deposits will result in serious contraction of the currency, by reducing bank deposits, which will necessitate a curtailment of loans and general contraction of business.

Under the prevailing custom it is usual for banks receiving checks of their customers, drawn on other places, to at once credit them as so much cash. This has, as a rule, never been a source of profit to the banks, and if these checks are to be taxed when deposited the banks will be compelled to receive them for collection only—thus causing a large reduction in the circulating medium of the country.

Any tax having a tendency to decrease bank deposits would be a blow at our commercial interests, inasmuch as large aggregate deposits in banks enable commodities to be handled and business to be transacted in a much more comprehensive way than the scattered sums held by individuals.

If it is the intention that this tax on deposits shall be made applicable to Savings banks, as seems to be the case, it is wholly indefensible. The most of the savings deposits of the country is held by what are known as mutual Savings banks—that is banks that have no capital but are administered solely for the benefit of their depositors. The people who have money in these banks belong chiefly to the humbler class of laborers who by severe self-denial have laid up a few hundred dollars for the rainy day that is sure to come. To impose a tax on them would be a gross injustice. The Savings bank depositors of the country have an average of less than $375 to their credit, and in the majority of cases this represents the bulk of their possessions. With the numerous other sources of revenue available, to put this tax upon the depositors in Savings banks would be an inexcusable blunder.

If in addition to the excise tax and the stamp tax on checks, etc., Congress should place a tax upon the gross deposits of the banks, it would be an additional burden and a menace to business. If the earning capacity of the banks is destroyed or greatly impaired, which would be the case if the volume of their business is reduced by the tax on deposits, other commercial interests more or less dependent upon the banks are sure to suffer.

As Senator CAFFERY, of Louisiana, so ably demonstrated in his speech in the Senate, on May 25, a tax on bank deposits would be a heavy blow at the South. It would be more harmful to that section than any other, for the reason that there are comparatively few National banks in the South, and the State banks are not permitted to issue circulating notes. Their chief banking capital is made up of deposits contributed by the people. To tax these deposits will cripple the banks and make it difficult for them to aid business enterprises. The contraction which the tax will cause in the volume of bank deposits will also raise the rates of discount and make money tight. Such a condition would undoubtedly work great harm, particularly in those parts of the country where credit facilities have never been over-abundant. Cities like St. Paul and Minneapolis, Omaha, Kansas City and Denver, and the territory of which they are the center, would suffer greatly from a tax that would reduce the volume of bank credits. It is to be hoped that Senators and Representatives from the South and West will recognize the inadvisability of placing this unjust and unnecessary burden upon the commerce and industries of those parts of the country whose development should rather be assisted by wise laws than retarded by onerous taxes.

A great nation has no right to be unjust towards any particular business enterprise or industry, and there is no valid reason why the banks and bankers of this country should pay from ten to fifteen per cent. of the entire cost of the war.

During the Civil War the Government was compelled to pay from six to eight per cent. for funds procured to carry on the war. At the present time the banks are ready to provide whatever money may be needed at three per cent. Surely one good turn deserves another.

There is no disposition on the part of the banks to seek any special immunities from taxation. They only ask that whatever taxes are imposed upon them shall be laid with a view to aid the Government in meeting its necessary expenditures—not for the purpose of inflicting a penalty upon them for exercising the functions of a business which all enlightened people recognize as one of the chief adjuncts of modern commercial enterprise.

THE RETIREMENT OF JOHN SHERMAN from the Department of State appears to close the political career of a statesman who has occupied a space in the history of American finance which will place his name alongside of those of HAMILTON and GALLATIN. He will always be remembered for the great part he took in shaping the finances of the Civil War. While not so radical in his conservatism as to oppose the measures which caused the departure from a specie basis during that period, while yielding to the necessity of the case then almost universally acknowledged, he had constantly in view the dangers attendant upon an irredeemable paper currency. His whole course was consistently in favor of a return to coin payments as rapidly as business conditions and political exigencies would permit.

He is recognized as the author of the great refunding Act of 1870, and of the specie resumption Act of 1875. As Secretary of the Treasury, appointed by President HAYES, he had the opportunity of carrying both of these Acts into successful effect.

He recognized political necessities to a greater extent than was approved by that class of financiers who look only at the soundness of a plan, without considering the difficulties to be encountered in giving that plan legislative effect, and has therefore been accused of inconsistency in many of his expressed views on financial subjects. He has been charged with showing too much favor to the greenback, and of having been too yielding and too willing to compromise on the silver question. But these apparent aberrations were caused by his training and experience as a politician, seeing more clearly perhaps than others that it was necessary to yield at times in order to allow public opinion to shape itself in the right direction. That at heart he was sound on financial questions as they arose is best proved by the animosity displayed towards him by the advocates of inflation and cheap money, both paper and silver. These men were always his opponents and fully recognized that in all his apparent yielding and willingness to compromise he was invariably seeking to bring about their ultimate defeat.

The refunding Act of 1870 forms the solid basis of the financial fabric of the United States to-day. All of the outstanding bonds, including those issued since 1893, were issued under this Act. The resumption Act of 1875 has been the supplement and the support of the Act of 1870, and the two together were the strong resource of the Treasury during the severe stress of the financial crisis following the panic of 1893.

The Act of 1890 authorizing the purchase of silver bullion, for which Mr. SHERMAN has been blamed both by friend and foe, was in reality enacted under as great a stress of necessity as the original legal-tender Acts of 1862. In 1890 the free silver coinage party was at the zenith of its power. Any one who remembers that period knows full well how confidently, and even insolently, the advocates of the free coinage of silver predicted the realization of their hopes within the year, and how great was the speculation in silver with a view to the expected profits that would ensue. The extreme silver party will never be so near success again. It is true that the operations of the Act of 1890 were soon attended with disastrous consequences to the nation. But these disasters were not irremediable, as would have been the consequences attendant upon the enactment of an Act for the free coinage of silver at a ratio of sixteen to one. It was this supreme catastrophe that JOHN SHERMAN prevented by the compromise measure which bears his name, and which when the financial history of the year 1890 is accurately written will be recognized as a masterly retreat made in the face of overwhelming odds.

The men and the party who have been seeking to lead the people of the United States away from safe and sound financial methods, who have been striving to throw the country into financial confusion to gain political objects and to enhance private gain, are perfectly right in looking upon JOHN SHERMAN as the man who, more than any other, had to do with defeating their schemes.

Mr. SHERMAN has been unfortunate in his presidential aspiration. The reasons of his failure to secure the nomination are not far to seek, and they redound to his credit. While eminently a politican, he was one who could not be blindly directed and led by the men who make Presidents with the hope of using them. The recognition of this fact appeared under the disguise of charges of want of magnetism and personal coldness. It was plain to all that if Mr. SHERMAN became President, he would, the supreme power once in his hands, carry out his own ideals too rigorously. It is impossible to deny that with the powers who direct popularity and shape nominations the availability of a candidate depends upon his supposed susceptibility to influences after his election. The powers may be mistaken, but it is only by the sternest concealment of traits of personal independence that they can be deceived. JOHN SHERMAN was incapable of the necessary suppression of his personality.

It is a matter of regret that advancing age and failure of health have caused Mr. SHERMAN to retire from the stage of political life. Opinions may differ as to the degree of credit belonging to JOHN SHERMAN for the successful initiation and accomplishment of the financial methods of the Civil War and of the refunding of the debt contracted during that period, but in his retirement from political life the financial stage loses one of its most prominent figures.

THE BILL FOR CURRENCY REFORM recently reported to the House by the Committee on Banking and Currency will be found in synoptic form in another part of this number of the MAGAZINE. This synopsis correctly summarizes the chief points in favor of making the bill a law.

Regarding possible objections to the bill upon the part of bankers, it is not unlikely that opposition will be aroused by the provision which makes compulsory the taking out of reserve notes to the extent of twenty-five per cent. of a bank's capital. This provision may be regarded as in derogation of the vested rights of the banks under their existing charters. But the banks are given many new privileges by the bill that will offset many times the burden of carrying the reserve notes.

Taking a bank of $100,000 capital, for illustration, with the full amount of bond-secured circulation under existing law, which is $90,000, the burden of carrying $25,000 in reserve notes (which would simply take the place of greenbacks in its reserves) would be a fund of five per cent., amounting to $1,250, upon which the interest at five per cent. would be $62.50 per year. This is the sole compulsory charge involved in the matter. On the other hand there is a remission of one-half of one per cent. of the amount of the reserve notes in the tax upon capital, surplus and profits. This remission in this case would amount to $125, or twice the interest on the redemption fund. If the bank elected to continue its bond-secured circulation, it would secure $10,000 in additional notes under the authority to increase circulation to par. This would afford a profit at five per cent. of $500, minus the redemption fund. In addition the whole tax on circulation, now amounting to $900 on $90,000, is also repealed. A new tax of one-fourth of one per cent. upon capital, surplus and undivided profits is levied, which would amount to $250, if the bank had no surplus. The net result of these items is to give the bank about $1,200 more profit than under existing conditions. This is without the issue of asset currency. If the bank saw fit to withdraw a portion of its bond secured circulation and issue $40,000 in asset notes, it would increase its loaning power by more than $25,000, upon which there would be another profit of about $1,250.

Another point of opposition will probably be the increase in the tax upon some of the large banks. There is no disputing the fact that banks having a large capital and surplus and small note issues will be called upon to pay an increased amount in taxes under the shifting of the tax from circulation to capital. This is a proper distribution of the tax, however, with relation to the size of the bank and volume of business and is a mere trifle compared to the benefits derived from firmly establishing the gold standard and so firmly maintaining confidence that banking business will be large and undisturbed by acute crises. Any bank with a large capital, moreover, may secure a very considerable reduction of the tax by taking out reserve notes. While a bank is required to take only twenty-five per cent. in reserve notes, it may take them to the entire amount of its capital, and the remission of taxation upon such notes runs at twice the rate of the tax upon capital. Only in the few cases where the surplus greatly exceeds the capital will it be impossible for a bank to escape a considerable increase of taxation.

The objections to a bank currency secured by bonds, and to a permanent circulating medium made up of Government legal-tender notes, have been repeatedly stated in the MAGAZINE. There are two conditions at present existing which may tend to minimize these objections in the minds of many. We refer to the large gold reserve and to the prospective increase in the bonded debt. The first of these conditions undoubtedly strengthens the estimate in which the legal tenders are held and tends to prevent their presentation for redemption, while the bond issue in prospect at this writing will afford a basis for additional note issues by the banks.

But the conditions that have tended to increase the gold reserve can not be counted on as continuous; they are liable to a sudden and complete reversal by several catastrophes easily within the range of possibilities. Whatever bonds may be issued will probably command a considerable premium in the near future, which would render them less available as a basis for bank circulation.

The present is certainly a most favorable opportunity for putting the banking and currency system on a firm and permanent basis. With large gold reserves in the Treasury and the banks, and with a trade balance never more favorable in our history, it would be most unwise to refuse to remedy those defects in the financial system which for a number of years have been a hindrance to a proper development of the nation's resources.

It is believed that if the bill becomes a law the banks will derive a moderate profit in return for the duty imposed upon them of assuming the current redemption of the Government notes. But a still greater benefit would inure to the people by the greater aid which the banks could give to the country's commerce, while both the banks and the people would find their prosperity enhanced by the more stable business conditions that would follow the operations of a financial law modelled on lines laid down in this bill.

THE PROBABLE DURATION OF THE WAR is now a subject of much speculation. The war, some say, is to be a short one, and some even seem actually to fear that it will be all gloriously finished within the next three months. When the Civil War commenced with the attack on Fort Sumter, good authorities emphatically stated that it would not last sixty or at most ninety days.

When a peaceful republic like the United States goes to war the work of preparation consumes more time than the actual fighting. Great as are the resources of the land, both in men and money, the creation of any army that can fight is the work of considerable time. In a navy the country is better prepared, but even the navy is not so large as it should be to do decisive work speedily. If it were large enough to take possession of Spanish colonies and to destroy Spanish fleets it can do nothing really decisive until there is an army ready to occupy and hold the territory which the navy subjugates.

The work of preparation to bring matters to a satisfactory finish has really but commenced. This is not the fault of the authorities; they understand their task better than the people who are lashed to impatience by an injudicious press.

It would not be surprising if this war should finally grow into a matter which will compel the most gigantic efforts on the part of the country. There are possibilities and even probabilities that this may be the case. Already the Philippine Islands are at our feet, awaiting occupation, but before they can be really ours a fleet of transports must cross the Pacific Ocean. Eight or nine Spanish war ships, by the fear they inspire, have so far prevented our navy from doing more than blockade Cuban ports. By playing the game of hide and seek, these ships for some time continually baffled and annoyed and postponed any satisfactory conclusion. This delay, caused by the necessity of further preparation, will be apt to be mistaken for weakness, and make it easier for foreign powers to bring about complications, which though in the end proving of no advantage to them, will require still greater efforts on our part and greatly protract the length of the war. These things are unavoidable; they merely show that the United States must have time to gather her strength. Those who become impatient and criticize the slowness of the required preparation are all wrong. The United States and Spain are like two men shouting defiance at each other from house-tops separated by a wide street, they cannot engage in real fisticuffs until they are willing to come to close quarters. While the ocean cable and swift steamers have reduced distances, time is necessary to carry on war when such spaces intervene. Therefore it seems highly probable that when the duration of the war is in question the optimistic forecasts of days should by wise men be extended to months. It is very hard to overcome an enemy who fights a shifty dodging fight, within any given time. When the delays necessary to prepare for effectively putting the military forces of the country into fighting condition shall have ended there can be no doubt of the ultimate result. Large bodies move slowly, but when once in motion their orbits should be circumspectly avoided by those who have a due regard for their safety.

THE TRADE BALANCE in favor of the United States for the fiscal year ending June 30, 1898, is estimated by the Bureau of Statistics at about $600,000,000. At the end of April it amounted to $514,245,000. The excess of exports for the twelve months preceding June 30, 1897, was $287,613,000, or only about one-half as great as that of the present fiscal year. There is little reason to doubt that the estimate of the Bureau of Statistics will be realized during May and June. On the other hand there has been just as surprising a decrease in imports.

What these conditions if continued will bring about in the United States is an interesting question. Sooner or later the gold or securities in payment of this balance must come to this country. A continually excessive export trade with a constant reduction in importations, will make this country like China—a gulf to which the precious metals will constantly flow. The decrease of imports will in the end compel more or less changes in the methods of raising revenue. Less will be heard about tariff laws and more about internal revenue. The great excess of exports has been the result of the low prices and excellent quality of the goods manufactured here, and of the exceptional crop conditions of the year 1897.

AGITATION AND SPECULATION.

The audacity of American speculation has been for many years the theme of the writer of sensational novels. All that has been said in fiction has not, however, exceeded the reality. Whether the imagination of the American people has been developed by the largeness of the country and the grandeur of the scenery, the combinations for the purpose of acquiring power and wealth in the United States have exceeded all that were ever known since the days of such historic conquerors as Alexander, Cæsar and Napoleon.

By the form of government, ambitious men are cut off from following the role of these ancient exploiters of nations. The same sort of mind now seeks to attain its ideals in the pursuit of power that comes from the attainment and use of wealth. The sole idea that controlled the conquerors of antiquity was the employment of military force, to possess themselves of the property and liberty of their fellow men. The modern idea is more subtle. It consists in bringing to bear influences which by affecting the minds of masses of men will make them grant voluntarily and without bloodshed, the wishes of the schemer.

Napoleon said that the two great influences by which men were moved are fear and self-interest. The dominating men of former times always made the greater use of fear; those of modern times of self-interest. Of course force is not entirely neglected, but the prime appeal is now made to motives aroused by inducement and persuasion. This change is due to the cultivation of the principles of humanity and equality. Democratic forms of government compel would-be leaders to resort to methods which obtain the consent of majorities of the people to certain courses of action. The will of the majority is the silent force to which all men are accustomed to submit. To obtain a majority either locally or universally is the object of every would-be leader. To do this for any purpose or on any subject requires considerable agitation. This agitation does not seem out of place in politics. But when it is applied to matters which pertain to the private accumulation of wealth, it is more astonishing. Combination among men to accomplish works that require large capital, is inevitable and useful. But combinations to agitate the public mind so that a certain number of individuals may profit in a pecuniary sense, are a rather novel manifestation.

It was early discovered that a whole people may be made almost frantic on subjects relating to their political government. They were easily induced to take up some battle-cry or idea and led to put some popular leader in power.

It has been believed, however, that there was always some great question of real importance at the bottom of all serious popular agitation, and it is true that such questions which either really do affect or seem to affect the welfare of the public are often at the bottom of popular movements. But in course of time the agitation of people in masses has become a science, bordering somewhat on the occult it is true, but still a science.

Beginning with an ordinary audience of a few hundred people who will fill a hall of the usual size, the professors of this science are able, almost any subject being given, to work up this comparatively small mass of people into a mood where they can be led almost as one man. Revival meetings, spiritual seances, political mass meetings, are instances of this. Where still larger masses of people have to be dealt with, agitation and organization go on hand in hand. The main reliance of successful organization is the principle that most men have the desire for petty distinction, which can be enlisted by the offer of some petty office or apparent duty. The successful organizer, by means of coteries and clubs, creates as many offices as possible and gives every new adherent the impression that there are duties for him to perform, which though apparently small, are important. By means of clubs and such organizations, and the dissemination of literature in the line of the agitation, the minds of the people affected are brought into a common line. But this process can be carried on for one purpose as well as another, for a bad as well as for a good cause. It may result in the violation of law by lynching or it may result in the conversion of sinners at a revival meeting.

The United States is preëminently the country of popular agitation. Every petty leader, every originator of some cranky idea, has for his motto agitate, agitate.

But successful agitation requires something more than mere organization. There must be some idea which appeals to the average man and makes him think that by espousing it he is doing something noble and right. In some cases it is difficult to see how this can be so. The general direction of the agitation may be wholly and obviously wrong, and yet each individual concerned in it either believes or affects to believe he is right.

Half truths are at the bottom of many popular movements. Thus the agitation in favor of free silver was founded on the half truth that silver had once been the favorite monetary standard of mankind, without recognizing the whole truth that this opinion which gave it this position had changed.

When an agitation is founded on a half truth, or is cooked up on half truths to serve some selfish object, it becomes a nuisance and a terror.

But to arouse a violent popular opinion is becoming the favorite method of almost every desperate or despicable cause. Some of these causes get up agitations of their own and others seize on the already existing excitements of politics. Many desperate speculators seek to join the objects of their selfish interest to politics and thus give an aspect of legality or at least usual form to their personal designs.

There are no doubt in all countries men who seek their private objects through popular movements. This is especially true in the United States. The vastness of the country and the multitude of its resources afford scope for all kinds of speculations both within and without the legal pale. In one of his novels Balzac tells of a band of twelve determined men who bound themselves by the most stringent oaths to bring the support of all to any of the brotherhood who should demand assistance in any undertaking whatever. This was paralleled to some extent by a startling story alleged to be founded in facts current some years ago in certain circles in New York city. It was said that an association was formed among certain men occupying positions of trust and responsibility and handling as trustees large sums of money, for mutual protection should any of them yield to temptation and become defaulters. It was in the form of a stock company, each member contributing a respectable sum. A concession was obtained by this company or had been obtained by the original promoter of it, from the Mexican Government, giving jurisdiction over certain land in the northern part of Lower California, not over a hundred miles from the United States boundary line. Here the company undertook to establish a little government of their own, whether kingdom or republic no one seems to know. Here in a place distinguished by the delightfulness of its climate and the beauty of the surrounding scenery, a large hotel was erected and supplied with every luxury. In this delightful spot, out of the jurisdiction of the laws of the United States and Mexico, and with its own laws and regulations, was to be a defaulters' heaven. The government or establishment, it is said, grew up into a sort of a Monte Carlo gambling resort for certain of the initiated. How many defaulters took advantage of this refuge cannot be told. It is said that one from the East who went through the assets of some New England corporations, was seen there acting as a *croupier* or banker at a *rouge et noir* table. It is certain that some sort of a gambling outfit was established in the locality named, but want of money or patronage or some disputes as to the jurisdiction granted by the Mexican Government, prevented its being as safe and comfortable a refuge as was imagined. The last heard of it was when the ex-Governor of a Western territory was announced as endeavoring to enlarge the scope of the establishment and make it a real counterpart of Monte Carlo, by offering bonds to the public to place the institution on a wider financial footing. Some inkling of this became public and nothing further has been heard of the scheme.

Another speculation in the palmy days of cattle raising on Government lands was entered into by a select coterie each of whom put in five thousand dollars. They bought a large herd of cattle and hired a rural Mormon in Utah to look after the herd. No returns, however, were made to the stockholders by their Mormon trustee. All attempts to bring him to reason by peaceful methods were found inadequate. He had the herd and evidently intended to enjoy it and its usufruct. The stockholders, driven to desperation, held a meeting. Some suggested the Federal courts as a remedy, but the outlook in this direction was not encouraging, since the Mormons were very clannish, and with their control of the legal machinery would make the case before any court in Utah look doubtful for the stockholders, and even if a favorable judgment were obtained, the enforcement of it would be extremely dubious. But these stockholders were equal to the emergency. They assessed themselves a sufficient additional sum, and entered into correspondence with a notoriously bad man of the cowboy species who, furnished with the sinews of war, hired a small army of men like unto himself. With his little army he marched into Utah, raided the Mormon's ranch, drove off the herd supposed to be that of the company, and also a number of horses, indisputably belonging to the Mormon, for costs and interest. In addition they took the Mormon himself as a hostage, until they had driven the cattle and horses so far towards market that pursuit seemed unlikely. The animals were sold, the army paid, the stockholders received the money, liquidated their corporation and paid themselves a final dividend.

These incidents show that there are daring promoters and speculators in the country whose views are not bounded by the narrow confines of the law.

This last on a small scale was similar to Jameson's raid on the Boers in South Africa. Public opinion in England, however, has not yet been educated to the extent of regarding such methods of enforcing private or corporate claims as salutary.

The history of the great railroads of the United States will afford many analogous cases of the audacity of private and corporate enterprise in securing privileges and rights with perfect freedom from the trammels of the law. The railroad wars for right of way and for the prevention of undesirable crossings and competitive lines are well known, and the lengths to which these petty wars are carried to the disturbance of the peace and the annoyance of the disinterested public is surprising to people used to a stronger governmental control.

The enterprising speculator rejoices and grows fat in that domain that lies just beyond the common law, and has not yet attracted the attention of statutory enactment. Here he can give himself full swing until the slow foot of legislation overtakes him. It was in this no man's land, the boundaries of which had not yet been fixed by the judicial mind, that Fiske and Gould won their celebrated triumphs. They protracted their possession of this valuable tract by the further finesse of purchasing and owning a choice selection of judges. The ground occupied by these early railroad wreckers has by this time been pretty thoroughly covered by legislation and judicial decisions, but beyond the lines of ordinary custom there are still tracts of unknown territory in which modern enterprise can disport itself.

But as statutes have grown more stringent and the danger of the penitentiary for brilliant off-color enterprises becomes correspondingly greater, the minds that delight in such things are devoting their attention to manipulating the legislation which might otherwise become the source of all their woe. They can do this by influencing public opinion in the direction they wish to go, and by this means securing legislators whom they can control, public opinion is brought to bear on the governing powers by all the arts of agitation. The press is subsidized and made to keep harping on certain chosen strings until the public is made to adopt the desired opinions. Nor is this so very difficult, owing to the organization of the newspaper world. The leading papers shape their news and comment in a certain way, and most of the lesser publications, daily and weekly, furnished the same news by associated press dispatches and patent insides furnished by syndicates, unconsciously in very many instances take up the cue.

A very curious rumor recently afloat is that on the supposition that the United States would desire the good will of French public opinion in the controversy with Spain, representatives of the Paris press have approached men high in the Government, intimating that for a consideration the tone of the French papers would be made favorable to the United States. That the Paris press has the power to drive the French people crazy in any direction cannot be doubted since the revelations made in regard to Dreyfus and the Zola trial. If the good or ill will of the French people were of sufficient moment, it might pay to accept the offer. A press capable of being bought would naturally take the side where they thought the most money could be had. Jugurtha was probably right when he said that all Rome could be bought if he only had enough money. His great regret was that what money he had did not go far enough.

In early days the demagogue and head fuglemen of public opinion thought they knew a thing or two, but Alcibiades and Cimon, and even Julius Cæsar, used methods which though very successful and creditable for those days were childish, as compared with the power exercised by our demagogues through perfected methods of agitation. The great silver agitation kept up for so many years is an instance of the perfection of modern methods. To the disinterested and uninitiated spectator it looks all very fine to behold the nation's raging and the people imagining a vain thing, but how does it look to the man who, looking behind the curtain, sees the managers of the show pulling the wires and touching the buttons—sending an electric thrill along the nerve of patriotism and anon touching up the chord of self-interest, now putting out some painted hero, and next setting up a straw villain. The stage meanwhile being decorated with great moral sentiments, and words of wisdom from the mouths of sages. All this looks very pitiable to the observer behind the scenes, but although the exhibition may be carried on with great skill by the manipulators and often agitates the people greatly, yet this agitation is on the surface merely. It is like a tax taking but a little from each individual but which aggregates a large sum in the Treasury. The people adhering to realities go about their daily business very little the worse for the emotion manifested. The cunning demagogue, however, weaves these little surface feelings he arouses into a great cloud of public opinion, which he uses as a cloak to gain his ends. The solid pursuits of life remain the same as ever. When in the history of the French Revolution one reads of the massacres in the prisons, he is apt to imagine the whole city of Paris in turmoil and confusion, the men and women all distracted and maddened with blood. And yet the life of the city went on in general just as usual, "theatres to the number of some twenty-three were open every night during this slaughter, and while some right arms were weary with slaughter, right arms there were twiddle deeing on melodious cat-gut." At the height of the massacre, "five hundred thousand human beings were lying asleep as if nothing were amiss." So it is with all these manifestations of so-called public opinion. They do not go very deep. The solid sense of the nation lies unseen and unstirred beneath it all, keeping duly and faithfully to the realities of existence as unmoved as the depths of the ocean by the zephyr on its surface.

GOOD OUT OF ILL.—There are compensations in war, as in many other misfortunes which are visited upon nations as well as individuals. One of the most obvious benefits incidental to the present conflict is the complete obliteration of the last trace of sectional differences. There is no longer any North and South, but a reunited country—one in sentiment and patriotic purpose.

Not less gratifying is the unmistakable friendship manifested by the people of Great Britain—a fact which must result in a much better understanding between the two great English speaking nations. Whether this cordiality of feeling shall ever lead to a political alliance between the two countries or not, it is bound to have an important bearing upon future events. As against any other power, or possible combination of powers, neither the United States nor Great Britain needs an ally. Each nation is fully able to stand alone. But it is nevertheless most gratifying to note that whatever of ill-feeling may have existed here against Great Britain has wholly disappeared before the friendly opinions so generally expressed on that side of the water.

A union of these nations in peaceful pursuits would mean a vast extension of the world's commerce and would be a gain to progress and civilization.

THE PRECIOUS METALS.

INFLUENCES WHICH GOVERN THEIR FLOW FROM ONE COUNTRY TO ANOTHER.

The quantity of money circulating in any country is determined largely by the habits and customs of the people. In France, for instance, where the use of banks, checks, drafts, etc., are not so common as in the United States, more actual money is needed to effect exchanges. In a sparsely-settled country, people carry more money in their pockets in proportion to their transactions than in a thickly-settled country, where there are numerous places of deposit. The quantity of money in a country fixes the prices of its products. Any increase above the customary amount in circulation, other things being equal, will cause a rise of prices, and *vice versa.*

International trade is governed by the prices which prevail in the respective countries. If the United States buy more goods from England than that country buys from us, it is because prices, measured in gold, are lower in England than in the United States. The balance of trade in that case would be settled by shipping gold to England either directly or by arbitrage. The increase of gold in England would cause prices to rise in that country and consequently tend to diminish the amount of our purchases, while the outflow of gold from our shores would cause a fall of prices and an increase of sales to England. A great many people fail to realize this truth, because they do not happen to see these changes of prices quoted in the newspapers corresponding to the in-comings and out-goings of gold. In fact these all-important fluctuations in prices are not observable by the public and are known only to a few brokers, bankers and importers and exporters.

For instance, Mr. Armour may wish to sell some ship loads of meat to dealers in England, and the price that he quotes abroad will be determined by the direction that money happens to be going at the time. If money is going abroad, Mr. Armour can afford to lower his quotations, because he will not only receive the price of his shipment from the English merchant, but when he draws a bill of exchange on the merchant for payment, he can sell the bill at a premium.

Thus it often happens that an exporter in America quotes to a foreign country prices that are below cost, but he gets a profit from the sale of his bill of exchange. When our merchants can do this, the foreign traders realize that our prices are low, although the goods as quoted in newspapers may not have changed in value at all. The English merchants buying largely of us because of our low prices, cause the balance of trade to go against them, and hence they must ship coin over here in settlement.

Now when money is coming into our country, foreigners have to pay higher prices for our goods. We quote higher prices abroad than at home, because when we draw bills of exchange for payment, we have to sell them at a discount. We have to add our loss on account of discount to the price of our goods. Foreigners therefore slacken their purchases from us, while we increase our purchases from them. They get a premium for bills of exchange on us and they can deduct the premium from the ordinary prices of the goods, tempting us to buy more largely and thus restore the equilibrium of trade and bring gold back to their shores. In like manner the precious metals are distributed throughout the world. The flow of coin from one country to another always causes a fall of prices in the exporting country and a rise of prices in the importing country, and this change of prices reverses the balance of trade and the flow of coin. For this reason it is impossible for one country to be continually exporting more coin than it imports.

Under the natural and automatic working of international trade, each country is apportioned its proper share of the precious metals and among gold-using countries it is impossible for one country to continually receive more of that metal than its business demands. Says Ricardo, "If the quantity of gold and silver in the world employed as money were exceedingly small or abundantly great, it would not in the least affect the proportions in which they would be divided among the different nations."

A country which produces the precious metals may for a long time export more coin than it imports, for the reason that only a certain sum of money is needed in a country to keep up the level of prices, and when the supply is in excess the surplus goes abroad just as the surplus of any other commodity. Thus the commercial nations of the world share in any increase of the precious metals that may anywhere be put in circulation.

The statement has been going the rounds of the bimetallic press that $200,000,000 of gold are required annually to pay the interest on foreign capital invested in this country.

(This statement savors of the "Tales of Munchausen.")

But supposing such a fabulous sum to be really due, the fact would not at all imply that payment would have to be made in gold. On the contrary, the balance of trade would just as likely be in our favor. The interest would be represented by bills of exchange on this country, and the larger the sum of them the greater would be the sale of our goods to foreign countries. From 1875 to 1891 the United States imported more gold than she exported. This fact does not indicate that any fabulous sum of gold is annually exported to Great Britain or any other country as interest.

It may be well enough to add in this connection that a nation derives the same advantages from the use of capital as an individual, and as long as there are resources to be profitably developed in America the use of either foreign or domestic capital is a blessing. JEROME DOWD.

KEEPING DOWN THE COST.—In a recent issue of the Brooklyn "Standard Union," Murat Halstead, the editor, said:

"It is a fact that may be demonstrated as clearly as any problem in geometry— a sum that may be worked out as conclusively as an example of the operation of the simple rules of arithmetic—that the cost of the war upon which we have entered will, compared with our experiences of warfare under suspension of specie payments and issues of greenbacks, not exceed fifty per cent. of the rate of expenditure to which we have been accustomed, if we rigidly maintain the existing gold standard. If we depart from the gold standard we simply increase the expenditures of the war and the burdens upon the people of indebtedness, current and funded, present and for time to come, precisely in the proportion that we do so."

HON. CHARLES BRAY

[illegible] untimely death [illegible], which occurred at [illegible] removed the banking fraternity of [illegible] one of its well known and respected members. At the [illegible] President of the First National Bank of Rondout [illegible] National Bank of Coxsackie. He was also a director [illegible]

[illegible] Kinderhook, N. Y., sixty-two years ago [illegible] to take the position of teller in what [illegible] When the First National Bank was started [illegible] additional duties was made Cashier, holding [illegible] credit for many years and being promoted [illegible] which he held at the time of his death.

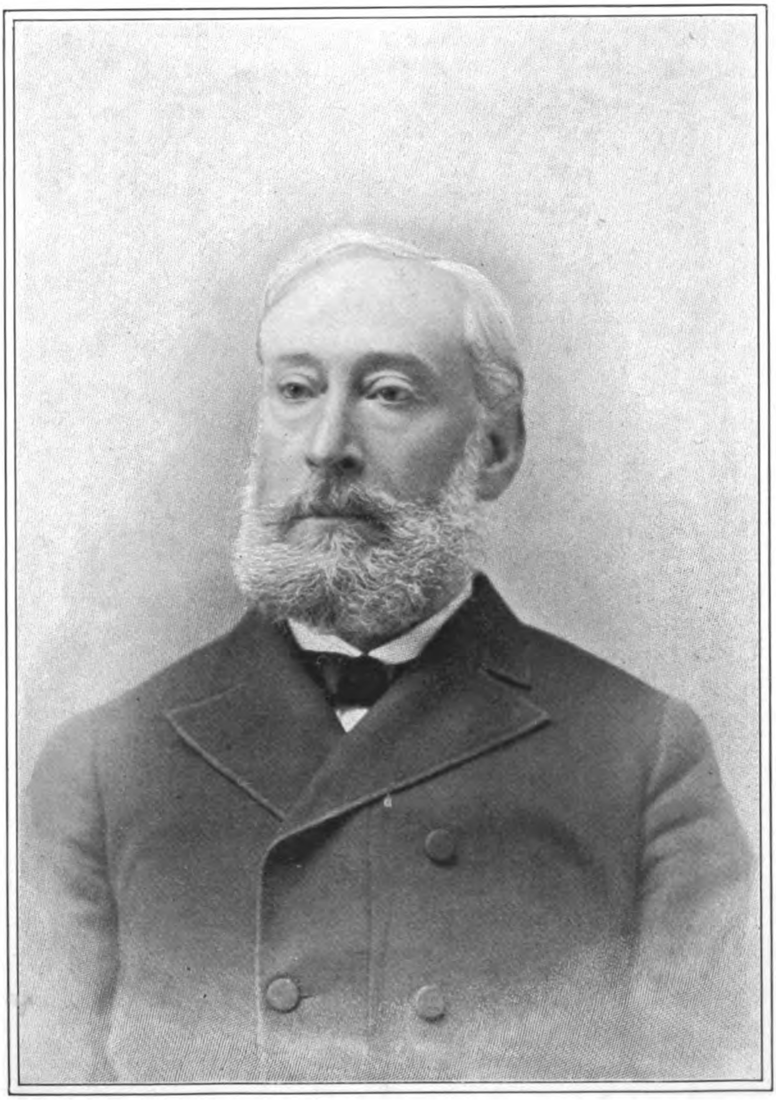
[illegible] banking duties Mr. Bray found time for filling several [illegible] During the Civil War he was elected [illegible] later was an alderman of the City of Kingston [illegible] elected Mayor for six consecutive terms. He [illegible] mentioned, with fidelity to the interests [illegible] credit to himself.

[illegible] with banking affairs developed preëminent ability [illegible] knowledge of the business was thorough and extensive [illegible] and his judgment sound.

[illegible] held in high regard for his ability as a banker [illegible] he was even more highly esteemed for many other [illegible] qualities which endeared him to those (and they were not a few) who were [illegible] to count him among their friends. He was eminently social [illegible] Mr. Bray was a member of Rondout Lodge, No. [illegible] Free and Accepted Masons. He was also a Royal Arch Mason, a Knight [illegible] being a charter member of Rondout Commandery, and its Treasurer [illegible] years, and a member of the Mystic Shrine. He was President of the Rondout Club, member of the Kingston Club, a member of the St. Nicholas Club of New York, and of the Holland Society, and was also a member of the Executive Committee of Group VI of the New York State Bankers' Association. Thus the currents of his life were broadened by active contact with his fellow men, and by extensive reading, which made him familiar with the world's best thought.

In 186[illegible] Mr. Bray was married to Miss Helen Dewey. He leaves two sons, Dr. E. Van Deusen Bray and Lloyd Bray.

Few bankers in the State were more widely and more favorably known than Mr. Bray. It may be truly said that his death was a loss, not only to the immediate locality where his business career was passed, but to the banking interests of the State. The memory which remains of his life and deeds is [illegible] honor to him and an incentive to the emulation of those who [illegible] the duties he has forever relinquished.



CHARLES BRAY.

FOREIGN BANKING AND FINANCE.

The Financial Future of Japan.

The Japanese Government is likely to appear soon as a borrower upon European exchanges for the purpose of carrying out the extensive plans of military and naval equipment and internal improvement which have been framed. A recent letter from Yokohama declares that there is a pronounced movement in favor of the introduction of foreign capital and that the chambers of commerce of the large cities are seeking the means to attain this object. Their work is directed largely to securing foreign capital for industrial companies by the sale of shares and the admission of foreigners as directors. The governmental programme has been definitely mapped out for ten years to come, so far as relates to the expenditures to be made, but it has not yet been determined whether the necessary funds shall be raised at home or by a foreign loan.

A recent letter from M. Pierre Leroy-Beaulieu at Tokio, published in "*L'Economiste Français*" of April 23, 1898, declares that the present taxes levied in Japan are only 7.10 francs ($1.40) per capita, as compared with seventy-five francs in a rich country like France, forty francs in Italy and twenty-one francs in Egypt. M. Leroy-Beaulieu does not question the ability of the Japanese to carry their payments to the State several francs higher than at present, for the purpose of meeting the increased cost of the military and naval establishment and the charges of the new public debt which may be necessary. He gives a very favorable review of Japanese finances, showing that of the 515,010,769 yen ($255,000,000) which it is proposed to raise for extraordinary expenses down to the close of the year 1906, all but 214,800,000 yen are already in hand. The sum of 261,000,000 yen is assured from the Chinese indemnity, which was to be paid in annual instalments terminating in 1902.

It is expected that the Chinese will avail themselves of the alternative privilege of completing the payments this year or in the near future, but in any event the money will be needed only from time to time and will be received by Japan as fast as it is required. The sum of 44,000,000 yen is already in the Treasury as the result of a surplus of ordinary receipts during the last few years. This leaves 79,800,000 yen to be raised for railway construction and 135,000,000 yen for other State enterprises. The entire sum to be devoted to railways is to be the subject of a loan. The other expenditures for the coming ten years include about 110,000,000 yen for such productive purposes as telephones, the improvement of harbors, and subsidies to certain industries, and 324,956,706 yen for military and naval expenses. Among the productive grants are 20,600,000 yen for subsidies to the land bank and local agricultural and industrial banks which are now in process of organization.

The Japanese are not solicitous to place loans abroad, if it can be avoided, taking the view that foreign loans afford a pretext for interference with their affairs and are humiliating to the national pride. They succeeded in placing 40,000,000 yen last summer in five per cent. bonds at par, under the special guarantee of the Bank of Japan, and the Government is now preparing to offer at home five per cent. securities at the price of ninety-four. Subscriptions have been comparatively small, for the reasons which are thus set forth by M. Leroy-Beaulieu:

"All the capital of Japan is tied up, either in the Government loans already contracted or in numerous industrial enterprises founded within the last two years. When one considers that the 1,000,000,000 francs ($200,000,000) to which the public debt amounted as the result of the war is held to the amount of nine-tenths by Japanese, that it is with their own money that they have built their 5,000 kilometers (3,100 miles) of railway and established their new industries, there is no reason for being suprised at this absence of available capital. It is making itself felt everywhere, notably in the difficulty which new enterprises encounter in obtaining the complete payment of subscriptions for their shares and in the rate of interest which banks grant to their depositors, which the principal among them are about increasing to six and seven per cent. upon deposits for one year. In the face of the impossibility of placing the intended loans at home, there are hardly more than two alternatives—to contract a foreign loan or to bring within more modest proportions the programme of expansion."

Cash Reserves of European Banks

An interesting review of the relation of metallic reserves to circulation in Europe is made by M. Edmond Théry, editor of "*L'Economiste Européen*," in the number of that journal for April 8. The figures show an increase in the bank note circulation of the great banks from 13,275,800,000 francs ($2,600,000,000) at the close of 1890 to 15,253,600,000 ($3,000,000,000) at the close of 1897. The increase would have been more than 1,000,000,000 francs greater but for the new valuation adopted for the notes of the Bank of Russia by the adoption of the gold standard. These notes, formerly valued at four francs to the rouble, were reduced by the resumption of specie payments to their actual exchange value of 2.66 francs to the rouble.

The computed circulation of the European banks at the close of 1896, before the readjustment was made by the Russian Government, was 16,416,300,000 francs. The Bank of Spain shows the largest record of increase in circulation, the figures having advanced from 730,900,000 francs at the close of 1890 to 1,206,300,000 francs at the close of 1897. The increase in the case of the Bank of France for the eight years was from 3,051,800,000 francs to 3,809,100,000 francs; the Imperial Bank of Germany, from 1,378,200,000 francs to 1,650,000,000 francs; the Bank of England, from 627,700,000 francs to 708,700,000 francs; the Bank of Austria-Hungary, from 936,400,000 francs to 1,470,000,000 francs; the Bank of Belgium, from 399,700,000 francs to 487,200,000 francs; the Bank of the Netherlands, from 409,900,000 francs to 444,400,000 francs; the Swiss banks, from 172,900,000 francs to 218,500,000 francs.

The presentation of the changes in the metallic reserves shows that the gold holdings of the European banks have nearly doubled within seven years. A large part of the increase for 1897, amounting to 702,700,000 francs ($140,000,000) comes from the transfer of gold from the Russian Treasury to the Bank of Russia, but the increase in the gold holdings of the banks over the entire period is not less significant since the Treasury has been accumulating gold in equal steps with the other great banks. The total for 1897 is also swelled by the State banks of Germany, which show gold holdings of 69,100,-000 francs ($13,500,000). The silver reserve has not increased materially since 1890. The net increase in the metallic reserve, however, leads M. Théry to note the fact that the preference for bank notes and simple certificates over coin is steadily growing in Europe. Regarding the causes of the remarkable increase in gold holdings, the French writer says:

"Whence comes this enormous quantity of the yellow metal, representing more than 1,600 tons in weight or a full load for 160 freight cars? From the mines in the first instance, but also from the circulation of countries with impaired exchanges, like Spain, Portugal, Italy, and the nations of South America. From 1890 to 1897, inclusive, the world production of gold has been about 7,000,000,000 francs ($1,350,000,000). Of this sum the producing countries outside of Europe, like the United States, Australia and South Africa, have retained for their internal circulation about 1,500,000,000 francs, and industrial uses have absorbed in all the countries of the world a nearly equal sum. The gold mines have, then, furnished to banks of issue and to the European circulation about 4,000,000,000 francs and the surplus has been drawn from the circulation of countries with impaired exchanges.

In 1890 the combined gold reserves of the Bank of France and the Imperial Bank of Russia attained scarcely 2,175,000,000 francs ($400,000,000), while those of England, Germany, Austria-Hungary and Italy, were 1,668,000,000 francs ($330,000,000). On December 31, 1897, the Bank of France and the Imperial Bank of Russia together possessed 4,048,300,000 francs ($800,000,000), or forty-six per cent. of the whole gold reserve of all European banks of issue, and the other four banks referred to possessed 2,633,000,000 francs ($520,000,000)."

The aggregate gold and silver reserves and circulation of all the banks of issue in Europe on December 31 for the past eight years is shown in the following table:

YEAR.	*Gold.**	*Silver.**	*Circulation.**	*Percentage of gold to circulation.*
1890	4,592.7	2,339.2	13,275.8	34.59
1891	5,642.7	2,571.5	14,015.6	40.26
1892	6,207.1	2,495.1	14,805.5	41.92
1893	6,116.5	2,498.1	15,264.1	40.07
1894	6,963.0	2,603.7	15,359.5	45.33
1895	7,597.6	2,478.1	16,045.1	47 35
1896	7,844.3	2,505.3	16,416.3	47.78
1897	8,745.6	2,566.4	15,253.6	57.33

*In millions of francs.

Interest Rates and Life Insurance.

The declining rate of return upon investments is having an effect upon life insurance, which is discussed in an interesting manner in the London "Economist" of April 23. It is pointed out that the returns for the year ending in 1898 show that the average rate was 4.03 per cent. and it is very doubtful whether the lowest figure has yet been touched, while, since the total funds are now increasing at the rate of something like £10,000,000 a year, the question of their investment is becoming a more and more difficult problem. The "Economist" says upon the subject:

"The day when five per cent. per annum could be obtained from mortgages on perfect security has passed, and nowadays four per cent. is quite as much as can be expected; loans on personal security—once a handsome source of income—have been discarded by the majority of the better companies as speculative and unsafe, while nowadays policy holders raising money on their insurances object to paying the old-time five per cent. The way of the insurance director or manager is indeed hard, and although some imagine they have found the road to success through the Stock Exchange, the more cautious recognize the fact that to earn there more than a moderate rate of interest means speculation—the one thing above all others forbidden to insurance finance.

The safer plan is to recognize the probability of a still further decrease in the rate of interest earned, and, to some extent, to discount its effect by decreasing the rate assumed at the periodical valuations. This will almost certainly necessitate the declaration of a smaller bonus, but it will, in the opinion of those carefully considering the relative merits of the various offices, be more than compensated for by the increased security."

A list is given of the rate of interest earned by insurance companies upon their funds during the past year, and the situation is discussed as follows:

"All the principal companies are included in this list, and it will be seen that in the vast majority of cases the rate earned during the last valuation period is considerably smaller than was the case on the previous occasion. The average rate earned by the sixty companies above named during the year 1896-97, calculated on the mean funds, was only 3.68. During the last valuation periods of the same companies the rate actually earned was 4.11 and during the previous valuation period 4.22. Again, a comparison with the returns of five years ago shows that although the total funds of all offices have risen since that time from £181,692,207 to £214,127,439, an increase of nearly eighteen per cent., the receipts from interest now total only £7,964,761. as against £7,206,828, an increase of 10½ per cent., while many of the leading companies, as shown below, although now possessed of considerably larger funds, have to be content with a smaller income as the result of their investment."

Gold Production in Russia.

The first careful and authentic statement of the gold production of Russia during the past thirty years is presented in the current number of the "*Bulletin Russe de Statistique Financière et de Legislation*," a journal which is acquiring a high and deserved reputation among statistical students. The editor has carefully compared all the official returns, not merely of the gold offered at the mint, where all gold mined in Russia is required to be brought, but the reports of the refineries and the statements made up at the mines. The figures from different sources do not vary widely, but the differences are carefully set forth and discussed in the Russian journal. The fact that some of the gold is probably concealed when it is subject to a tax, even under the vigorous Government of Russia, is indicated by the sudden increase in the reported production when the Government tax was abolished in 1876 and the decline of reported production when the tax was restored again in 1880. The table of the amount of gold brought each year to the mints is as follows:

YEAR.	*Kilograms.*	YEAR.	*Kilograms.*	YEAR.	*Kilograms.*
1870	32,059.0	1880	38,583.5	1890	31,841.2
1871	35,839.4	1881	17,245.9	1891	36,348.7
1872	34,857.3	1882	20,299.1	1892	35,602.2
1873	34,240.6	1883	29,421.5	1893	38,882.0
1874	29,489.8	1884	38,499.7	1894	36,312.7
1875	30,955.9	1885	37,036.2	1895	43,478.3
1876	42,636.9	1886	30,872.5	1896	32,404.6
1877	36,852.1	1887	30,232.9		
1878	38,151.1	1888	32,052.9		
1879	38,001.1	1889	34,868.8		
Total	353,082.6	Total	309,118.4	Total	254,869.9

The kilogram of fine gold is worth 3,444.44 francs ($686.50), so that the total production of Russia for the thirty-seven years ending with 1896 was about $629,000,000, or an average production of a little more than $23,000,000 per year. The production seems to have fallen off somewhat during the decade ending with 1889, but exceeds any previous record for the seven years ending with 1896. The production of silver in Russia has been carefully recorded from a considerably earlier date than the production of gold. The Russian journal shows a total production of sixty-nine years, ending with 1890, of 1,133,659 kilograms, or about $48,000,000. The production for the four years from 1892 to 1895 was 46,884 kilograms, or about $2,300,000. The largest production of silver appears to have been for the five years ending with 1835, when the amount was 104,199 kilograms, or an average of about $1,000,000 per year.

The Currency System of India.

The British Government has ordered a new inquiry into the currency system of India and the reforms necessary to put it upon a satisfactory basis. It is the general expectation that the Commission will recommend the adoption of the gold standard, with a large actual circulation of silver rupees. This might be accomplished by the creation of a small gold reserve, with the free sale of foreign bills by the banks for silver at gold parity, as is the case with Java. This and other methods will be carefully considered by the Commission. The London "Economist" of April 2 says that the present instability of exchange "would be remedied if the Government, while offering to give rupees in exchange for gold at 1 shilling, 4d, would also undertake to give gold in exchange for rupees at the same rate, and it is understood that something of that kind is what the Indian Government propose."

The "Economist" continues the discussion as follows:

"What is known as the Lindsay scheme is stated to have found favor with them, the essence of that scheme being that, in addition to offering to convert gold into rupees in India at the rate of fifteen rupees to the sovereign, they should sell sterling drafts on London at a fraction under that rate. This, it is argued, would confine the demand for gold to that for remittance purposes, and the theory is, that if thus restricted a pressure for remittances would indicate a redundancy in the Indian circulation, which the Government could take means to correct, and thus prevent the demand upon the gold reserve in London from becoming excessive. This scheme seems to assume rather too lightly that the drafts upon the reserve could be limited to those for the transfer of money from India to this country, and also that the Government would be able to regulate the volume of the Indian currency at their will. Currency measures do not, as a rule, act immediately, but take time to make their influence felt. But at present the discussion of any particular measure is premature. The time for that will come when the actual proposals of the Indian Government have been made known. All that can now be said is, that it is satisfactory that the Indian Government have at length decided upon a definite line of policy, and that the measures they have put forward are to be subjected to the examination of a competent committee of officials and business and financial authorities here."

Savings Banks in France.

A careful analysis of the accounts of the ordinary French Savings banks is presented in "*L'Economiste Français*" of April 16, based upon the report of the Minister of Commerce. These banks do not include the postal Savings banks, only recently established by the Government, which carry deposits equal to about one-fifth of the ordinary banks whose statistics are here given.

The amount of deposits on December 31, 1896, was 3,382,355,533 francs ($660,000,000) and the number of books outstanding was 6,633,447, affording average deposits of 509.89 francs ($100) per book. The number of books showing deposits of twenty francs ($4.00) or less was 2,041,555, with deposits amounting to 18,473,964 francs; books from twenty-one to 100 francs, 1,101,-

605, with deposits of 56,952,887 francs; books from 101 to 200 francs, 528,012, with deposits of 74,862,121 francs; from 201 to 500 francs, 746,816, with deposits of 244,456,180 francs; 501 to 1,000 francs, 606,865, with deposits of 496,707,568 francs; from 1,001 to 1,500 francs, 545,333, with deposits of 665,593,213 francs; from 1,501 to 2,000 francs, 474,306, with deposits of 788,720,969 francs.

These items made up about ninety-two per cent. of the depositors and sixty-nine per cent. of the deposits. The books of twenty francs and under included 258,667 books of school children with deposits of 2,556,730 francs, and 860,109 sleeping accounts, which had not been changed for a year, with deposits of 6,953,883 francs. Some of the larger deposits are held to the credit of mutual associations of working men. There were 17,147 deposits of associations at the close of 1896 with accounts amounting to 27,697,230 francs, and 1,235 such accounts were opened during the year.

One of the interesting features of French saving is its wide distribution in proportion to the population. The computed population of France for 1896 was 38,517,975 and the average savings deposits for every man, woman and child were 87.81 francs ($17.00) per capita, or about $85 for a family of five. The progress of savings in France since the institution of the Savings banks in 1835 is indicated by the following figures for representative years:

YEAR.	*Depositors per 1,000 inhabitants.*	*Depositors per square kilometer.*	*Average deposits per inhabitant.*	*Average per account.*
			Francs.	Francs.
1835	4	0.23	1.91	511.70
1840	11	0.67	5.74	546.84
1845	20	1.29	11.51	575.11
1850	16	1.07	3.81	238.37
1855	25	1.69	7.67	304.54
1860	34	2.30	10.47	309.71
1865	44	3.11	13.20	299.91
1870	58	3.93	17.51	304.58
1875	65	4.47	18.29	279.18
1880	104	7.26	34.69	333.29
1885	131	9.34	58.70	447.86
1890	151	10.89	76.19	503.38
1895	170	12.30	88.55	522.50
1896	172	12.55	87.81	509.89

Silver Coinage in Russia.

The rapid completion of the steps for monetary reform in Russia has been promoted by a new ukase of March 27 (Julian calendar), prescribing the conditions upon which subsidiary silver shall be coined. The free coinage of silver on account of individuals was suspended at the mints on July 16, 1893, and more recent decrees have provided that accounts shall be kept according to the new scale of fifteen roubles to one imperial ($7.50). The ukase of March 27 makes the following prescriptions:

"1. In the issue of silver money the general total of such money in circulation, whether of the larger denominations or the lower, shall not exceed a number of roubles equal to three times the total population of the Empire.

2. The maximum amount for which individuals shall be bound to receive the silver money of the larger denominations shall be fixed at twenty-five roubles ($12.50), but Treasury offices shall accept this money for any amount and for all payments, except customs duties and other taxes to be collected in gold, in which case the payments in silver money shall be accepted only for sums less than five roubles for each payment.

3. In all accounts, contracts and transactions generally, calculations which have been made up to the present time in silver roubles, shall be made in roubles of one-fifteenth of an imperial."

The Austrian Paper Money.

The Governments of Austria and Hungary are about concluding the withdrawal of the old State notes which were for a long time an obstacle to the resumption of specie payments. The amount now outstanding is about 112,000,000 florins ($45,000,000). There are also about 5,000,000 florins' worth of notes in circulation which circulate in lieu of the Exchequer bills secured upon the salt mines, and for these Austria is alone responsible. They will be redeemed by the ready money in the coffers of the Board of Finance. Of the 112,000,000 florins, Austria must redeem 78,400,000 florins and Hungary 36,600,000 florins. Of the total amount 80,000,000 will be replaced by bank notes, and 32,000,000 by silver five-crown pieces—a totally new unit in Austria, where there have hitherto been only one and two-florin pieces. The bank notes will be emitted as representing the full value in gold and the 80,000,000 worth will be notes of ten crowns each. The Governments will deposit in the coffers of the Bank 80,000,000 florins in gold for them—56,000,000 being Austria's and 24,000,000 Hungary's share. The following table shows what is the present circulation, and what the future circulation will be:

	Present circulation.	*Future circulation.*
	Florins.	Florins.
Old bank notes	623,500,000	623,500,000
Ten-crown bank notes	....	80,000,000
Notes of the State	117,800,000	....
Silver florins	80,000,000	80,000,000
One-crown silver coins	56,000,000	100,000,000
Five-crown silver coins	....	32,000,000
Total circulation	877,800,000	915,500,000

The National Bank of Servia.

The Government of Servia has arranged with the National Bank of Servia to make an advance of 10,000,000 dinars ($2,000,000) at par in silver to the Treasury, in bank notes, as a means of continuing the extinguishment of the floating debt. The decree of March 22 (Julian calendar) declares that this action has been rendered necessary by the failure to float upon advantageous terms so much as half of the loan of 70,460,000 francs authorized by the conversion Act of July 8, 1895. A portion of the taxes are pledged to the Bank for the reimbursement of the advance, which is to take place to the amount of 1,000,000 dinars per year. The decree modifies the laws governing the National Bank, the last one dating from February 6, 1896, so that they will read as follows:

"The Bank shall not put in circulation an amount of notes in excess of two and a half times its reserve in gold and silver. The notes valued in gold must be covered by a metallic reserve containing at least three-quarters gold, and this reserve for the notes valued in silver may be partly in gold and partly in silver.

The National Bank shall not put in circulation an amount of bank notes valued in silver greater than 32,000,000 dinars; but so rapidly as the Government shall reimburse the loan of 10,000,000 dinars to the National Bank per year, the Bank shall in the following year withdraw an equal sum in notes, until the extinguishment of the loan, and from that time there shall remain in circulation no more than 25,000,000 dinars of notes valued in silver."

Loans to French Agriculture.

The proposition of the French Government for the creation of agricultural warrants, which passed the Chamber of Deputies at the last session, will have to await the next session before action in the Senate. The bill is a first step in the application of provisions of the Bank of France Renewal Law, by which the Bank engaged to advance a sum of 40,000,000 francs without interest, and to pay an annual sum of not less than 2,000,000 francs, both of which sums are to be employed in the foundation of agricultural banks. The scope of the bill is discussed as follows by the Paris Correspondent of the London "Economist" in the issue of April 16:

"The Agricultural Warrants Bill is intended to permit farmers to borrow on their future crops of all kinds, the borrowers being constituted the legal guardian of the future produce, responsible for its safety, without remuneration. The warrants are admitted to discount as ordinary trade bills by the agricultural banks that are to be constituted. If the borrower is only a tenant of the farm, buildings, woodland, vineyard, silkworm nursery, dairy-farm, salt beds, etc., he must inform the landlord of the nature, value and quantity of the future crop on which he proposes to raise money; but the landlord does not appear, from the terms of the bill, to have any power to prevent the loan excepting in case rent is overdue, and the holder of the warrant will have a right of sale in default of payment, with a privilege over all other creditors. The bill will no doubt meet with some opposition, or undergo modifications, when it comes before the Senate; but this can only take place after the elections."

The Appeal to the Bank of Spain.

The proposals of the Spanish Government for extricating the Treasury from the embarrassment caused by the American war and the fall in exchange are exciting a good deal of criticism among business men in Madrid, because of their tendency to still further link the fortunes of the Bank of Spain with those of the Government and to postpone the resumption of sound conditions. The bill proposed relating to the Bank of Spain, as described in the Madrid correspondence of the London "Economist" of May 7, gives the Government the power to increase, in concert with the board of directors, the note issues of the Bank of Spain. Under the new charter of the Bank since 1891, the maximum note issue was fixed at 1,500,000,000 pesetas ($300,000,000), on condition that the Bank kept cash in hand—half gold, half silver—equal to a third of the note issue, and for some weeks past this issue has hovered around 1,300,000,000 pesetas. Under the new authorization the Bank is to be allowed to issue notes between 1,500,000,000 and 2,000,000,000 pesetas, on condition that it shall have a cash reserve—half gold, half silver—equal to half the value of the surplus notes over the old limit of circulation; and should the bank note issue go beyond 2,000,000,000, then the cash in hand will have to be equal to two-thirds of the notes exceeding that maximum. The Government has saddled this proposition with the power, if extraordinary circumstances should require, to reduce the conditions of cash in hand laid down, not only in the contemplated plan, but in the existing charter.

Another proposition empowers the Government to create Treasury bonds that will fall due on January 1, 1899, and be continued or renewed for the term and interest that may be agreed with the Bank of Spain, and for an amount sufficient to replace all the Treasury bonds now in circulation, and such as will have to be created at the end of the present financial year, June 30, 1898, to cover the balance due them by the Treasury to the Bank of Spain. The last proposition empowers the Government "to convert the exterior debt stock into interior with a bonus which the Government will fix, and that shall in no case exceed ten pesetas in each one hundred pesetas of nominal capital. This conversion will be voluntary, and can be executed by degrees." In the preamble of this bill the Madrid Government admits that it has two objects in view in this last proposition—namely, to check, or at least to prevent as far as possible, further rises in the rates of foreign exchanges, and to oblige the Spanish native bondholders to assent to the conversion of their exterior stock into interior debt. Should they decline to do so, the bill is very plain spoken: "The Government will adopt the necessary measures in order that from the coupon of October 1, 1898, only those coupons will be paid abroad that are coupons of stock really and effectively domiciled in the nation where the said coupons are presented for payment." Upon this proposition the correspondent of the London "Economist" comments thus:

> "This simply means, as the preamble of the bill frankly explains, that only *bona fide* foreign holders of Spanish exterior stock, or Spaniards really residing abroad, will be paid in 'foreign moneys.' The Spanish Finance Minister will thus have to enforce his ruling by the creation of an affidavit against all Spanish native bondholders who, trusting to the declarations of Senor Comacho when the conversion of the debt was made in 1882, and to the hitherto exact fulfillment of the engagements of the Spanish Treasury, had invested so largely in exterior debt that more than three quarters of this stock is now in Spanish hands. Though Spaniards know money must be found somehow to face the war expenses, the financial press and financial circles of Madrid and Barcelona are the most unsparing critics of the Ways and Means Bill of Senor Puigcerver for the war expenses."

The Negotiations for Bimetallism.

The time has come, in the opinion of M. Edmond Théry, the editor of "*L'Economiste Européen*," when it will be useful to make public the history of the negotiations pursued from December, 1895, to October, 1897, between France, England, Germany and the United States in favor of an international monetary understanding in regard to the free coinage of silver. M. Théry accordingly begins in his journal for April 22 an account of the negotiations, in which he took part as one of the representatives of the French Bimetallic League. The earlier negotiations were conducted without the participation of the United States, and M. Théry closes his first article with the announcement of the informal visit of Senator Wolcott to Europe before the inauguration of President McKinley. He declares, in regard to the negotiations with England, that the French delegates had several conferences with the English bimetallic leaders and an interview of two hours with Mr. Balfour. These interviews occurred in March, 1896. M. Théry says:

> "The first Lord of the English Treasury confirmed all which the General Council of the English League had said to us—that within the limits of the declarations made in the House of Commons by the English Government at the sitting of March 17, France, Germany and the United States might count absolutely upon the participation of England. In other words, if those three countries accepted bimetallism, England was ready to reopen the mints of India to the free coinage of rupees as it was practiced before June 26, 1893, and to make other concessions which would be discussed at the proper time. Upon the question of the ratio, Mr. Balfour added, as the members of the General Council of the English league had

done, 'from the moment that England is no longer asked to abandon the gold standard, the English will have no reason to interfere in regard to the ratio which other countries may choose.'"

The action of Senator Wolcott, in presenting to Lord Aldenham, Director of the Bank of England and President of the British Bimetallic League, and to the other English, French and German delegates, an autograph letter by Mr. McKinley, authorizing his inquiries in Europe, is referred to in the second paper of M. Théry in his journal of April 29. Senator Wolcott is represented as reading the Republican platform at St. Louis and the Democratic Chicago platform, and as demonstrating that, save for an insignificant minority of New York bankers, every one in the United States demanded the monetary rehabilitation of silver (*sauf une minorité insignifiante de banquiers de New York, tout le monde, aux Etats-Unis, réclamait la réhabilitation monétaire de l'argent*). Senator Wolcott went on to explain that the essential difference between the parties was that the Democrats favored national bimetallism and the Republicans international bimetallism, according to the programme of the English, French and German bimetallists.

The British proposition regarding the reopening of the Indian mints was then presented by Mr. Balfour, and the French delegates observed that this concession, while it constituted an important support for a future agreement and an absolutely essential condition, would be considered insufficient by the French Government if England did not participate directly in the rehabilitation of silver under some form or other. The British delegates then replied with the famous propositions about including silver in the Bank of England reserve, which were so promptly repudiated by the financiers of London when they became known at a later date.

It is declared by M. Théry that Mr. Wolcott had several interviews with the highest members of the British Government and "received confirmation, full and complete, of the declarations which had been made by the delegates of the English Bimetallic League at the conference of February 9."

Mr. Wolcott then went to Paris, and after a conference with the French Government went to Berlin, where he had conferences with the Chancellor of the Empire, the Minister of Finance, and the Minister of Foreign Affairs. "He acquired the conviction," says M. Théry, "that the declarations made by the German delegates at the London conference were in conformity with the views of the Imperial Government." This terminated the first mission of Mr. Wolcott.

The Commission of which he was the head returned to Paris on May 16, 1897, and resumed negotiations with the French Government. "He made known," says the French journalist, "the terms of his official mission, which set forth that the Government of the United States had resolved to take the initiative in negotiations with the great commercial nations of Europe with a view to establishing and insuring, by an agreement between the United States and these nations, a stable monetary parity of exchange between gold and silver." An agreement for bimetallism upon the basis of opening the mints to free coinage at the ratio of fifteen and a-half to one was practically concluded, pending the consent of Great Britain.

At this point, where Great Britain refused to reopen the Mints of India, M. Théry has suspended his exposition of how close the Wolcott commission brought the United States to the silver standard.

The Reform of Portuguese Finances. An effort is being made in Portugal to restore the currency to parity with gold and to relieve the embarrassments of the Treasury. A law has been passed by the Chambers and a comprehensive report made by a committee regarding the relations of the Treasury with the Bank of Portugal. It was stated that on December 31, 1897, the Treasury was debtor to the bank to the amount of 23,566,000 milreis on current account and its total indebtedness was 48,569,000 milreis ($50,000,000). The bank note circulation was 65,057,000 milreis. The metallic reserve consisted of 4,795,000 milreis in gold and 8,039,000 milreis in silver, affording a reserve of 19.7 per cent.

The Act of September 20, 1897, authorized an open account of the Treasury at the Bank to the amount of 24,000,000 milreis and that the circulation should be raised to 72,000,000 milreis, but it is suggested that the circulation should now be reduced in order to increase the value of the notes and arrest the premium upon gold. It is recommended, in order to attain this result, that the Government guarantee its debt to the Bank by securities quoted abroad and that the Treasury surplus be applied after a certain time to wiping out the debt to the Bank, with a corresponding reduction in the bank note circulation. The present gold premium is about fifty per cent. and results in an annual charge upon the Treasury upon foreign payments of 3,900,000 milreis.

Subsidiary Silver in Italy. A protocol was signed on March 15, 1898, by the representatives of the five Latin Union countries at Paris, relieving the Italian Government from the obligatory redemption in gold of its subsidiary silver money. The reason for the protocol is stated in its text, which declares that the Italian Government has decided to prohibit the exportation from the Kingdom of Italian subsidiary money during the duration of the Latin Union, and has announced the resolution to make no change in its monetary policy during the five years which may follow the expiration of the Union of a nature to hamper the return of such money by means of commerce and the exchanges. The Italian Government is therefore released from the obligation of redeeming its subsidiary silver unless it shall fail to carry out its declarations.

It is added that the other States of the Latin Union which shall have withdrawn from Italy their subsidiary silver money under the arrangements made by Article 16 of the convention of November 15, 1893, shall be relieved from the obligation of taking back, during the year which may follow the expiraration of the Union, such of their subsidiary moneys as may be found in circulation in Italy, provided that they shall have at the same time prohibited the exportation into Italy of their subsidiary money and shall not make any change in their monetary system during the five years following the expiration of the Union to hamper the return of such money by means of commerce and the exchanges.

The Rate of Exchange in Italy. Italy is experiencing much the same conditions which affected Austria-Hungary during the refunding measures of 1892, when the very excellence of the national securities and their high price at home brought them back to the domestic market with injurious results upon foreign exchange. The situation in the case of Austria-Hungary was intensified by the crisis of 1893 and the collapse of certain securities upon the Berlin market, which made Austrian securities the best means of realizing cash without loss. Such securities were so rapidly returned to Vienna that Austrian exchange became adverse and the efforts to restore gold payments were severely checked. The situation in Italy is described as follows by the Rome correspondent of "*L'Economiste Européen*" in the issue of May 6:

"The true reason of the rise of the gold premium appears to be found in the following facts. The rate of interest offered by our banks has not ceased to decline, by reason of the difficulty of finding remunerative employment for the funds. They offer on the average two and a quarter to two and a half per cent. and as the national securities approach four per cent. the demand for the latter is unchecked. At every fall in the quotations, purchases increase and prevent the maintenance of parity with foreign markets. Under these conditions the arbitragists do not lack opportunities and it is only the absence of foreign exchange for covering the delivery of securities bought abroad which has created the upward movement of the gold premium. To the element of rise caused by private demands, there should be added the tendency of the big Italian financial houses (*Haute Banque Italienne*) to maintain the highest rates for our securities and their wish to second the desires of the Minister of the Treasury. These explanations indicate that it would be an error to be disquieted by the rise of exchange, but the large houses are properly enough concerning themselves about the matter, since variations of exchange are the barometer of national credit."

Banking and Financial Notes.

—The elasticity of the Swiss bank note circulation is indicated by the weekly returns for the quarter ending with March, which have been received by the Bankers' Magazine. The circulation on January 8 was 204,180,000 francs ($40,000,000), but declined on January 22 to 192,140,000 francs and on February 19 to 184,673,000 francs. This was the minimum point for the quarter, the circulation on March 26 having risen to 186,297,000 francs. Comparison of these figures with those given on page 831 of the Bankers' Magazine for June, 1897, will show that the fluctuations are of a similar character each spring, but that the minimum was then touched on March 6. The excess of cash above the required forty per cent. was 18,154,000 francs on January 8, 1898, which was the minimum for the quarter, and was at the maximum of 22,562,000 francs on February 19.

—The number of accounts in the Belgian Savings banks on December 31, 1897, was 1,382,092 and the balance of deposits was 534,719,973 francs. The amount of the deposits during the year was 287,690,507 francs and the number of such deposits was 2,639,828.

—The French Chambers voted before adjournment the Act authorizing the French Government to guarantee the new Greek loan, jointly with England and Russia. The amount of the loan is 170,000,000 francs ($33,000,000), but 20,000,000 francs will be raised only from time to time to cover deficits up to 1902.

—The Imperial Bank of Germany increased its discount rate on April 8 from three to four per cent. The action was taken on the day after a similar increase by the Bank of England, and was notable from the fact that for the first time since the organization of the German bank in 1875 its discount rate was lower for a single day than that of the Bank of England. A further advance to five per cent. has been expected and even seven per cent. has been feared, as the result of the shortage of the crops, the export of gold to the United States, and the Spanish-American war. New complaints have broken out against the Imperial Bank, which found a voice in the upper House of the Reichstag, and it is declared that even the rate of four per cent. weighs heavily upon commercial transactions.

—The new French Bank, known as the Bank of Industrial Securities, which was founded in October last, with a capital of 10,000,000 francs, has thus far achieved marked success. The new institution is the result of complaints in France that the existing banks are either banks of issue or great societies, which refuse to deal with enterprises of moderate magnitude. The Bank of Industrial Securities is concerning itself especially with aiding commercial and industrial organizations and placing their securities among the public. It assists only enterprises which have for several years been conducting a successful business, in order to avoid undue risks, and large dividends have been paid by several of the corporations whose stock has been placed under its auspices.

—A new bank for loans upon real estate security is in process of organization in Roumania, to be known as the City and Suburban Land Credit Association. It is twenty-five years since two land credit societies were founded in Roumania and both have secured a wide market for their bonds by their sound management. They loan only to half the value of the property, and the new society proposes to accord second mortgages to the amount of twenty-five per cent. of the value of landed security and to issue bonds representing the amount of the loans. A good deal of doubt is expressed at Bucharest regarding the success of the project.

—The returns of the Swiss Savings banks for 1896 show total deposits at the close of the year of 855,228,000 francs ($190,000,000). C. A. C.

THE PRICES OF COMMODITIES.—The course of prices during the first quarter of the year has been by no means devoid of interest, the influences acting on the various markets having been of a very conflicting character. The apprehensions of war have in some cases—such as food supplies and war material—tended to strengthen prices, while in most other directions the scares have had a depressing effect. The movements shown, as compared with the beginning of the year, are consequently quite numerous, but almost equally so in both directions. The declines, however, have slightly preponderated in weight, if not in number, so that our Index-Number, which registers approximately the net effect of the various movements, is five points lower than at the end of December. The following is a statement of the total Index-Number compared with previous dates:

	Total index-number.		*Total index-number.*
End of March, 1898	1885	End of March, 1897	1942
" December, 1897	1890	" December, 1896	1946
" September, 1897	1896	" " 1895	1999
" June, 1897	1885	" " 1894	1923

A comparison of prices at this period in previous years shows that metals are, as a rule, at a higher level than they have been for some years past, and wheat and other cereals are also considerably above what had become the normal range. On the other hand, there has been a fall in cotton and some other textiles, and in such articles as coffee, tea and tallow.—*The Economist (London).*

PROVIDENT SAVINGS BANKS.

GROWTH OF THE SYSTEM IN THE UNITED STATES.

From the efforts to establish a system of postal Savings banks in this country, one not familiar with the history of Savings banks in the United States might infer that there were but few such institutions in the country and that the people were incapable of managing this branch of the banking business without the intervention of the Federal Government.

Probably as a matter of fact the Provident Savings banks as they exist in the Eastern section of the country are not thoroughly understood, nor is their importance appreciated. They are not only doing a great and beneficent work in inculcating habits of thrift and thus increasing the number of good citizens, but they are performing quite as important a function in furnishing capital for buying homes, for building school houses, building up manufacturing enterprises, and in short aiding every legitimate industry contributing to the prosperity and well-being of mankind.

While there is considerable variation in the laws governing these banks in the several States where they exist, they are all organized on the same underlying principles.

The distinctive feature of these institutions is their mutual character. They have no capital, and all the earnings belong to the depositors. Their management is vested in a board of trustees, who serve without pay and are usually men of the very highest character who consider the honor of the position adequate compensation. Moderate salaries are paid the executive officers and clerks.

There can be no question as to the safety of such institutions, and their success in promoting thrift has been most remarkable, as the statistics presented herewith fully prove.

In the State of New York the resources of the Savings banks exceed those of the State banks of deposit and discount, the trust companies, safe deposit companies and building and loan associations all combined—a fact which establishes the confidence in which they are held. The latitude of investments permitted is very narrow, being confined to securities of the highest class. The growth in the amount of deposits attests the wisdom of this policy.

A brief account of the Provident Savings bank systems of the several States, together with some statistics of their growth, is presented herewith.

CONNECTICUT.

The Savings banks of Connecticut are administered under about the same laws as those governing the other mutual Savings banks. There is more latitude in the matter of investments than in New York, though the restrictions are in the main such as to ensure safety. An examination of the reports of the individual banks shows that they do not generally take advantage of the distribution of assets which the law permits, their funds being chiefly invested in local securities of known and proved value.

In the last Annual Report of the Bank Commissioners the following statement is made regarding the administration of the affairs of the Savings banks:

"The affairs of the banks are, as a whole, ably and economically administered; and notwithstanding the inevitable reduction in dividends in the near future, the depositors have good reason to continue their unbounded faith in the ability and confidence in the integrity of the management of these institutions. The proportion of expense of carrying on the business the past year to total assets has been the infinitesimal sum of about two and one-half mills on the dollar, or about twenty-six hundred and fifty dollars of expense to each one million dollars of assets."

There are (Oct. 1, 1897,) 366,000 depositors, and of these 320,149 have less than $1,000 to their credit. The average amount due depositors is $425.37. Of the eighty-nine banks seventy-one paid four per cent. dividends the past year; eight paid four and a-half per cent., two four and a quarter per cent., five, four per cent., and one paid two per cent., while two did not declare any dividends.

The following table exhibits the growth of the Savings banks of Connecticut for ten year periods from 1857 to 1897.

SAVINGS BANKS IN CONNECTICUT, 1857 TO 1897.

	1857.	*1867.*	*1877.*	*1887.*	*1897.*
Number of banks	29	54	86	85	89
Number of depositors	62,039	138,846	204,575	278,415	366,661
Deposits	$12,562,494	$36,283,660	$77,214,372	$102,189,935	$155,969,797
Loans on real estate	7,408,773	16,787,715	52,337,212	41,712 905	62,606,801
Loans on stocks, bonds and personal securities	2,541,790	4,119,581	4,514,246	11,379,789	11,055,082
Invested in United States bonds	....	10,191,713	7,192,260	2,879,706	2,159,635
Invested in other bonds and stocks	2,107,715	3,590,895	11,762,279	44,018,410	81,597,119
Total assets	12,878,053	38,643,891	80,273,938	107,896,912	166,175,210
Excess of assets over liabilities	312,011	2,272,150	2,649,701	5,668,338	10,176,358

MAINE.

Since 1885 the assets of the Maine Savings banks have increased from $37,364,394 to $62,826,303, though there has been a decrease of three in the number of banks in that time.

There are very careful limitations on the investment of deposits, and loans on real estate are allowed only in the States of Maine and New Hampshire. An extended table showing the kinds of funds in which investments may be made was published in the MAGAZINE for February, page 281.

In a period of twenty-five years more than $200,000,000 has been handled by these banks, and but one defalcation has occurred.

The total cost of management is only about one-third as much as the taxes which the banks annually pay to the State.

Forty-five per cent. of the assets of the Savings banks of Maine are invested in that State, and there is a tendency to increase the amount of local investments year by year. The rate of dividends paid to depositors varies from 3 to 4½ per cent.

In an excellent article on "Postal Savings Banks," published in the BANKERS' MAGAZINE for March, page 393, Hon. Fremont E. Timberlake, Bank Examiner, gives some interesting information in regard to the Maine Savings banks and their value as promoters of local business enterprises.

SAVINGS BANKS IN MAINE, 1860 TO 1897.

	1860.	1867.	1877.	1887.	1897.
Number of banks	14	20	60	55	51
Number of depositors	....	24,593	88,661	119,229	167,879
Deposits	$1,466,457	$5,598,600	$26,898,482	$38,819,643	$59,598,348
Average for each depositor	158	227	308	325	355
Average for each inhabitant	2	8	42	59	90

MASSACHUSETTS.

There are in this State 187 Savings banks having aggregate assets of $503,-973,934. The deposits amount to $473,919,094, distributed among 1,384,329 accounts—an average of $342 to each depositor. Deposits are now greater than in any year during the past ten years.

Careful legislative provision has been made for the management of these institutions, and that they are safely conducted may be inferred from the facts in the following statistical table.

Since 1834 the deposits have grown from $3,407,773 to $473,919,094. From 1883 to 1897 the deposits more than doubled. The percentage of expense to total deposits is now only .00245.

SAVINGS BANKS IN MASSACHUSETTS, 1857 TO 1897.

	1857.	1867.	1877.	1887.	1897.
Number of banks	88	108	179	173	187
Number of depositors	177,375	348,593	739,757	944,778	1,384,329
Amount of deposits	$33,015,757	$80,431,583	$244,596,614	$302,948,624	$473,919,094
Average to each account	186	230	330	320	342
Expense of management	102,027	254,225	671,728	747,295	1,162,136

NEW HAMPSHIRE.

This State has seventy-seven Savings banks, but of these twenty-six are in liquidation. Perhaps no better illustration could be given of the bad effect of allowing Savings banks to invest their deposits in a miscellaneous class of securities. The managers of the New Hampshire Savings banks are not in any sense inferior to those of other States, but the laws permit investments that, especially in times of financial crisis, are apt to be hard to realize on, and experience has shown that such investments are unwise.

Still, the Savings of this State have grown very materially in the past forty years. While the population of the State has remained almost stationary since 1850, the savings deposits have increased from $1,641,543 to $64,395,-873, and the average due each depositor from $125 to $371.

SAVINGS BANKS IN NEW HAMPSHIRE, 1857 TO 1897.

(Includes Savings Departments of Banking Companies.)

	1857.	1867.	1877.	1887.	1897.
Number of banks	20	28	67	66	86
Number of depositors	27,786	47,792	97,683	132,714	173,253
Amount of deposits	$3,537,363	$10,463,418	$31,198,064	$50,292,666	$64,395,873
Average to each depositor	151	218	327	378	371
Average to each inhabitant	11	32	99	141	169

NEW JERSEY.

Full statistical and other information in regard to the Savings banks of New Jersey will be found in the May number of the MAGAZINE (page 740), from which it will be seen that their total deposits are $44,883,624, belonging to 170,100 depositors, making an average of $264 to each depositor.

The following table exhibits the growth of the Savings banks of New Jersey from 1869 to 1898.

SAVINGS BANKS IN NEW JERSEY, 1869 TO 1898.

	1869.	*1879.*	*1889.*	*1898.*
Number of banks	14	37	24	26
Number of depositors	....	61,638	109,752	170,100
Amount of deposits	$11,551,369	$14,998,088	$29,094,206	$44,883,624
Average to each depositor	....	243	265	263

NEW YORK.

Reference has been made in the preceding pages to the remarkable growth of the Savings banks of this State. Prior to 1875 the Savings banks of New York carried on business under separate charters granted by the Legislature, but the number of failures occurring in 1873 and the years immediately following resulted in the enactment of a general Savings bank law in 1875. The present banking law was enacted in 1892 as a result of a plan of the Commissioners of Statutory Revision for the revision and consolidation of the laws of the State. Some changes have been made since that time. We give below a summary of the principal provisions of the law as it now exists.

Thirteen or more persons may incorporate a Savings bank, two-thirds of whom shall be residents of the county where the proposed bank is to be located. They must agree to accept the responsibilities and faithfully discharge the duties of a trustee.

When the certificate of organization is filed with the Superintendent of Banks he is required to ascertain whether the bank is in fact needed in the community where it is designed to organize it; also to investigate the character and general fitness of the trustees. It is the practice of the present Superintendent of Banks to require as a prerequisite to the issuing of a certificate of authorization, that the proposed incorporators of a Savings bank engage to defray personally the expenses of the institution until such time as its earnings shall be sufficient to meet such expenses, and also return dividends at the rate of three per cent.

The board of trustees have entire control of the management of the bank. They elect the President and other officers. A trustee who borrows any of the bank's funds or who becomes a surety for any other borrower, forfeits his office.

Trustees do not receive any compensation—except for performing certain specific services—nor are they allowed to have any interest in the profits, or to borrow the deposits or funds of the bank.

Deposits to the credit of any individual may not exceed $3,000 in the aggregate in any one institution. The amount of deposits received in any fixed period are also generally limited by the by-laws of the banks.

The section of the law relating to investments is as follows:

The trustees of any Savings bank may invest the moneys deposited therein and the income derived therefrom as follows:

1. In the stocks or bonds, or interest-bearing notes or obligations of the United States, or those for which the faith of the United States is pledged to provide for the payment of the interest and principal, including the bonds of the District of Columbia.

2. In the stocks or bonds or interest-bearing obligations of this State, issued pursuant to the authority of any law of the State.

3. In the stocks or bonds or interest-bearing obligations of any State of the United States which has not within ten years previous to making such investment by such corporation defaulted in the payment of any part of either principal or interest of any debt authorized by the Legislature of any such State to be contracted.

4. In the stocks or bonds of any city, county, town or village, school district bonds, and union free school district bonds, issued for school purposes, or in the interest-bearing obligations of any city or county of this State issued pursuant to the authority of any law of the State for the payment of which the faith and credit of the municipality issuing them are pledged.

5. In the stocks or bonds of a number of specified cities without the State, subject to the condition that if at any time the indebtedness of any of said cities, less its water debt and sinking fund, shall exceed seven per cent. of its valuation for purposes of taxation, its bonds and stocks shall cease to be an authorized investment.

6. In bonds and mortgages on unincumbered real property situated in this State, worth at least twice the amount loaned thereon. Not more than sixty-five per cent. of the whole amount of deposits shall be so loaned or invested. If the loan is on unimproved and unproductive real property, the amount loaned thereon shall not be more than forty per cent. of its actual value. No investment in any bond and mortgage shall be made by any Savings bank, except upon the report of a committee of its trustees charged with the duty of investigating the same, who shall certify to the value of the premises mortgaged or to be mortgaged according to their best judgment, and such report shall be filed and preserved among the records of the corporation.

Also [by virtue of a law passed by the Legislature of 1898] in the first mortgage bonds of any railroad corporation of this State, the principal part of whose railroad is located within this State; or in the mortgage bonds of any such railroad corporation of an issue to retire all prior mortgage debt of such railroad corporation; provided that at no time within five years next preceding the date of any such investment shall such railroad corporation have failed regularly and punctually to pay the principal and interest of all its mortgage indebtedness, and in addition thereto regularly and punctually to have paid dividends upon all its outstanding capital stock during the preceding five years, at the rate of not less than four per cent. per annum; and provided, further, that at the date of every such dividend the outstanding capital stock of such railroad corporation shall have been equal to at least one-half of the total mortgage indebtedness of such railroad corporation, including all bonds issued or to be issued under any mortgage securing any bond in which such investments shall be made. Not more than twenty per cent. of the whole amount of deposits shall be so loaned or invested. Street railroad corporations shall not be considered railroad corporations within the meaning of this section.

Savings banks in the State of New York do a strictly Savings bank business. They do not deal in commercial paper or exchange, or make collections, nor do they receive deposits subject to check. Payments of deposits are made on orders accompanied by the presentation of deposit books only.

Interest is paid on deposits at such rates as the earnings may warrant.

The trustees, by a committee appointed for that purpose, are required to make a thorough examination of the books, vouchers and assets of the bank, as well as of its affairs generally, and a verified statement under oath must be made to the Superintendent of Banks.

Savings banks are preferred creditors of insolvent State banks and trust companies.

SAVINGS BANKS IN NEW YORK, 1858 TO 1898.

	1858.	*1868.*	*1878.*	*1888.*	*1898.*
Number of banks	54	102	138	125	130
Number of depositors	203,804	537,466	844,550	1,325,062	1,805,280
Amount of deposits	$41,422,672	$151,127,562	$312,823,058	$505,017,751	$766,684,916
Average to each depositor	203	281	370	381	424

These are striking figures. Since 1878, although there has been a slight decrease in the number of banks, the number of depositors and the total amount of deposits have more than doubled. A gratifying increase is also shown in the average amount due each depositor. The total resources of the Savings banks are $869,751,244. Savings bank depositors own $100,708,450 of United States bonds, and total stocks and bonds of an estimated market value of $426,174,408.

Some of the Savings banks in New York city have very heavy deposits, as may be seen from the following :

Bowery Savings Bank	$61,794,000	Seamen's Bank for Savings	$39,365,000
Bank for Savings	55,486,000	Greenwich Savings Bank	34,912,000
Emigrant Industrial Savings Bank,	52,198,000	Brooklyn Savings Bank	32,542,000
German Savings Bank	40,437,000	Williamsburgh Savings Bank	30,355,000

With one exception—the National City Bank, of New York—the Bowery Savings Bank has the largest amount of deposits of any bank in the United States. It has about 120,000 depositors.

RHODE ISLAND.

There are thirty-five Savings banks in Rhode Island (including six in liquidation), with about $70,000,000 of deposits, and an average of $502.53 to each depositor. Average dividend paid for the last year was four and 3–58 per cent. They have $22,737,368 invested in real estate mortgages in Rhode Island and $3,748,080 of the same investments in other States. Their investments in bank stock amount to $2,287,762; in United States bonds, $2,938,856; in city, town and village bonds, $9,291,063; in railroad bonds, $11,170,636; miscellaneous bonds, $4,257,712. Total resources are $71,735,579.

The following table shows the growth of the Savings banks in Rhode Island in the past forty years:

SAVINGS BANKS IN RHODE ISLAND, 1857 TO 1897.

	1857.	*1867.*	*1877.*	*1887.*	*1897.*
Number of banks	18	25	39	37	35
Number of depositors	27,259	59,071	99,646	120,144	138,301
Amount of deposits	$6,079,053	$21,413,647	$49,567,997	$55,363,283	$69,434,455
Average to each depositor	223	362	497	460	502
Average to each inhabitant	41	115	191	181	180

VERMONT.

At the date of the last official report there were twenty-three Savings banks and nineteen trust companies, with deposits aggregating $32,600,627.

In their general character they do not differ materially from the Savings banks of the other New England States. Though the range of investments is considerably wider than permitted to the New York Savings banks, the privileges are not abused. In his last annual report the Inspector of Finance says:

"A very careful investigation of the investments held by the Savings banks and trust companies has impressed me with the caution and intelligence with which they have been selected, which seems especially true of mortgage loans outside the State, the larger part of which are choice six per cent. mortgages in prosperous localities, and so far as I can discover they are, with few exceptions, fairly worth their book value, and many municipal bonds owned, if sold to-day, would bring a price considerably above the value at which they are carried on the books."

SAVINGS BANKS IN VERMONT, 1857 TO 1897.

	1857.	*1867.*	*1877.*	*1887.*	*1897.*
Number of banks	12	10	15	*28	*42
Amount of deposits	$875,909	$1,815,662	$6,815,828	*$15,587,050	*$32,600,627
Average to each depositor	....	....	....	....	*307
Number of depositors	....	....	....	....	*106,169

* Includes trust companies.

Provident Savings banks exist in several other States of the Union, in Maryland, Ohio, Minnesota, Wisconsin and in a few other States. The present review, however, is confined to States having no other kinds of Savings banks. For this reason the totals given below are considerably smaller than they would be if all the mutual Savings banks were included.

RECAPITULATION OF SAVINGS BANKS.

[The dates in the table following are approximately those given in the State reports.]

	1857.	*1867.*	*1877.*	*1887.*	*1897.*
Number of banks	233	361	621	593	646
Number of depositors	498,263	1,256,361	2,136,510	3,080,094	4,311,972
Amount of deposits	$98,959,705	$318,685,501	$764,107,408	$1,099,313,155	$1,667,486,734
Average to each depositor	197	253	357	362	386

THE CURRENCY REFORM BILL.

SYNOPSIS OF THE BILL FOR CURRENCY REFORM REPORTED BY THE HOUSE COMMITTEE ON BANKING, MAY, 1898.

The bill reported by the House Committee on Banking and Currency "for strengthening the public credit, for the relief of the United States Treasury, and for the amendment of the laws relating to national banking associations," is framed to accomplish these results, without the issue of interest-bearing bonds and without cost to the Treasury of the United States. The protection of the Treasury from demands for gold and from the necessity for issuing bonds is accomplished by imposing upon the National banks the current redemption of the Government notes. The amendment of the national banking laws is intended to afford a test, in a conservative and limited manner, of the system of basing note issues upon the commercial business of the country, with the ultimate purpose of affording a sufficient supply of currency in every part of the country at all seasons of the year, extending credit accommodations, and thereby reducing the rate of interest to borrowers.

Work of the Treasury Divided.

The bill divides the operations of the Treasury. The fiscal operations of collecting revenues and disbursing them for Government expenditures are left as at present, but a new division is created, to be known as the division of issue and redemption. This division is to be under the charge of three Comptrollers of the Currency, who take the place of the present Comptroller. All matters relating to the issue, redemption, and exchange of currency, whether coin, Government notes, or bank notes, are entrusted to the division of issue and redemption. The Secretary of the Treasury is authorized to transfer to it all funds in excess of a cash balance of $50,000,000 and all gold and silver coin and bullion now held in the Treasury for the purpose of redeeming United States notes, Treasury notes, and certificates. The Secretary of the Treasury is also authorized to transfer to this division from time to time such surplus revenues as the Treasury may contain, and to issue short-term Treasury certificates, if necessary, for the sole purpose of replenishing the reserve.

Exchanges and Reserves.—The Division of Issue and Redemption is required to redeem United States notes and Treasury notes in gold, to exchange gold coin for silver dollars and silver dollars for gold coin or other lawful money; to redeem silver certificates in silver dollars, and to make other ordinary exchanges of currency. United States notes redeemed in gold are from time to time to be cancelled. The division must maintain a gold reserve of twenty-five per cent. of the outstanding United States notes and Treasury notes and five per cent. of the silver dollars which have been coined.

The Exchange of the Greenbacks.

The Reserve Notes.—The present outstanding issues of United States notes known as "greenbacks" will cease to be a burden upon the Treasury for redemption in gold, so far as they are exchanged by National banks for national reserve notes.

National reserve notes are a new form of currency provided by the bill in place of the existing greenbacks. They are legal tender and are intended for circulation as currency or for use in the reserves of the banks in exactly the same manner as the existing greenbacks. National reserve notes are to be issued to any National bank to any amount not exceeding its paid-up capital, upon its surrender to the Treasury of an equal amount of greenbacks.

The United States notes thus received are cancelled and destroyed. The banks taking reserve notes are required to contribute to the current redemption fund held in the Treasury five per cent. of the amount of their reserve notes in gold coin and to replenish this reserve whenever it is reduced by the redemption of the reserve notes.

The money in circulation is not reduced by any of the preceding provisions. National reserve notes take the place of the greenbacks, for which they are exchanged, and gold coin takes the place of greenbacks which are directly redeemed.

Conditions for Taking Reserve Notes.—Existing National banks are required to take reserve notes, to the amount of twenty five per cent. of their capital, but two privileges are offered the banks in compensation for their assumption of the current redemption of the notes. One of these is the privilege of issuing currency notes upon general assets, which is set forth fully under the next general head. The second privilege is partial remission of the tax of one-fourth of one per cent. per year levied by the bill upon the capital, surplus and undivided profits of each bank. The remission thus allowed is at the rate of one-half of one per cent. per year of the amount of reserve notes issued to the bank.

Redistribution of Reserve Notes.—National reserve notes may be recalled from the banks to which they have been issued by the Secretary of the Treasury in equitable propor ions and distributed to new National banks, which are required to pay for them in gold coin after the United States notes cease to be available. The withdrawal of reserve notes does not reduce the limit of currency based upon commercial assets.

BANK NOTE CURRENCY.

Bond-Secured Circulation.—National banks having charters under the old law may continue to issue currency as at present. The minimum amount of bonds required upon the passage of the bill is the same as under existing law—twenty-five per cent. of the capital, but not exceeding $50,000—but banks may issue notes upon all their bond deposits to the par value of the bonds instead of ninety per cent. as at present. Beginning four years after the passage of the Act any bank may withdraw the bonds deposited to secure circulation at the rate of twenty-five per cent. of the required deposits per year, and may withdraw those in excess of the minimum requirement at any time.

Currency Upon Commercial Assets.—The privilege of issuing currency based upon commercial assets, without the deposit of United States bonds, is granted to National banks to the amount of forty per cent. of their paid-up capital, but only upon condition that notes secured by bonds and national reserve notes are taken in equal amounts. Thus, a bank organized under this bill having a capital of $100,000, is required to have on deposit in the Treasury $25,000 of United States bonds against which it may issue $25,000 in currency notes. It may also issue $25,000 additional in such notes based upon commercial assets, and may increase such issues if it increases also its bond deposits and its holdings of reserve notes in equal proportions. This process may be continued up to the point where the amount of notes secured by bonds, the amount of notes not thus secured, and the amount of national reserve notes are each equal to forty per cent. of the paid-up capital, making an aggregate of $80,000 in bank notes and $40,000 in reserve notes.

Tax on Emergency Circulation.—When circulation is issued in excess of eighty per cent. of the paid-up capital, exclusive of issues of reserve notes, the excess is liable to a tax of one-half of one per cent. monthly.

Denomination of Notes.—All paper money except silver certificates shall be in denominations of $10 and higher. Silver certificates issued by the Treasury shall be in denominations of $1, $2 and $5 only.

THE REDEMPTION OF NOTES.

The burden of the current redemption of paper currency rests upon the banks. They are required to redeem their reserve notes over their own counters, and to maintain in the Treasury a five per cent. gold fund for current redemption of the notes in gold. The reserve notes are guaranteed by the Government to be ultimately redeemed in gold from its own resources upon failure or liquidation of the bank to which they may have been issued. The current redemption of currency notes not secured by United States bonds may be provided for by clearing-house districts under regulations prescribed by the Comptrollers of the Currency.

The Bank Note Guaranty Fund.—The currency notes are redeemed, in case of failure of the issuing bank to redeem them, from a gold guaranty fund in the custody of the Secretary of the Treasury, known as the Bank Note Guaranty Fund, which is made up by each bank which takes out circulation upon its commercial assets contributing in gold five per cent. of its asset circulation. Upon the failure of a bank, its notes shall be immediately redeemed from this fund and the fund reimbursed from the assets of the failed bank. Bank notes form a first lien upon the assets and have behind them also the individual liability of the stockholders for assessment up to the amount of their stock. Should these sources fail to fully reimburse the fund, the Treasury may make an assessment upon the National banks issuing asset circulation to reimburse it, but these assessments shall not in any one year exceed one per cent. of the asset circulation.

MISCELLANEOUS PROVISIONS.

Effect Upon Old Banks.—Existing National banks may continue to do business under their present charters upon acceptance of the new law, but must comply with the requirement for taking out twenty-five per cent. of their capital in reserve notes.

Branch Banks.—Branch banks may be established in the discretion of the Secretary of the Treasury.

Strict Examinations.—Stringent regulations are provided for the examination and conduct of National banks.

Reserves.—The reserve requirements in relation to banks are the same as under the present law, except that fifty per cent. of these reserves must be in gold.

Franchise Tax.—Banks are required to pay a tax of one-quarter of one per cent. per year upon their capital, surplus, and undivided profits. The existing tax of one per cent. per year upon circulation is repealed.

PROGRESS OF THE REVENUE BILL.—On June 3, the Senate, by a vote of 45 to 31, refused to authorize the issue of $150,000,000 of legal-tender notes to meet the expenses of the war, substituting for that proposal in the revenue bill a section providing for the issue of $100,000,000 of three per cent. certificates of indebtedness and $300,000,000 of three per cent. bonds. The certificates will be in denominations of $50 and multiples of that sum and are payable in one year, and the bonds will be of the denomination of $25 and multiples, redeemable in coin in ten years from date and payable twenty years from such date.

By a vote of 48 to 31 the Senate adopted the amendment offered by Mr. Wolcott, providing for the coinage of the silver bullion now in the Treasury at a rate of not less than $4,000,000 per month, and the issue of certificates against the seigniorage accruing to the Treasury until an amount is issued aggregating $42,000,000.

During the year 1897 the Government coined silver amounting to $18,486,697, and in the present year the coinage has been at the rate of about $1,500,000 a month.

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States Courts and State Courts of last resort will be found in the MAGAZINE'S Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

PRESENTMENT OF CHECK—WHEN EXCUSED.

Supreme Court of Iowa, April 8, 1898.

HAMLIN *vs.* SIMPSON.

Where the drawer has reasonable ground to believe that his check will be paid, presentation will not be excused, though he has no funds actually on deposit subject to check.*

In this action the plaintiff sought to recover the sum of $929.46 for hogs and cattle sold the defendant. The answer admitted the purchase of said live stock at the price named, but averred that the price was settled for at the time by bank checks, which plaintiff held an unreasonable time before presenting for payment, and that bank upon which they were drawn became insolvent. By way of reply, plaintiff claimed that, at the time the defendant drew said checks and delivered them to plaintiff, he (defendant) had no funds with which to meet them in the bank upon which they were drawn; that at said time said bank was hopelessly insolvent, and that this fact was well known to defendant, and unknown to plaintiff; and that a presentment of said checks would have been useless. The case was tried to the court without a jury. There was a judgment dismissing plaintiff's petition, and in favor of defendant for costs.

WATERMAN, *J.:* The facts, as stipulated or established, are that on December 13, 1893, the defendant gave his two checks on the Cass County Bank of Atlantic to plaintiff in settlement for live stock purchased. One of the checks was for $441.80; the other, for $487.66. The checks were given by defendant, at his home, in Audubon county, 16¾ miles from Atlantic, and 5½ miles from Brayton, a station on a railroad leading to Atlantic, upon which two trains a day, except Sunday, ran to the last-named town. There was a bank in Exira, a town seven miles from plaintiff's home. Plaintiff never presented the checks for payment, and on December 27, 1893, the Cass County Bank, being insolvent, was placed in the hands of a Receiver.

2. As an excuse for not presenting the checks for payment, and to show that defendant had suffered no injury by the failure so to do, the plaintiff alleges that defendant at the time he gave the checks had no funds in said bank against which to draw. In the ordinary course of business, the checks should have been presented for payment, at the latest, during business hours of the second day after their receipt, which would have been the 15th. (Tied. Com. Paper, § 443.) At that time, and for some days before, defendant's general account with the bank was overdrawn. On December 16 he deposited $1,150,07. During all this time defendant had on special

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* The Negotiable Instruments Law provides that presentation for payment is not required in order to charge the drawer where he has no right to expect or require that the drawee or acceptor will pay the instrument. (New York Act, Sec. 189; Commissioners' Draft, Sec. 79.)

deposit in this bank the sum of $2,000, represented by two certificates of deposit for $1,000 each.

As a general rule, it may be said that a check drawn on a bank in which the drawer has not sufficient funds to meet it need not be presented at all, in order to hold the drawer. This rule, however, has some qualifications. The reasons for it seem to be that it is deemed a fraud for one to give a check which he has no ground to believe will be paid, and that he does not need notice of the fact that the checks are not paid, when he must have known that payment would be refused. But if he has reason to think his check will be honored, though he may have no credit balance on the books of the bank, his act in drawing it will not be fraud; and he will be in a position to insist on prompt presentment, demand, and notice.

In *Beauregard* vs. *Knowlton* (156 Mass. 395), the rule is said to be that the drawing of a check on a bank wherein the drawer has no funds, and no ground for a reasonable expectation that the check will be paid, is a fraud, and will excuse the failure to present for payment. (See also, *Savings Co.* vs. *Weakley* [Ala.] 15 South. 854; *Case* vs. *Morris*, 31 Pa. St. 100; *True* vs. *Thomas*, 16 Me. 36; *Stanton* vs. *Blossom*, 14 Mass. 116; *French* vs. *Bank*, 4 Cranch, 141; *Robinson* vs. *Ames*, 20 Johns. 146; *Bank* vs. *Easley*, 44 Mo. 286; *Hill* vs. *Norris*, 2 Stew. & P. 114.)

In speaking of the rule that excuses demand and notice when the drawer has no funds in the hands of the drawee, it is said in *Case* vs. *Morris*, *supra:* "It introduced an exception to a plain and intelligible rule of commercial law, which many eminent and experienced judges have since regretted. It is adhered to on the principle of *stare decisis*, but it is not to be extended a single step."

3. Under the rule stated, we have this situation: There being no funds to the credit of the defendant's general account in the Cass County Bank, plaintiff was presumptively under no obligation to make demand for the money; but this presumption is rebuttable, and defendant seeks to overcome it by this showing: During all of this time he held certificates of deposit, issued by the bank, for the sum of $2,000; and he claims to have had an arrangement with the Cashier by which he was allowed to check against the amount.

4. Appellant's first objection to this defense is that any such agreement with the Cashier would be within the statute of frauds, and that oral evidence cannot be received to establish it. Whatever merit there might be in that claim if this were an action on the agreement, it is certainly not good under the circumstances of this case. No more is being claimed here for the Cashier's promise than that it gave defendant reasonable ground to believe his checks would be paid.

5. Next it is said that no such agreement is established. The defendant is the only witness to testify on this point; and while in several of his answers he gives conclusions, instead of specific facts, yet he does in one answer state clearly and positively that the Cashier told him that he might check against this special deposit. The circumstances tend, we think, to corroborate him. This bank for some time prior to December 27, 1893, was hopelessly insolvent. During the period of the transactions between these parties it was making desperate efforts, from day to day, to keep open its doors. It needed every dollar it could obtain to enable it to continue its business, and yet during this time defendant was allowed to overdraw his general account. This circumstance seems almost conclusive. Upon no other theory than an agreement such as defendant claims would this state of affairs have been permitted. We think defendant has established that he had reasonable ground to believe the checks given plaintiff would be paid on presentation. This being true, the failure to make timely demand and give proper notice will release defendant, if he has been damaged by such default.

6. The burden of proof is on plaintiff to show that defendant was not injured. (*Kirkpatrick* vs. *Puryear* [Tenn.] 24 S. W. 1130.) When the bank went into the

Receiver's hands, defendant had on deposit $2,000 on certificates, and $640.53 on general account. This was the amount of his loss. But he holds some collateral security, which was given him by the bank prior to the failure. If these checks had been presented and paid, defendant's balance would have been $1,711.07, and the undisputed testimony is that the collateral is insufficient to pay this amount. It affirmatively appears, then, that defendant has been damaged by plaintiff's default.

7. It is also urged by plaintiff that defendant knew the bank was insolvent at the time he drew these checks. This defendant denies. But the fact that he took security for his deposits is offered as an argument in support of this allegation. We think, perhaps, the financial crisis of 1893 was a matter so affecting the interests of the whole people as that we may take judicial notice of it and the condition of things resulting from it. About the time of this transaction, banks were failing in almost every part of the country. Even those that were entirely solvent hoarded their cash, and parted with it only on compulsion. Every bank depositor was nervous, and with good reason. Defendant's act in taking security, which might in ordinary times have meant much, under the circumstances then existing meant but little. It evidenced scarcely anything more than the timidity that was then generally prevalent among depositors. But if, perhaps, we have no right to take cognizance of these matters, of which no evidence was offered, there is one fact in testimony that is, in our minds, decisive of this point. Three days after these checks were given, defendant deposited $1,150.07 in this bank, and more than $600 of it remained, as we have already said, and was lost in the final wreck. Such action on defendant's part, it is not reasonable to believe, would have been taken, had he known the bank was insolvent. This covers the case as presented, and our conclusion is apparent. The judgment below will be affirmed.

TAXATION OF NATIONAL BANK STOCK—DEDUCTION OF INDEBTEDNESS.

Supreme Court of Appeals of Virginia, March 17, 1898.

BURROWS *vs.* SMITH, TREASURER.

Under the statutes of Virginia a stockholder in a National bank is not entitled to have his indebtedness deducted from the value of his stock before it is assessed for taxation.

HARRISON, *J.:* The question presented by this record is whether or not, under Acts 1889–90, p. 197, providing for the assignment of taxes, a debtor, who owns National bank stock, is entitled to have his indebtedness deducted from the value of such stock before it is assessed for taxation.

It is clear that no such right exists. The first subdivision of section eight of the Act provides that each person shall exhibit to the commissioner a statement in the aggregate of all bonds, notes, and other evidences of debt due such person in excess of $100, and that they shall be deducted from the aggregate amount thereof all such bonds, demands, or claims, not otherwise deducted, owing to others from such person as principal debtor. Bank stock is property to be assessed at its value, like all other property, and is not, as contended, an evidence of debt due to the owner, within the meaning or contemplation of the assessment law.

It is contended that the Act is in conflict with section 5219 of the Revised Statutes of the United States, which prohibits any State from assessing for taxation the shares of stock in a National bank at a greater rate than is assessed upon other moneyed capital.

The object of section 5219 of the Revised Statutes was to prevent the States from discriminating against National banks in the matter of taxation. The assessment law (Acts 1889–90, p. 197) does not, and was not intended to, discriminate against National banks. Under the Act, taxpayers cannot deduct their indebtedness from the value of their investments in any kind of stock, banking or otherwise. That privilege is confined by the terms of the Act to bonds, notes and other evidences of debt, the object being to prevent double taxation.

For these reasons, the decree of the circuit court must be affirmed.

LIABILITY OF STOCKHOLDERS—OBLIGATIONS OUTSIDE OF BANKING BUSINESS.

Supreme Court of Washington, April 12, 1898.

HIGGINS *vs.* MINDAY, *et al.*

Obtaining, negotiating and guaranteeing mortgage loans is not a banking business.

Under the statutes of Washington making the stockholders of banks liable for the debts of the bank "to the extent of the amount of their stock therein at the par value thereof in addition to the amount invested in such shares," the stockholders are not liable for debts contracted in operations which are not a part of the business of banking.

The method of the corporation in keeping its accounts cannot affect the character of the claims, nor enlarge the obligations of the shareholders; and hence it is not material that the bank never kept any separate system of accounts relating to the various branches of its business.

SCOTT, *C. J.:* The Guarantee Loan and Trust Company was incorporated to engage in the following lines of business, as stated in its articles of incorporation:

"First, to loan money on real or personal security, and to sell or otherwise negotiate such loans; second, to buy, sell, negotiate, and guaranty the payment of notes, bonds, mortgages, bills of exchange, and other evidences of indebtedness; third, to make, execute, or deliver its bonds or other obligations in writing; fourth, to engage in and carry on the business of banking to such an extent, and in all such branches, as may legally be done under the laws of Washington Territory; fifth, to purchase, sell, mortgage, and convey real and personal property; sixth, to accept and execute all trusts, fiduciary and otherwise; seventh, to do any and all things necessary, proper, or convenient for carrying out the objects and accomplishing the purpose for which the corporation is formed."

After it had continued in business for several years, suit was begun by a creditor, alleging its insolvency, and praying for the enforcement and collection of the statutory liability against the stockholders of the corporation, and for the appointment of a Receiver, etc. The court has not found it necessary to pass on some of the questions argued, and the following is a sufficient statement to present the matter decided: A Receiver was appointed, and he filed a report and petition setting forth the condition of the corporation, and stating therein that there were two classes of creditors of the corporation, viz., the obligations arising out of transactions ordinarily incident to a banking business, including deposits, general ledger accounts, rediscounts, bills payable due the bank, etc.; and the second class was given as those arising by virtue of guarantees of mortgages negotiated. He set forth that he had in his possession the sum of $500, which had been paid in to him by one of the stockholders on account of his statutory liability on the stock held by him, and that unless otherwise directed by the court, he would apply this sum on the claims mentioned as belonging to the first class, to the exclusion of claims given as belonging to the second class.

Thereafter the Pullman Loan and Savings Bank, of Pullman, Ill., filed its petition praying that the sum so held by the Receiver be distributed ratably to the creditors of the first class exclusively; and the appellant and others who were holders of mortgage claims guaranteed by the defendant corporation, filed petitions praying that said sum should be ordered distributed ratably among all the creditors of the corporation, and that they be entitled to share equally in all its assets. The court held that the amounts collected from the stockholders on account of their statutory liability should be applied exclusively upon the claims belonging to the first class, and this appeal was taken.

Section 11, art. 12, of the constitution is as follows :

"No corporation, association, or individual shall issue or put in circulation as money anything but the lawful money of the United States. Each stockholder of any banking or insurance corporation or joint-stock association shall be individually and personally liable, equally and ratably and not one for another, for all contracts, debts, and engagements of such corporation or association accruing, while they remain such stockholders, to the extent of the amount of their stock therein at the par value thereof, in addition to the amount invested in such shares."

Section 1511, 1 Hill's Code, contains the following: "* * * Provided, that the stockholders of every bank incorporated under this Act or the Territory of Washington shall be held individually responsible, equally and ratably and not one for another, for all contracts, debts, and engagements of such association accruing while they remain such stockholders, to the extent of the amount of their stock therein at the par value thereof, in addition to the amount invested in such shares."

There is no other provision, called to our attention, bearing upon the question as to whether these sections apply to the banking business only, where a private corporation is formed for that and other purposes, and it is a matter of intention as to the provisions given, to be determined by recognized rules of interpretation.

Under our laws a private corporation may be formed to engage in several distinct kinds or lines of business. As respondent says, one may be incorporated to engage in both a banking and a manufacturing business; and some of the cases from States where under their laws corporations formed to do a banking business must be formed for that exclusively do not apply. Obtaining, negotiating, and guaranteeing mortgage loans is not a banking business. (*Investment Co.* vs. *Rathburn*, 5 Sawy. 32, Fed. Cas. No. 10,555; *Selden* vs. *Trust Co.* 94 U. S. 419.) A corporation might be created for that purpose only, without there being the additional statutory liability against the shareholders, the same as it might be formed for manufacturing purposes. "A bank is an institution for the custody and loan of money, the exchange and transmission of the same by means of bills and drafts, and the issuance of its own promissory notes, payable to bearer, as currency, or for the exercise of one or more of these functions." (3 Am. & Eng. Enc. Law, 2d Ed. 789. See also Boone, Banking, §§ 2, 3.)

Such definition does not include the guaranteeing of a mortgage loan such as these here in controversy. In cases of liabilities arising from such transactions recourse could be had to the corporate assets, but the additional statutory liability is no part of the corporate property or assets. The inquiry is a pertinent one, as to whether there was any intention to provide a greater liability or greater security for the same acts or business where performed by a corporation organized for that purpose, and also for banking purposes, than would obtain if it were organized to perform the particular business only. It would seem not. There is no reason for such a distinction between the same kinds of creditors. It would not ordinarily be difficult to distinguish between its business and acts as a bank, and other obligations it might assume, and business it might pursue either generally or in special instances.

It is urged in this case, as a reason why there should be no distinction recognized between the creditors, that the bank never kept any separate system of accounts relating to the various branches of its business; but the method of keeping accounts could not affect the character of the claims nor enlarge the obligations of the shareholders. It could only render it more difficult to segregate the various claims, but that difficulty has been overcome in this case. It would seem as though a reasonable interpretation of the sections in question is that it was intended to require

State banks to give the same security only to their creditors in their banking business as is given for the same business in the case of National banks; and although a State bank might incorporate to, or might transact other business aside from banking business, that a National bank could not engage in, it was not intended to impose an additional liability upon the shareholders for such other business.

We are of the opinion that the judgment of the lower court was right. Affirmed.

NATIONAL BANK ACT—PENALTY FOR TAKING USURIOUS INTEREST—ACTION BY CORPORATION.

Supreme Court of Nebraska, April 21, 1898.

ALBION NATIONAL BANK *vs.* MONTGOMERY & CO.

1. The inhibition contained in section 5197, Rev. Stat. United States, is general, and forbids the taking of usurious interest by a National bank from an artificial as well as from a natural person.
2. A statutory enactment which provides by whom and under what procedure a penalty, previously created, may be recovered, is not a penal statute, and there exists no reason for a requirement that it be strictly construed.
3. The right to recover double the amount of usury paid to a National bank association is, by section 5198, Rev. Stat. United States, conferred as well upon an artificial as upon a natural person. (Syllabus by the Court.)

Error to District Court, Broome County; Thompson, Judge.

Action by Montgomery & Jaycox against the Albion National Bank. Judgment for plaintiffs, and defendant brings error. Affirmed.

RYAN, *C.:* In this case there was a judgment on a verdict against the Albion National Bank in the sum of $560.60. In the petition there were twenty-two causes for action, which were tried, and each of these was for double the amount of interest paid to the bank in excess of ten per cent. per annum. The errors assigned in the motion for a new trial were as follows: "1, The verdict is not sustained by sufficient evidence; 2, the verdict is contrary to law; 3, errors of law occurring at the trial duly excepted to; 4, the verdict is contrary to the instruction asked by defendant; 5, the court erred in giving the instruction given by the court on its own motion."

Considering these in the inverse order of the statement of them it is sufficient to say as to the final assignment that we cannot consider it, for it is directed to a single instruction in a class of which there were nine.

The instruction asked by defendant was to the effect that the taking of unlawful interest must have beeen done "knowingly." This assignment, therefore, is, in effect, that there was no evidence to sustain the contention that the usurious interest was intentionally exacted. Mr. Montgomery testified that interest was paid as agreed with the bank at the rate of one per cent. per month. He likewise testified as to several payments of usurious interest that they were knowingly received by the bank. Aside from this his description of the uniform rates at which interest was paid to the bank sufficiently warranted the jury in finding that this uniformity was not attributable to either accident or mistake on the part of its officers.

The assignment of "errors of law occurring at the trial duly excepted to" is not sufficiently definite to challenge attention to any particular part of the trial, and for enlightenment on this subject we must resort to the petition in error, in which we find that the particular error assigned as having occurred on the trial was the overruling of the objection to the introduction of any evidence against the bank, for the reason that the Federal statute by virtue of the provisions of which this suit was brought authorized a person, but not a partnership, to maintain such an action.

Section 5197 of the Revised Statutes of the United States authorizes the taking of interest allowed by the laws of the State or Territory wherein a National bank is located, but forbids taking interest in excess of such rate. In the section immediately following that above referred to there are the following provisions:

"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 for debt, twice the amount of the interest thus paid from the association taking or receiving the same."

It is argued that the statute under consideration is penal in its nature; that it therefore should receive a strict construction—from which predicates it would, of necessity, result that only a natural person could sue for the recovery of usurious interest. It is observable that section 5197, with respect to the exaction of usury, is general in its provisions and is applicable to all national banking associations.

The rule that penal statutes must be strictly construed has no application to this inhibition, for National banks are forbidden to collect interest in excess of the legal rate from either an artificial or a natural person. The provisions quoted from section 5198 apply to a National bank only when it has already violated the provisions of the preceding section; and even then it prescribes how a penalty for which it has rendered itself civilly liable may be recovered.

We have been cited to no adjudicated case holding that under such circumstances, where a statute provides that a suit may be brought for a statutory penalty by a person, the plaintiff must of necessity be a natural person.

On the other hand we have found that the cases cited by the defendant in error sustain his contention that the person contemplated may be artificial as well as natural. (*U. S.* vs. *Amedy*, 11 Wheat. 392; *Bank* vs. *Nolan*, 7 How. [Miss.] 508; *Bank* vs. *Archer*, 8 Smedes & M. 151; *U. S.* vs. *McGinnis*, 1 Abb. U. S. 120; *Dickie* vs. *Railroad Co.* 131 Mass. 516; *Brookhouse* vs. *Railroad Co.* 132 Mass. 178.)

By an independent search we have found no reason for doubting the correctness of the position sustained by the causes just cited, and we therefore conclude that the above-quoted provisions of the Federal statute are as available to a partnership as to a natural person.

Incidentally this disposes of the assignment that the verdict was contrary to law; and, with respect to the assignment that the verdict was not sustained by sufficient evidence, it would be unprofitable to state it in detail. We therefore content ourselves with the general observation that this position is not well taken. The judgment of the district court is accordingly affirmed.

NATIONAL BANK—INCREASE OF CAPITAL STOCK—CERTIFICATE OF COMPTROLLER OF THE CURRENCY—ESTOPPEL.

United States Circuit Court, Southern District of Ohio, November 29, 1898.

TILLINGHAST *vs.* BAILEY, *et al.*

The certificate of the Comptroller of the Currency authorizing the increase of the capital stock of a National bank is conclusive upon the subscribers to such new stock when sued for an assessment laid upon the same.

The subscribers may be estopped to dispute the legality of such increase by receiving certificates for the stock, receiving dividends, and giving proxies to vote upon the same.

CLARK, *District Judge:* In the view I take of this case I do not deem it necessary to discuss the various phases of this evidence. To do so would require much time and space. As counsel in the case are perfectly familiar with the issues and with the evidence so far as it affects the questions to be determined, it would be of no service to do more than to state in the most general way my conclusions upon the facts disclosed by the record and the law applicable to such facts.

Two propositions are mainly relied on for the complainant, either of which if sustained will dispose of the case without entering at large upon the facts in the case.

It is insisted for the plaintiff—First, that the certificate of the Comproller of the Currency authorizing the increase of stock to which the defendants were subscribers, except two, was the final act necessary to make the increase valid, and that this certificate is conclusive on the defendants, and that they cannot as a matter of law go behind the certificate for the purpose of making any question as to whether the facts on which the Comptroller was by law authorized to give his certificate existed; and second, that upon the facts of the case the defendants are as to creditors of the banking association, in whose interest this suit is prosecuted, precluded by estoppel from making any question on the regularity and validity of the increase of stock certified to by the Comptroller.

The second proposition would of course require an examination into the truth of the facts alleged as constituting the true grounds of the estoppel claimed.

I turn then for a moment to the contention that the certificate of the Comptroller is conclusive of the facts necessary to be ascertained and to authorize his certificate.

It is now well settled that the action of the Comptroller in determining that such facts and conditions exist as authorize the appointment of a Receiver for a national banking association is conclusive in all subsequent legal proceedings based upon his action and decision in that respect. So, too, his determination that it is necessary to make a call on the stockholders of a bank for the payment of debts, and of the amount which must be paid, whether the full amount of the par value of the stock or less, is conclusive, and no question can be made or litigated in regard to whether there exist such facts as authorize his decision in this regard.

In like manner, his determination that the facts necessary to authorize the original formation of a banking association, and that the conditions which justify his certificate exist, are facts which become conclusively established when he issues his certificate approving the formation of the bank and authorizing it to proceed to transact business. The existence of the facts which authorize the Comptroller to declare the formation of the corporation complete cannot thereafter be called in question. These several propositions are no longer open to question. (*Kennedy* vs. *Gibson*, 8 Wall. 498; *Casey* vs. *Galli*, 94 U. S. 673; *Bushnell* vs. *Leland*, 164 U. S. 685.)

Now, after study of this question, and the reasoning on which the decisions in the cases just referred to proceeded, I am constrained to say that I am unable to distinguish this case from those cases, and am unable to perceive on what ground it could be held in a case like this that the certificate of the Comptroller is not conclusive, and I think the principle announced in the cases referred to controls the question here presented. Every reason of public policy on which the decisions in those cases rest extends equally to this case and the questions here made.

It seems to me that the certificate of the Comptroller approving the original formation of the association with a fixed capital stock, and his certificate approving an increase of stock, cannot be distinguished. I do not believe that any just distinction in principle exists, and a decision which undertakes to make such distinction is, in my opinion, not sustained by sound reason. The facts which are left to the determination of the Comptroller in certifying to the original formation of the association are vastly more important in every direction, both in kind and magnitude, than the facts which he finds, and to which he certifies, in the case of a mere increase of stock in an association already formed.

If a shareholder of the increased stock may go behind the Comptroller's certificate, and make the question that the stock in his hand is void because the facts do not exist which authorize the certificate of the Comptroller, I must confess that I see no reason why a shareholder of the original stock may not equally go behind the certificate issued, declaring the association duly formed and authorized to do business, and cause the original stock to be declared invalid because of the non-existence of the facts which the Comptroller was required to ascertain before making his certificate.

Further than this, I am of opinion, after careful consideration, that I cannot do otherwise than hold that these defendants are estopped now to make the question that the stock held by them is invalid. Without going more at length into particulars, certain uncontroverted facts may be mentioned; at least, such facts as are not open to serious contention. Among these facts may be mentioned that these defendants undoubtedly understood themselves as subscribing for shares in the increased stock of the association. Certificates were issued to them plainly showing this fact, and the defendants unquestionably understood themselves to be stockholders during the entire time after payments by them on their subscriptions to this increased stock, and practically they never made any question that this was so until after the insolvency of the bank became publicly known, when it was placed in the hands of a Receiver, and their liability to the assessments to pay debts asserted. They were paid dividends on the stock, and unquestionably understood and accepted the same as dividends, and not as interest. In addition to this, they, by proxies duly executed, clothed designated persons with full general authority to act for them and vote the stock, which was obviously equivalent to an assertion that they were stockholders and entitled to enjoy their rights as such.

It does not relieve this feature of the case for the defendants to say that they only gave general authority, and were not aware of what the persons designated to act for them were doing. They are not permitted to confer general authority to act, and then, as occasion may seem to require, repudiate the authority, and thereby disappoint the public creditors. In authorizing a representative to act for them, they have virtually, through such representative, sanctioned much of which they now complain. If the defendants were unfortunate in thus holding out persons as authorized to act for them, it raised merely a question whether the defendants must be affected by the conduct of their representatives, or whether the public must be disappointed; and I think there is no difficulty in saying that, as between the innocent creditors of this bank and the defendants who have thus enabled persons with apparent authority to deceive such creditors, the result must fall on the defendants.

Nor is it any answer to say that the plaintiff in the case does not show that any particular creditor relied on the increased stock and the payments made thereon by these defendants, and was deceived thereby. The public, in dealing with these banking associations, do not rely except upon public known facts in regard to the association, and the public are not supposed to be familiar with or rely on the facts of a particular case as between a shareholder and the bank. A rule which exacted any such condition as this would practically deprive innocent creditors of any remedy.

These defendants have appeared regularly on the books of the association as subscribers to the increased stock, with their subscriptions all paid in, and this condition of things has been carried in the published statement of the bank intended for public information. This character of information is what the creditors of the bank rely on, and particularly the amount of capital stock of the bank. The defendants were still aware that the stock thus subscribed and paid in, although not certified, was subject to be certified and approved by the Comptroller at any time.

The defendants have never sought by any step or proceeding to stop the method in which they were thus held out to the public, or to change their relation from that of a shareholder to creditor, until the event which made it apparent that it would be to their advantage to shift their position in this respect.

There is apparent conflict in the decisions on the circuit in relation to both of the propositions on which the plaintiff's case here proceeds. Fortunately I am not called upon to undertake the task of reconciling these decisions, and my duty is discharged when I choose between the opinions of these courts of equally high authority and equally entitled to the greatest respect.

I think the correct doctrine upon this subject was announced in the case of *Latimer* vs. *Bard* (76 Fed. 536). I think too, in principle, the cases of *Upton* vs. *Tribilcock* (91 U. S. 45), *Sanger* vs. *Upton* (91 U. S. 64), and *Louisville Trust Co.* vs. *Louisville, N. A. & C. Ry. Co.* (43 U. S. App. 551, 22 C. C. A. 378, and 75 Fed. 433) are applicable.

I do not think the position of the Gronewegs, two of the defendants in the case, is different or that the case as to them authorizes a different ruling from that made as to the other defendants. It has not been pointed out that their status is specially different by reason of having original instead of increased stock. On the contrary it is evident that it would not be different so far as their relation to the question now made is concerned. They must have been informed by the face of their certificates of stock that it was original instead of increased stock, and it is not in the least likely that their conduct would have been at all different from what it has been if they had been expressly informed that they were furnished with original instead of increased stock.

So without giving the case a more particular discussion I hold that the plaintiff is entitled to recover upon both grounds indicated herein, and decree will go accordingly.

NATIONAL BANK STOCK—TRANSFER TO PERSON FINANCIALLY IRRESPONSIBLE.

United States Circuit Court, District of Washington.

BAKER *vs.* REEVES, *et al.*

Where a stockholder in a National bank has reason to apprehend that the bank is in a failing condition, he cannot escape liability by transferring the stock to a person financially irresponsible.

In such a case both the transferrer and transferee are liable for the assessment.

HANFORD, *District Judge:* The object of this suit is to hold each of the defendants liable for an assessment upon stock of which the defendant William H. Reeves was owner, and which he transferred to his daughter, Minnie Reeves, and subsequently held as her assignee or agent. In that capacity he transferred part of it to the defendant Bronson.

At the time of the first transfer, William H. Reeves was a director of the bank, and fully informed as to its condition. It was a time of general financial depression, and it was difficult to keep on hand the amount of money required as a reserve fund to meet the demands of the depositors, and to maintain the credit and standing of the bank. Minnie Reeves is the daughter of William H. Reeves, and at the time owned no property, and was dependent on him for support, and was a student in college. William H. Reeves, voluntarily, and without any request from his daughter, or consideration, transferred the stock to her, and immediately thereafter she indorsed the certificates and left them in his keeping. I am convinced that at the time of making the transfer of stock to his daughter, Mr. Reeves hoped and believed that the bank would survive, and that his present would be a benefit, rather than an incumbrance, to his daughter; but the bank was in a failing condition, and there was then ground to apprehend that it would become insolvent, and be compelled to go out of business. With knowledge of its condition, he could not transfer the stock to a person financially irresponsible, and thereby escape the liability of a shareholder for assessments to meet the demands of creditors. (*Bowden* vs. *Johnson* 107 U. S. 251–264.) The defendant Bronson, having received the stock, and being the holder of it at the time of the failure of the bank, is liable for the assessment; and, for the reasons stated, the defendant William H. Reeves is also liable.

Upon the authority of the case of *Gilbert* vs. *Van Arman*, Fed. Cas. No. 5,414, I overrule the defendants' objection to the evidence on the ground that the same was not taken in time. A decree will be entered according to the prayer of the bill.

LIABILITY OF STOCKHOLDERS—PROCEDURE.

Supreme Court of Nebraska, April 21, 1898.

GERMAN NATIONAL BANK OF LINCOLN *vs.* FARMERS AND MERCHANTS' BANK OF HOLSTEIN, *et al.*

The word "ascertained," in section 4, art. 11, of the constitution means 'judicially ascertained,' and to 'judicially ascertain' the amount due from a corporation to a creditor thereof means to have the finding and judgment or decree of a court as to such amount. (*Globe Pub. Co.* vs. *State Bank of Nebraska*, 41 Neb. 175.)

The foregoing is also applicable to the liability of a stockholder in a banking corporation as fixed by section 7 of the same article of the constitution. (*Trust Co.* vs. *Funk*, 49 Neb. 353.)

The portion of the petition in relation to the ascertainment of the amount due a creditor from the corporation, and exhausting the assets of the latter, *held* sufficient against attacks of the time and manner made.

An action such as this should be for the benefit of all the creditors of the corporation against whose stockholders it is commenced.

The bank, the liability of whose stockholders was sought to be enforced herein, *held* not a necessary party to the action, but not an improper one.

This and similar actions are within the equity jurisdiction of the courts, and call for the exercise of their equity powers.

The general nature of the relief to be afforded in its main and ordinary elements outlined herein. (Syllabus by the Court.)

This was an action to enforce the liability of the stockolders of the Farmers and Merchants' Bank of Holstein, a corporation organized under the laws of Nebraska. The points decided are stated in the syllabus.

LIABILITY OF STOCKHOLDERS—ACTION BY RECEIVER.

United States Circuit Court, Northern District of New York, March 31, 1898.

HOWORTH *vs.* ELLWANGER.
SAME *vs.* KENT.
SAME *vs.* WOODWORTH.

The Receiver of a bank incorporated under the statutes of Washington may maintain an action to enforce the individual liability of the stockholders.

These were actions by the Receiver of the Traders' Bank, of Tacoma, Washington, to enforce the individual liability of the defendants as stockholders of such bank.

COXE, *District Judge:* The first proposition argued by the defendants is that the plaintiff, as Receiver, is not entitled to maintain the action. The Constitution and statutes of Washington (Const. Art. 12, § 11) provide:

"That each stockholder of any banking * * * association shall be individually and personally liable, equally and ratably, and not one for another, for all the contracts, debts and engagements of such corporation or association accruing while they remain stockholders, to the extent of the amount of their stock therein, at the par value thereof, in addition to the amount invested in such shares."

The courts of Washington have decided that this liability can only be enforced by a Receiver under the direction of the court. (*Cole* vs. *Railroad Co.* 9 Wash.

487; *Wilson* vs. *Book*, 13 Wash. 676; *Hardin* vs. *Sweeney*, 14 Wash. 129; *Watterson* vs. *Masterson*, 15 Wash. 511.)

The practical effect of a ruling that a Receiver cannot maintain the suit would be to render the law nugatory as to all but resident stockholders. The Washington courts having ruled that a Receiver only can bring the suit, it is manifest, should the Federal courts and other State courts hold that he cannot maintain the action, that the defendants not only but all stockholders beyond the jurisdiction of the Washington courts will escape a liability intended to be uniform and for the benefit of all the creditors. The precise question was involved in *Sheafe* vs. *Larimer* (79 Fed. 921), and was answered adversely to the defendants' contention. The case arose under the same law, and, upon the facts, was almost identical with the case in hand. (See also *Schultz* vs. *Insurance Co.* 77 Fed. 375. 387; *Avery* vs. *Trust Co.* 72 Fed. 700; *Failey* vs. *Talbee*, 55 Fed. 892.)

MEMORANDUM UPON CHECK—EFFECT OF.

Supreme Court of North Carolina, April 26, 1898.

KERR *vs.* SANDERS, *et al.*

Where a memorandum upon a check states that it is "in full for all services," the receipt of the check, and the collection of the money thereon, by the payee, amount to an accord and satisfaction.

The payee cannot alter the effect by a memorandum made by himself upon the check without the consent of the drawer.

This was an action to recover damages for breach of a contract of hiring.

FURCHES, *J.:* The defendants had the right to discharge the plaintiff from their service without any stipulation to that effect in the contract, but in doing so they took the responsibility of being held in damages therefor. This they did, after some correspondence, on the 25th of September, in a very curt manner, in the following note:

"W. H. Kerr, Elberton, Ga.—Dear Sir. We have no further use for your services, and you are hereby discharged. Yours truly, Sanders, Orr & Co."

But accompanying this note of discharge was a check drawn by defendants on the Commercial National Bank of Charlotte, payable to plaintiff or his order, for $75, in which was written "in full for services." Upon this check the plaintiff's indorsement was, "This check accepted for one month's services, beginning September 4 and ending October 4, 1896." He then collected the check and used the money. The plaintiff had refused a proposition to this effect from the defendants a few days before that; and the plaintiff argues that this is evidence that he did not intend to waive any rights he had by accepting the check, collecting the same and using the money. But we do not see how these acts of plaintiff can be construed to have any other meaning. *Non constat*, he refused it on one day that he might not accept it on another day. But if it was some evidence to support the plaintiff's contention, it has been fairly left to the jury and decided against him. (*Simpson* vs. *Pegram*, 112 N. C. 541.)

The plaintiff must have known what was meant by the words written on the face of the check, "In full for services," inclosed in the letter discharging him from the service of defendants. It is certain he was not inadvertent to this language, "In full for services," as he would not have indorsed on it, "Accepted for one month's services," etc., and the jury have found against him. The plaintiff had no right to change this check or to accept it for any other purpose than that stated in the letter and check. (*Long* vs. *Miller*, 93 N. C. 233; *Pruden* vs. *Railroad*, 121 N. C. 509.) This doctrine is based on the idea of contract. "It takes two to make a contract." The offer of the defendants and the acceptance by the plaintiff was a contract—a meeting of minds. If plaintiff were allowed to accept it for a different purpose than that stated by defendants, it would be to allow him to make a contract with defendants without their knowledge or consent. (*Pruden* vs. *Railroad*, *supra*; *Petit* vs. *Woodlief*, 115 N. C. 120; 20 S. E. 208; *King* vs. *Phillips*, 94 N. C. 555.)

We see no error in refusing the plaintiff's prayer for instruction, nor do we see any error in the instructions given. We do not think the plaintiff could have recovered against the defendants in this action, without section 574 and 575 of the Code, but certainly not since their enactment. If the plaintiff had any grounds outside of the written contract of the 5th of September, it has been fairly submitted to the jury and decided against him.

NOTES PAYABLE IN CURRENT RATE OF EXCHANGE.

Appellate Court of Indiana, April 22, 1898.

JOHN CHURCH COMPANY *vs.* SPURRIER, *et al.*

A note payable "with current rate of exchange" is not negotiable.*

WILEY, *J.* (omitting part of the opinion): Another point which is discussed by counsel is that the notes were not negotiable, and hence appellant took them subject to any right appellees may have had. That the notes were not negotiable there seems to be no doubt. They were payable with "current rate of exchange," and this provision in them destroys their negotiability. This exact question has been decided by this court in two recent cases, and the doctrine there disclosed is unquestionably in harmony with the great weight of authorities. We cite the cases without comment, as we cannot add anything to what was there said. (*Nicely* vs. *Bank*, [Ind. App.] 47 N. E. 476; *Nicely* vs. *Bank*, 15 Ind. App. 563, 44 N. E. 572.) There is no available error in the record. Judgment affirmed.

LIABILITY OF STOCKHOLDER—EXECUTOR.

United States Circuit Court, District of Washington.

BAKER *vs.* BEACH, *et al.*

An executor continues to be liable as such for an assessment upon National bank stock left by his testator until he has transferred the personal property belonging to the estate.

HANFORD, *District Judge:* The question to be decided in this case is as to the liability of the defendant, Mary L. MacDonald, in her capacity as executrix of the last will of her husband, for an assessment upon shares of stock of the Merchants' National Bank, of which he was owner at the time of his death.

The will authorizes the executrix to settle up the estate without judicial proceedings. The executrix has paid all claims against the estate and liabilities of her husband which existed at the time of his death, and now claims the estate and all property rights of the deceased in her own right as the widow of the deceased and as guardian of her minor child. The shares of stock being personal property, ownership thereof passed to her as legal representative of the deceased—that is, as executrix of the will—and the estate in her hands was liable for assessment thereon. As executrix she could have transferred the title to herself individually, or to any other person. But, having failed to make such transfer, she cannot be said to have com-

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*The Negotiable Instruments Law provides that an instrument is not rendered non-negotiable by a provision that it is to be paid "with exchange, whether at a fixed rate or the current rate." (N. Y. Act, sec. 21; Commissioners' Draft, sec. 2.)

pletely settled up the estate, so as to claim exemption from liability in her capacity as executrix to the extent of the value of any assets of the estate remaining subject to her control. As the law makes no provision for discharging an executrix who assumes to carry out the provisions of a will in settling up the estate of a deceased person without other authority than the will itself, exemption from liability incident to ownership of any property which belonged to the deceased in his lifetime cannot be claimed until the title to all personal property of the deceased has been transferred, and until the heirs have obtained possession of all real property.

A decree will be entered according to the prayer of the bill.

CHECK—PRESENTMENT FOR PAYMENT—NOTICE TO DRAWER.

Supreme Court of Minnesota, May 9, 1898.

SPINK & KEYES DRUG CO. *vs.* RYAN.

While it is necessary, in action on a check against the drawer, to allege presentment of the check for payment, and its dishonor, it is not necessary to allege that notice of its dishonor was given to the defendant.* (Syllabus by the Court.)

MITCHELL, *J.:* This was an action on a bank check payable on demand, of which the defendant was drawer and the plaintiff payee. The complaint alleged due and seasonable presentment of the check to the drawee bank for payment, and its dishonor, but did not allege notice to the plaintiff of its dishonor, or any excuse for not giving such notice. The defendant demurred to the complaint, on the ground that it did not state a cause of action, and from an order overruling its demurrer the defendant appealed.

The only question is whether it was necessary to allege in the complaint that notice of the dishonor was given to the plaintiff. We think that it was not, and that this logically follows from the points of difference between checks and bills of exchange, properly so called. Defendant's counsel greatly rely on the somewhat noted case of *Harker* vs. *Anderson* (21 Wend. 372) in which Mr. Justice Cowen, in a very elaborate opinion, argued that a check is in all essential features a bill of exchange—a doctrine long since thoroughly overturned. A check is in many respects so like a bill of exchange (payable on demand) that it has often been termed a bill in cases in which it was unnecessary to draw any distinction between the two classes of instruments. Indeed, checks may be properly called a species of a bill of exchange. But there is a well-recognized distinction between bills and checks as to the legal consequence (between the holder and the drawer) of neglect and delay in presentment and notice of dishonor. It is true that indorsers of checks stand on the same footing in reference to the effect of such neglect and delay as indorsers of bills. But the drawer of a bill and the drawer of a check stand upon a different footing. In the case of a bill of exchange, negligence in respect to presentment or notice of dishonor absolutely discharges the drawer. But the drawer of a check is regarded as the principal debtor, and the check purports to be made on a fund deposited to meet it; and negligence of the holder in not making due presentment, or in not giving notice of dishonor, does not discharge the drawer, unless he has suffered some loss thereby, and then only to the extent of such loss. He is, at most, entitled only to such presentment and notice as will save him from loss. (2 Daniel, Neg. Inst. § 1587.)

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* The Negotiable Instruments Law provides as follows: "A check is a bill of exchange payable on demand. Except as herein otherwise provided, the provisions of this Act applicable to a bill of exchange payable on demand apply to a check." (Sec. 321 N. Y. Act.) This would seem to require that the drawer should have notice of dishonor.

It seems to us that it logically follows that in a suit against the drawer it is not necessary to allege, as a part of the cause of action, notice of dishonor or the absence of loss by reason of the failure to give such notice. As it is a general rule of pleading that a party is not bound to allege what he is not bound to prove to establish his cause of action, it seems to us that whether it is necessary to plead notice of dishonor depends upon the question, upon whom is the burden of proof as to loss or no loss by reason of neglect to give such notice?

It strikes us that, upon both principle and reason, it should be held that loss by reason of negligent delay, either in making presentment or in giving notice of dishonor, is a matter of defense to be pleaded and proved by the drawer, instead of requiring the holder to allege and prove a negative as to a matter peculiarly within the knowledge of the drawer. Many of the text-books and digests cite a line of cases in support of the proposition that, where there has not been due presentment and notice, the burden of proof is upon the holder to show that the drawer has sustained no injury. But a careful analysis of these cases will show that very few of them fully sustain so broad a proposition. In almost all of them it appeared that there had been negligent delay in presenting the check, and that in the meantime the drawee bank had failed and closed its doors, and the remarks of the court were made with reference to that state of facts. It may be correct to hold that the changed condition of the drawee bank raises a presumption of loss or makes out a *prima facie* case of loss which shifts the burden of proof upon the plaintiff. But that is a very different thing from holding that the burden is on the plaintiff in the first instance to prove that the drawer suffered no loss.

In some of the cases usually cited as holding that, in an action against the drawer of a check, it is necessary to allege presentment and notice of dishonor, or a legal excuse for their omission, the only question really before the court was whether the holder of a check could have recourse upon it against the drawer until presentment and dishonor, and it was properly held that he could not, for until payment has been demanded and refused there is no breach of the drawer's contract. Moreover, all the cases hold that this demand on the drawer may be made any time before suit.

But the matter of notice of dishonor stands on an entirely different footing, and constitutes no part of the plaintiff's cause of action. In none of the cases which hold that it is necessary to allege notice of dishonor do we find the question discussed at any length or any good reason given for the decision. In most of these cases the court seem to have been influenced by the familiar rule pertaining to bills of exchange, and to have gone off on the exploded doctrine of *Harker* vs. *Anderson*, that a check is in all respects a bill of exchange.

As the question is merely one of pleading and practice, and not of general commercial law, and is one of the first impression in this State, we feel at liberty to decide it according to what we deem sound principle. Our conclusion is that the complaint was not demurrable. Order affirmed.

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

A reasonable charge is made for Special Replies asked for by correspondents—to be sent promptly by mail. See advertisement in back part of this number.

Editor Bankers' Magazine: PHILADELPHIA, May 16, 1898.

SIR:—Can a bank legally refuse to pay a check drawn in lead pencil or refuse to pay a check where the amount is stated only in figures? Newmark, in his work on "Bank

Deposits," says that a bank may refuse to pay deposits on an "oral" order; the inference being that a written order (that is, pen, pencil or print) would be a legal demand. Van Schaak, in his work on "Bank Checks," says that the signature may be in "pencil," and we know of many checks with the name of the endorsers in pencil that have been paid without question. I have always contended that a check is in proper form though the amount is stated only in figures. Of course, the rulings have been that where the check contains both, the figures are marginal or surplusage, and may be altered to correspond to the writing; or used to explain the writing, when the latter is not clear, and in the absence of a written amount can be taken alone. Have you any cases bearing on these points specifically?

CHAS. E. WOLBERT, *Treas.*

Answer.—By the contract between the bank and its depositor the bank is to pay upon the orders of the depositor; and any payment so made is valid as between them. It is immaterial, therefore, what the form of the order is, so long as the bank simply complies with the direction of its customer. An oral direction would be just as effectual as any other to discharge the bank in its account with the customer. The only objection would be that the bank would have no written evidence of the order; and this it would clearly have the right to require. And, perhaps, it might be deemed a part of the contract that the orders are to be in the form customary in the banking business; that is to say, in the form of checks, or in the form of commercial paper made payable at the bank; and the bank might be justified in refusing to honor demands made in any other way. But this would be only for the protection of the bank, and the bank might waive its rights in this respect if it should see fit.

An order written in lead pencil would be just as good evidence as one written in ink; and there appears to be no good reason why the bank should not pay a check so written. In fact, it has been held that an indorsement written in pencil is valid so as to bind the indorser. (*Brown* vs. *Butchers and Drovers' Bank*, 6 Hill [N. Y.], 443; *Geary* vs. *Physic*, 5 Barn. & Cress. 234.) And if the amount to be paid is clearly indicated in the body of the check by figures, so that there can be no misunderstanding of its terms, the form would appear to be sufficiently correct to constitute a legal demand.

Editor Bankers' Magazine: **DELTA, Pa., May 26, 1898.**

SIR:—A gives B his note for $500 at six months, payable at bank. Note contains following phrase: "With interest at five per cent. from date." Note is not paid at maturity, but runs eighteen months. A then tenders payment with interest at five per cent. for eighteen months. B refuses to accept, claiming six per cent. interest from maturity of note. Can B collect interest as claimed? If not, would his claim be valid had he formally demanded payment of note at maturity.

L. K. STUBBS, *Cashier.*

Answer.—Under the rule which prevails in Pennsylvania, B is entitled to collect interest at the rate of six per cent. after maturity. (*Ludwich* vs. *Huntsinger*, 5 Wall. & S. 51.) In the case cited, a bond dated in 1830 was conditioned for the payment of money on April 1, 1832, with three per cent. interest from date; and it was held that the obligee was entitled to recover interest at three per cent. until the time of payment, and after that legal interest at the rate of six per cent. The Court said: "Until the bond became payable *the agreement* of the parties regulated the allowance of interest, and the rate of it, but after that, the *law* interposed, not only to allow, but to regulate the interest that should be paid by the defendant or debtor for, and on account of, his illegal detention of the debt from the plaintiffs." And the rule in the Supreme Court of the United States is "to give the contract rate up to the maturity of the contract, and thereafter the rate prescribed for cases where the parties themselves have fixed no rate." (*Holden* vs. *Trust Company*, 100 U. S. 72.) But that court deems the question one of local law, which varies in the different States. (*Ohio* vs. *Frank*, 103 U. S. 697.)

THE PHILIPPINE ISLANDS.

As the above-named islands are likely to be added to the territory of the United States, as a result of the pending war with Spain, the following information in regard to them, which is chiefly derived from "Advance Sheets of Consular Reports" for May 7, will be found of general interest:

Local and European authorities estimate the area of the Philippine Islands at 150,000 square miles, and their population at 8,000,000 to 10,000,000. The island of Luzon, on which the city of Manila is situated, is larger than New York and Massachusetts, and has a population of 5,000,000; and the island of Mindanao is nearly, if not quite, as large. There are scores of other islands, large and very populous. An idea of the extent of the Philippines may be formed, when it is stated that the six New England States, New York, New Jersey, Maryland and Delaware have ten per cent. less area. In addition to the Philippine Islands, the Caroline, Ladrone and Sooloo groups are considered under the jurisdiction of the Manila consulate.

In all, there are about two thousand islands in a land and sea area of about 1,200 miles of latitude and 2,400 miles of longitude.

During the quarter ended December 31, 1897, there were exported from these islands to the United States and Great Britain 216,898 bales of hemp (280 pounds per bale). of which 138,792 bales went to the United States and 78,106 bales to Great Britain. During the year 1897 there was an increase in the export of hemp from the Philippines to continental Europe of 19,741 bales; to Australia, 2,192 bales; to China, 28 bales; to Japan, 2,628 bales; and to the United States, 133,896 bales—a total increase of 158,485 bales, while to Great Britain there was a decrease of 22,348 bales.

Thus, of increased shipments from the Philippines, those to the United States were 544 per cent. greater than to all other countries combined.

Of the total exports of hemp from the Philippines for the ten years ended 1897, amounting to 6,528,965 bales (914,055 tons), forty-one per cent. went to the United States.

During the same years the Philippine Islands exported to the United States and to Europe 1,582,904 tons of sugar, of which 875,150 tons went to the United States, 666,391 tons to Great Britain, and 41,362 tons to continental Europe; showing that of the total exports more than fifty-five per cent. went to the United States.

At the current values in New York of hemp (four cents per pound) and of raw sugar (3⅜ cents per pound), the exports of these two products alone from these islands to the United States, during the ten years under review, amounted to $89,263,722, or an average of nearly $8,926,372* per year.

Data as to cigars, tobacco, copra, woods, hides, shells, indigo, coffee, etc., are not now obtainable; but a conservative estimate would so raise the above figures as to show United States imports from these islands to average about $1,000,000 per month.

The export duties and charges at Manila on the hemp and sugar exported to the United States, during the ten years ended with 1897, amounted to $5,172,994.

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* According to the returns of the Bureau of Statistics, Treasury Department, the annual imports into the United States from the Philippine Islands amounted to $74,150,284 during the ten years ended June 30, 1897, or $7,415,028 per year. For the seven years ended with 1894, the imports averaged $8,564,611 per year, but for the last three years the imports fell off nearly one-half, amounting to only $4,731,366, $4,982,857, and $4,383,740, in 1895, 1896, and 1897, respectively.

From this it is apparent that the trend of trade is toward the United States.

There are at Manila twenty-two consulates repre·enting the several countries, but the volume of the export trade coming under the official supervision of the Ameri- consul, Mr. Oscar Williams, as stated by him in a letter under date of February 28 last, "equals that of my twenty-one colleagues combined."

According to a British Foreign Office report (No. 1932, annual series, 1897), the total imports into the islands in 1896 were valued at $10,631,250 and the exports at $20,175,000. The trade with several of the most important countries (compiled from the official statistics) was:

COUNTRY.	*Imports.*	*Exports.*
Great Britain	$2,467,090	$7,467,500
Germany	744,928	223,700
France	1,794,900	1,987,900
Belgium	272,240	45,660
United States	162,446	4,982,857
China	103,680	13,770
Japan*	98,782	1,387,909

* In 1897.

About thirteen per c·nt. of the imports, says the "Statesman's Year Book," comes from Spain. Three-fifths of the imports from Great Britain consist of cotton manu factures and yarn.

Details of trade with the United States during the last two years are given by the United States Treasury as follows:

ARTICLES.	*1896.*		*1897.*	
IMPORTS.	Quantities.	Values.	Quantities.	Values.
Hemp, manila.....tons	35,584	$2,499,494	38,533	$2,701,651
Cane sugar (not above No. 16).....pounds	142,075,344	2,270,902	72,463,577	1,199,202
Fiber, vegetable, not hemp.....tons	872	64,838	5,450	884,155
Fiber, vegetable, manufactures of	....	26,428	....	22,170
Straw, manufactures of	....	81,352	....	72,187
Tobacco.....pounds	1,280	808	2,745	2,338
Miscellaneous	....	35,035	....	1,067
Total	....	$4,982,857	....	$4,383,740
EXPORTS.				
Cotton, manufactures of	....	$9,714	....	$2,164
Oils, mineral, refined.....gallons	1,130,769	89,958	600,837	45,908
Varnish..... "	1,188	1,500	2,483	2,239
All other	....	61,274	....	44,286
Total	....	$162,446	....	$94,597

It should be noted that our trade is really much larger (especially in the item of exports to the islands) than is indicated by the above figures. Large quantities of provisions (flour, canned goods, etc.) are sent to Hong Kong or other ports for trans- shipment, and are credited to those ports instead of to Manila.

In a report published in "Highways of Commerce," Consul Elliott, of Manila, says that there is but one railway in the islands—from Manila to Dagupin—a dis- tance of 123 miles. It is single track and well built, steel rails being used its entire length, the bridges being of stone or iron, and the station buildings substantial. English engines are used which make forty-five miles per hour. The Government assisted in the construction of the road by making valuable concessions of land with right of way its entire length, and by guaranteeing eight per cent. per year upon the stock of the road for a period of ninety-nine years, when it is to become State property. So far, adds the consul, the road has paid more than ten per cent. per annum to shareholders.

Mr. Elliott also states that the Compania Transatlantica (Manila-Liverpool) maintains a monthly service to Europe; that there are four lines of steamers to Hong Kong, and many local lines plying between Manila and the provinces, the largest having twenty-eight steamers of 25,000 tonnage.

"Consular Reports" No. 208 (August, 1897,) quotes from a report published in the "*Bulletin de la Societe de Geographie Commerciale*" (Paris, 1897, Vol. XIX, No. 4), the following description of the industrial condition of the Philippine Islands:

"There are about 25,000 Europeans resident in the islands (the total population is nearly 8,000,000), of course, not counting the troops. Some 12,000 are established in the capital, Manila, the center of the colonial Government. English, Spanish, and German houses are engaged in trade, advancing money to the natives on their crops. Such business methods involve risks and necessitate large capital in the beginning, but the profits are immense. The land is fertile and productive, and lacks only intelligent cultivation. Abaca (manila hemp) is one of the chief sources of wealth of the country. Sugar cane does not give as satisfactory returns, owing largely to the ignorance of the planters. The average production is 178,000,000 kilograms (175,186.96 tons), while that of Cuba is equal to 720,000,000 kilograms. The sugar goes almost entirely to Japan, England and the United States. It is of poor quality and very cheap. The cultivation of tobacco is one of the most important industries, although it is capable of much greater development. The native coffee, although not equal to the mocha or bourbon varieties, has a fine aroma. It goes chiefly to Spain. Cocoa trees grow in abundance, and the oil is used for lighting houses and streets. The indigo is famous for its superior qualities. The inhabitants are apathetic to a degree that is noticeable even in these countries, where everyone is averse to exertion. The women have long slender fingers, remarkably fine and sensitive, and adapted to their work. The hats and cigarette holders they make and the articles they embroider are models of delicacy. Cotton spinning and work in bamboo are among the chief industries."

The commerce of the United States with the islands for the year ending June 30, 1897, was: imports, $4,383,740; exports, $94,597. Spain's commerce with the Philippines for the calendar year 1896 was: Merchandise imports, $4,500,000; Merchandise exports, $7,660,000.

Criticism of the Banks.—The contraction in loans by the New York banks at the outset of the present war is made the subject of severe criticism in a recent editorial appearing in the "New York Tribune." We quote:

"This extensive contraction stopped a great deal of business. Many large contracts are known to have been deferred because of it, and in not a few cases strong industrial corporations, deprived of their accustomed facilities at New York, effected arrangements nearer home, so that quick and large withdrawal of funds deposited in New York by other banks resulted. In other cases establishments were reduced to running short time or with fewer hands because the few bankers who had direction of affairs were not yet inclined to unlock their hoards. The workingmen of this country lost work and earnings to a larger extent than they suspect because of this disposition of bankers to make money tight. For a little while these banks were able to do just as they liked. If they had been able longer, serious consequences might have followed."

In view of the considerable cash demands on the part of out-of-town banks, a contraction of loans in this market was inevitable; and having a proper regard for their own reserves, the banks are not to blame for exercising such precaution as experience has shown to be necessary in sound banking.

This supposed desire to contract the volume of loans is made the occasion for an attack on the bill for currency reform now pending in the House which, it is urged, would confer on the banks unlimited power to contract or expand the currency at will—a power which the "Tribune" thinks would be unjustly used.

Banks do not make their profits by hoarding their money but by loaning it out. They would have an interest in keeping out the largest volume of their notes possible, under the new bill, the incentive to do so being the profit which the banks would derive; on the other hand undue inflation would be prevented by the continued effort of every bank to send home for redemption all but its own notes.

It is to be regretted that a newspaper of such authority as the "Tribune" should lend the weight of its great name to the propagation of ideas so much at variance with enlightened opinion, and based upon premises not sustained by actual facts.

A NATIONAL CURRENCY CONVENTION.

The Trans-Mississippi and International Exposition, which will be held at Omaha, Neb., from June to November, will afford an opportunity for many important incidental meetings. Arrangements are now being perfected by the National Sound-Money League for holding a convention September 13, 14, and 15.

It is expected that leading representatives of the different schools of financial ideas will be present and deliver addresses. Opportunity will be afforded for a full and free discussion of various theories in regard to banking and finance.

In order to define the issues clearly, the National Sound-Money League, which will have charge of the convention, lays down the following seven propositions, which it maintains are essential to a sound system of national currency, and it invites support for them and challenges opposition, assuring a fair hearing to all who desire to take part in the discussion:

(1) That the unit of value in the United States is now and ought to be the gold dollar of 25.8 grains of gold.

(2) That gold is the best kind of metallic money, because the least fluctuating in purchasing power, and consequently capable of the greatest universality in measuring values all the world over, as is shown by its adoption by all the most civilized nations of the globe.

(3) That silver cannot be utilized in modern commerce because of its bulk in proportion to its value, and of the continued decline of silver in the bullion market, since 1876, when the State of Nevada alone produced more silver than did all the remainder of the world during the previous twenty years, and that this uncertainty of value has made silver only useful as a subsidiary currency and token money in small trade transactions.

(4) That the interests of capital and labor alike require that all kinds of money in circulation should be kept at a parity with and convertible into gold, and that all kinds of paper money, printed promises to pay dollars, in order to be of stable purchasing power, must be readily redeemable in gold on presentation by the holder.

(5) That the best kind of paper money, as shown by the experience of the world, is the notes of solvent banks, issued under Government control and supervision, and that it is unwise for Governments to issue any kind of paper money and force it upon the people by legal-tender enactments.

(6) That a double standard of value is unthinkable, undesirable, and impracticable, and has never been maintained in any country.

(7) That no Government can by law fix a permanent ratio between the value of gold and silver, and that attempts to do this have always resulted in the expulsion from circulation of the underestimated metal. The relative value of gold and silver does not depend upon an enacted ratio, but rests wholly upon the relative market value of the bullion which the coins contain.

It is proposed that the convention shall occupy three days, and that the first day shall be called Gold Day, the second Silver Day, and the third Paper-Money Day. On Gold Day the discussion will be opened by Hon. Horace White of New York, with an address on the History of the Gold Standard. On Silver Day Hon. William J. Bryan will be invited to open the debate. On Paper-Money Day the old greenbackers and Populist fiatists will be given a hearing. After the formal addresses are delivered on each topic, the remainder of the session will be given to a free debate in five-minute speeches, and the time will be fairly divided between the advocates of opposing views.

Inquiries in relation to the convention, and applications for time for the presentation of addresses, should be sent either to the President of the National Sound-Money League, Hon. J. Sterling Morton, Nebraska City, Nebraska, or to the General Secretary, E. V. Smalley, No. 740 Monadnock Block, Chicago.

SAVINGS BANKS ASSOCIATION OF THE STATE OF NEW YORK.

The annual meeting of the Savings Banks Association of the State of New York was held May 19 in the rooms of the Chamber of Commerce, New York city. In addition to representatives of practically every Savings institution in the State there were present delegations from the Savings Banks Association of Connecticut.

In calling the meeting to order President J. Harsen Rhoades said in part:

"The existing war has absorbed so much of public attention that people have seemed to forget the dangerous elements in the situation, which still continue to exist, owing to the disordered condition of our monetary system, and it is well to remember that until the existing policy has changed and the Government has adopted some plan, gradually retiring from the issuance of currency obligations, and such currency issues are relegated to the banks, which are the only proper medium of issue, we cannot continue to have permanent prosperity or be relieved from the danger of alarm and distrust which are sure to come when failure of crops or undue speculation have produced the causes which naturally lead to heavy withdrawals of gold from the Government depositories. Therefore, we, as Savings bank officers, must be mindful of these facts and govern ourselves with caution and prudence in the management of the vast interests we serve."

Concluding, President Rhoades pledged the support of all Savings banks officers in upholding the Government in the existing war.

Samuel R. Rainey, of Hudson, N. Y., Chairman of the Executive Committee, read the report of the committee. He reported that the committee had procured legal opinion to the effect that deposits and surplus of Savings banks are not subject to taxation. Reference was also made to legal decisions confirming this opinion. The report also reviewed the history of Savings bank legislation during the recent session of the Legislature.

In closing the report said:

"It becomes more and more apparent each year that if the almost perfect system governing Savings banks in the State of New York is to be maintained in its integrity, it will be necessary for its friends to be very zealous in guarding it.

The association should look to the selection of men of intelligence and honesty for members of the Legislature, and when a bill detrimental to Savings banks is before that body each member should bring the full weight of his influence to bear against it.

Your committee feel that the Savings banks of the State are under many obligations to Senator L. H. Humphrey, of Warsaw, Wyoming Co., who has been for three years chairman of the committee on banks. He is a warm friend of Savings banks, and being thoroughly honest and conscientious has frowned upon every attempt to amend the law to the detriment of the banks.

During the past winter Henry W. Hill, of Buffalo, has been chairman of the banking committee of the Assembly, and has accorded to your committee a careful hearing on every bill relating to our banks, and has been of great assistance in preventing the passage of injudicious or pernicious laws.

It is hardly necessary that your committee should say how invaluable Superintendent Kilburn has been. You all know him, and know how thoroughly in earnest he is in anything that relates to the welfare of the depositors in Savings banks, and how courageous and persistent he is in opposition to any measure that can in any way injure the institutions he is set to guard."

A. H. Hart, of the Society for Savings of Hartford, Conn., was introduced as a man who had been watching the course of legislative events at the national capital recently. He said that the proposed tax of one forty-eighth of one per cent. per month—or one-fourth of one per cent. annually—on bank deposits, if applied to

Savings banks would become a serious burden to such banks, and would mean a reduction of interest to depositors. Mr. Hart advised the association to take active steps toward having the Savings banks exempted from this proposed bank tax.

James McMahon of the Emigrant Savings Bank, New York, said that if all the Savings banks in the country were compelled to pay one-fourth of one per cent. annually on their deposits, as a war tax, the Government would realize from this source not more than $5,000,000. In the opinion of Mr. McMahon the Government could raise this $5,000,000 from other sources with much less injurious effects than by taxing Savings bank depositors.

John P. Townsend, President of the Bowery Savings Bank, offered the following resolution, which was adopted unanimously:

Resolved, That the provision in the proposed amendment to the Revenue Bill passed by the House of Representatives, and now reported by the Finance Committee of the Senate, whereby it is intended to enforce in the aggregate a tax of one-quarter of one per cent. annually on deposits in banks will, in case Savings banks are to be included under its provisions, work a grievous wrong and impose too heavy a burden upon the Savings of the people.

The laws now in force properly restrict investment of deposits in Savings banks to a limited number of the best character of investment securities, which owing to their safety, return only a low rate of interest, and are largely made up of Government, State and municipal bonds. The present rate of return to the depositor is small, with the certainty that it will have to be reduced still lower, while the lowering of the rate of interest paid to the depositor, rendered necessary to cover the large drain on earnings arising from proposed tax, would seriously impair the efficiency of the Savings banks system of the country and tend to discourage thrift and the habit of saving on the part of the people.

We call attention to the fact that of the Savings banks in the United States, those holding over one thousand five hundred millions of dollars out of a total sum of two thousand millions so deposited, are purely eleemosynary in their character, have no capital and the profits all accrue to the benefit of the depositors who are largely made up of the thrifty working classes.

We therefore respectfully present these facts to the members of Congress, and urge that they be carefully considered and the Savings banks relieved from the imposition of the proposed tax.

Resolved, That a committee of five be appointed to go to Washington and confer with members of Congress in committee and otherwise, and present them the objections of this association to the proposed legislation.

The following committee was appointed: John P. Townsend, chairman; Samuel R. Rainey, James McMahon, Andrew Mills, Salem Hyde of the Onondaga Savings Bank, John Harris of Rochester, and Rufus P. Birdseye of Utica.

The members of the association spent a sociable hour at luncheon, which was served in the rooms of the Chamber. Upon re-assembling an address was delivered by Judge M. L. Crawford of Dallas, Texas, a member of the Executive Committee of the Indianapolis Monetary Convention.

Judge Crawford's address, in full, was as follows:

Address of Judge Crawford, of Dallas, Tex.

When your President was partial enough to extend to me an invitation to deliver an address to your association, our country was at peace with the world. The mutterings of a conflict could be heard, but grim-visaged war was only a probability. Now it is a stern reality. In defense of the nation's honor we are to-day engaged in a conflict with a foreign foe, and our sons, from the North, East, South and West are marching side by side, wearing the same uniform, animated by the same patriotic purpose, and all, thank God, following the flag of the Union, with no stain upon its sacred folds, no vacant spot where a star should be. The result cannot be doubtful. United we are invincible, and armed with the right we may bid defiance to a world in arms.

But it is not of war that I should speak to-day. There are other considerations which challenge the attention of the country—other issues involving more than the result of the war—which must be met and decided by the American people.

The unsettled and disturbed condition of the financial system of our country demands the thoughtful and patriotic consideration of every honest heart, and we must approach the subject as patriots, animated solely by a desire to promote the welfare of all sections and all persons, in every condition of life, and not as partisans, influenced by considerations of party expediency.

The question to be decided is, shall the country maintain the gold standard, using at the same time as much silver in our currency as the necessities of business and the convenience of the people require (and not a dime more), or shall this Government adopt the free and unlimited coinage of silver at the ratio of sixteen ounces of silver to one ounce of gold, each dollar so coined to be a legal tender for all debts, public and private, which means a silver standard, silver monometallism, and nothing else; and the advocates of this measure cannot be blind to the fact that such would be the result. The only difference between the old greenbacker and the free silverite is in degree; both are the advocates of fiat money. The greenbacker wants the Government fiat printed on paper, worth nothing, and which can be carried in the pocket, while the free silverite demands that the fiat be stamped on pig metal, the material for every dollar worth about forty cents, and which could only be carried around in a haversack.

GOLD STANDARD MUST BE MAINTAINED.

The issue thus squarely presented must be bravely met. There must be no evasion, no attempt to deceive or mislead the people by the delusion of international bimetallism, but the advocates of the gold standard must stand by and maintain it, because it is demanded by common honesty; because its maintenance will best subserve the interest of every section and of all our people in every condition of life; because the national honor demands it. It is the standard of civilization and progress, and as long as we propose to keep in the van in the onward march of nations, we must maintain it.

With the gold standard we have grown and prospered as no people or nation ever prospered before. The young giant of the West, though scarcely out of the cradle, has become the wonder and admiration of the world. Looking to her institutions and achievements, the oppressed and down-trodden of every kindred tribe and tongue direct their thoughts in the hour of their despair, to this goodly land, where all men are free and equal and the oppressor's rod is broken. Shall we reverse our policy and ourselves become the oppressors and despoilers of the poor? Shall we by legislative enactment take from our people more than one-half of the savings accumulated by unremitting toil and the practice of the most rigid self-denial?

The experience of our revolutionary fathers with a debased and worthless currency satisfied them that the Government fiat could not make money: that there was a wide difference between a dollar and the promise to pay a dollar, and they determined to see to it that the dollars of the new republic were dollars in fact; that the metal in the dollar should be worth just as much as bullion as it was worth in coin; that the process of minting it should be simply to reduce it to convenient shape and attest its weight and fineness. In other words, that the commercial value of the metal should be the exact equivalent of the legal value of the coin. No other thought ever entered the minds of the men who signed the Declaration of Independence; who endured the hardships and misery of Valley Forge and shared the glories of Yorktown. Having learned by sad experience the evils of a debased and fluctuating currency, these patriotic men, who shed their blood that liberty might be established upon the earth, gave to us an example which, if followed, will save us from woes unnumbered.

When the mint was established gold and silver were both coined at all the mints of the principal European nations at a ratio as near the relative commercial value of the two metals as could possibly be ascertained. As there had been but little fluctuation between the commercial value and the mint value for a long time, it was no doubt believed that the then established ratio would be maintained, and that the two metals would circulate indiscriminately; but the fact was clearly recognized that if either metal was undervalued it would be expelled from circulation.

VALUES NOT FIXED BY GOVERNMENT FIAT.

Ten years before the mint was established Robert Morris, the financier of the Revolution, declared that gold and silver could only circulate as money when the exact equivalent between the mint value and the market value of the two metals was preserved. These men understood the Gresham law; they knew that values were fixed by the concurrent judgment of men, and not by the fiat of Government. They never dreamed of giving a value to either gold or silver by coining it into money. It never occurred to them that it was possible to take forty cents' worth of pig metal and make a dollar out of it worth one hundred cents. That such a thing could be done seems to have escaped the observation of all our public men until 1876, when Senator Jones, of Nevada, in a two days' speech announces it as one of the simplest problems in economics. In this speech, which is the fountain from which the free silverites have drawn their inspiration ever since, Senator Jones displayed all the zeal of a new convert. Two years before its delivery both Senator Jones and his colleague, Senator Stewart, were earnest and eloquent advocates of the gold standard. They declared that gold was the universal standard of the world; that we must come to the same conclusion that all other people have—that gold is recognized as the universal standard of value.

In his first message to Congress President Grant declared that every obligation of the Government, unless otherwise expressed in the contract, must be paid in gold. As late as 1874 Senator Stewart agreed with the President. He then advocated the conversion of the Treasury notes into gold or five per cent. bonds. He wanted no paper money not redeemable in gold. What influences then surrounded these nestors of the silver party? Both were largely interested in silver mining. Senator Jones and his business partner owned five-sixths of the Crown Point mine, the output of which was over $4,000,000 in 1874. Silver was then worth 129 cents per ounce—sixteen to one. There was no reason why the silver mine owner should oppose the gold standard or favor fiat money. No wonder he said in the United States Senate in 1874: "Gold is so an exact a measure of human effort that when it is exclusively used as money it teaches the very habit of honesty." But in the concurrent judgment of mankind silver was too high; it was not worth 129 cents an ounce, and the price rapidly declined until March, 1876, when the market value was 110 per ounce. This decline in price represented an annual loss to the Crown Point of more than $500,000, and to the other silver mine owners of Nevada of more than $4,000,000 per annum. Under these circumstances Senator Jones, in April, 1876, made his speech in the Senate, which was the beginning of the struggle for fiat money, which has been so persistently maintained ever since.

WHERE THE DEMAND FOR FREE SILVER ORIGINATED.

The demand for free silver did not originate on the farm or in the workshop; its cradle was the Comstock Lode. It is the off-spring of greed and rapacity. Mr. Bryan, in his speech accepting the Chicago nomination, truly said: "So long as human nature remains as it is there will always be danger, more or less restrained by public opinion or legal enactment, that those who see a pecuniary profit to themselves in certain conditions may yield to the temptation to bring about these conditions." Mr. Bryan must have had the silver-producing States in his mind's eye. So long as the commercial value of silver was equal to its mint value we heard nothing of free coinage. None then were to be found to champion its cause. The sacred dollar of the daddies seems to have been lost sight of.

Prior to 1860 the production of silver in this country was insignificant, but after that time it rapidly increased, and by 1873 more than 188 millions had been dug from the mines of the United States, and of this vast sum only two and one-half per cent. was coined into silver dollars, every dollar of which was sold for gold. Some of our men in public life who are to-day leading this unholy crusade for fiat money were silver mine owners in 1873. Why is it they could not then see that nothing but the free coinage of silver at 16 to 1 would save mankind from crucifixion upon a cross of gold, preserve the liberties of the people and prevent our becoming vassals to the English money lenders? The answer is plain. The bullion in a silver dollar was worth 103 cents in gold, and these patriots were unwilling to lose the three per cent. The mint was open to free coinage of silver; they refused to take their 188 millions to it when silver was at a small premium, and they now demand the right by law to have not only their own silver, but all the silver in the world, coined at the mint and the people of this country compelled to take it at par with gold when in fact one gold dollar is worth intrinsically nearly two and one-half dollars in silver in all the markets of the world. In justification of this monstrous proposition its advocates say that the free coinage of silver will at once raise the price of that metal to 129 cents an ounce and thus restore its parity with gold. Do the leaders believe it; are they sincere when they make this declaration to the American people? I appeal to the recor . During the campaign of 1896 Mr. Bryan in a signed statement published in the newspapers, admitted that free coinage at 16 to 1 would vastly depreciate the value of the deposits in Savings banks, but claimed that the depositors would be more than compensated for their loss by the increased value which free coinage would give to their other holdings; that the value of life insurance policies would be reduced, but that the holders of the policies would be more than compensated by the reduction in the premiums they would have to pay.

Professor Parsons, of the Bost n University of Law, an earnest advocate of free silver at 16 to 1, in an article published in "The Arena," said that the results of such a measure would be the retirement of $500,000,000 or $600,000,000 in gold from our monetary resources—a vast gift to the owners of silver mines and silver bullion here and abroad—the temporary scaling down of salaries and wages, injustice to creditors in respect to all debts contracted in recent years under the present standard, including depositors in Savings banks.

How could depositors in Savings banks be injured or the value of their deposits diminished by the free coinage of silver if the silver dollars remained as good as gold dollars? No one but a free silverite can tell the reason why. Mr. Bryan's statement, that the increased value of their other holdings would more than compensate the depositors for the diminished value of their deposits, is a mockery. You gentlemen know that in nearly every instance the little bank account is the depositor's all. Look at the Bowery Savings Bank with its 114,000 depositors the largest but $3,200, and but two which amount to $3,000, while the average is but $512. What outside investments have these people which will be benefited by adopting the financial theories of the friends and advocates of fiat money? It is safe to say that a proposition to destroy more than one-half of the value of the deposits in our Savings banks, squarely submitted to a popular vote of the American people, would not prevail in a single county in the Union; and yet the advocates of free silver practically admit that such would be the effect of its adoption.

Could this Government lay the hand of despotism upon our Savings banks and take from their coffers money enough to pay the public debt, it would be an act of spoliation and oppression unparalleled in the history of the world. Still, such an act would not inflict as great pecuniary loss upon the 4,000,000 of wage earners, whose savings have built up and own the Savings banks, as would the free coinage of silver at 16 to 1.

The advocates of this measure, loaded down as it is with injustice and dishonor, call themselves disciples of Jefferson and Jackson. When the mint was established Mr. Jefferson, as well as all the public men of the time, recognized the necessity of maintaining the exact equivalent between the legal value of the coin and the market value of the metal from which it was made. General Jackson with his own hand signed the bill which restored to this country the gold currency driven from our shores because gold was worth more in the market than it was at the mint. If the old hero was alive to-day you might as well look for him in a secession convention as in a free silver caucus.

FAILURE OF FREE COINAGE EXPERIMENTS.

These advocates of fiat money—bimetallists as they call themselves—tell the people that the decline in the price of silver is attributable alone to the "crime of '73" and that to adopt free coinage at 16 to 1 will at once advance the price to 129 cents an ounce and restore the parity between the two metals. They simply make the assertion but fail to state a single fact upon which their belief is predicated. The experience of all nations is against them. We have tried the experiment and failed. No free coinage country on earth to-day uses gold in its monetary system. All free coinage countries are on the silver standard. No nation on earth has ever been able by free coinage of both gold and silver, at any ratio, to maintain the exact equivalent between the mint value and the commercial value of the two metals. Every attempt to accomplish this result has failed. The metal which is undervalued at the mint always retires from circulation. But ignoring the experience of the past, these latter-day bimetallists insist that no problem in economics is easier than to bring about the concurrent circulation of both gold and silver as money of redemption at 16 to 1. There can be no doubt that the rank and file of the free silver advocates who have been educated into this belief by the party leaders, are honest in their convictions, but it takes a large stock of human credulity to make us believe that the leaders, when they set at defiance the experience of this and all other countries where the experiment has been tried, are themselves sincere. What they fail to gather from the experience of all nations they attempt to supply by organization and persistency.

We have yielded too much already. There must be no more compromises. The Government has lost more money in the purchase of the uncoined silver in the Treasury than would have built and paid for twenty first-class battleships. While the shouts of Admiral Dewey's heroic crew are going up from Manila announcing a glorious victory for the American fleet and proclaiming a change in the map of the world, the demand comes from the free silverites in Congress to coin the seigniorage and issue one hundred and fifty millions in Treasury notes. It is to be hoped that no such measure will prevail. We have more than enough demand obligations outstanding against the Government. We don't want to fight this war with fiat money. We have got the gold right here in the hands of our own people to maintain our armies in the field and our ships afloat. Our people have the patriotism to hand over to the Government gold enough to meet its every want. They say that gold is cowardly and hides before the echoes of the first hostile gun have died away. I deny it. Our people, rich and poor alike, offer the Government more than it has need for.

If during this conflict gold disappears, it will flee from vicious legislation and not from Spanish bullets.

If the advocates of free silver and other forms of fiat money could get control of this Government they would drive every dollar in gold from our monetary system, but hostile guns can never do it.

The importance of maintaining our present standard of value cannot be over-estimated, and the most serious evil affecting our monetary system is its threatened degradation. The gold standard must be preserved, and our obligations, public and private, discharged with reference to it. This question rises higher than party considerations. The friends of honest money and honest methods must not, for the sake of party regularity, by their votes help fasten upon this country a policy which their judgment tells them will ruin it. Mr. Jefferson said that the surrender of one's convictions upon great questions of public policy at the mere behest of a political caucus was the last degradation of a free moral agent; that if he could not go to heaven without belonging to a party he would not go at all. Without regard to past political affiliations we must oppose every man who favors repudiation in any manner, shape or form, of either public or private obligations. It is just as reprehensible in morals for the Government to repudiate a part of its debt by paying it in a depreciated currency as it is to openly repudiate the whole. Whatever virtues the advocates of free silver may claim for it, its adoption means the repudiation of more than one-half of every debt in this country not specifically payable in gold, whether public or private, and they are bound to know it. But it will never be. Silver to-day occupies the same relation to the commercial nations of the earth that slavery did to the civilized and Christian nations in 1860—supported by a faction in the United States and condemned everywhere else. Under such circumstances its fate as a money metal is doomed.

If we have the courage of our convictions and stand up and make a bold and manly fight for the single gold standard, we cannot fail. My faith in the virtue of the American people is unshaken; they are too brave to be dishonest. They will never consent to take from the savings of the poor more than one thousand millions of dollars, nearly every dollar of which vast sum has been earned by the sweat of some toiler's face. They will never consent that the obligations of the Government, created in defending its life and preserving the integrity of the Union, shall be paid in a depreciated currency; but the time will come when the great heart of the nation will respond to the noble sentiment of General Hawley, uttered thirty years ago: "Every obligation and every bond of this Government must be as sacred as a soldier's grave."

Address of Col. Myron T. Herrick.

The next speaker was Col. Myron T. Herrick, President of the Society for Savings, Cleveland, Ohio, who said:

I appreciate the privilege of meeting here the men whose example I have so long endeavored to emulate, and my appreciation is only exceeded by my embarrassment.

I believe that the agitation favoring the establishment in this country of postal Savings banks began about the year 1877. Since then there have been introduced in Congress at various times measures looking to the establishment of a postal Savings system, and at the present time a dozen or more of such bills are seeking recognition.

The arguments advanced from time to time by the advocates of postal Savings banks have excited much discussion, and the plan proposed has appealed largely, perhaps, to the sentimental and those inexperienced in such affairs. The multitude of bills which have been introduced have contained features so novel and varied that it is impossible within the limit of a general review of the question to touch at any great length upon their details. To quote from one of the leading advocates of such banks, "the moral tone of the citizens of this country would be elevated and their independence increased by the fact of having money on deposit, and the credit and stability of the Government would be firmly defended by all having deposits with the banks from the additional incentive of self-interest."

Other arguments offered in support of the various schemes proposed are, that it would "encourage thrift," particularly in remote localities in the West and South, and in sparsely settled communities; that the present system of banking is faulty; that it does not offer a safe custody for such deposits; that the directors and officers are often reckless; that oftentimes the securities invested in by these banks have been more or less worthless; and numerous instances have been cited "where murders have been committed on old people who have been known to hoard sums of money." While it is true that there have been failures occasioned by mismanagement, decisive changes in values, etc., it requires very little calculation to determine how insignificant would even these losses appear when compared with the loss in interest which the depositor would sustain in suffering the diminution of say one-half the interest-earning power of his deposit. Much of the losses to which the banks have been subjected in the past might have been avoided by intelligent State or Government supervision; but to condition this guarantee of the safety of the depositor's money on the loss to him of one-half the income, is too great a sacrifice to ask of him.

Were we to admit, however, the truth of the statements, the existing conditions would not warrant the establishment in this country of a postal banking system. We have an unexampled Savings bank system, which has been slowly building on a stable foundation for more than a century, inspired by the same unselfish spirit of patriotism as actuated the builders of the National Government, and its marvellous growth and the fidelity with which the savings of the frugal and thrifty laboring millions have been cared for, are thus readily explained. It had for its objective the encouragement of thrift and independence, and in its inception and consummation it has had the unsolicited, gratuitous services of men of well-known ability and experience. That this vast trust aggregating in value more than two thousand million of dollars has been faithfully administered and that the power has been exercised by these comparatively few men with justice and even benevolence, is uniformly admitted. The system while not perfect has so broadened its scope and possibilities as to adapt itself to the varied needs of the people in all sections of the country. When compared with the origin, development and government of the Savings bank systems of other countries the vast proportions which it has assumed lend to it a peculiar significance, indicating that the benevolent motives from which it sprang resulted in the building of this enduring structure adapted to the needs of the masses.

Of our institutions for savings the earlier ones were mutual and coöperative in character, having no capital stock. Of this class of banks there are now some 688 in number, and their total deposits and resources amount, I believe, to about 88 per cent. of the deposits and resources of all savings institutions. Nearly or quite all of these earlier mutual institutions are still in operation.

Naturally the first Savings banks were established in the East near the centre of population, traveling westward and southward with the country's growth in compliance with the law of supply and demand, and as the need of such new territory called for such institutions they were promptly organized. It is a well-known fact that in newly settled countries there is practically no idle capital, earnings are immediately re-employed and business is carried on largely with capital borrowed in the East. The borrowing side of a bank in a new country has early an abnormal development but the savings or deposit side comes only with the accumulation of years, and can not be forced. It must be admitted that the deposits in these banks could not have reached the vast proportions had not the money so deposited been immediately loaned back to the people, thus becoming one of the chief factors in the development of the country.

Governmental supervision has, in the case of National banks, proved to be of great value to the people, the Government assuming no ownership in their business; and it would seem that a similar policy of oversight of the savings institutions of the country would be of equal benefit, if for no other reason than to establish a uniform system of examination which is now left to the varying laws of the different States.

I believe that, as a rule the banks throughout the country have interposed little or no opposition to these postal savings schemes, influenced doubtless by the fact that, from the point of view of experts, the whole plan was so impracticable that it could not be successfully put in operation in this country. They realize, however, that their interests and the people's interests are identical, and that one can not exist without the harmonious sanction and coöperation of the other. They can not see how their depositors' interests can be served by the placing of these deposits with the postmasters throughout the country, whose term of office are unstable and subject to frequent changes, who are not generally appointed because of any peculiar aptitude for the banking business. They can not see how these deposits would be surrounded with any greater safeguard, stowed away in the depository of some cross-road postmaster, than if they were resting in the custody of the Savings bank in highly efficient burglar-proof vaults provided especially for their keeping.

Nor can the banker from his point of view appreciate the argument of the postal savings advocate, that greater freedom of circulation is to be given these funds by their transfer from the numerous banks throughout the country to the Government centers, thus depriving the localities from which the deposits may be collected of the present legitimate use of these funds.

DIFFICULTY OF MAKING INVESTMENTS.

Of the many bills introduced in Congress they all fail in one essential in not providing for the safe and practicable investment of the funds. It has been suggested that the funds be invested in United States bonds; that they be loaned to National banks upon approved security; upon State, county and municipal bonds; for public buildings, postal cars, expenses of the Government; to banks, to individuals, to associations, to corporations, and for loans on farms.

Despite the recent abnormal increase of our national debt, its rapid extinguishment since the close of the Civil War indicates that with our great resources, our debt is not a permanent one; and there is little or no sentiment that would sanction in this country a permanent public debt even though its motives were philanthropic and possibly resulting in lasting good to the great body of the people.

If the facts were submitted to a jury of the whole country I believe that the finding must be that no form of investment other than Government securities is safe and desirable, for the funds and that in the nature of our debt such securities cannot be made the basis of these investments.

If these funds are to again be made available to the people, as now, individual and corporate loans must be made, and in that event it is one of the fortunes of banking that there should be individual and corporate defaults, resulting in wresting property from the individual and the corporation, reducing it to Government ownership. John Doe is a laborer, and has bought his little home, giving therefor in part payment a purchase-money mortgage of say $500, held by a Savings institution. The moral and other benefits of the postal system have so impressed the depositors in that institution as to prevail upon them to withdraw their deposits, where they have been at interest for a generation, and to redeposit that money with the postmaster at a loss of fifty per cent. in interest. To meet this extraordinary demand the bank must call its loans. John Doe and others are called upon for settlement. He must either pay or suffer his property to be sold in foreclosure. In this scheme to "elevate the moral tone, to create defenders of the credit and stability of the Government, to encourage thrift in remote parts of the country," does the Government propose to protect John Doe, to loan him the $500 taking to itself a mortgage on his home, and if Doe defaults in the payment of principal or interest, or if he fails to pay his taxes, will the Government foreclose and sell the property; and if there are no bidders, will it buy Doe's house and lot?

The establishment of such a system of savings for foreign countries seems to have been accepted at once by some of our people and some newspapers without question as conclusive evidence of its desirability and its adaptation to our needs. With possibly one or two exceptions the system of postal savings has, I believe, met with but partial success in the countries that have adopted it. Notwithstanding the fact that the existing conditions in nearly all these countries are most favorable to the success of a postal savings system than is the case with us, for the reason that in almost every instance they have a permanent public debt as a basis upon which to invest such savings deposits, and the masses do not own the land.

It would seem that the inauguration of postal Savings banks in countries abroad is comparatively of such recent date that it still may be regarded as experimental. It is very evident from statistics available that in many cases an attempt has been made to command the funds by the payment of a higher rate of interest than could be afforded, resulting in drafts upon the general fund to cover the deficits. In other words, it became necessary to levy upon one class of the people a tax to make good the interest charge accruing to another class. As an illustration in point I quote from the report of the Comptroller of the Currency (1897) the following, showing the peculiar situation which confronts the United Kingdom, which has met with more success in the introduction of the postal savings system than in most other countries. The London "Economist" from whose article this abstract is taken states:

"The investment of these (postal Savings banks) millions has been the chief figure in raising the price of consols from 98⅛ to 112—a price at which they yield to the investor a present annual return of only two pounds nine shillings per cent. The Treasury finds itself obliged to accept millions of money repayable on demand for which it has no employment, at two and one-half per cent., a higher rate of interest than it could borrow on perpetuities; and to the interest has to be added the expenses of management, so that the deposits are costing the post-office department two pounds eighteen shillings five and one-half pence per cent., and can only be invested in securities to yield a return of two pounds nine shillings per cent. at present prices of consols."

It is evident that a material reduction must be made in the rate of interest that such deficits may not occur. In the event of a considerable reduction in rates of interest much of the money might remain in the postal banks, yet while there were private institutions of known security and integrity the depositors must again turn to them as offering a more adequate return on their investments.

The experience of Canada might be cited in this connection. To compete with the Savings banks the Government established postal Savings banks. It has been proven after some years of experience that the money so obtained costs the Government in interest and expenses more than the same amount of money borrowed on bonds would cost in interest. When the Government reduced its rate to 3½ per cent. interest, large amounts were taken from the postal banks and deposited with the Savings banks, and it is stated that, "so far from encouraging thrift in any different manner the depositors were of the same class and were actuated by the same motives as the ordinary class of depositors." The margin of profits is so smal that the deposits must be large to provide for the actual operating expenses of the postal system, which in the nature of things must be greater than that of a private corporation, and, therefore, a very considerable reduction in the amount of deposits would deprive the Government of earnings sufficient to meet these expenses. The same rule must hold true with other countries.

All of the Postmasters-General favoring this scheme have thus far failed to present any rational method for investing these funds. Mr. Wanamaker suggests that the funds so obtained be loaned to the National banks at a small rate of interest, upon approved securities, it being apparent to him that Government securities from the very nature of the case could not be made available for this purpose. Postmaster-General Gary, in his report for the current fiscal year, says "that there is enough of a national debt, if it should be used for that purpose, to afford investment for such savings during the next ten or fifteen years, after which the wisdom gained from experience may be safely entrusted with the problem of finding other fields of investment in this great and growing country." This is a cheerful disposition of an intricate financial problem.

PLAN NOT IN HARMONY WITH OUR SYSTEM OF GOVERNMENT.

The plan is not in harmony either with our form of Government or with the doctrines maintained for a century and more by the great political parties of this country. All of the countries of the old world that have adopted the postal savings system have a "paternal" form of government, with the exception of Switzerland, and it is stated of that country: "immediately upon the organization of postal Savings banks a powerful adverse influence at at once appeared urging the danger of centralization, which succeeded in placing the banks under the supervision of private officials, thus essentially modifying the type of the institution. This modification of the system adopted by Switzerland practically divorces the postal banking system of that couutry from the Government, making it not unlike that of our national banking system. Quoting again from the report of the Comptroller of the Currency for 1897, the fact is pointed out that ninety per cent. of the depositors own but one-third of the deposits of the postal banks of the United Kingdom, and that to the remaining ten per cent. belong two-thirds of the deposits, which excites the comment, "people who are presumably capable of taking care of their money without the paternal assistance of the Government, and have no claim to have their banking accounts conducted for them at a loss to the public."

The postal savings system of the United Kingdom has joined with it such collateral features as the granting of annuities, the insuring of the lives of persons of either sex, etc., and although these propositions are not made a part of any of the pending bills relating to postal Savings banks, it might be said consistently that the Government could with equal justification enter into these fields of adventure and of trade.

It is difficult to determine from the nature of the bills that have been introduced from time to time, and from the various recommendations made, what is the real motive influencing them. Mr. Wanamaker's plan had in view the gathering of these deposits by the Government for the use of the National banks. Do the National banks want these funds? Do the people want the National banks to have them?

One of the bills introduced in Congress providing for the postal savings system contains among other the following provision: "That no sum of money deposited under this Act shall at any time be liable to demand, seizure, or detention under any legal process against the depositor." Another provision is, "Money deposited under this Act shall not be subject to taxation by the United States or by any State." When people have the temerity to propose a law which will exempt citizens from their fair share of taxation, and encourage theft, robbery, and dishonest practices, it is time for the thinking people to dedicate a part of their time and savings to the end that they may be educated to a better understanding of the spirit and intent of the Constitution of the United States, though they may be devoid of an appreciation of the nature and value of common honesty. However, in view of the sources from which this postal savings activity emanates the movement at this time is such as to give the people little or no concern as to its probable ultimate acceptance by the Government.

If there is any one doctrine which has been instilled into the minds of the American people for successive generations since the landing of the Pilgrim Fathers to the present day, it is that of personal liberty and independent control of private property. While the people of this country have acquiesced in Government supervision of trade and commerce for the purposes of State, they have a traditional resentment to anything looking toward governmental absorption of private enterprises. The policy of the great political parties has been and is to sever the Government from the banking business. Earlier experiences of the Government in the business of banking have been disastrous. One of the most successful governmental banking institutions in the world to-day is the Bank of England, which is a private corporation under the supervision of the Government. The most potent argument in opposition to this doctrine of postal Savings banks is our form of Government.

America owes her greatness to her freedom—an independence gained by hard-fought battles. Her soil has been enriched by the blood of patriots, from which alone can spring such institutions. We may be a nation of farmers and laborers, of merchants and manufacturers, of shop-keepers and money-changers, with no leisure class, yet we have a national consciousness which is penetrating art and literature and science, and from our narrower beginnings we are ever rising to broader and higher comprehensions of what constitutes the fundamental doctrines of a free and independent nation, and these we are ever ready to maintain. It is to be hoped that this country will move steadily on increasing in prosperity and wealth, and that the Government will carry to a legitimate conclusion all its great policies, and particularly the one of placing the currency of the country on a sound basis, permanently retiring from the banking business, satisfied to continue to exercise a watchful care over the business and commerce of the country, avoiding the engaging in trade of any kind whatsoever foreign to its purpose.

Hon F. D. Kilburn, State Superintendent of Banks, spoke of the high character of the management of the Savings banks of the State. He thought the imposition of a tax on Savings bank deposits would be burdensome, and that the needed revenue might be more justly raised.

The following resolution, introduced by Bradford Rhodes, was unanimously adopted:

Resolved, That we heartily endorse every earnest effort made to increase facilities for the encouragement of thrift and the habit of saving on the part of the people.

We believe that the gathering together and the proper utilization of the surplus earnings of the masses will add greatly to the process of development of the resources of the country and to the growth of a spirit of contentment on the part of the working classes.

We have faith in the eleemosynary system of Savings banks now in operation in many of the States of the Union, and believe that in the extension of this system is to be found the true solution of the question at issue.

We have no hostility to the principle involved in the establishment of postal Savings banks, but we do not believe that such a system is adapted to a republican form of government—the policy of which is to diminish rapidly, rather than to increase its public debt—owing to which there remains no adequate form of investment for the savings of the people in which the Government can properly make investment.

We do not believe that under frequent changes of political control and in sparsely settled portions of the country the agents employed to receive and disburse moneys, would be found capable to satisfactorily perform such task, and we do not believe that the savings thus collected, which in the aggregate, and in time, must reach a very large sum, should be withdrawn from the sections where collected, but should remain and be properly used to assist in the development of such sections as has been the case under the system of Savings banks now in operation.

For these reasons we are opposed to the principle of government postal Savings banks now being urged upon Congress.

The following was introduced by President Rhoades and passed:

Resolved, That the thanks of this association are tendered to Judge Crawford, to Col. Myron T. Herrick and to the Hon. F. D. Kilburn for their courtesy in attending this meeting and for the able and eloquent addresses which they have made to us.

Resolved, That the presence here of representatives of leading Savings banks in the State of Connecticut has been a source of great pleasure to us, and we express the hope that our interests, identical with each other as they are, may lead to closer relations between their banks and ours to be extended until we embrace in a common brotherhood the Savings banks of the entire country.

The treasurer was authorized to add to the annual dues regularly the sum of $5 to cover unusual expenses incurred in committee work, for the circulation of information and for the protection of the interests of the Savings banks of the State.

Last year's officers were re-elected.

Maxims for Banks.—A recent number of the "Philadelphia Bulletin" contains the following maxims for banks, the author being "one of the wisest of the old stock of Philadelphia merchants and financiers, that excellent Quaker, Samuel Coats."

1. A bank cannot bear the shadow of a suspicion.
2. A bank is created to facilitate commerce, and for no other purpose.
3. The proper check on the imprudent management of a bank consists in a decline of the market value of its stock.
4. No reasonable man will give money for the stock of a bank at any price at all, if it be used for any other purpose than facilitating commerce.
5. Or if it be at a place that is not commercial.
6. Or if its capital be out of proportion to the business of the place.
7. Or if it meddles with current politics. Or if there be a politician in the board of directors.

STATE BANKERS' ASSOCIATIONS.

REPORTS OF RECENT AND PROSPECTIVE MEETINGS.

IOWA BANKERS' ASSOCIATION.

The Iowa bankers held their twelfth annual convention at Mason City, May 25 and 26.

President Charles R. Hannan, Cashier of the Citizens' State Bank, Council Bluffs, called the convention to order. After prayer by Rev. C. H. Rogers, Mayor Brett delivered the address of welcome, which was responded to by Ackley Hubbard, Cashier of the Citizens' State Bank, Spencer. In his annual address, President Hannan said:

"I am informed that to-day the Iowa Bankers' Association has the largest membership of any State association in the United States, and this has been brought about by the work of the chairman of the different groups, your treasurer, and the earnest labor of your untiring secretary. The last annual report of your secretary showed a membership on our books of 204 banks in good standing, of which number nine were new members, this being the result of eleven years labor. To-day we have a membership of 337 in good standing, showing a net gain in one year of 133."

Reports were presented by Treasurer Charles H. Martin and Secretary J. M. Dinwiddie.

After reports by several of the group chairmen, W. C. Hayward, President of the Davenport National Bank, delivered an address favoring the abolition of days of grace. G. L. Tremain, President of the People's Bank, Humboldt, read an interesting paper on the subject of "Cattle Paper."

Officers for the ensuing year were chosen as follows:

President—C. H. McNider, Cashier First National Bank, Mason City.

Vice-President—Chas. H. Martin, Cashier People's Savings Bank, Des Moines.

Secretary—J. M. Dinwiddie, Cashier Cedar Rapids Savings Bank.

The State being divided into nine groups, the following chairmen and secretaries were elected for each:

Group 1—L. F. Potter, Oakland, chairman; J. M. McGavren, Missouri Valley, secretary.

Group 2—F. Y. Locke, Sibley, chairman; C. T. Tupper, George, secretary.

Group 3—Ackley Hubbard, Spencer, chairman; C. B. Mills, Sioux Rapids, secretary.

Group 4—G. D. Ellyson, Des Moines, chairman; J. M. Woodworth, Marshalltown, secretary.

Group 5—G. H. Richardson, Belmond, chairman; W. B. Vaughan, Thompson, secretary.

Group 6—Charles J. Weiser, Decorah, chairman; E. J. Curtin, Decorah, secretary.

Group 7—Chas. Pasche, Davenport, chairman; S. L. Kelly, Davenport, secretary.

Group 8—J. T. Brooks, Hedrick, chairman; M. B. Hutchison, Ottumwa, secretary.

Group 9—J. T. Whiting, Mt. Pleasant, chairman; W. H. Colton, Wapello, secretary.

The following committees were appointed:

Auditing Committee—Simon Casady, Des Moines; L. F. Potter, Oakland; A. H. Gale, Mason City.

Resolution Committee—Fred Heinz, Davenport; S. J. Patterson, Dunlap; G. D. Ellyson, Des Moines.

On the evening of May 25, a banquet was given to the convention by the Mason City bankers, C. H. McNider presiding. The programme was as follows: "Our Guests," Rev. C. H. Rogers; "Our Commonwealth," J. K. Deming; "Banks and Patriotism," W. T. Fenton; "The American Navy," Jas. E. Blythe. Music was rendered by a quartette composed of Mrs. J. E. Blythe, Miss Phœbe A. Reade, C. B. Higgins and W. E. Ensign.

A sail on the lake was one of the pleasing features provided for the entertainment of the visiting bankers.

MISSOURI BANKERS' ASSOCIATION.

The Missouri Bankers' Association met in eighth annual session at Cape Girardeau, May 18. Judge F. E. Burrough, of the Common Pleas Court, delivered the address of welcome.

President Allen in his annual address stated that the business conditions of the State were more satisfactory than they had been for a number of years; while the banks were never in better shape. He spoke approvingly of the workings of the group plan of organization, and described the state of the association in general to be quite satisfactory. During the eight years of its existence the Missouri Bankers' Association has progressed until it is now fifth in the rank of State organizations.

Following the president's address came the reports of the secretary and treasurer and of the twelve group chairmen.

The prize essay by J. P. Huston, Cashier of the Wood & Huston Bank of Marshall, was then read, attracting much attention and receiving hearty applause. The prize, $100 in gold, was presented to Mr. Huston on behalf of the association. Following is the paper in full:

The Banking Department of the State of Missouri and Laws Governing the Same.

The present law, under the provisions of which all State banks and private bankers in Missouri were placed under State supervision, became operative June 21, 1895. For about eighteen years prior to that time the banks had published semi-annual statements at the call of the Secretary of State, and various statutes had been enacted, the evident aim of which was to throw some safeguards about the custody of the people's money, and to provide penalties for illegal banking. It was no one's business or privilege, however, to ascertain if the statutes were followed, and as a matter of fact but little regard was paid to the restrictions laid down. The conduct of the banking business was subject to no understood limitations of importance which did not attach with equal force to the management of all corporations. Indeed, prior to 1877, private bankers were not even required to publish statements of their condition, and the early statute laws seem to have been aimed entirely at wild-cat currency, or at the branch bank system of *ante-bellum* days. The profits in banking were formerly derived from exchange charges and note issues, and our legislators were slow to perceive the rapid and subtle changes which were taking place, in the transition of these corporations from banks of issue to banks of deposit.

When bank deposits were small and bank failures few, such failures were of more moment to the owners of the banks than to the general public. But the deposits of Missouri banks grew enormously. The stocking and the chimney were abandoned as receptacles of wealth. Buried treasure was no longer exhumed by the dim light of the spluttering lantern. Everybody began to keep a bank account. The money of the country was gathered into the vaults of the banks. The use of checks in making payment became universal. Indeed the perfection of banking facilities in making payments is one of the notable achievements of nineteenth century civilization. The machinery employed however is vast, and confidence is the great dynamic force necessary to its proper movement. The growth of deposits made the security of the depositor a matter of great interest to the State.

ORIGIN OF THE PRESENT BANKING LAW.

The magnitude of the business transacted by the banks was noticed by our lawmakers, and attempts were made at three consecutive sessions of the Legislature to enact laws providing for State supervision. These bills were ably championed but failed of passage. Missouri has always been conservative, at times to slowness, in the adoption of new legislation. It has never been the policy of the State to hamper business and commerce by useless espionage or by unnecessary regulations which might retard development. A need for interference must be established and clearly proven, before the State could be moved to interfere with the conduct of private business. If the banks held large funds of others in their control, that of itself was not sufficient reason for the State to create a new department for their supervision. There must first be some evidence of incapacity or unfaithfulness in the management of some of these institutions. Evidence accumulated in proof of the fact that some of them were badly and some recklessly managed. The majority of the banks were sound, but how was the public to distinguish the solvent bank from the insolvent, the genuine from the counterfeit? The danger to the public from a banking system which permitted rotten banks to pose as solvent institutions until their entire assets had been dissipated in reckless speculations, was too great to long escape attention. A number of disastrous bank failures occurred, causing enormous losses, and entailing great hardships upon the communities involved. In many instances the depositors in the defunct banks realized less than twenty-five per cent. upon the face value of their claims. A popular clamor for a bank inspection law arose. Governor Stone in his inaugural message strongly set forth the need of such legislation. It had been only too easy to get bank charters. The State granted a charter to any association of individuals who would make an oath that they had accumulated a capital fund of ten thousand dollars. No effort was made to ascertain whether such capital stock had been actually paid up in money or not. There was no discretionary authority exercised in granting these charters and no inquiry was made concerning the character or capacity for management of the promoters.

However loosely organized any of these institutions may have been, they held a charter issued by the State, conferring certain corporate powers. They could solicit the care of their neighbors' money and property. They received from the State the right to use the magic name "bank," and used it as a sort of endorsement of their ability and integrity. The incorporated banks provided no guarantee to creditors beyond the capital stock paid in, and by the very nature of their business incurred liabilities very large in proportion to their invested capital. They held in their control a huge portion of the readily available wealth of the State. The small savings of the poor, the provident provision for a rainy day, the accumulated fund for future payment, the idle funds awaiting investment, were all in their hands. Any failure among these associations affected all classes of people at once, and widespread disaster followed upon the failure or banks in any locality, causing vastly more suffering, injury to business and loss of confidence than failures of any sort whatever. A few such failures in divers localities brought about a popular demand for bank inspection, and the law of 1895 was the natural result.

VALUE OF OFFICIAL BANK EXAMINATIONS.

The passage of a bank inspection law was opposed by many conservative bankers. They argued that examinations by inspectors who are strangers to the business locality would be of little value for want of evidence with which to value the banks' assets, and because of the well-known impossibility of accurately proving the liabilities of a bank whose books are not honestly kept. They contended that if the officials were already dishonest, had been already guilty of fraud, and were bent with the cunning of a thief upon concealment, a hasty examination by a stranger would not reveal the banks' true condition. Others insisted with old-fashioned dignity upon their right to carry on their private business without interference from the State. In reply it can now be said that the results of bank inspection have fully justified the passage of the bill. Since it went into force seventy-seven banks, or about thirteen per cent. of the whole number, have been closed by the department, gone into voluntary liquidation, or made assignments. Surely no pessimistic view of inspection in any form would justify the continuance in business of so large an army of adventurers. Not one of these banks was closed needlessly, and while a few of them have been reopened, it has only been after a strengthening in resources and change of management that has made them practically new institutions in all but name.

Bank examinations, like other things, are matter of development and growth. The *ante-bellum* examinations were largely perfunctory, the examiners' duty at best being to ascertain that the banks held a proper reserve of gold against their note issues, and the depositor was not considered in the matter at all. The National bank examiners followed later, but their duty at first was thought to be practically accomplished when they had ascertained that the Cashier had licked two-cent stamps upon all paid checks, and had paid the proper amount of internal revenue taxes. Their duty now is clearly understood to cover a very careful examination of the entire assets and liabilities of the banks under examination as well as an estimate of the character and capacity of the management in general. In these examinations the security of the depositor, which at first was hardly considered, is now of paramount importance.

RESTRICTIONS OF THE NATIONAL BANK ACT.

The framers of the law of 1895 evidently made a careful study of the National Banking Act, and have adopted many of its best features. The Missouri law is much more liberal in its provisions, however, without—in my opinion—lessening in any way the efficiency of the safeguards thrown around banking.

Two restrictions contained in the National Banking Act tend to hamper the National banks in small communities, and especially in agricultural sections. The first prohibits National banks from lending upon real estate security. In some sections it has not been easy to employ the banks' funds without taking occasional real estate loans. This class of loans is in some communities the best paper offered. And while it is true that a bank's loanable funds should be invested as far as possible in short-time loans or in quickly convertible assets, yet in some sections nothing is more quickly convertible in time of panic than gilt-edge real estate loans. These loans are sought for by local capitalists and timid investors, and are the only class of securities which local investors fully understand or know how to value.

It is true, of course, that no bank should invest so heavily in real estate loans as to interfere with its ability to discount all good commercial paper offered by its customers, and such real estate loans as are taken should be the very best offered, so that they may be readily marketed if a monetary stringency threatens. At such times clients usually come to the banker seeking investments, and this is the exact form of investment most tempting to them. Of course banking institutions have failed, having among their assets large holdings of so-called real estate paper, and in some instances the failure of these banks has been charged to "too much real estate paper."

Where I have found opportunity to investigate such failures, however, I have uniformly found that the cause of the failure was not security—real estate or any other—but indeed lack of it. The so-called "real estate loans" usually covered a multitude of sins, including speculative ventures and boom investments, and the remaining assets classed as "loans undoubtedly good on personal or collateral security," usually exemplified the same lack of judgment and yielding to speculative spirit which had pervaded the entire management, and made the failure possible.

The second restriction of the National Bank Act to which I refer is that limiting the line of credit which may be granted to any one borrower to ten per cent. of the bank's capital. Much can be said against large loans, and in favor of a wide distribution of a bank's assets. The plain truth is, however, a large majority of the National banks persistently violate the so-called "ten per cent. clause." In city and country, in thrifty communities at least, the small National banks have a few customers who must have a larger line of accommodation than the bank can legally allow them. If they do not get the desired accommodation of their banker, they can get it elsewhere. The result usually is that the bank raises the limit, and perhaps gets called down by the Department, but the borrower gets the accommodation nevertheless.

This principle is wrong, for if one statute can be broken with impunity a lax feeling with regard to others will follow. The better plan would be to make the limit of a single liability twenty-five per cent. of the bank's capital, as under the Missouri law, and then rigidly enforce the statute. The Missouri law likewise permits permanent surplus to be reckoned as capital in fixing this limit, which is a rational provision.

CHARACTER AND PROVISIONS OF THE MISSOURI LAW.

The law of 1895 was evidently regarded by our solons as an experiment, for the number of examiners was limited to two, while the number of institutions to be examined was nearly six hundred. The examiners were seemingly more under suspicion than the banks, for while the Secretary of State, as the head of the Banking Department, was given considerable discretionary authority, it was in a general way only, and by no means either definite or absolute, and the two examiners were required to take an oath of office, the obligations and penalties of which would do credit to a secret order. But the new law placed no restrictions of importance upon the action of the bank directors or officials, except in a very general or implied manner. The only particular duty laid down, and one which caught the eye of every banker on a first perusal of the bill, was the duty of paying an examination fee to the Department of State.

In organizing a Banking Department for the supervision of 600 institutions, under a law so general in its provisions, but with so much implied authority, very much depended for its success or failure upon the capacity, intelligence and judgment of the head of the Department, and of his immediate assistants.

Mr. A. A. Lesueur, as Secretary of State, has been at the head of the Banking Department since its organization. His first examiners were Gordon Jones and C. O. Austin. It is not too much to say in passing that the work of the Department has been not only free from prejudice or favoritism, but has been marked with an energy, capacity for detail and thoroughness, coupled with shrewd judgment, which early demonstrated the particular benefits to be derived from the inspection law. A number of banks were closed by the Department, others went into voluntary liquidation, while many others were strengthened and brought to a new knowledge of their duty. A comprehensive and able report of the early work of the Department is found in the report made to the Legislature by the Secretary of State in January, 1897. The Legislature recognized the necessity and utility of the new law by increasing the number of examiners from two to four and enacting several amendments more clearly defining the duties of directors and officers. Section 2784 now provides that not more than ten per cent. of the bank's capital and surplus shall be loaned to any director or officer, until such loan has been approved at a regular meeting of the board of directors, and such approval recorded in the bank minute book. Section 2759 expressly provides that the Cashier and Assistant Cashier shall give bond for the faithful discharge of their duties, and prohibits the officials from selling or hypothecating any of the bank's notes or securities, except upon the written consent of the board of directors.

The form for published statement was also amended in 1897, and is probably now sufficiently complete in detail to answer the popular demand for published information. A copy of this statement is required to be posted in the banking house accessible to all.

The examinations made by the Department are thorough, following closely the methods of the National bank examiners, which have been gradually improved by over thirty years' experience. Information in regard to the bank's paper and other assets is usually obtained from directors who are not officers of the bank, and occasionally from outside sources. Bank directors are usually men of good standing, whose interests outside of the bank are vastly greater than within. It is for this reason that they have been chosen for the places they occupy. They are perfectly competent to pass upon the affairs of the bank when brought before them in a proper manner. The method of examination followed by the Department has brought the directors into closer touch with the active machinery of the bank, and given them practical acquaintance with its affairs. Directors are now required by law to meet at least once a month and pass upon all loans made since last meeting. Their records must show the aggregate existing indebtedness of each director and officer of the bank. Money borrowed without the authority of the board is not a valid debt of the bank, and cannot be collected by law.

It is not too much to say that a strict observance of the foregoing regulations will render bank wrecking well-nigh impossible. Experience points but too clearly to the sad fact that the heavy losses that have crippled banking institutions have been at the bottom the result of speculations by the officers or their intimate friends, and in the last stages of their reckless rule, money has been obtained by heavy borrowing without the knowledge or consent of the directors. It is not now possible to dissipate the active assets of the bank, or largely increase its liabilities, without some active show of authority from the board. In rare instances the apparent liabilities of the bank have been decreased by fraudulent falsifying of the individual ledgers, but this cannot be done without the knowledge and active connivance of all the clerical force, and is a practically impossible condition in any well-organized bank to-day.

A director or officer of one bank is not permitted to become a director in another. This clause appears to me to have been dictated by over-prudence, and probably had its origin in the antipathy to the old system of branch banks. It may have been feared also that the faithful friend of one bank might act the part of traitor in another. I do not consider the restriction necessary or well advised. Many strong business men hold positions on boards of at least two National banks at the same time, frequently in the same city. Indeed it is no unusual thing in the East for a President of a large National bank to be found the strong guiding hand in the board of directors of some small suburban bank, or of a bank in a neighboring village. I can easily imagine his counsel to be in every way proper and helpful.

A bank official who has ready money to invest may properly invest his surplus means in shares of stock in other banks, and there is no valid reason why he may not be permitted representation in their advisory counsels. In such cases whatever interest he might acquire will usually be a minority interest, and the majority stockholders have ample power to prevent his election if it is not desired.

SUGGESTED AMENDMENTS TO THE LAW.

An amendment to the present law should be made, which would prevent attachment proceedings against the property of banking corporations or private bankers. A Federal statute already makes a similar provision in favor of the general creditors of National banks. If a bank is solvent, claims against it can be collected without attachment proceedings as readily as with them. If it is not solvent, its assets should be preserved by the State for the benefit of all creditors alike. There should be no preferences. Poor people and small depositors should have an equal chance with large claimants.

The statutes should also be so amended as to prohibit voluntary assignments of banking corporations, or firms of private bankers. When an institution is about to fail it is natural that it should endeavor to anticipate the action of the Department in applying for a Receiver by selecting a friendly hand to take charge of its affairs. This proceeding is not in the interest of depositors or the public, for it frequently leaves the affairs of broken banks in the hands of the people who have wrecked them. The assignee is friendly to the old management. Fraud is sometimes concealed and convictions for fraudulent banking becomes difficult, and sometimes impossible. On the other hand a Receiver, who is an appointee of the court, is under no actual or implied obligations to any one connected with the bank for his appointment, and can usually be relied upon to do his duty without fear or favor. The statute should *require* the officers of a bank about to suspend to place its affairs under control of the Secretary of State by posting a notice upon the front door, instead of permitting them to do so, as under the present law.

The Missouri banks are not required to maintain any fixed or minimum reserve against their deposits. The study of banking history suggests that an amendment in this particular would be in the interest of sound banking. A majority of the banks maintain an adequate reserve, but a few do not, and when a crisis occurs the reserve held by the prudent must stand the strain of all. The unprecedented severity of the panic of 1893 was accentuated by the policy of the country banks, in carrying practically their entire reserve of cash with their city correspondents. The majority of the country banks in Missouri and elsewhere keep in their vaults only enough counter currency to meet daily needs. The telegraph and express service has rendered it possible to obtain currency within a few hours if needed. This system entails upon the city banks the burden of carrying the necessary reserves, not for their own needs only, but for the entire country. The almost universal practice among city banks of paying interest upon daily balances has also assisted in drawing to these centres all the currency not in daily use. All is well enough in ordinary times, but when a monetary stringency occurs, the demand upon the currency reserves held by the city banks is at once acute. It then becomes apparent that the cash held by the city banks must answer as the ultimate reserve, not for their liabilities alone, but for those of the country banks as well. If the country banks carried larger reserves at home, a healthier equilibrum would be maintained, and panics would lose much of their severity. So radical a change would entail some loss of present profit to the country banks, and the custody of greater currency reserves would require better vaults and safes than are now used by them generally, and the item of burglary insurance would be a slight additional expense, but the additional stability and protection would more than justify the outlay. It is difficult to fix in an arbitrary way the percentage of reserve in actual cash which should be required of all, for the final requirements of various sections would differ widely. It may be safely argued, however, that if the country banks would be required to keep in their own vaults a cash reserve equal to ten per cent. of their deposits, the scramble for currency in times of panic would be greatly mitigated.

The double liability clause of the National Bank Act is a wise provision, and a feature which might well be copied in the Missouri laws. The stockholders of a corporation whose credit is its strongest asset should not hesitate to place some further guarantee behind its management than the capital stock alone. A law enforcing unlimited liability of stockholders would be vicious in the extreme, but a double liability clause would not be burdensome. It would tend to promote more active inquiry by stockholders into the conduct of banks. It would produce better dividends for depositors and other creditors when other bank failures occur. The stockholders of banks are usnally persons who have surplus means, and are engaged in the business for profit. If they permit a reckless management of the business which results in failure, the assessment they would be called upon to pay is nothing more than a proper measure of damages which the depositors may well demand of them. Under a Kansas law, the double liability clause applies to all corporations, including banks. Individual actions by creditors are permitted against stockholders of insolvent corporations. Such proceedings foster preferences, and in settlements of the affairs of insolvent banks are unjust to small depositors. The receipts from all assessments upon stockholders should be disbursed to all creditors in like proportion.

UNIFORMITY OF BANKING AND COMMERCIAL LAWS.

The banking and commercial laws of the various States differ in material details. So much inter-State business is transacted that uniform laws in many respects are not only desirable but are in the interest of justice. This is notably true of the laws governing commercial paper. The average business man cannot become conversant with statutory requirements of all the States. An instrument which by its terms is negotiable in Missouri should be equally so in Kansas, Iowa or Illinois. A negotiable instruments law has been carefully framed by a commission of thirty lawyers from various States, aided by some of the best talent in New York. This law was founded upon the English Bills of Exchange Act as drafted by Judge Chalmers, and has been drafted after a careful study of the decisions of the highest tribunals in England and America. These decisions cover one hundred years of jurisprudence, and time and commercial usage have fully established the constitutionality of the principal features of the bill. This bill has already been enacted in New York, Connecticut, Florida, Maryland and Virginia, and its early adoption by Missouri would be a recognition upon our part of the prominent place we occupy in the commercial affairs of the sisterhood of States.

The statute allowing three days of grace should be repealed. Twenty-one States of the Union have already abolished days of grace, among them being such commercial States as New York, New Jersey, Connecticut, Massachusetts, Ohio, Wisconsin and Illinois. The provision permitting grace only adds three days to the maturity of a negotiable instrument. The debtor must pay interest for the additional time, and is not benefited thereby. The problem of calculating the maturity of bills which are by their terms payable in various States is rendered more difficult by the lack of uniformity in laws of grace. A provision which is useful to no one should be abolished. In the interest of uniform laws, days of grace should be abolished in Missouri, as well as in other States where such laws are yet in force.

It is cause for congratulation that the banking laws have been amended gradually and with so much good judgment. Very few of our banking laws are either unnecessary or unduly restrictive. In no other State in the Union is sound banking less hampered by laws which are either inimical or foolish. No State, so far as I know, has a more efficient department. It is to be hoped that the management of the Department will always continue in wise hands. The banks of Missouri are under capable and faithful management. The officers are efficient, and the stockholders are drawing dividends. We have nothing to fear from legitimate official supervision. The dead timber has been cleared away and banking has never been upon so sound a basis as now. The war clouds will soon roll by, and then will follow the season of sunshine after the rain. All conditions point to a period of unexampled prosperity, following in the wake of five years of stagnation and depression. The present hopeful feeling is the aurora betokening the dawn of a brighter day to be ushered in whenever hostilities cease. The proclamation of peace will be the signal for a general order of "Forward, March!" all along the line of industrial and commercial activity. Our facilities for production and distribution are second to none, and Missouri will occupy a post of honor in the van of the procession. Her banks, those modern granaries in which the people's wealth is gathered, will swell mightily with the visible rewards of industry, and the bankers of Missouri will greatly rejoice that their lines have again fallen in pleasant places.

A general discussion of the Missouri banking law followed, after which F. N. Judson, of St. Louis, read a paper on the "Changes in the National Bank Act Proposed by the Monetary Commission."

F. W. Stumpe, Cashier of the Bank of Washington, read a paper on "Bond Investments for Banks."

In the evening a banquet was given by Group XII to the members of the association and their wives. A reception was also given by Mrs. L. J. Albert, assisted by the wives of the officers of the local banks.

Hon. Leslie Orear, of Marshall, presented a paper on "Taxation of Bank Stocks Under Missouri Laws." This paper was awarded a prize of $100 by the association. It will appear in a later number of the MAGAZINE.

Officers were chosen as follows:

President—J. B. Thomas, Cashier Bank of Albany.

Vice-President—Frank P. Hays, St. Louis.

Secretary—Geo. B. Harrison, Jr., Cashier Glasgow Savings Bank.

Treasurer—M. S. Coxwell, Cashier People's Bank, De Soto.

Next year's meeting will be held at Kansas City.

MISSISSIPPI STATE BANKERS' ASSOCIATION.

This association met at Greenville, May 7, President G. D. Able, of Water Valley, in the chair.

Hon. J. M. Jayne, President of the Mississippi Levee Board and a director of the First National Bank of Greenville, made the address of welcome. Hon. Geo. A. Wilson, of the Delta Bank, Greenwood, made an appropriate response.

At the afternoon session, James Robertshaw, President of the Citizens' Bank, Greenville, read a paper on "The Signs of the Times." A thoughtful and practical address on "Cotton Credits" was made by Edwin McMorries, Cashier of the First National Bank, Meridian.

At the second day's session the question of marine and other insurance on cotton was discussed, Joseph Newburger, Vice-President of the Grenada Bank, leading the discussion.

R. W. Millsaps, President of the Capital State Bank, Jackson, spoke on the subject of "Commercial Paper." Other valuable papers presented were: "Bankers in War and Peace," J. A. Conway, Assistant Cashier Merchants' National Bank, Vicksburg; "Practical Bank Bookkeeping," W. T. Rose, Cashier Merchants and Planters' Bank, Greenville.

Officers for the ensuing year were chosen as follows:

President—J. A. Conway, Asst. Cashier Merchants' National Bank, Vicksburg.

Vice-President—Phil A. Rush, President Tate County Bank, Senatobia.

Secretary and Treasurer—B. W. Griffith, Pres. First National Bank, Vicksburg.

District Vice-Presidents—(First), L. P. Jenkins, Starkville; (second), H. C. Fort, Cashier Bank of Holly Springs; (third), Geo. A. Wilson, President Delta Bank, Greenwood; (fourth), Isham Evans, Cashier First National Bank, West Point; (fifth), J. H. Wright, President Meridian National Bank; (sixth), W. A. Gill, Cashier Magnolia Bank; (seventh), J. W. Person, Cashier Port Gibson Bank.

Next year's meeting will be held at Grenada, beginning on the third Tuesday in May.

TEXAS BANKERS' ASSOCIATION.

The fourteenth annual convention of the Texas Bankers' Association met in the Board of Trade Hall, Austin, May 10, and was called to order by President J. E. Longmoor, of Rockdale.

Prayer was offered by Rev. Dr. R. J. Briggs, pastor of the Tenth Street Methodist Church.

Mayor John D. McCall welcomed the convention to Austin. F. W. Slack responded to Mayor McCall.

President Longmoor next delivered his address, after which Secretary Charles F. Smith read his report.

Treasurer J. W. Butler, of Clifton, was unable to be present on account of sickness and his report was read by Secretary Smith, showing the following:

Receipts—May 20, 1897, received from Former Treasurer George E. Webb balance on hand $820.06; dues from four banks and bankers, 1897, at $5, $20; dues from 185 banks and bankers, 1898, at $5, $925: total, $1,765.06.

Disbursements—Sundry expenses as per vouchers returned, $954.64; balance on hand, $810.42; total, $1,765.06.

The report of the executive committee, which was published at the time of the committee's meeting in August, was submitted and read. It dealt principally with the money order business done by the express companies.

For the legislative committee, Chairman A. P. Wooldridge made an oral report, in which he stated the Legislature had not met since the committee was appointed. He recited the history of the controversy over the charges on the transportation of money by the express companies and their money order business. He said relief had been secured by competition; the insurance companies insuring registered mail and thus compelling the express companies to lower their rates. He said two questions of import to bankers were the adoption of a uniform cotton contract and the reserve bank question.

There were only two members of the officers' reports committee present. J. N. Brown, of San Antonio, and Walter Nolte, of Seguin. The chair added to this committee J. Z. Miller, of Belton, George E. Webb, of San Angelo, and W. L. Murphy, of Mexia. All of the chairmen of the seven districts reported prosperous meetings during the year.

A number of reports were read and approved, and the Gage plan of currency reform was discussed after A. V. Lane, Cashier of the National Exchange Bank of Dallas, had read an interesting paper thereon.

J. W. Blake, of Mexia, and H. P. Hilliard, of Austin, discussed the silver question. Mr. Hilliard also read a paper entitled, "Short Topics of Interest," in which he treated of the magnitude of the business done by the State Treasury, and took the position that some method of putting in circulation the balance kept therein to the credit of different State funds should be devised.

The committee on information and statistics reported a falling off in the number of bank robberies and defalcations.

W. Goodrich Jones, President of the Temple National Bank, presented a flag to the convention, accompanying the presentation with a humorous and patriotic speech.

Secretary Gage's plan for currency reform was substantially adopted.

A. P. Wooldridge, President of the City National Bank, Austin, presented an interesting paper on "The Evolution of the Gold Standard."

A paper in opposition to postal Savings banks was read by Wm. L. Murphy, Cashier of the First National Bank, Mexia.

The secretary read a paper by D. J. Young, Cashier of the Canadian Valley Bank, Canadian, on "State Banks."

A paper on "How to Encourage Cattle Feeding by Farmers," prepared by G. A. Levi, of Victoria," was read by Mr. Wooldridge.

A resolution, introduced by W. Goodrich Jones, of Temple, pledging to the Government the financial and physical support of the bankers of the State, was unanimously adopted.

Officers for the ensuing year were chosen as follows:

President—M. B. Loyd, President First National Bank, Fort Worth.

First Vice-President—Geo. E. Webb, President Concho National Bank, San Angelo.

Second Vice-President—F. F. Downs, President First National Bank, Temple.

Secretary—G. W. Voiers, Cashier National Bank of Forney.

Assistant Secretary—J. G. Wessendorf, Cashier First National Bank, Bellville.

Treasurer—H. P. Hilliard, Cashier Austin National Bank.

Delegates to American Bankers' Association—A. P. Wooldridge, President City National Bank, Austin; C. C. Hemming, President Gainesville National Bank; J. F. Miller, of Miller & Sayers, Gonzales; J. W. Blake, of Prendergast, Smith & Co., Mexia.

After adopting the usual vote of thanks, the convention adjourned, to meet next year at San Antonio.

[The MAGAZINE hopes to publish some of the principal papers read at this convention in a later number.]

BANKERS' ASSOCIATIONS—COMING MEETINGS.

AMERICAN BANKERS' ASSOCIATION.

The twenty-fourth annual convention of the American Bankers' Association will be held at Denver, Colo., beginning August 23, and continuing throughout the week.

It is expected that the attractions offered by Denver and the many delightful summer resorts in the State will bring a large attendance to the convention.

The association is in a flourishing condition, and is rapidly gaining in membership.

An interesting programme is now being prepared for the Denver convention, which will be published in the July number of the MAGAZINE.

The convention, the opportunity of gaining wider knowledge of the State of Colorado and the West in general, and an incidental visit to the Omaha Exposition, will amply reward all who go, and it is hoped the officers and all interested in the welfare of the association will labor to bring these facts to the attention of the members and secure a large attendance.

NEW YORK STATE BANKERS' ASSOCIATION.

The fifth annual convention of the New York State Bankers' Association will be held at Niagara Falls, Friday and Saturday, July 22 and 23.

The headquarters of the convention will be at the International Hotel.

One session will be devoted entirely to a discussion of the currency question. Judge Robert S. Taylor, of Indiana, member of the Monetary Commission, will be the principal speaker, and he will be followed by members of the association and others.

Hon. Lyman J. Gage, Secretary of the Treasury, is expected to be present and deliver an address.

The banquet will be given on Friday night, at which members and guests, including ladies, will be present.

A general reception will be given on Saturday night by the retiring president and other officers of the association, together with the new president and other officers of the incoming administration.

An excursion on the Gorge Railroad, and a trip by steamer from Lewiston out to Lake Ontario and return, will be one of the attractions.

Trunk line railroads will give the usual reduction in fare, namely, full rate going to Niagara Falls and one-third rate returning.

Further particulars, with the complete programme, will appear in the July MAGAZINE.

Charles Adsit, Cashier of the First National Bank, Hornellsville, N. Y., is Chairman of the Committee of Arrangements. From present indications the convention will be one of the largest and most interesting ever held by the association.

Following are the officers of the association: President, Hon. A. B. Hepburn, Vice-President National City Bank, New York; vice-president, E. A. Groesbeck, Cashier National Commercial Bank, Albany; treasurer, F. W. Barker, Cashier Robert Gere Bank, Syracuse; secretary, Walter E. Frew, President Queens County Bank, Long Island City. Banks and bankers not now members, and wishing to join the association, are requested to make application to the secretary.

MICHIGAN BANKERS' ASSOCIATION.

The annual convention of this association will be held in Kalamazoo on Wednesday and Thursday, June 22 and 23, and it is hoped that a large number of banks and bankers will be in attendance. Questions of the utmost importance to banking interests will be considered, and particularly the question of additional taxation provided for in the War bills now being considered by Congress. F. W. Hayes is president, and A. E. Wing, secretary, of the association.

OHIO BANKERS' CONVENTION.

The eighth annual convention of the Ohio Bankers' Association will be held at Akron, October 12 and 13. It is expected that the coming convention will exceed all previous meetings in point of interest, and elaborate preparations are being made to insure this result.

THE OMAHA CURRENCY CONVENTION.—The National Currency Convention to be held at Omaha, Neb., on September 13, 14 and 15, in connection with the Trans-Mississippi and International Exposition now in progress in that city, promises to be an event of great importance in the banking and financial world. The several topics to be prominently discussed will be introduced by men of national reputation. Hon. Charles N. Fowler, a member of the Banking and Currency Committee of the House of Representatives, and prominently identified with the work of currency reform in Congress, has accepted an invitation to open the debate with an address on paper money, which will include a history of credit currency and also a statement of what constitutes the best kind of paper currency.

A more extended notice of the convention will be found on page 855 of this number.

The Proposed Bank Taxes.—The following is the text of the bank tax provision of the War Revenue bill as passed by the Senate, June 4:

(The provisions of the bill may be changed by the Conference Committee.)

"Bankers using or employing a capital not exceeding $25,000 shall pay $50; when using or employing a capital exceeding $25,000, for every additional thousand dollars in excess of $25,000, two dollars, and in estimating capital surplus shall be included. The amount of such annual tax shall in all cases be computed on the basis of the capital and surplus for the preceding fiscal year. Every person, firm or company and every incorporated or other bank, having a place of business where credits are opened by the deposit or collection of money or currency, subject to be paid or remitted upon draft, check, or order, or where money is advanced or loaned on stocks, bonds, bullion, bills of exchange, or promissory notes, or where stocks, bonds, bullion, bills of exchange, or promissory notes are received for discount or sale, shall be a banker under this Act. Provided, that any Savings bank having no capital stock and whose business is confined to receiving deposits and loaning or investing the same for the benefit of its depositors, and which does no other business of banking, shall not be subject to this tax.

"Bank checks, draft or certificate of deposit not drawing interest, or order for the payment of any sum of money drawn upon or issued by any bank, trust company or any person or persons, companies or corporations at sight or on demand, two cents.

"Bill of exchange (inland), draft, certificate of deposit drawing interest or order for the payment of any sum of money otherwise than at sight, or on demand, or on any promissory note except bank notes issued for circulation and for each renewal of the same, for a sum not exceeding $100, two cents; and for each additional $100 or fractional part thereof in excess of $100, two cents; and, from and after July 1, 1898, the provisions of this paragraph shall apply as well to original domestic money orders issued by the Government of the United States, and the price of such money orders shall be increased by a sum equal to the value of the stamps herein provided for."

NEW YORK STATE BOARD OF TAX COMMISSIONERS.

ANNUAL REPORT FOR THE YEAR 1897.

To the Legislature of the State of New York:

The total assessment of real and personal property for the year 1897 reaches an aggregate of $4,999,268,900, of which $4,349,882,088 is the assessment of real property, and $649,386,812 of personal property. As comparing with the year 1896, there is an increase of $308,055,502 in the assessment of real estate and $105,075,255 of personal property, making a total increase of $413,130,757. The total increase in the assessment of real and personal property for the year 1896 over the year 1895 was $135,663,644, making a grand total of increase for the past two years in both real and personal assessment of $548,794,401.

The total increase for the year 1895 over 1894 was $46,698,372, and there was a decrease in the assessment of personal property in 1895 as compared with 1894 of $20,572,257. Of this large increase during the two years since the revised tax law of 1896 went into operation, a comparatively small portion represents an actual addition to the taxable wealth of the State.

By far the larger proportion is attributable to a more conscientious compliance with the requirements of the statute, regarding the methods of assessment. Our instructions to local assessors, construing the requirement of law that all property be assessed at full value, in its application to real estate, having invariably been to the effect that they should assess the same at the value which they would agree upon if selected as arbitrators to determine the price which the owner should take and a prospective buyer should give, in the desire to do absolute justice to both parties, so that the owner should not sacrifice his property nor the buyer give more than its fair value. It is generally conceded that the personal property, liable to assessment in this State, fully equals, and probably exceeds, the value of the real estate. As the total personal assessment, notwithstanding the large increase above reported, is only about one-seventh of the assessment of real property, it is manifest that the operation of the law under present conditions, as regards the taxation of personal property, is still a practical failure; and the causes of congratulation for an increase of even one hundred and five millions of personal assessment are not strikingly apparent. Even the enforcement of the law resulting in such increase has, in many instances, caused added injustice to rural communities, where the burden of taxation has hitherto fallen most heavily.

Of all the personal property liable to assessment in agricultural districts, ninety per cent is of a visible, tangible character, open to the observation of the assessor, and which he cannot overlook in the honest discharge of his official duty; while in the cities by far the larger proportion is intangible, easily concealed, and of a kind which successfully defies the most conscientious effort on the part of the assessor to reach it.

It is a melancholy reflection that in this Christian age, neither the memory of early moral training nor present religious profession, hopes or fears for the hereafter, the penalties of the law, nor any other possible considerations, are sufficient to restrain the average possessor of personal property from forcing other men to pay the taxes for which he is justly liable, by methods unquestionably immoral, if not absolutely criminal.

Encouragement to new attempts in devising and advising radical changes in the Tax Law is not the most conspicuous result of earlier efforts in that line. We shall, therefore, confine ourselves chiefly to advocating certain amendments directed to the better enforcement of existing provisions. It seems very difficult for taxpayers generally to understand the apparently simple proposition, that the whole question of the justice or injustice of assessments is involved in the matter of uniformity; that it can make no difference to the taxpayer whether his property is assessed at half its value or at full value, if all other property liable to the same burden of taxation is assessed at the same rate.

It can readily be seen that if property is assessed in different counties, or in different towns in the same county, at rates varying from twenty-five to 100 per cent. of full value, the problem of equalization, both as between the separate towns and between the various counties of the State, is a very complex and difficult one; while, if an honest attempt is made to apply uniformly the legal standard of actual value, although differences of opinion would, of course, arise as to the accuracy of the results obtained in specific instances, the sum total would be but slightly affected, and very little would remain to be done by way of equalization, and the tax paid by the individual taxpayer would not be increased. Every effort to bring about such uniformity of assessment has been made by this Board during the last two years. In frequent communications with the assessors of the various towns throughout the

State, we have urged upon their consideration the fact that such uniformity can only be obtained on the legal basis of assessment at full value, and that the only reason for insisting upon a hundred per cent. rather than any smaller ratio, is because that is the standard fixed by law and no other is recognized. It would seem that this should be sufficient to induce the hearty co-operation of all law-abiding citizens.

While the law has probably been more generally complied with in the assessment of 1897 than ever before, nevertheless, in many counties, assessors of certain towns have failed to conscientiously discharge their duties; and, consequently, in some instances, greater injustice has resulted to those towns in which the assessors have lived up to the law, by reason of their having done so. It is the proper province of boards of supervisors, through local equalization, to guard against such injustice, and to prevent any towns not assessed in accordance with the requirements of the law from reaping any advantage from that fact to the injury of other towns in which the law has been complied with. We regret to say, however, that local equalization, as now administered, frequently results in greater injustice rather than in protection therefrom. No uniform procedure exists in the different counties of the State, and no systematic method of equalization now prevails; the highest ambition of each supervisor being to obtain a reduction in the equalization of his own town, regardless of the fact that it is or is not assessed above or below the average for the county at large.

We are earnestly of the opinion, and strongly advise, that the whole matter of the correction of the assessment-rolls and the equalization of assessments between the several towns of each county should be taken out of the hands of the supervisors, and the provisions of chapter 820 of the Laws of 1896 for equalization by a commission, or a new Act having the same end in view, should be made of general and compulsory application; and in this view we are supported by many of the most intelligent supervisors with whom we have consulted.

In this connection, we would further advise that a uniform system of equalization between the towns be required and made to conform to the methods of the State Board of Equalization in equalizing assessments between the several counties, as follows: From all sources of information available to the supervisors, or the committee on equalization, a percentage for each town should be fixed representing the ratio which the assessed value of the real estate of that town bears to its full value. On the basis of the percentage so fixed, the assessed value of each town should be raised to full value. By dividing the total assessment of the real estate of all the towns by the total raised values of all the towns, an average ratio of assessment for the county will be obtained; multiplying the amount representing the full value of each town, ascertained as above, by this average ratio, will produce the equalized assessment. The total of the equalized assessment will correspond with the total assessments as returned by the assessors of the several towns. Whether any given town is increased or reduced by the equalization, will, of course, depend on whether its percentage of assessment to full value is above or below the average of the county at large, and the amount will be a matter of mathematical computation. It is believed that this method, honestly applied, will produce a more just and equitable result than any other, making appeals less frequent; and if the evidence used in fixing the total of percentages is preserved as matter of record, it will greatly simplify the proceedings and lessen the cost of appeals when taken.

Methods of Assessing Railroads.

It is respectfully submitted that some method should be devised for the assessment of all railroads of the same class at a uniform rate per mile, and we would suggest the feasibility of having such rate fixed by the Railroad Commission with the assistance of the State Engineer.

In the case of the appeal of the State of New York *ex rel.* The Delaware, Lackawanna and Western Railroad Company, Appellant, *vs.* William H. Clapp, *et al.*, as assessors and Henry Walker as supervisor of the town of York, in the county of Livingston, respondents, the Court of Appeals has decided that the assessment cannot exceed the cost of reproduction, and the court says: "There is no reason that we can perceive for assessing this property at a greater sum than the cost of replacement. It may not in every place be worth what it would cost to replace it. That would depend upon the income or earning capacity of the road after it is built. But this is the case of a paying railroad; and, when valued at what it would cost to procure the land, construct the roadbed, put down the ties and rails and erect the buildings and other structures, all new, it is difficult to see any ground for assessing it at a larger sum. * * * The assessors are not bound by the estimate of the cost of reproduction given by the railroad or its agents. They may inquire into that question themselves and in their own way, but they have no right to disregard uncontradicted proof. It may in any case be competent to consider all the elements of value that they have considered in this case; but, in the end, when they come to make their decision as to value for the purpose of taxation, it may properly be much less, but can never exceed the actual cost of producing the property in the condition in which it is found by the assessors at the time of making the assessment. Such a rule of valuation is reasonable and possible."

Doubtless, it is both reasonable and possible to make assessments by the application of such a rule by parties having the proper facilities and the necessary information; but local assessors are not usually engineers, and have no means of ascertaining the cost of construction and no authority to employ a competent engineer for the purpose. The result is, that railroad assessments vary in different towns from $3,000 to $25,000 per mile of single track, and from $5,000 to $40,000 of double track. On the Hudson River Division of the New York Central system, in one town, the West Shore Railroad, with double tracks is assessed at $8,000 per mile, while on the opposite side of the river, only about a mile distant, the New York Central line of double track, with no better roadbed or buildings, is assessed at $40,000 per mile; and equally glaring inequalities of railroad assessments are to be found all over the State. It seems scarcely necessary to say that the unaided judgment of the ordinary assessor should not be relied upon to correct such manifestly absurd conditions.

If the present system of taxing personal property, and especially mortgages, is to con, tinue, all county clerks should be required by law to keep a special record of the names and residences of the mortgagees in all mortgages recorded in their respective offices; such record to be open to the inspection of the assessors.

As the law now stands, assessors are required to assess mortgages to the owners thereof, but have no authority to employ counsel to search the records for the purpose of disclosing such ownership, and usually they are not qualified, nor are they expected to be qualified, to make the necessary search themselves.

It is further submitted that the law with regard to the place of taxation of personal property, should be changed so as to allow the assessment of tangible and visible personal property at the place where it is, rather than necessarily at the place of domicile of the owner. Such is the rule in Massachusetts, and it prevents the escape of a vast amount of personal property of a character which eludes assessment in this State. For instance, there are numerous residents of cities owning farms in country towns, on which are many thousand dollars' worth of personal property liable to assessment, and not assessed, because the owner is not a resident of the town where the property is, and the assessors of the place of his residence have no knowledge of the existence of such property.

In our report of last year, we strongly urged the repeal of the present provision of law allowing the deduction of debts from personal assessment. At that time we quoted at considerable length from similar recommendations of various boards of State assessors, showing a remarkable unanimity of opinion on the part of those who had been brought most closely in contact with the evil results of this feature of the law.

In view of the remarkable unanimity on the part of those who have given the subject most consideration, in the opinion that, if personal property is to be assessed at all, there should be no deduction for debts, we urge this question upon the attention of the Legislature as being the most far-reaching and important reform which can be effected under the present system of the taxation of personal property in this State.

Taxation of Savings Bank Deposits.

We also alluded in our report of last year to the inequality and injustice resulting from the present provisions of law in relation to Savings banks. We believed then, and believe now, that our recommendation that a small uniform tax should be paid by the banks upon all deposits liable thereto, directly to the Comptroller of the State, and local assessors be relieved from all responsibility in the premises, was made in the interest both of the banks and of the depositors, although from the manner in which it was attacked by Savings banks' officials, it seems to have been differently construed. This probably arose, however, from the fact that our treatment of the subject was from the standpoint of the Attorney-General's opinion that, under the present law, deposits in Savings banks are taxable to the depositor; while, on the other hand, those opposed to the recommendation made, doubtless believe that the law now exempts such deposits both to the bank and the depositor.

In many localities in the State Savings bank deposits have been assessed to the depositors to the full extent to which such deposits have become known to the assessors. In other localities no such assessment has been made or attempted.

The disputed question of the liability to assessment is now in course of litigation, and pending its judicial determination we make no further recommendation; but, in this connection, would call attention to the fact that in Massachusetts a State tax of one-half of one per cent. is levied on the average of deposits, yielding a revenue in 1896 of $1,291,256.47; and that in the recent report of the commission, from which we have already repeatedly quoted the only question discussed was whether or not the amount of that tax ought to be increased

Martin Heermance, Edward L. Adams,
Rollin L. Jenkins,
State Board of Tax Commissioners.

NEW INVESTMENTS FOR SAVINGS BANKS.

At the last session of the New York Legislature a law was passed authorizing the Savings banks of the State to invest in the mortgage bonds of certain railroads. The precise terms of the law governing these investments may be found by referring to page 880 of this number of the MAGAZINE. Following is a list of bonds which the Savings banks may purchase, compiled by Messrs. Wilson & Stephens, New York:

DESCRIPTION.	*Issue.*	*Rate. per cent.*	*Interest payable.*	*Maturity.*
New York Central & Hudson River R. R. Co., refunding, gold	$100,000,000	3½	January and July	1997
New York Central & Hudson River R. R. Co., 1st mortgage	30,000,000	7	January and July	1903
New York Central & Hudson River R. R. Co.. 1st mortgage, sterling	9,733,333	6	January and July	1903
New York & Harlem R. R., consolidated mortgage	12,000,000	7	May and November	1900
Rome, Watertown & Ogdensburg R. R., consolidated mortgage	9,076,000	5	April and October	1922
Rome, Watertown & Ogdensburg R. R., 1st mortgage, W. & R.	417,800	6	March and September	1910
Rome, Watertown & Ogdensburg R. R., 1st mortgage, Syr. No.	500,000	7	January and July	1901
Rome, Watertown & Ogdensburg R. R., 1st mortgage, O. W. R. R. Bridge Co.	100,000	6	February and August	1915
Rome, Watertown & Ogdensburg R. R., 1st mortgage, S. P. & O.	175,000	6	February and August	1915
Rome, Watertown & Ogdensburg R. R., 1st mortgage, gold, R. W. & O. Term.	375,000	5	May and November	1918
Rome, Watertown & Ogdensburg R. R., 1st mortgage, gold, N. & M.	130,000	5	April and October	1916
Utica & Black River R. R., 1st mortgage, gold	1,750,000	4	January and July	1922
Clayton & Theresa R. R., 1st mortgage	200,000	7	January and July	1898
Delaware & Hudson Canal Co., 1st mortgage	5,000,000	7	March and September	1917
Rensselaer & Saratoga R. R., 1st mortgage	2,000,000	7	May and November	1921
Greene R. R., 1st mortgage	200,000	7	June and December	1902
Oswego & Syracuse, 1st consolidated mortgage	438,000	7	March and September	1907
Valley R. R., 1st mortgage	400,000	5	February and August	1911
Syracuse, Binghamton & N. Y. R. R., consolidated mortgage	1,996,000	7	April and October	1906
Montgomery & Erie R. R., 1st mortgage	130,000	5	May and November	1926
Syracuse, Geneva & Corning Ry., 1st mortgage	625,500	7	May and November	1905
Fonda, Johnstown & Gloversville R. R., 1st mortgage	300,000	7	January and July	1900
Staten Island Ry., 1st mortgage, gold	500,000	4½	June and December	1943

BANKING AND FINANCIAL NEWS.

This Department includes a complete list of NEW NATIONAL BANKS (furnished by the Comptroller of the Currency), STATE AND PRIVATE BANKS, CHANGES IN OFFICERS, DISSOLUTIONS AND FAILURES, etc., under their proper State heads for easy reference.

NEW YORK CITY.

—Orris K. Eldredge, of the dry goods firm of Wheelwright, Eldredge & Co., of this city and Boston, has been elected a director in the Merchants' National Bank to fill the vacancy caused by the death of Jacob Wendell.

—Owing to the recent death of Mr. Frederick T. Brown, the co-partnership heretofore existing under the firm name of H. L. Horton & Co., of which Mr. Brown was a member, has been dissolved and a new co-partnership has been formed under the same firm name, which will include Messrs. Harry L. Horton, J. Frank Emmons, Edwin P. Goodwin, John G. O'Keefe and Philip T. Brown.

—On account of ill health D. S. Willard has withdrawn from the firm of Howard, Lapsley & Co.

—At the present time the gold holdings of the banks of this city amount to about $165,-000,000—the greatest total ever reported.

—Frank H. Richardson has been elected President of the Nassau Bank to succeed the late Francis M. Harris. Edgar S. Ryder, another director, has been elected Vice-President. Mr. Richardson was Vice-President of the bank for two years. The Cashier of the bank is William H. Rodgers, and he is to retain that office. He has been in the bank's employ for forty-one years, during the whole of which time he was associated with President Harris.

—The 130th annual meeting of the Chamber of Commerce was held May 5. Strong resolutions were adopted, pledging support to the Government in carrying on the war.

—At the recent election for officers of the Stock Exchange, Stephen Keppler was elected President, succeeding Francis L. Eames. The new President is the head of the firm of Rudolph Keppler & Co., and has been a member of the Exchange since 1873. Others elected were: Secretary, George W. Ely; Treasurer, Franklin W. Gilley; Chairman, William McClure.

—Messrs. J. & W. Seligman & Co. have been appointed fiscal agents of the United States at Manila, Philippine Islands.

—The Twelfth Ward Savings Bank will apply to the Supreme Court for authority to change its name to the Empire City Savings Bank.

—The Standard Trust Co., with a paid-up capital of $500,000, is to begin business at No. 40 Wall street, in the offices of the Merchants' National Bank, after due notice has been given, according to law. The proposed incorporators are: William C. Lane, Chauncey M. Depew, William D. Guthrie, William E. Strong, Frank K. Sturgis, J. T. Atterbury, Gardiner M. Lane, Henry W. Putnam, Jr., John A. Spoor, Charles Steele, Alexander H. De Haven, Charles F. Smillie, Louis L. Stanton, Paul D. Cravath and Henry L. Sprague.

—John G. Zabriskie has resigned the position of Assistant Cashier of the Tradesmen's National Bank.

—Alexander P. W. Kinnan has been elected Vice-President of the Union Dime Savings Institution, succeeding Channing M. Britton, deceased.

NEW ENGLAND STATES.

Boston.—The partnership of Messrs. Dietz, Denison & Prior having expired, the firm is succeeded by Denison, Prior & Co.

—About three hundred members and guests were present at the annual meeting of the Boston Bank Officers' Association, in Tremont Temple, May 18. President J. Adams Brown presided, and various routine reports were presented. The Treasurer announced a balance of $5,440, as against $4,422 a year ago, and the managers reported a gain of forty-nine in the membership, which now numbers 718. The permanent fund has increased $2,188, to $17,-

228. The resignation of James P. Stearns as a trustee was accepted, with thanks for his long and efficient service.

After discussion, it was voted to continue the payment of a minimum death benefit of $350, with $5 additional for each year of membership up to ten years.

These officers were elected for the coming year: President, J. A. Brown, Howard National Bank; First Vice-President, T. W. Andrew, Everett National Bank; Second Vice-President, C. H. Johnson, Suffolk Savings Bank: Directors for two years: C. F. Johnson, Manufacturers' National Bank; O. M. Dennett, Beacon Trust Co; Trustee for one year, A. P. Weeks, Merchants' National Bank, in place of J. P. Stearns, resigned; Trustee for three years, E. A. Phippen, Old Colony Trust Co.; Treasurer, H. A. Tenney, Globe National Bank; Secretary, E. A. Stone, Franklin Savings Bank; Auditors, C. W. Locke, Webster National Bank; Marshall Jones, Warren Institute for Savings, and C. F. Woodman, United States Sub-Treasury.

—Fred T. Moore, Assistant Paying Teller of the National Bank of Commerce, is reported to be missing, and there is said to be a shortage of $50,000 in his accounts.

—On June 1, J. O. L. Hillard began his fifty-first year of service as a clerk in the Provident Institution for Savings, which he entered June 1, 1848.

—The following bill has been drawn by the Commissioners of Savings Banks, designed for the greater protection of those institutions:

Section 1. No Treasurer, Vice-Treasurer, or Assistant Treasurer, or any employee of any Savings bank or institution for savings, shall at the same time be President, Vice-President, Treasurer, Cashier, Teller, bookkeeper, or clerk in any bank, national banking association or trust company.

When a Savings bank or institution for savings occupies the same room with a bank, National banking association or trust company, the President of such Savings bank or institution for savings shall not be Treasurer, Cashier, Teller, bookkeeper or clerk in such bank, National banking association or trust company.

Section 2. No Savings bank or institution for savings shall transact its business over the same counter or occupy in common the same safes or vaults with any bank, National banking association or trust company; provided, however, that nothing herein contained shall be construed to prohibit a Savings bank or institution for savings from occupying within such vault a safe or compartment over which it has exclusive control.

Section 3. No more than four trustees of a Savings bank or institution for Savings shall be directors in any one bank, National banking association or trust company.

Section 4. Every Savings bank or institution for savings which, at the time of the passage of this Act, is affected thereby, shall comply with its provisions before the first day of July in the year 1899.

Portland, Me.—The Mercantile Trust Co., recently organized, has opened for business.

Appointed Bank Examiner.—Daniel C. Miles, of Westminster, Mass., has been appointed a National bank examiner for Massachusetts. He was a bank President for nineteen years.

Days of Grace Abolished.—Days of grace will be abolished in the State of Rhode Island on all notes, drafts, etc., drawn on and after July 1, except bills of exchange drawn at sight, due and payable in the State, and in which there is no provision to the contrary, will still be entitled to three days' grace.

MIDDLE STATES.

Philadelphia.—An Exposition of American Products and Manufactures, especially of such articles as are suited for export, will be held in this city next year. It is designed for the purpose of encouraging trade with other countries, and is to be on an extensive scale. A considerable sum of money has been appropriated by the city, and also valuable land donated for permanent buildings. It is expected that the Federal Government will aid in carrying out the enterprise.

—Mr. Benjamin B. Comegys, President of the Philadelphia National Bank, recently completed fifty years of service in that institution. On the evening of May 11, the event was appropriately marked by a dinner given Mr. Comegys by the directors of the bank at the Hotel Bellevue. Mr. Comegys entered the service of the Philadelphia bank as a clerk, May 11, 1848, was elected Cashier in 1851, Vice-President in 1867 and President of the bank January 16, 1879. He entered the clearing-house committee in 1858, when the clearing-house association was organized, and has served forty years in that important committee, having been for a number of years its chairman. He is also Vice-President of the Philadelphia Trust Company, director of the Pennsylvania Railroad and Western Trust Fund, member of the Board of City Trusts, trustee of the Jefferson Medical College and manager of the House of Refuge, besides holding other important positions of trust. His high rank as a financier is well known, a talent which he inherited, his father having been Cashier of the Farmers' Bank, of Dover, Delaware, and he was born in that banking house in 1818. The Philadelphia Bank, then a State institution, had, in 1848, when he entered its service, $1,150,000 capital, $262,812 surplus, and profits and $1,954,139 deposits, the aggregete assets being $4,060,336. It has now, fifty years later, $1,500,000 capital, $1,300,745 surplus and profits, $16,114,998 deposits, and aggregate assets of $19,455,744. During the half century the bank has paid in dividends $9,000,000, an annual average of 12½ per cent., to the stockholders.

—The Land, Title and Trust Co. has removed into its new building at the corner of Broad and Chestnut streets.

—Frederick Fraley, President of the Western Saving Society and of the Philadelphia Board of Trade, celebrated his ninety-fourth birthday, May 28. He is still able to discharge his official duties despite his advanced years.

—After fifty years of service in the National Bank of Northern Liberties, John Rapson, the Cashier, has retired from duty, the board of directors having made him Cashier *Emeritus*, in recognition of his faithful and valued services. Lemuel C. Simon, Assistant Cashier, has been promoted to the position of Cashier.

Maryland Bank Organized.—The new People's National Bank, of Denton, Md., has completed its organization.

A New Trust Co.—A charter was granted by the last Legislature for the Westminster (Md.) Trust Co.; capital, $50,000. At a recent meeting directors were elected.

Pittsburg.—The deposits of the National banks of Allegheny county, according to R. J. Stoney's "Pittsburg Banker" for May, have increased from $10,500,000, in 1870, to $69,100,000 at the present time.

—The City Deposit Bank has let the contract for a handsome bank building which it will erect at Center and Penn avenues.

Baltimore, Md.—Seymour Mandelbaum has been elected a director of the National Farmers and Planters' Bank, succeeding B. F. Newcomer, resigned.

—Stockholders of the Mercantile Trust and Deposit Co. have approved an increase in the capital from $1,000,000 to $2,000,000.

—The City Savings Bank has let the contract for a new two-story building on the north-west corner of Gay and High streets.

—Owing to the large gold holdings of the banks, arrangements have been made for depositing gold in the clearing-house and receiving certificates in exchange, which will be used in the settlement of balances.

—On May 7, Mr. Edwin Warfield, President of the Fidelity and Deposit Company, celebrated his fiftieth birthday. He was presented with a handsome silver bowl by the directors of the company, and the employees decorated his office with flowers and potted plants.

New Trust Co.—The Westchester Trust Co. recently opened for business at Yonkers, N. Y., with $200,000 capital and $100,000 surplus. Officers are: President, John Hoag; First Vice-President, Francis M. Carpenter; Second Vice-President, Howard Willets; Secretary, Charles P. Marsden, Jr. Its board of directors is particularly strong, including several well-known capitalists. A regular trust and banking business will be transacted.

New National Bank.—The application for the organization of the Farmers' National Bank of Potsdam, N. Y., with $50,000 capital, has been approved by the Comptroller of the Currency. The organizers are H. L. Ives, E. A. Merritt, Jr., J. A. Vance, N. E. Clark and C. P. Matthews.

Buffalo, N. Y.—A. R. Boag has succeeded A. J. Barnes as Cashier of the City Bank, Mr. Barnes remaining as director. Mr. Boag has been in the banking business in this city since 1885, and has been with the City Bank from the time of its organization, and has been Assistant Cashier since 1894. James G. Berry succeeds Mr. Boag as Assistant Cashier.

Binghamton, N. Y.—The Binghamton Savings Bank will erect a new building to cost $50,000.

Banking Law Amendment.—Section 120 of Chapter 689 of the Laws of 1892 (New York), in regard to loans by Savings banks, was amended at the last session of the Legislature by the omission of the words "or appraisals of value" from the provisions of the law relating to payment of expenses of searches, examinations, etc. The purpose of the amendment is to permit the banks to pay the expenses of appraisals, instead of the borrower, as heretofore. Active competition in making loans rendered it necessary that the Savings banks should be granted this authority.

Washington, D. C.—John G. Muir, paying teller and Assistant Cashier of the Traders' National Bank, has resigned to enter the United States Navy. His successor in the bank is F. J. Cain, formerly of the National Bank of the Republic.

New Bank Opened.—The Bank of Homestead, Penn., recently opened for business. It is a State institution.

Rochester, N. Y.—On May 28 four of the Savings banks of this city published a notice that on and after June 1 interest would be paid on deposits at the rate of four per cent. on all accounts of $800 and under, and on accounts exceeding $800 three and a half per cent. on the whole account. The change of interest was rendered necessary by the reduction of interest on securities in which the Savings banks are allowed to invest.

—The Traders' National Bank recently moved into new and handsome offices which have been in preparation for some time. Every requirement of elegance of appointment and solidity of construction is met in the new quarters, and the bank will be more fully prepared to transact business for its large clientage with convenience and safety.

Long Service as Cashier.—A quarter of a century is an unusual term for any man to serve as the Cashier of a big bank. Cashier Edward A. Groesbeck, of the National Commercial Bank, of this city, one of the best known bankers in New York State, who comes of a family of bankers, quietly celebrated such an anniversary on April 30 last. Mr. Groesbeck succeeded James Martin as Cashier of this bank in 1873. No other Cashier in the history of the bank has served in this position for as long a term, and Mr. Groesbeck's friends last week were congratulating him on his great and long-continued success.—*Albany (N. Y.) Argus, May 8.*

New Southern Bank.—It is reported that Messrs. Koontz Bros., of Allegheny City, Pa., will open a bank at Ocala, Fla.

Cordele, Ga.—The officers of the Bank of Wight & Weslosky Co. here are: President, E. L. Wight; Vice-President, Morris Weslosky; Resident Director, C. H. Wight; Cashier, P. H. Willis; Teller, W. B. Dozier. The bank reports $75,000 capital and $48,455 surplus.

New Bank Buildings.—The Britton & Koontz Bank, Natchez, Miss., will erect a new banking house.

—The Williamson County Banking and Trust Co., Franklin, Tenn., is putting up a new building.

Knoxville, Tenn.—The Southern Banking and Trust Co., was organized here, May 10.

Reported Consolidation.—It is reported that the Weldon National Bank and the First National Bank, Ladonia, Tex., have consolidated under the latter title.

Wants to Fight.—John C. O'Connell, Vice-President of the First National Bank, Montgomery, Ala., who served in the Confederate Navy during the late Civil War, has offered his services to the Government. He is an expert engineer, and is wealthy.

Bankers Raise Funds.—President Faulkner, of the Arkansas Bankers' Association, recently raised $5,000 among the members of the association for the use of Gov. Jones in maintaining the State troops pending the arrival of funds from the Government. The banks contributing were those of Helena, Little Rock, Brinkley, Clarendon, Forest City, Pine Bluff, Fort Smith, Morrillton, Malvern, Hope, Russellville, Wynne, Camden, Texarkana, Conway and Hot Springs.

Sumter, S. C.—L. S. Carson, for several years Cashier of the First National Bank here, has been elected Captain of the first company of volunteers organized at this place, and has gone into the army. R. L. Edmunds, who has been Assistant Cashier, was promoted to the vacancy left by Mr. Carson's patriotic action.

Atlanta, Ga.—It is estimated that the proposed tax of two cents on bank checks will produce about $30,000 annually on the checks drawn here. The clearings for 1897 were $72,000,000.

WESTERN STATES.

New Banks Organizing.—The Garwin (Iowa) State Bank has been incorporated with $30,000 capital.

—The Citizens' State Bank, of North Topeka, Kans., was recently incorporated as successor to the Citizens' Bank.

—The Bank of Commerce, Marion, Kansas, has been succeeded by the State Bank of Commerce, capital, $20,000.

—A new bank has been organized at Lafayette, Ky.; also at Scottville in the same State.

—John M. Haven and others have incorporated the State Bank, of Blooming Prairie, Minn., capital, $10,000.

—John S. Cook has established the Bank of Kennard, Nebr.

—The Walton Bank has been chartered at Medford, Oklahoma Ter.

—The Farmers' Bank, a private institution, has been established at Silver Lake, Ind., with $15,000 capital.

Bank Organization Completed.—The Western Slope Bank, at Montrose, Colo., has completed its organization, with $30,000 paid-up capital.

Convicted Robber Escapes.—Geo. West, *alias* Charles Rivers, recently convicted of robbing the South Bend (Ind.) National Bank in 1893, escaped from prison at South Bend, May 31.

St. Louis, Mo.—On May 5 the deposits of the clearing-house banks were $92,683,370; loans, $71,834,596, the latter item showing an increase of $4,263,733 compared with February 18.

Ashland, Wis.—Richard B. Bates has resigned his position as a National bank examiner to accept the office of President of the Ashland National Bank.

Northwood, No. Dak.—The State Bank, of this place, has added a number of the best people of the county to its stockholders and has enlarged its facilities for doing collection and other business satisfactorily. The officers of the bank are: President, O. G. Hanson; Vice-President, P. S. Evanson; Cashier, Sidney C. Lough; Assistant Cashier, T. E. Berge. Its capital is $10,000, and surplus, $1,200.

Kansas Bank Examiner.—Charles S. Jobes, of Wichita, Kans., has been appointed a National bank examiner for that State.

Denver, Colo.—The directors of the Chamber of Commerce have passed a resolution, conveying to the American Bankers' Association their gratification at the voluntary selection of Denver for the approaching convention.

Product of Cripple Creek Mines.—The total gold-bearing quartz output of the Cripple Creek, Colo., district for May was 34,250 tons, valued at $1,254,450. This is the district's largest output for any month in its history. The quality of the ore shows an improvement. The output exceeds one-half of that of the entire State, which is in excess of that of any other State. As the water has interfered with work in the mines in the month, the yield for June bids fair to become a million and a half dollars.

Pierre, S. D.—The banks of this city have advanced to the State $3,000, with which to meet the expenses of the State troops up to the time they are to be taken in charge by the general Government.

State Bank to Become National.—The directors of the Deposit Bank, of Owensboro, Ky., have decided to make it a National bank instead of a State institution, as it now stands. The bank is one of the oldest in Western Kentucky.

Iowa Banks Prospering.—Reports of the condition of the State and Savings banks of Iowa, recently tabulated by the Auditor of State, show that since June 30, 1897, the banks have increased their deposits $12,026,201.

Kansans Will Buy Bonds.—The State Bank Commissioner of Kansas reports large surplus reserves in the banks, and that the banks and the people of the State will take a large share of the new Government loan.

Cincinnati, O.—A meeting of the Cincinnati Bankers' Club was held on May 13, Geo. H. Bohrer, President of the German National Bank, presiding. After the banquet, several live banking topics were discussed, the exercises concluding with the singing of patriotic songs.

—At a recent meeting of the shareholders of the Equitable National Bank, it was unanimously voted to reduce the capital from $350,000 to $250,000, the stockholders getting the $100,000 returned to them in cash.

Credit Men's Association.—The annual convention of the National Association of Credit Men will be held in Detroit, Mich., June 22, 23 and 24.

Bank President Acquitted.—A verdict of acquittal was recently rendered in the Federal court, in the case of Homer T. Fowler, ex-President of the Northwestern National Bank, of Superior, Wis., on the charge of misappropriating funds of the bank.

St. Paul, Minn.—The Allemania Bank, which closed Jan. 4, 1897, re-opened for business May 27. Certificates of indebtedness, payable in installments, have been issued to depositors.

Minneapolis, Minn.—A consolidation of the business of the Standard Bank and the People's Bank has been effected under the latter title. All the old stock has been replaced with $76,000 new capital. The liabilities of both banks will be assumed by the new bank, whose officers will be the same as those of the People's Bank.

Banker's Gift to Kentucky Militia Company.—Banker J. C. Latham, of New York, for whom the Hopkinsville Company of Kentucky troops was named, has sent Capt. John Felan, Jr., $1,000 for equipment, and told him to draw on him for more if that is not enough.

Chicago.—The National Live Stock Bank will add $250,000 to its capital, making the total $1,000,000.

—At a recent date the deposits of the First National Bank reached a total of $40,000,000, the high-water mark for this well-known institution. Within the past year there has been a gain of $12,000,000 in the deposits.

—The bank clearings for May amounted to $502,094,210, being the largest total in the history of Chicago and $1x6,913,1 0 larger than for May a year ago. The largest previous monthly total reported by the Chicago clearing-house was $477,676,329, or $24,417,881 below last month's phenomenal record. Deposits also are the highest ever recorded.

Louisville, Ky.—On account of heavy taxes the Louisville City National Bank has reduced its capital from $400,000 to $200,000.

—H. C. Rodes succeeds W. R. Ray as President of the Citizens' National Bank, the two exchanging positions—Mr. Ray now being Vice-President. Mr. Rodes has for some time had active charge of the bank. He has been associated with the bank for about twenty-seven years.

—Oscar Fenley was recently elected President of the Bank of Kentucky, succeeding J. M. Atherton, who becomes Vice-President. Mr. Fenley had been Vice-President for about two years. Previously he was for twenty-five years associated with the Citizens' National Bank.

—The Bank of Kentucky has granted an indefinite leave of absence with full pay to Maj. David W. Gray, Assistant Cashier, to permit him to join the army.

PACIFIC SLOPE.

San Francisco. - As a result of a suit brought by the German Savings and Loan Society, the California Mortgage and Savings Bank has been judicially restrained from changing its name to the German-American Bank. It was decided that the similarity in names would work an injury to the bank first named.

New Bank in California.—The Tuolumne County Bank was recently incorporated at Sonora, Cal., with $50,000 capital—one-half of which is paid in.

Butte, Mont.—At a recent meeting of the directors of the State Savings Bank John A. Creighton was elected President, to succeed Patrick A. Largey, deceased.

Utah Bank Robbed.—The Springville (Utah) Banking Co. was robbed of a considerable sum of money on May 29 by two robbers who held up the bookkeeper, during the absence of the Cashier. Both robbers were caught—one alive and one dead.

Tacoma, Wash.—The Metropolitan Savings Bank has been succeeded by the Metropolitan Bank; capital, $50,000, and no change in officers. This is a reduction of $150,000 in capital, owing, it is believed, to high taxes.

New Bank in Oregon.—Lakeview, Ore., is to have a new bank with $125,000 capital. Dr. Bernard Daly will be President of the new bank.

CANADA.

New Branches Opened.—A branch of the Bank of Nova Scotia has been opened at Paspebiac, Que.

—The Molsons Bank has opened a new branch at Simcoe, Ontario, under the management of H. H. Groff.

—The Hochelaga Bank, head office Montreal, has opened a branch at Quebec.

Reduction of Interest.—It is reported that from and after July 1 the Government will pay only 2½ per cent. interest on deposits in post office Savings banks. A year ago the rate was 3½ per cent. that rate having been continued even when the bank could borrow in the open market for three per cent. or less. The reduction of the rate has not reduced the amount of deposits, which are still increasing. The deposits of the current year are estimated at $49,500,000, and the Minister of Finance anticipates that they will be $50,500,000 during the coming year. The reduction of the rate will save $222,500 per year.

FOREIGN BANKING AND FINANCIAL NEWS.

Mexico City.—The American Surety Bank, of this city, is receiving many inquiries as to the standing of Mexican business houses, which it answers free. The bank has an authorized capital of $250,000, gold. Its correspondents are: Mercantile National Bank, New York; Commercial National Bank, Chicago; First National Bank, San Francisco; Martin's Bank, London.

Exports of Silver.—On May 31 the Spanish Chamber of Deputies passed a bill prohibiting the exportation of silver.

FAILURES, SUSPENSIONS AND LIQUIDATIONS.

California.—The American Exchange Bank of San Diego, a private banking concern, closed May 19. The deposits amounted to $8,000.

Colorado—DENVER.—Suit has been brought by the Receiver of the Union National Bank against the defunct State National Bank for $164,720. Allegation is made that the two banks were consolidated without the consent of the stockholders of the Union National, and that the consolidation was illegal. Both banks closed some time ago.

District of Columbia—WASHINGTON.—Silsby & Co., a large brokerage firm, failed May 9.

Georgia—ATLANTA.—On May 2 the final payment was made to the depositors of the Merchants' Bank, the payment including the full amount of deposits with interest at four cent. The directors advanced $50,000 to pay off the indebtedness, hoping to partially reimburse themselves out of the remaining assets.

Indiana.—The directors of the Bank of Commerce, Evansville, held a meeting May 20 to decide upon what disposition to make of the affairs of the institution. It was decided to close the doors of the bank as soon as all its business had been settled. Every depositor will be paid in full, the only losers being the stockholders, who will lose about half the amount invested in the capital stock. It is said a loan of $50,000 has been negotiated for the purpose of paying the depositors.

—On May 20 Service & Son, proprietors of the Bank of New Carlisle, Ind., made an assignment, turning over their mercantile business and real estate. Liabilities, $40,000; assets, $30,000.

Kansas.—On May 6 the State Bank Commissioner closed the First State Bank of Marion and the Commercial Bank of Lehigh. The President of the two banks is reported under arrest on the charge of fraud. There will probably be a large deficit in the assets of the banks.

—The Edna State Bank recently notified the State Bank Commissioner that it would pay off its depositors and go out of business. Its affairs were involved by the failure of the First State Bank of Marion.

Maine.—On May 10 the court ordered a first dividend of twenty-five per cent. to the creditors of the American Banking and Trust Company of Auburn. L. Linn Small, the Receiver, said that he thought all would realize the full amount of their claims.

Maryland—BALTIMORE.—On May 25 Receiver Colton, of the South Baltimore Savings Bank, reported to Judge Sharp that the liabilities of the institution are $165,084 and the assets $136,183. A portion of the assets are said to be practically worthless. Receiver Colton says that the bank has been insolvent for more than four years.

Massachusetts.—On May 4 Richard W. Irwin and Benjamin E. Cook were appointed temporary Receivers of the Hampshire Savings Bank, Northampton, Mass., which was compelled to close because of losses sustained by the defalcation of its Treasurer, Lewis Warner.

An examination of the affairs of the suspended Hampshire County National Bank, Northampton, estimates the losses on account of the defalcation of Lewis Warner at $198,-86). Other losses, such as the depreciation of the banking house below the reported value, and a few bad debts, make the total loss about $240,000.

New Hampshire.—The New Hampshire Banking Company, of Nashua, which failed last year, recently paid to depositors about $15,000 as part of a second dividend of fifteen per cent. Nearly $125,000 is available.

Chief-Justice Clark has granted the petition of Assignee Thurber, of the Security Trust Company, of Grand Forks, N. D., and Nashua, N. H., to pay the first fifteen per cent. dividend on July 1.

—The Wilton Savings Bank, Wilton, which was enjoined some time ago, paid a ten per cent. dividend to depositors June 1.

New York.—On May 11 the Carthage Savings Bank was closed owing to the recent failure of the First National Bank, the two institutions being closely related.

—On June 7 the Delaware National Bank, Delhi, N. Y., suspended. In its last report the bank had individual deposits amounting to $293,979, and a surplus of $17,746. The capital of the bank was $100,000. The failure is said to be due to excessive loans.

—A. Weston & Co., bankers, Painted Post, N. Y., assigned June 4. It is said from $2,000,000 to $5,000,000 of property may be tied up by the failure. The assignment includes the business of the Weston Engine Co.

Pennsylvania.—Colonel A. McC. Holding has been appointed by the court auditor to make a distribution of $39,754 in the hands of the Receivers of the defunct Chester County Guarantee, Trust and Safe Deposit Company, West Chester. The amount which each depositor will receive will not exceed five per cent. This will be the first dividend since the company became insolvent, over a year ago.

Virginia.—It is reported that the Merchants and Farmers' Bank, of Marion, decided to close May 9.

Washington.—On May 10 the Commercial Bank, Port Townsend, failed to open, making an assignment to E. P. Blake. It had $31,000 paid-up capital.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of New National banks organized since our last report. Names of officers and other particulars regarding these New National banks will be found under the different State headings.

5119—State National Bank, Bloomington, Illinois. Capital, $150,000.
5120—Leavitt & Johnson National Bank, Waterloo, Iowa. Capital, $100,000.
5121—Washington National Bank, Washington, New Jersey. Capital, $50,000.
5122—People's National Bank, Denton, Maryland. Capital, $50,000.
5123—First National Bank, Lake Mills, Iowa. Capital, $50,000.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

First National Bank, Ford City, Pennsylvania; by M. J. Alexander, *et al.*
Potsdam National Bank, Potsdam, New York; by Warren M. Price, *et al.*
Farmers' National Bank, Potsdam, New York; by H. L. Ives, *et al.*
First National Bank, Mishawaka, Indiana; by Martin V. Beiger, *et al.*

NEW BANKS, BANKERS, ETC.

ALABAMA.

Bessemer—Percy Whildon.

ARKANSAS.

Harrison—Gordon's Bank; capital, $5,000; Pres., W. F. Gordon; Cas., V. Andrews.

CALIFORNIA.

Napa—Commercial and Savings Bank (successor to Seeley & Bickford); Cas., E. L. Bickford.

Santa Clara—Bank of Santa Clara; capital, $100,000; Pres., H. G. Bond; Vice-Pres., C. C. Morse; Cas., Earl F. Jordan.

Sonora—Tuolumne County Bank; capital, $50,000; Pres., Frank W. Street; Vice-Pres., Thomas A. Hender; Cas., Edwin D. Wolfe.

COLORADO.

Eldora—Bank of El Dora; Pres., N. B. Bailey; Cas., D. C. Dwinnell.

Granada—Farmers and Merchants' Bank; capital, $12,000; Pres., J. L. Mayfield; Cas., Bessie Mayfield.

Montrose—Western Slope Bank: capital, $30,000; Pres., J. W. Tripler; Vice-Pres., James F. Kyle; Cas., Geo. O. Gilbert.

FLORIDA.

Avon Park—B. F. West.

ILLINOIS.

Bloomington—State National Bank (successor to National State Bank); capital, $150,000; Pres., Jacob Funk; Vice-Pres., C. C. Aldrich; 2d Vice-Pres., R. F. Evans; Cas., Alvin B. Hoblit.

Chicago—Moulton, Lathrop & Co., 152 La Salle Street.

Compton—Farmers and Traders' Bank; capital, $5,000; Pres., H. F. Gehant; Cas., H. L. Fordham.

Decatur—German-American Bank.

Donovan—Bank of Donovan (C.J. Johnson).

Elmwood—Bank of Elmwood.

Ogden—Farmers and Merchants' Bank; Pres., C. L. Van Doren; Cas., Leo Freese.

Viola—Commercial Bank (successor to Bank of A. R. Moulton); Cas., E. L. Terrey; Asst. Cas., Frank Terrey.

INDIANA.

Campbellsburg—Max Abraham.

Silver Lake—Farmers' Bank; capital, $15,000; Pres., W. E. Fitch.

IOWA.

Bridgewater—Adair Co. Savings Bank.

Cylinder—Cylinder Savings Bank; capital, $10,000; Pres., E. S. Ormsby; Cas., W. D. Ferguson.

Garwin—Garwin State Bank; capital, $30,000; Pres., Edwin Lynde; Vice-Pres., S. S. Dobson; Cas., G. H. Austin.

Germania—Farmers and Drovers' State Bank; capital $25,000; Pres., Geo. Wells; Vice-Pres., Richard Seymour; Cas., E. G. Seymour; Asst. Cas., F. H. Davis.

Lake Mills—First National Bank; capital, $50,000; Pres., J. C. Williams; Cas. B. H. Thomas.

Jamaica—Exchange Bank; Pres., John Lee; Vice-Pres., H. A. Bechtel; Cas., T. C. Lundy; Asst. Cas., J. W. Lee.

Lehigh—Lehigh Valley Bank.

Ottumwa—Western Loan and Trust Co.

Radcliffe—Farmers' Bank. (A. P. Himmel & Sons.)

Riceville—Farmers and Merchants' Bank.

West Branch—Citizens' Savings Bank; capital, $20,000.

KANSAS.

MARION—State Bank of Commerce (successor to First State Bank); capital, $20,000.
ST. FRANCIS—State Bank; capital, $5,000.
TOPEKA—Citizens' State Bank.

KENTUCKY.

LAFAYETTE—Bank of Lafayette; Pres., Thomas H. Elliott; Vice-Pres., R. J. Carothers; Cas., H. M. Massie.
SLAUGHTERSVILLE—Farmers and Merchants' Bank; capital, $20,000; Pres., L. A. Archibald; Cas., W. B. Smith.

MARYLAND.

BALTIMORE—Lynn, Mahon & Co.
DENTON—People's National Bank; capital, $50,000; Pres., Jos. H. Bernard; Vice-Pres., Fred. R. Owens; Cas., Geo. L. Wallace.

MASSACHUSETTS.

LOWELL—Bright, Sears & Co.; Mgr., Chas. N. Woodward.

MICHIGAN.

EMMETT—Emmett Bank (Noble & McCabe); Cas., H. P. McCabe.
MULLIKEN—Bank of Mulliken.

MINNESOTA.

ALDEN—Farmers and Merchants' Bank; Cas., S. J. Lombard.
BLOOMING PRAIRIE—State Bank; Pres., J. M. Haven; Vice-Pres., Austin B. Morse; Cas., Wm. N. Morse.
DULUTH—H. A. Wing & Co.
MONTGOMERY—Farmers and Merchants' Bank; Cas., Charles L. Marx.
RACINE—Silas Utzinger.
WHEATON—Burtons' Bank (successor to First State Bank); capital, $10,000; Pres., Jared Burton; Cas., W. E. Burton.

MISSOURI.

DEXTER—Farmers' Bank; capital, $10,000; Pres., J. J. Dowdy; Vice-Pres., Emil Weber; Cas., A. Wilcox.
OSGOOD—Osgood Banking Co.; capital, $5,000.
QUITMAN—Farmers' Bank (Rufus H. Smith); capital, $10,000; Cas., O. H. Saylor.
RAVANNA—Ravanna Bank; capital, $5,000; Pres., W. W. Holmes; Cas., F. E. Holmes.

NEBRASKA.

FARNAM—Farnam State Bank; capital, $6,500; Pres., John Crouch; Vice-Pres., Ella Hanna; Cas., David Hanna.
HAVELOCK—Windom Bank of University Place; capital, $10,000; Pres., Peter Shellhorn; Cas., H. K. Frantz; Asst. Cas., A. L. Shellhorn.——Farmers' Bank.
KENNARD—Bank of Kennard.

NEW JERSEY.

WASHINGTON—Washington National Bank; capital, $50,000; Pres., Wm. B. Titman; Cas., Reuben M. Eilenberger.

NEW MEXICO.

EDDY—Joyse, Pruitt & Co.

NEW YORK.

NEW YORK CITY—Sweet & Johnson, 52 Broadway.——J. A. Blair & Son.——Carter, Wright & Newcomb, 20 Broad St.——Standard Trust Co.; capital, $500,000.

NORTH CAROLINA.

ALBERMARLE—Morrow Bros. & Heath.
LA MOURE—Bank of La Moure.——North Dakota State Bank.

OHIO.

CROTON—Citizens' Bank (branch of Citizens' Bank of Johnstown); Pres., H. B. Rusler; Cas., Wm. A. Ashbrook; Asst Cas., F. E. Hoover.
MARYSVILLE—Citizens' Home and Savings Co.; Pres., Henry W. Morey; Vice-Pres., Allen E. Plate; Treas., Walter C. Fullington; Sec., Emory F. Sawyer.
SANDUSKY—Citizens' Banking Co., capital stock, $100,000.——Citizens' Trust Co.
TOLEDO—National Trust Co.; capital stock, $100,000.
WHARTON—Campbell & Cramer.

OREGON.

LAKEVIEW—Commercial Bank; Pres., Bernard Daly; Vice-Pres., Wm. P. Heryford; Cas., F. M. Miller.

PENNSYLVANIA.

HOMESTEAD—Bank of Homestead; Cas., Charles C. Smith.
UNION CITY—National Bank of Union City; capital, $50,000; Pres., William Warden; Cas., J. M. Dunbar.

SOUTH DAKOTA.

MILBANK—First State Bank; capital, $12,000; Pres., F. B. Roberts; Cas., Geo. C. Middlebrook.
SISSETON—Reservation State Bank; Pres., James Ross; Vice-Pres., H. L. Spackman; Cas., H. L. Hopkins.
VIBORG—Scandinavian Bank (successor to Bank of Viborg); capital, $5,000; Pres., W. H. Robertson; Cas., Geo. Nelson.

TENNESSEE.

KNOXVILLE—Southern Banking & Trust Co.
LIBERTY—Bank of Liberty; capital, $10,000; Pres., W. R. Smith; Vice-Pres., J. J. Smith; Cas., A. E. Potter.

TEXAS.

MEMPHIS—Exchange Bank; capital, $10,000; Pres., J. B. Pope; Cas., S. S. Montgomery.
MIAMI—Miami Exchange Bank; Pres., J. F. Johnson; Cas., W. A. Johnson.

VIRGINIA.

RICHMOND—Pizzini Company.

WASHINGTON.

TACOMA—Metropolitan Bank (successor to Metropolitan Sav. Bank); capital, $50,000; Pres., P. V. Cæsar; Vice-Pres., T. W. Enos; Cas., O. B. Selvig; Asst. Cas., Jacob H. Vanderbilt.

CANADA.

MANITOBA.

GRETNA—Union Bank of Canada.

ONTARIO.

DELHI—MacMahon & Co.; capital, $10,000.
SIMCOE—Molsons Bank; Mgr., H. H. Groff.

BRITISH COLUMBIA.

KUSKONOOK—O'Brien & Eastman.

QUEBEC.

PASPEBIAC—Bank of Nova Scotia.
QUEBEC—Banque d'Hochelaga.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

JACKSONVILLE—Tredegar National Bank; Geo. H. Rowan, Asst. Cas.

COLORADO.

PUEBLO—American Nat. Bank; title changed to Mercantile Nat. Bank.

DISTRICT OF COLUMBIA.

WASHINGTON—Traders' National Bank; John G. Muir, Asst.Cas., resigned.——Union Savings Bank; Jackson H. Rolston, Sec.

FLORIDA.

JACKSONVILLE—Bion H. Barnett, Vice-Pres., in place of Joseph H. Durkee; Joseph H. Durkee, Second Vice-Pres.; Wm. D. Barnett, Cas., in place of Bion H. Barnett.

ST. PETERSBURG—St. Petersburg State Bank; William McLeod, Pres., deceased.

GEORGIA.

DALTON—First National Bank; Paul B. Trammell, Pres., in place of R. I. Peak; R. I. Peak, Cas., in place of Price Peak, deceased; W. E. Oslin, Asst. Cas.

GAINESVILLE—State Banking Co.; M. M. Sanders, Vice-Pres., deceased.

IDAHO.

SALMON—Lemhi County Bank; G. G. Shaver, Cas., deceased.

ILLINOIS.

CHICAGO—Merchants Loan & Trust Co.; John DeKoven, director, deceased.——National Live Stock Bank; reported increasing capital to $1,000,000.

OTTAWA—National City Bank; Philip G. Schoch, Cas. in place of Ed. C. Allen, Jr.; no Asst. Cas. in place of Philip G. Schoch.

PONTIAC—National Bank of Pontiac; James E. Morrow, Pres., deceased.

INDIANA.

HUNTINGTON—Citizens' Bank; Frederick Dick, Pres., deceased.

IOWA.

BURLINGTON—German-American Savings Bank; R. M. Green, Vice-Pres.; Theodore Kreichbaum, Cas. in place of Wm. A. Torrey, deceased.

CEDAR RAPIDS—American Trust & Savings Bank; capital, $50,000; Geo. W. Bever, Pres.; V. A. Jung, Asst. Cas.

DUBUQUE—German Trust & Savings Bank; Peter Klauer, Pres. in place of Paul Traut, deceased.

ELKADER—First National Bank; A. J. Carpenter, Cas. in place of H. Meyer.

MONTOUR—Montour Exchange Bank; L. Matthews, Pres. deceased.

NEW ALBIN—New Albin Savings Bank; capital, $15,000; Wm. Coleman, Pres.; L. M. Gaarder, Cas.

PETERSON—First National Bank; O. B. Scott, Asst. Cas. in place of J. E. Allison.

WATERLOO—Leavitt & Johnson Nat. Bank; Emmons Johnson, Vice-Pres.

KENTUCKY.

LOUISVILLE—Citizens' National Bank; H. C. Rodes, Pres. in place of W. R. Ray; W. R. Ray, Vice-Pres. in place of H. C. Rodes.——Louisville City National Bank; voted to reduce capital stock from $400,000 to $200,000.——Bank of Kentucky; Oscar Fenley, Pres., in place of J. M. Atherton; J. M. Atherton, Vice-Pres. in place of Oscar Fenley.——Fidelity Trust Co.; D. Taggart, Pres., deceased.

LOUISIANA.

PATTERSON—Bank of Patterson; F. B. Williams, Pres. in place of B. J. Morey; B. J. Morey, Cas.

MAINE.

EASTPORT—Eastport Savings Bank; C. I. Morton, Treas. in place of N. B. Nutt, deceased.

PORTLAND—Chapman National Bank; T. H. Eaton, Cas. in place of C. H. Pease; Chas. J. Chapman, Vice-Pres., deceased.

MARYLAND.

BALTIMORE—Mercantile Deposit & Trust Co.; capital reported increased to $2,000,000.——National Farmers and Planters' Bank; Seymour Mandelbaum elected director in place of B. F. Newcomer.

MASSACHUSETTS.

BOSTON—National Rockland Bank of Roxbury; Robert B. Fairbairn, Pres. in place of Samuel Little; F. W. Rugg, Cas. in place of Robert B. Fairbairn.——Everett National Bank; Walter I. Badger, Pres. in place of John Reynolds; H. A. Rhoades, Cas. in place of J. T. Eager.——Dietz, Denison & Prior; succeeded by Denison, Prior & Co.——First Nat. Bank; J. F. C. Hyde, director, deceased.—People's Nat. Bank; Albert P. Richardson, Cas. deceased.

FALL RIVER—Metacomet National Bank; Thomas J. Borden, Pres. in place of Frank S. Stevens, deceased; Geo. H. Hawes, Vice-Pres. in place of Thomas J. Borden.

HOLYOKE—People's Savings Bank; A. L. Green, Sec.

NEW BEDFORD—Mechanics' National Bank; E. W. Hervey, Cas. in place of L. T. Terry, deceased; no Asst. Cas. in place of James W. Hervey.

NEWTON—Newton Savings Bank; J. F. C. Hyde, Pres., deceased.

SPRINGFIELD—City National Bank; Chas. J. Goodwin, director, deceased.

MICHIGAN.

KALAMAZOO—Kalamazoo National Bank; E. P. Sumption, Cas.; no Asst. Cas.

LAPEER—First National Bank and State Savings Bank; Henry K. White, Pres. deceased.

MINNESOTA.

BRECKENRIDGE—Merchants' Bank; M. A. Gunn, Vice-Pres. in place of D. B. Collins.

GRANITE FALLS—Granite Falls Bank; J. S. Johnson, Pres. in place of K. E. Neste; T. W. Allison, Cas. in place of P. O. Lieberg.

HERMAN—Grant Co. Bank; Ezra V. Snyder, Cas.. resigned.

ST. CLOUD—Merchants' National Bank; C. M. Hertig, Pres. in place of Timothy Foley; Wm. E. Lee, Vice-Pres. in place of C. M. Hertig; A. Barto, 2d Vice-Pres. in place of R. B. Brower.

ST. PAUL—St. Paul Trust Co.; H. R. Wells and S. A. Culbertson, elected directors.——Allemania Bank (reopened); Edward Yanish, Pres.; Albert Scheffer and Timothy Reardon, Vice-Pres.: Edwin J. Devitt, Cas.

MISSOURI.

COLE CAMP—Citizens' Bank; filed statement to increase capital stock to $25,000.

COLUMBIA—Exchange National Bank; Robert Levi Todd, Cas.. deceased.

SEDALIA—Third National Bank; W. A. Latimer, Act. Cas. in place of R. H. Moses.

ST. JOSEPH—National Bank of St. Joseph; no Cas. in place of C. F. Enright; E. D. McAllister. Asst. Cas.

ST. LOUIS—International Bank; Christoph Winkelmeyer. Pres. in place of August W. Straub, deceased.

WYACONDA—Farmers and Traders' Bank and Wyaconda Savings Bank; con olidated.

NEBRASKA.

CRETE—First Bational Bank; no Cas. in place of L. H. Denison.

WAHOO—First National Bank; Charles P. Beebe, Pres. in place of Charles Perky; Ed. Lehmkuhl, Asst. Cas.

NEW HAMPSHIRE.

PORTSMOUTH—National Mechanics and Traders' Bank; Washington Freeman. Pres., in place of John Sise, deceased.

SOMERSWORTH—Great Falls National Bank; S. Augustus Seavey, Pres., in place of A. A. Perkins, deceased.——Somersworth Savings Bank; William S. Tibbets, Treas., in place of A. A. Perkins, deceased.

NEW YORK.

ANTWERP—Bank of Antwerp; John D. Ellis, owner, deceased.

BALDWINSVILLE—First National Bank; W. F. Morris, Pres., in place of R. L. Smith, deceased; S. C. Suydam, Vice-Pres., in place of W. F. Morris; T. R. Nichols, Asst. Cas.

BINGHAMTON—First National Bank; no Pres., in place of Francis T. Newell, deceased.

BUFFALO—City Bank; John R. Boag, Cas., in place of Alfred J. Barnes; James G. Berry, Asst. Cas., in place of John R. Boag.——Buffalo Savings Bank; J. M. Richmond, Pres., in place of Edward Bennett, deceased.

GREENWICH—First National Bank; Isaac A. Burton, Pres., in place of A. B. Cole.

NEW YORK CITY—Trade mens' National Bank; no Asst. Cas. in place of John G. Zabriskie.——J. Walsh & Co.; removed to 7 Wall street.——Merchants' National Bank; Orris K. Eldredge elected director in place of Jacob Wendell, deceased.——Halle & Steiglitz; removed to 37-39 New street.——James M. Leopold & Co.; removed to 1 New street.——Union Dime Savings Institution; Alexander P. W. Kinnan, Vice-Pres.. in place of Channing M. Britton, deceased.——Nassau Bank; Frank H. Richardson, Pres., in place of Francis M. Harris; Edgar S. Ryder, Vice-Pres.——Union Trust Co.; William Whitewright, director, deceased.——Bowery Bank; Frederick S. Gwyer, director, deceased.——Howard Lapsley & Co.; D. S. Willard, retired from firm.

NIAGARA FALLS—Power City Bank; P. P. Pfohl, Cas., in place of F. I. Pierce.

ST. JOHNSVILLE—First National Bank; Geo. C. Markell, Cas., in place of O. W. Fox; F. P. Klock, Asst. Cas., in place of Geo. C. Markell.

NORTH CAROLINA.

HIGH POINT—Commercial National Bank; W. G. Bradshaw, Vice-Pres., in place of John H. Ferree; R. C. Charles, Cas., in place of W. G. Bradshaw.

NORTH DAKOTA.

GRAND FORKS—First National Bank; no Vice-Pres., in place of F. R. Fulton.

LEEDS—Leeds State Bank; N. I. Romnes, Cas., in place of A. S. Whemple, resigned.

NORTHWOOD—State Bank; O. G. Hanson, Pres.

OHIO.

MANSFIELD—Richland Savings Bank Co.; capital, $50,000; W. W. Stark, Pres.; J. A. Barton, Cas.

WARREN—Second National Bank: S. C. Iddings, Cas., in place of C. A. Harrington.

XENIA—Citizens' National Bank; F. E. McGervey, Cas., in place of W. R. McGervey; no Asst. Cas., in place of F. E. McGervey.

OKLAHOMA.

GEARY—Bank of Geary; capital, $5,000; J. Beeks Erich, Pres.: J. H. Maxen, Jr., Cas.; T. J. Billew, Asst. Cas.

GUTHRIE—Oklahoma Savings, Loan & Trust Co.; J. W. McNeal, Pres.; A. J. Seay, Vice-Pres.; W. J. Horsfall, Treas.

PENNSYLVANIA.

CORRY—Citizens' National Bank: A. P. Howard, Pres. in place of W. C. Culbertson; Eli Barlow, Cas. in place of R. S. Battles; no Asst. Cas. in place of Wm. Postlethwait.
HUMMELSTOWN—Hummelstown Nat. Bank: Allen K. Walton, Vice-Pres. in place of Allen Walton, deceased.
LANCASTER—Conestoga National Bank; R. H. Brubaker, Pres. in place of David B. Landis, deceased.
MEDIA—First National Bank; H. E. Hoopes, Asst. Cas.
PHILADELPHIA—City Trust, Safe Deposit & Surety Co.; Joseph A. Sinn, elected director in place of Eli P. Smithers.——Land Title and Trust Co.; removed to S. W. cor. Broad and Chestnut streets.——Trust Company of America; J. Wain Vaux, Pres., deceased.——National Bank of the Northern Liberties; Lemuel C. Simon, Cas. in place of John Rapson, resigned.
PITTSBURG—Bank of Pittsburgh and Safe Deposit & Trust Co.; Felix R. Brunot, director, deceased.——Iron City National Bank; no Vice-Pres. in place of Charles L. Cole.——Mechanics' National Bank; Abner U. Howard, director, deceased; Wilson Miller, Vice-Pres.
WEST CHESTER—First National Bank; Alfred P. Reid, Pres. in place of Wm. Wollerton, deceased; Marshall S. Way, Vice-Pres. in place of Alfred P. Reid.

SOUTH CAROLINA.

SUMTER—First Nat. Bank: R. L. Edmunds, Cas. in place of L. S. Carson.

TENNESSEE.

JONESBORO—First National Bank; J. A. T. Bacon, Cas. in place of Silas Cooper.

TEXAS.

LADONIA—Weldon National Bank and First National Bank: consolidated under latter title.
LANCASTER—White & Co.; capital, $75,000; L. F. White, Pres.

UTAH.

SALT LAKE CITY—Deseret Savings Bank; W. W. Riter, Pres. in place of James T. Little, deceased.

VERMONT.

ORWELL—First National Bank; I. B. Rich, Pres. in place of S. N. Warren, deceased; E. E. Young, Vice-Pres. in place of I. B. Rich.

VIRGINIA.

BRISTOL—Dominion National Bank; H. E. Jones, Pres. in place of H. E. McCoy, deceased.
RICHMOND—Merchants' National Bank; John Kerr Branch, Vice-Pres. in place of Fred R. Scott, deceased.

WISCONSIN.

ASHLAND—Ashland National Bank: Richard B. Bates, Pres., in place of Sam S. Fifield.——First National Bank; no Asst. Cas. in place of E. E. Tennant.
MERRILL—Lincoln County Bank: transferred to H. H. Foster, Julius Thielman and S. Heineman.
PALMYRA—Bank of Palmyra; E. M. Johnson, Pres., deceased.
WATERTOWN—Wisconsin National Bank; Wm. P. Brown, Cas. in place of Peter V. Brown, deceased; no Asst. Cas. in place of Wm. P. Brown.
WEST SUPERIOR—Northwestern National Bank of Superior; W. J. Kommers, Cas. in place of D. W. Twohy; W. J. Smithson, Asst. Cas. in place of W. J. Kommers.——First National Bank; Pearl Benson, Act. Cas. in place of W. H. Slack.

CANADA.

MANITOBA.

MINNEDOSA—Vere H. Pickering; Ernest B. Saltwell admitted to partnership.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

CALIFORNIA.

SAN DIEGO—American Exchange Bank.

COLORADO.

LEADVILLE—First National Bank; John Watts, Receiver, in place of Zeph T. Hill.
PUEBLO—Stockgrowers' National Bank; in voluntary liquidation, June 1.

DISTRICT OF COLUMBIA.

WASHINGTON—Silsby & Co.

GEORGIA.

CORDELE—Naval Store & Lumbermens' Bank; D. L. Henderson, permanent Receiver.

INDIANA.

EVANSVILLE—Bank of Commerce.
NEW CARLISLE—Bank of New Carlisle.

KANSAS.

EDNA—Edna State Bank.
LEHIGH—Commercial State Bank.
MARION—First State Bank; S. Burkholder, Receiver.

MASSACHUSETTS.

NORTHAMPTON—Hampshire County National Bank; in hands of John W. Mason, Receiver, May 23.——Hampshire Savings Bank; Richard W. Irwin and Benj. E. Cook, appointed temporary Receivers.

MISSOURI.

HIGGINSVILLE—Citizens' Bank.

NEW YORK.

DELHI—Delaware National Bank.
CARTHAGE—Carthage Savings Bank; Elon R. Brown, Receiver.
PAINTED POST—A. Weston & Co.

OHIO.

CINCINNATI—Fidelity National Bank; J. Frank Aldrich, Receiver, in place of David Armstrong.

OREGON.

PORTLAND—Commercial National Bank; in voluntary liquidation, May 13.

PENNSYLVANIA.

PHILADELPHIA—Commercial National Bank; in voluntary liquidation, May 31.——Keystone National Bank; J. Frank Aldrich, Receiver, in place of Robert M. Yardley, to take effect June 4.——Spring Garden National Bank; J. Frank Aldrich, Receiver, in place of Robert M. Yardley, to take effect June 4.—Guarantors' Finance Co.; assets turned over to Receivers, Alexander Simpson, Jr., D. Beeber and —— Detweiler.

SOUTH DAKOTA.

CHAMBERLAIN—Chamberlain National Bank; James McDowell, Receiver, in place of J. Leslie Thompson.

TEXAS.

ABILENE—Abilene National Bank; in voluntary liquidation.

VIRGINIA.

MARION—Merchants and Farmers' Bank.

WASHINGTON.

PORT TOWNSEND—Commercial Bank; assigned to E. P. Blake.

NATIONAL BANK RETURNS—RESERVE CITIES AND THE UNITED STATES.

By the courtesy of the Comptroller of the Currency at Washington, the **Bankers' Magazine** has been favored with the complete returns of the National banks in all the reserve cities, at the date of the last call on May 5, 1898. These are published below in conjunction with the two preceding statements of February 18, 1898, and December 15, 1897. In this form the figures become much more valuable by reason of the comparison. In this complete shape the returns of National banks in the reserve cities are published in the Bankers' Magazine exclusively.

A table showing the condition of all the National Banks of the United States at the date of the last three reports will be found immediately following the reserve cities.

NEW YORK CITY.

Resources.	*Dec. 15, 1897.*	*Feb. 18, 1898.*	*May 5, 1898.*
Loans and discounts	$429,709,003	$470,968,724	$396,948,326
Overdrafts	92,751	79,857	217,995
U. S. bonds to secure circulation	18,789,000	16,650,000	17,570,000
U. S. bonds to secure U. S. deposits	29,660,000	18,776,000	12,341,000
U. S. bonds on hand	2,531,250	610,750	883,200
Premiums on U. S. bonds	3,82[illegible],762	3,358,745	3,065,821
Stocks, securities, etc	43,630,474	46,755,693	48,681,103
Banking house, furniture and fixtures	14,000,017	14,051,100	14,602,223
Other real estate and mortgages owned	2,050,880	2,041,229	1,951,013
Due from National banks (not reserve agents)	36,178,890	31,561,439	28,333,790
Due from State banks and bankers	5,786,830	5,887,366	5,663,495
Due from approved reserve agents	......	......	......
Checks and other cash items	2,473,918	2,289,016	4,819,347
Exchanges for clearing-house	71,689,760	69,808,399	85,924,948
Bills of other National banks	878,302	893,777	911,698
Fractional paper currency, nickels and cents	62,082	55,834	58,308
*Lawful money reserve in bank, viz.:			
Gold coin	17,824,955	20,555,561	24,017,318
Gold Treasury certificates	8,699,720	6,802,510	6,812,270
Gold clearing-house certificates	61,205,000	72,130,000	105,907,000
Silver dollars	63,337	76,051	104,089
Silver Treasury certificates	4,689,103	7,196,871	4,171,617
Silver fractional coin	547,510	550,693	567,220
Legal-tender notes	35,003,459	42,221,709	25,655,515
U. S. certificates of deposit for legal-tender notes	28,535,000	29,325,000	9,590,000
Five per cent. redemption fund with Treasurer	836,505	740,250	768,257
Due from U. S. Treasurer	487,907	744,986	370,057
Total	$818,771,421	$864,098,564	$799,898,682

Liabilities.	*Dec. 15, 1897.*	*Feb. 18, 1898.*	*May 5, 1898.*
Capital stock paid in	$48,600,000	$48,900,000	$48,900,000
Surplus fund	42,917,000	42,701,500	43,051,500
Undivided profits, less expenses and taxes paid	18,346,852	17,454,076	18,275,898
National bank notes issued, less amount on hand	16,003,335	14,080,317	15,038,097
State bank notes outstanding	16,556	16,556	16,556
Due to other National banks	203,738,598	240,843,341	186,998,940
Due to State banks and bankers	83,957,312	93,457,882	86,034,256
Dividends unpaid	88,653	109,592	151,537
Individual deposits	365,899,774	382,535,476	386,405,341
U. S. deposits	28,239,849	15,639,415	11,026,968
Deposits of U. S. disbursing officers	329,648	239,761	356,928
Notes and bills rediscounted	......	200,000	44,715
Bills payable	75,000	......	50,000
Liabilities other than those above stated	10,558,840	7,920,644	3,547,972
Total	$818,771,421	$864,098,564	$799,898,682
Average reserve held	27.64 p. c.	28.75 p. c.	32.27 p. c.
* Total lawful money reserve	$156,068,084	$178,860,395	$176,785,094

Resources.	Albany, N. Y. Dec. 15, 1897.	Albany, N. Y. Feb. 18, 1898.	Albany, N. Y. May 5, 1898.	Baltimore, Md. Dec. 15, 1897.	Baltimore, Md. Feb. 18, 1898.	Baltimore, Md. May 5, 1898.	Boston, Mass. Dec. 15, 1897.	Boston, Mass. Feb. 18, 1898.	Boston, Mass. May 5, 1898.
Loans and discounts	$8,000,822	$7,133,806	$8,607,871	$33,667,928	$33,449,522	$35,829,493	$165,605,857	$164,728,194	$156,628,374
Overdrafts	4,407	2,999	1,884	38,745	34,642	30,150	94,073	51,947	59,058
U. S. bonds to secure circulation	400,000	300,000	300,000	2,089,000	1,985,000	1,985,000	6,880,000	6,827,000	6,997,000
U. S. bonds to secure U. S. deposits	50,000	50,000	50,000	202,000	202,000	202,000	265,000	347,000	347,000
U. S. bonds on hand	......	......	......	500	500	500	411,150	5,000	57,000
Premiums on U. S. bonds	$27,500	22,000	22,000	229,445	197,187	174,504	373,973	284,570	341,082
Stocks, securities, etc	708,985	732,646	1,129,428	2,645,607	2,906,404	2,985,617	7,683,102	8,317,306	8,129,425
Banking house, furniture and fixtures	290,000	295,000	295,000	2,217,780	2,166,880	2,169,380	2,391,047	2,390,392	2,391,962
Other real estate and mortgages owned	57,162	74,987	90,615	206,198	205,398	218,092	371,279	383,147	400,485
Due from National banks (not reserve agents)	1,727,590	1,825,104	1,217,069	2,378,652	2,416,375	2,211,465	14,982,443	13,926,399	15,622,536
Due from State banks and bankers	536,476	384,510	561,611	403,679	313,600	397,477	1,394,229	778,890	686,872
Due from approved reserve agents	2,074,047	3,627,100	3,566,723	4,552,472	4,419,566	3,833,663	33,533,910	34,730,588	29,492,474
Checks and other cash items	78,834	97,532	62,087	135,553	106,660	129,476	364,320	411,420	325,593
Exchanges for clearing-house	135,948	97,485	155,293	1,946,956	1,846,135	1,840,056	9,641,849	12,327,239	8,523,131
Bills of other National banks	48,560	48,936	54,489	191,088	259,831	141,145	1,120,178	935,532	834,060
Fractional paper currency, nickels and cents	1,168	1,840	1,315	16,941	15,050	17,705	21,484	23,834	22,645
*Lawful money reserve in bank, viz.:									
Gold coin	495,021	496,082	497,627	1,695,392	1,706,129	1,625,903	7,558,752	7,815,929	6,233,554
Gold Treasury certificates	334,250	334,420	334,4[illegible]0	345,970	345,210	327,230	1,417,650	1,397,410	1,395,420
Gold clearing-house certificates	......	......	......	......	......	......	......	......	4,560,000
Silver dollars	27,297	25,127	18,414	60,167	63,459	61,054	83,845	74,286	65,207
Silver Treasury certificates	36,403	30,593	35,235	1,5[illegible]4,517	1,995,582	1,234,871	3,121,215	2,686,831	1,744,041
Silver fractional coin	20,593	33,824	19,119	85,466	88,169	90,439	163,856	154,437	152,920
Legal-tender notes	345,480	318,424	365,088	802,205	829,472	840,710	6,994,795	7,042,525	5,982,827
U. S. certificates of deposit for legal-tenders	......	......	......	710,000	1,660,000	1,055,000	3,050,000	2,360,000	240,000
Five per cent. redemption fund with Treas.	18,000	13,500	13,500	94,036	89,335	88,575	309,600	275,950	314,035
Due from U. S. Treasurer	1,000	......	770	5	45	5,405	220,504	87,461	88,379
Total	$15,424,043	$15,895,370	$17,389,564	$56,288,276	$57,302,697	$57,494,916	$268,057,118	$267,863,395	$251,581,040
Liabilities.									
Capital stock paid in	$1,550,000	$1,550,000	$1,550,000	$13,243,260	$13,243,260	$13,243,260	$50,850,000	$49,850,000	$48,550,000
Surplus fund	1,380,000	1,380,000	1,380,000	5,041,625	5,184,100	5,184,100	15,059,578	14,983,025	14,812,825
Undiv. profits, less expenses and taxes paid	203,357	168,295	194,833	1,357,494	1,027,794	1,288,681	4,826,247	5,553,722	4,709,157
National bank notes issued, less am't on hand	348,540	261,150	264,390	1,840,040	1,728,070	1,766,860	5,788,900	5,881,122	6,192,[illegible]82
State bank notes outstanding	......	......	......	4,605	4,605	4,604	......	......	......
Due to other National banks	3,620,369	4,388,349	3,783,589	6,455,725	7,539,611	7,094,842	40,873,539	41,321,815	33,081,595
Due to State banks and bankers	2,126,964	2,069,409	1,993,229	2,043,647	1,935,356	1,819,210	20,480,682	21,791,790	18,077,960
Dividends unpaid	453	1,395	3,878	68,468	84,970	65,857	45,280	30,029	46,434
Individual deposits	6,057,848	6,005,076	8,147,904	25,88[illegible],580	26,273,263	26,441,812	129,441,925	128,128,[illegible]45	124,023,745
U. S. deposits	45,056	48,551	42,677	210,830	217,262	220,687	126,582	177,580	204,668
Deposits of U. S. disbursing officers	4,943	1,403	7,322	......	......	......	59,216	55,905	54,682
Notes and bills rediscounted	21,738	21,738	21,738	130,000	......	......	......	......	......
Bills payable	25,000	......	......	7,500	......	365,000	1,000,285	1,066,966	1,258,966
Liabilities other than those above stated	29,800	......	......	......	4,401	......	4,878	3,891	628,470
Total	$15,424,043	$15,895,370	$17,389,564	$56,288,276	$57,302,697	$57,494,916	$268,057,118	$267,863,395	$251,581,040
Average reserve held	35.62 p. c.	47.80 p. c.	40.42 p. c.	33.39 p. c.	35.80 p. c.	29.49 p. c.	34.81 p. c.	34.57 p. c.	33.47 p. c.
*Total lawful money reserve	$1,259,044	$1,238,470	$1,269,904	$5,283,717	$6,688,021	$5,235,207	$22,390,118	$21,531,419	$20,324,970

RESOURCES.	BROOKLYN, N. Y. Dec. 15, 1897.	Feb. 18, 1898.	May 5, 1898.	CHICAGO, ILL. Dec. 15, 1897.	Feb. 18, 1898.	May 5, 1898.	CINCINNATI, OHIO. Dec. 15, 1897.	Feb. 18, 1898.	May 5, 1898.
Loans and discounts	$12,054,392	$11,427,303	$11,581,423	$90,113,962	$100,847,676	$105,837,843	$23,359,557	$24,705,562	$24,183,455
Overdrafts	2,797	1,491	1,142	444,068	316,237	339,884	12,654	15,888	12,114
U. S. bonds to secure circulation	642,000	642,000	642,000	1,300,000	1,200,000	1,150,000	5,649,000	5,649,000	5,594,000
U. S. bonds to secure U. S. deposits	200,000	200,000	200,000	550,000	550,000	550,000	1,201,600	1,200,000	1,225,000
U. S. bonds on hand	5,000	......	......	721,500	496,950	267,000	1,403,150	1,785,700	2,237,050
Premiums on U. S. bonds	37,000	30,625	30,250	85,656	83,970	75,100	963,858	1,068,826	1,182,384
Stocks, securities, etc	2,512,762	2,634,923	2,647,690	7,182,444	8,822,137	8,298,395	4,134,558	4,148,057	4,475,558
Banking house, furniture and fixtures	600,958	600,754	600,754	825,939	819,525	819,525	476,194	476,399	476,399
Other real estate and mortgages owned	92,100	92,500	92,500	774,926	696,180	708,803	181,090	177,963	187,114
Due from National banks (not reserve agents)	187,633	51,592	62,196	21,701,217	25,599,735	22,104,832	8,065,775	8,382,850	8,148,664
Due from State banks and bankers	171,740	106,962	128,810	8,580,963	8,584,335	7,747,504	748,595	587,298	621,598
Due from approved reserve agents	2,942,237	2,307,963	3,608,245	......	......	......	6,657,921	7,352,717	5,021,401
Checks and other cash items	56,393	94,662	137,165	99,473	91,505	138,136	149,242	115,236	140,099
Exchanges for clearing-house	1,033,304	1,155,657	1,261,129	6,266,336	5,368,952	6,554,765	238,510	241,738	223,474
Bills of other National Banks	181,575	133,470	155,173	1,540,672	1,622,499	1,490,332	327,802	279,960	446,758
Fractional paper currency, nickels and cents	9,239	9,045	9,850	18,944	21,912	20,818	4,174	4,411	4,510
*Lawful money reserve in bank, viz.:									
Gold coin	599,154	498,484	564,068	14,587,237	15,134,895	16,056,787	1,069,010	1,100,700	1,111,658
Gold Treasury certificates	165,000	165,000	168,000	2,891,150	3,148,050	3,276,230	328,160	317,150	294,400
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	21,500	17,815	16,000	164,029	175,778	182,897	65,596	62,738	71,973
Silver Treasury certificates	480,075	396,287	656,608	2,402,482	3,102,133	3,064,362	382,486	394,890	733,120
Silver fractional coin	71,534	58,111	78,751	201,529	216,138	207,805	23,970	27,792	24,844
Legal-tender notes	1,097,276	926,339	1,059,378	13,769,940	15,098,900	18,021,619	1,872,847	1,747,661	2,707,717
U. S. certificates of deposit for legal-tenders	......	......	......	3,810,000	3,640,000	2,715,000	690,000	700,000	690,000
Five per cent. redemption fund with Treas.	28,890	28,890	28,010	56,250	49,500	47,250	253,890	251,845	251,730
Due from U. S. Treasurer	5,000	......	2,950	91,965	58,092	78,523	1,814	666	666
Total	$23,197,964	$21,579,910	$23,682,108	$178,130,689	$195,738,904	$199,226,516	$53,281,461	$55,794,567	$55,024,881
LIABILITIES.									
Capital stock paid in	$1,352,000	$1,352,000	$1,352,000	$19,500,000	$18,950,000	$18,950,000	$7,800,000	$7,800,000	$7,800,000
Surplus fund	2,270,000	2,280,000	2,280,000	8,264,900	9,237,400	9,247,400	2,740,000	2,765,000	2,765,000
Undiv. profits, less expenses and taxes paid	462,541	373,585	445,423	2,346,075	2,378,944	2,311,279	1,055,685	1,110,477	917,595
National bank notes issued, less am't on hand	577,800	567,670	574,750	604,235	562,715	553,045	4,943,550	4,882,080	4,765,780
State bank notes outstanding	1,846	1,846	1,846	......	......	......	......	......	......
Due to other National banks	389,744	259,231	408,160	48,440,278	55,001,297	52,511,460	9,443,504	10,853,978	10,329,794
Due to State banks and bankers	356,264	249,410	333,192	24,784,744	28,484,915	30,887,500	4,364,644	5,182,120	4,811,900
Dividends unpaid	716	1,347	773	2,790	5,747	6,023	4,859	4,209	123,449
Individual deposits	17,586,016	16,273,757	18,060,811	73,640,912	80,947,011	84,651,530	20,987,233	21,240,685	21,857,220
U. S. deposits	164,799	164,799	168,890	468,605	498,468	492,718	1,176,404	1,218,165	960,590
Deposits of U. S. disbursing officers	35,166	35,042	30,529	61,736	27,442	65,858	......	......	......
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	......	......	......	......
Liabilities other than those above stated	21,070	21,219	26,219	16,400	......	......	765,578	738,500	683,500
Total	$23,197,964	$21,579,910	$23,682,108	$178,130,689	$195,738,904	$199,226,316	$53,281,461	$55,794,567	$55,024,881
Average reserve held	31.91 p. c.	28.31 p. c.	35.52 p. c.	34.61 p. c.	32.78 p. c.	33.46 p. c.	35.92 p. c.	35.16 p. c.	32.41 p. c.
* Total lawful money reserve	$2,434,539	$2,062,087	$2,542,806	$37,776,367	$40,510,694	$43,524,700	$4,432,069	$4,350,981	$5,638,707

Resources.	Cleveland, Ohio. Dec. 15, 1897.	Feb. 18, 1898.	May 5, 1898.	Des Moines, Iowa. Dec. 15, 1897.	Feb. 18, 1898.	May 5, 1898.	Detroit, Mich. Dec. 15, 1897.	Feb. 18, 1898.	May 5, 1898.
Loans and discounts	$28,687,283	$29,180,200	$29,674,913	$2,756,893	$2,522,792	$3,053,949	$14,621,698	$14,824,822	$15,691,302
Overdrafts	81,005	36,748	29,407	27,931	21,858	23,816	8,458	3,768	1,636
U. S. bonds to secure circulation	1,480,000	1,380,000	1,480,000	298,000	298,000	343,000	1,150,000	1,150,000	1,200,000
U. S. bonds to secure U. S. deposits	60,000	60,000	60,000	......	......	......	300,000	300,000	300,000
U. S. bonds on hand	100,000	100,000	200,000	100,000	100,000	100,000	......	200,000	229,300
Premiums on U. S. bonds	48,200	48,200	84,450	13,000	33,875	32,375	153,500	202,242	216,242
Stocks, securities, etc	793,272	838,844	851,556	249,210	271,425	272,638	123,902	376,795	414,297
Banking house, furniture and fixtures	510,348	513,405	508,104	143,541	143,541	143,541	30,788	31,538	31,038
Other real estate and mortgages owned	215,487	215,487	21 ,752	99,779	99,431	93,917	263,020	266,761	358,654
Due from National banks (not reserve agents)	2,623,781	2,631,718	2,559,147	233,517	239,876	339,968	1,741,403	1,526,764	1,049,036
Due from State banks and bankers	8.0,139	936,812	775,005	40,976	34,740	38,334	415,660	540,580	384,949
Due from approved reserve agents	5,441,414	7,182,583	4,535,030	541,810	763,518	876,406	4,646,334	4,192,854	2,116 209
Checks and other cash items	133,417	169,205	93,867	26,779	10,769	30,653	25,946	11,063	17,962
Exchanges for clearing-house	476,593	212,064	253,053	59,605	62,312	77,793	276,938	265,9 2	226,968
Bills of other National banks	141,264	134,369	158,529	39,804	19,583	65,461	139,543	210,796	165,807
Fractional paper currency, nickels and cents	5,850	5,744	5,930	1,192	1,448	1,635	11,752	12,699	6,910
*Lawful money reserve in bank, viz.:									
Gold coin	1,479,692	1,507,082	1,570,627	154,210	146,157	145,600	1,343,995	1,346,825	1,357,527
Gold Treasury certificates	239,670	246,190	249,570	3,880	4,270	4,480	13,810	18,000	20,000
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	78,897	142,235	122,723	24,930	24,881	32,782	78,725	74,338	78,648
Silver Treasury certificates	126,560	138,175	156,675	18,851	15,450	68,897	166,569	147,558	138,050
Silver fractional coin	38,927	32,284	33,936	9,709	12,276	17,652	64,481	80,721	52,606
Legal-tender notes	1,069,744	1,050,435	1,295,439	207,627	165,740	229,801	628,489	763,387	575,226
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	63,450	60,920	63,100	13,149	13,185	14,975	51,750	51,750	54,000
Due from U. S. Treasurer	12,500	11,750	12,000	......	1,500	1,000	24,642	12,041	14,352
Total	$44,677,498	$46,834,452	$44,983,818	$5,059,399	$5,003,633	$6,008,678	$26,279,409	$26,611,289	$24,700,775
Liabilities.									
Capital stock paid in	$9,725,000	$9,775,000	$9,400,000	$800,000	$800,000	$800,000	$3,300,000	$3,300,000	$3,300,000
Surplus fund	2,103,200	2,111,700	2,146,620	221,000	221,500	221,500	605,000	605,000	605,000
Undiv. profits, less expenses and taxes paid	568,597	639,142	469,394	60,822	81,928	45,577	320,503	280,665	311,455
National bank notes issued, less am't on hand	1,251,980	1,227,180	1,297,460	259,847	256,482	289,307	988,100	975,650	1,011,920
Due to other National banks	4,309,242	5,171,582	4,542,286	596,131	649,533	......	3,973,015	4,122,328	2,956,942
Due to State banks and bankers	2,728,452	3,654,230	3,041,438	1,432,904	1,491,504	917,540	6,162,916	6,390,421	5,613,478
Dividends unpaid	1,956	1,514	84,386	3,526	5,055	1,341,564	10	187	829
Individual deposits	22,940,056	23,887,386	22,983,408	1,685,167	1,547,630	4,328	10,626,691	10,637,577	10,494,597
U. S. deposits	87,882	46,195	45,671	......	......	1,888,861	232,172	233,585	227,284
Deposits of U. S. disbursing officers	24,553	14,404	13,158	......	......	......	70,999	65,874	79,271
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	125,000	100,000	200,000	......	......	......	......	......	100,000
Liabilities other than those above stated	861,578	806,167	755,000	......	......	......	......	......	......
Total	$44,667,498	$46,834,452	$44,983,818	$5,059,399	$5,003,633	$6,008,678	$26,279,409	$26,611,289	$21,700,775
Average reserve held	32.86 p. c.	36.66 p. c.	29.76 p. c.	29.18 p. c.	34.38 p. c.	33.66 p. c.	37.80 p. c.	35.81 p. c.	25.03 p. c.
* Total lawful money reserve	$3,033,490	$3,116,401	$3,428,970	$419,207	$368,774	$499,212	$2,291,069	$2,420,829	$2,222,058

RESOURCES.	HOUSTON, TEXAS.			KANSAS CITY, MO.			LINCOLN, NEB.		
	Dec. 15, 1897.	Feb. 18, 1898.	May 5, 1898.	Dec. 15, 1897.	Feb. 18, 1898.	May 5, 1898.	Dec. 15, 1897.	Feb. 18, 1898.	May 5, 1898.
Loans and discounts	$1,930,652	$1,947,309	$2,300,184	$17,419,063	$17,821,121	$17,859,879	$1,917,305	$1,918,[illegible]63	$2,005,944
Overdrafts	26,048	217,514	35,403	119,041	143,711	151,150	5,486	13,272	6,197
U. S. bonds to secure circulation	200,000	200,000	250,000	250,000	250,000	250,000	150,000	150,000	150,000
U. S. bonds to secure U. S. deposits	50,000	50,000	......	100,000	100,000	100,000	......	......	......
U. S. bonds on hand	......	......	......	391,000	416,000	226,000	......	......	......
Premiums on U. S. bonds	20,700	22,933	22,633	95,105	100,320	61,827	5,500	5,500	5,500
Stocks, securities, etc	45,854	33,084	32,843	830,329	1,157,368	1,640,992	62,836	84,427	78,329
Banking house, furniture and fixtures	182,758	183,084	133,549	72,325	69,365	66,865	9,037	9,087	8,046
Other real estate and mortgages owned	115,250	115,801	121,584	362,442	856,392	857,992	93,513	100,358	109,111
Due from National banks (not reserve agents)	633,759	821,031	594,165	911,481	920,536	1,207,449	87,915	93,372	127,598
Due from State banks and bankers	103,016	105,805	41,151	1,789,038	2,489,048	2,082,839	27,968	31,463	39,121
Due from approved reserve agents	715,954	744,158	732,537	5,196,187	7,280,266	6,712,474	208,951	320,845	405,052
Checks and other cash items	2,327	2,656	935	42,142	31,787	37,461	22,389	10,219	15,388
Exchanges for clearing-house	6,953	8,182	29,856	877,449	556,624	649,141	14,901	17,297	19,906
Bills of other National banks	51,305	37,040	91,324	174,860	225,600	204,136	4,702	5,294	4,826
Fractional paper currency, nickels and cents	2,292	3,666	3,455	4,472	3,463	3,695	1,237	1,626	1,515
*Lawful money reserve in bank, viz.:									
Gold coin	360,508	353,763	345,892	400,675	550,615	830,715	153,262	109,480	92,215
Gold Treasury certificates	138,790	134,020	135,760	21,020	51,020	101,120	......	......	......
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	94,629	72,592	95,661	102,193	101,876	89,110	18,685	21,414	18,429
Silver Treasury certificates	171,229	107,872	139,999	662,838	600,873	1,058,571	3,981	2,603	14,169
Silver fractional coin	15,040	14,047	27,649	22,991	28,889	26,545	11,359	14,021	15,632
Legal-tender notes	859,577	831,753	799,496	895,000	854,800	1,366,400	69,762	84,108	117,654
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	9,000	9,000	9,715	11,250	11,250	11,250	6,750	......	6,750
Due from U. S. Treasurer	......	......	1,585	4,000	4,500	......	......	......	......
Total	$5,865,647	$5,964,815	$5,944,782	$30,754,407	$34,123,925	$34,595,616	$2,875,495	$2,999,353	$3,236,397
LIABILITIES.									
Capital stock paid in	$1,150,000	$1,150,000	$1,150,000	$2,300,000	$2,300,000	$2,300,000	$800,000	$800,000	$800,000
Surplus fund	557,300	572,300	572,800	480,000	509,000	521,000	35,000	36,000	36,000
Undiv. profits, less expenses and taxes paid	112,175	97,407	127,050	302,640	271,302	388,462	15,025	4,837	7,962
National bank notes issued, less am't on hand	137,880	134,840	134,220	225,000	225,000	225,000	135,000	133,800	134,700
Due to other National banks	718,629	931,509	680,589	7,622,998	9,251,053	8,537,494	131,551	228,362	248,186
Due to State banks and bankers	261,460	278,694	253,925	8,446,304	9,490,466	8,756,048	278,559	282,490	374,061
Dividends unpaid	4,024	7,845	4,083	2,150	2,020	1,119	......	300	......
Individual deposits	2,874,128	2,792,156	3,022,076	11,268,984	11,974,430	12,953,286	1,480,359	1,513,562	1,636,066
U. S. deposits	50,000	......	......	94,227	71,507	77,594	......	......	......
Deposits of U. S. disbursing officers	......	......	......	12,104	20,144	20,611	......	......	......
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	......	......	......	......
Liabilities other than those above stated	......	62	587	......	......	865,000	......	......	......
Total	$5,865,647	$5,964,815	$5,944,782	$30,754,407	$34,123,925	$34,595,616	$2,875,495	$2,999,353	$3,236,397
Average reserve held	75.96 p. c.	74.62 p. c.	71.36 p. c.	30.86 p. c.	35.60 p. c.	38.91 p. c.	26.94 p. c.	29.79 p. c.	32.41 p. c.
* Total lawful money reserve	$1,639,774	$1,514,048	$1,544,457	$2,104,217	$2,186,573	$3,472,461	$257,049	$231,626	$258,099

	LOUISVILLE, KY.			MILWAUKEE, WIS.			MINNEAPOLIS, MINN.		
RESOURCES.	Dec. 15, 1897.	Feb. 18, 1898.	May 5, 1898.	Dec. 15, 1897.	Feb. 18, 1898.	May 5, 1898.	Dec. 15, 1897.	Feb. 18, 1898.	May 5, 1898.
Loans and discounts	$7,328,711	$7,535,878	$7,492,145	$14,510,257	$15,853,483	$17,398,657	$12,348,300	$12,273,799	$11,458,636
Overdrafts	10,330	15,086	9,332	158,015	134,863	192,818	1,960	6,863	4,855
U. S. bonds to secure circulation	850,000	850,000	95 ,000	720,000	720,000	870,000	300,000	300,000	300,000
U. S. bonds to secure U. S. deposits	500,000	750,000	750,000	390,000	390,000	390,000	50,000	50,000	50,000
U. S. bonds on hand	20 ,010	100,000	100,000	8,250	8,250	39,350	......	......	......
Premiums on U. S. bonds	116,512	148,750	152,000	132,184	132,184	161,259	23,500	23,250	22,950
Stocks, securities, etc	578,575	894,282	942,429	1,241,960	1,810,015	1,379,425	437,828	431,273	441,684
Banking house, furniture and fixtures	188,400	189,1.5	189,125	126,263	123,763	123,763	105,960	107,175	108,275
Other real estate and mortgages owned	20,118	4,.28	8,788	67,010	66,670	66,582	71,657	77,628	77,628
Due from National banks (not reserve agents)	1,0.8,258	994,178	923,417	2,485,052	2,824,355	1,849,579	78.,119	751,850	713,127
Due from State banks and bankers	300,837	334,871	272,235	800,051	965,946	1,018,055	1,187,998	708,345	891,357
Due from approved reserve agents	2,975,608	3,694,235	2,334,532	5,163,911	6,421,138	4,524,430	2,417,653	1,563,777	2,236,900
Checks and other cash items	14,227	10,723	9,608	3,754	23,746	7,773	23,133	17,350	29,942
Exchanges for clearing-house	123,438	170,456	52,633	539,585	288,581	417,992	738,251	402,968	1,014,054
Bills of other National banks	80,593	47,223	110,975	78,331	57,385	84,961	138,729	71,710	150,579
Fractional paper currency, nickels and cents	3,492	1,660	2,832	3,600	1,677	2,749	5,960	4,436	5,185
*Lawful money reserve in bank, viz.:									
Gold coin	601,805	587,339	607,392	1,872,855	1,961,412	2,128,676	811,687	744,187	597,652
Gold Treasury certificates	5,000	5,000	5,000	......	......	......	8,930	10,000	9,000
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	25,750	36,306	31,754	35,231	49,314	35,953	43,720	32,416	30,594
Silver Treasury certificates	......	......	......	200,766	123,245	110,288	47,500	32,700	58,200
Silver fractional coin	14,033	10,048	14,349	20,590	27,032	22,560	24,847	12,520	10,892
Legal-tender notes	430,150	531,928	1,317,301	1,088,925	1,036,960	1,673,761	808,578	872,987	837,336
U. S. certificates of deposit for legal-tenders	......	......	250,000	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	38,250	38,250	38,240	32,400	32,400	38,537	13,500	13,500	13,300
Due from U. S. Treasurer	1,000	7,280	......	14,850	600	7,400	4,500	4,110	1,562
Total	$15,453,892	$16,956,850	$16,564,088	$29,698,815	$32,553,025	$32,544,578	$20,406,337	$18,015,800	$19,069,724
LIABILITIES.									
Capital stock paid in	$3,000,000	$3,000,000	$3,000,000	$3,250,000	$3,250,000	$3,250,000	$4,500,000	$4,500,000	$4,500,000
Surplus fund	651,000	665,000	665,000	576,000	586,500	586,500	491,000	503,500	505,500
Undiv. profits, less expenses and taxes paid	243,941	200,252	213,928	302,677	163,629	185,179	461,553	379,687	3 4,850
National bank notes issued, less am't on hand	762,880	763,440	768,550	639,900	690,670	764,200	210,240	201,230	200,410
Due to other National banks	3,140,699	3,522,127	3,473,308	3,404,005	4,032,878	4,033,040	4,085,419	3,201,355	2,674,.72
Due to State banks and bankers	2,365,256	2,452,825	1,870,638	1,996,851	2,554,138	2,402,188	2,269,.25	1,939,349	1,778,498
Dividends unpaid	3,846	3,427	8,9.9	125	1,287	125	464	1,480	2,897
Individual deposits	4,773,048	5,577,533	5,791,228	19,125,019	20,942, 09	20,876,675	8,883,604	7,206,.77	8,968,184
*U. S. deposits	254,816	5 3,952	529,633	260,086	271,615	280,159	39,850	39,074	37,135
Deposits of U. S. disbursing officers	244,213	196,301	220,702	140,150	120,297	106,505	7,679	18,433	4,691
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	......	......	......	......
Liabilities other than those above stated	14,189	21,978	21,978	......	......	......	7,000	24,813	22,984
Total	$15,453,862	$16,956,850	$16,564,088	$29,698,815	$32,553,025	$32,544,578	$20,406,337	$18,015,800	$19,069,724
Average reserve held	44.28 p. c.	45.57 p. c.	43.65 p. c.	40.08 p. c.	40.58 p. c.	34.99 p. c.	35.15 p. c.	26.60 p. c.	35.42 p. c.
* Total lawful money reserve	$1,076,738	$1,170,622	$2,225,797	$3,218,367	$3,197,964	$3,971,238	$1,745,828	$1,204,761	$1,543,675

Resources.	New Orleans, La. Dec. 15, 1897.	New Orleans, La. Feb. 18, 1898.	New Orleans, La. May 5, 1898.	Omaha, Neb. Dec. 15, 1897.	Omaha, Neb. Feb. 18, 1898.	Omaha, Neb. May 5, 1898.	Philadelphia, Pa. Dec. 15, 1897.	Philadelphia, Pa. Feb. 18, 1898.	Philadelphia, Pa. May 5, 1898.
Loans and discounts	$11,164,630	$10,751,992	$10,697,620	$9,902,759	$9,695,532	$9,907,726	$100,648,110	$96,797,605	$98,327,849
Overdrafts	794,678	612,869	412,632	120,875	120,207	111,880	21,443	15,258	16,632
U. S. bonds to secure circulation	872,000	622,000	622,000	600,000	625,000	625,000	7,592,500	7,007,500	6,992,500
U. S. bonds to secure U. S. deposits	......	......	......	450,000	450,000	450,000	300,000	100,000	200,000
U. S. bonds on hand	42,950	43,950	47,850	88,000	13,000	35,000	1,050,000	550,000	550,000
Premiums on U. S. bonds	44,138	41,245	35,101	99,826	98,826	96,250	899,967	703,535	732,836
Stocks, securities, etc	1,885,691	1,981,324	2,214,848	684,852	763,768	714,365	10,958,818	12,434,850	18,656,249
Banking house, furniture and fixture	623,943	623,817	623,837	832,384	832,382	832,384	4,351,948	4,237,124	4,186,804
Other real estate and mortgages owned	99,282	85,315	85,315	573,488	583,288	516,059	583,049	59[illegible],775	630,764
Due from National banks (not reserve agents)	538,907	658,480	705,088	638,055	780,823	922,846	9,740,985	7,311,671	7,103,994
Due from State banks and bankers	372,483	890,921	641,550	562,181	526,764	445,527	1,629,814	1,747,088	1,408,095
Due from approved reserve agents	2,511,942	4,942,399	3,131,779	2,248,574	2,725,781	3,063,249	17,944,852	20,951,474	14,642,678
Checks and other cash items	25,895	24,588	24,709	85,956	112,432	114,669	1,491,432	1,032,081	1,148,102
Exchanges for clearing-house	2,026,944	1,194,544	851,653	639,[illegible]17	578,179	612,899	11,935,872	9,223,814	7,534,245
Bills of other National banks	6,924	48,125	92,993	160,369	120,362	177,525	390,984	364,274	381,052
Fractional paper currency, nickels and cents	......	7,564	13,627	3,647	4,889	4,650	62,064	61,269	70,723
*Lawful money reserve in bank, viz.:									
Gold coin	759,525	790,164	888,483	859,719	1,159,890	894,522	1,848,081	1,927,921	1,780,418
Gold Treasury certificates	122,920	134,630	113,070	81,480	32,400	37,730	203,760	158,880	159,745
Gold clearing-house certificates	......	......	......	......	......	......	6,540,000	6,825,000	7,780,000
Silver dollars	74,026	97,068	73,565	101,034	138,392	123,866	261,200	209,054	252,359
Silver Treasury certificates	850,666	1,192,216	1,171,718	177,652	96,396	142,737	3,780,083	3,434,339	3,666,626
Silver fractional coin	58,619	68,878	72,859	48,509	43,718	39,805	313,882	282,763	265,463
Legal-tender notes	1,728,647	1,449,596	1,583,208	842,195	549,916	866,949	2,238,175	2,221,955	2,183,634
U. S. certificate of deposit for legal-tenders	275,000	395,000	320,000	......	......	......	6,905,000	9,165,000	5,770,000
Five per cent. redemption fund with Treas.	39,240	27,790	27,990	27,000	28,125	27,940	339,958	309,588	318,067
Due from U. S. Treasurer	3,710	16,400	2,000	5,200	5,650	2,750	80,858	44,848	44,998
Total	$24,982,996	$26,730,895	$24,453,589	$19,682,659	$20,035,670	$20,765,838	$192,070,798	$189,690,667	$174,708,921
Liabilities.									
Capital stock paid in	$2,300,000	$2,300,000	$2,800,000	$3,750,000	$3,750,000	$3,750,000	$21,915,000	$20,915,000	$20,465,000
Surplus fund	2,810,000	2,305,000	2,305,000	825,500	834,500	834,500	14,743,000	14,523,000	14,548,000
Undiv. profits less expenses and taxes paid	404,841	377,609	481,864	184,697	125,921	148,090	2,743,194	2,792,437	2,559,813
National bank notes issued, less am't on hand	747,947	522,045	518,895	538,195	562,500	557,590	6,601,112	5,998,435	6,202,285
Due to other National banks	1,638,569	2,070,221	1,539,179	3,577,128	3,658,561	3,874,848	25,050,832	29,[illegible]55,065	22,876,188
Due to State banks and bankers	1,498,572	2,358,144	1,748,333	2,880,829	3,089,573	3,542,260	8,508,584	8,730,252	7,417,437
Dividends unpaid	8,816	9,390	6,367	373	378	383	56,073	40,[illegible]66	293,001
Individual deposits	15,991,251	16,783,483	15,553,948	7,954,777	7,986,612	8,060,510	111,454,151	107,070,840	99,588,338
U. S. deposits	......	......	......	236,925	267,977	311,806	299,492	202,008	201,842
Deposits of U. S. disbursing officers	......	......	......	209,234	194,651	125,844	......	......	1,870
Notes and bills rediscounted	83,000	5,000	......	......	......	......	......	......	......
Bills payable	50,000	......	......	75,000	65,000	65,000	360,000	......	835,000
Liabilities other than those above stated	......	......	......	......	......	......	339,351	63,569	189,583
Total	$24,982,996	$26,730,895	$24,453,589	$19,682,659	$20,035,670	$20,765,838	$192,070,798	$189,690,667	$174,708,921
Average reserve held	39.77 p. c.	49.39 p. c.	44.59 p. c.	33.72 p. c.	36.19 p. c.	37.78 p. c.	33.15 p. c.	35.87 p. c.	32.23 p. c.
* Total lawful money reserve	$3,864,404	$4,127,547	$4,223,498	$2,060,590	$2,020,712	$2,105,609	$22,054,132	$24,224,912	$21,758,305

RESOURCES.	PITTSBURG, PA. Dec. 15, 1897.	Feb. 18, 1898.	May 5, 1898.	ST. JOSEPH, MO. Dec. 15, 1897.	Feb. 18, 1898.	May 5, 1898.	ST. LOUIS, MO. Dec. 15, 1897.	Feb. 18, 1898.	May 5, 1898.
Loans and discounts	$46,510,195	$47,972,553	$50,432,769	$2,141,262	$1,999,048	$2,285,531	$31,830,130	$33,025,783	$36,084,086
Overdrafts	39,694	47,831	45,130	4,726	20,897	5,734	28,356	64,595	24,620
U. S. bonds to secure circulation	5,339,250	5,130,250	5,430,250	150,000	150,000	150,000	2,075,000	1,810,000	1,810,000
U. S. bonds to secure U. S. deposits	200,000	200,000	200,000	50,000	50,000	50,000	540,000	540,000	540,000
U. S. bonds on hand	162,700	120,400	775,400	......	......	......	75,000	75,000	154,000
Premiums on U. S. bonds	537,221	491,177	733,030	......	......	......	199,481	176,718	192,768
Stocks, securities, etc	3,557,054	4,176,849	4,289,518	12,390	12,000	14,400	1,350,372	2,373,975	2,386,693
Banking house, furniture and fixtures	3,496,621	3,559,789	3,606,738	72,000	72,000	72,000	932,000	932,100	930,000
Other real estate and mortgages owned	544,823	477,557	509,042	......	......	......	217,361	264,195	266,236
Due from National banks (not reserve agents)	2,728,580	3,710,020	2,061,562	335,077	482,467	336,099	10,780,629	15,0 5,458	6,949,831
Due from State banks and bankers	375,806	347,092	245,673	89,158	94,833	133,145	1,969,515	1,739,001	1,260,476
Due from approved reserve agents	6,515,997	9,023,763	4,794,517	504,946	1,063,000	952,336	......	......	......
Checks and other cash items	287,122	220,379	355,125	26,·10	19,987	18,711	91,574	73,557	71,151
Exchanges for clearing-house	2,508,751	3,225,259	2,430,457	65,812	32,816	175,883	1,350,721	1,404,815	1,357,545
Bills of other National banks	345,811	345,706	294,586	8,870	6,475	10,165	302,494	328,162	338,088
Fractional paper currency, nickels and cents	15,879	15,888	19,640	549	552	782	1,672	2,420	2,551
*Lawful money reserve in bank, viz.:									
Gold coin	3,351,852	3,407,926	3,517,083	83,562	71,577	92,252	1,215,562	1,214,328	1,419,633
Gold Treasury certificates	416,930	406,400	401,380	6,980	8,460	12,880	239,440	240,210	242,170
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	154,158	181,083	214,594	10,736	10,128	13,557	32,572	32,674	17,998
Silver Treasury certificates	801,085	943,211	1,160,708	104,269	86,834	112,969	966,485	1,230,010	1,617,410
Silver fractional coin	122,028	133,174	102,528	4,461	5,036	4,633	23,005	19,498	16,244
Legal-tender notes	2,023,811	2,570,936	3,047,770	195,668	159,761	218,514	3,816,336	4,020,010	5,468,691
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	1,550,000	1,730,000	2,400,000
Five per cent. redemption fund with Treas.	234,871	230,436	243,211	6,750	6,750	6,750	93,375	81,450	81,450
Due from U. S. Treasurer	15,412	37,892	33,431	2,100	3,997	1,000	6,000	......	2
Total	$80,287,107	$86,975,580	$84,946,145	$3,875,531	$4,356,623	$4,667,345	$59,207,085	$66,383,864	$63,631,649
LIABILITIES.									
Capital stock paid in	$12,300,000	$12,300,000	$12,300,000	$350,000	$350,000	$350,000	$8,400,000	$8,400,000	$8,400,000
Surplus fund	9,700,200	9,893,400	9,793,400	104,000	104,000	105,500	1,710,000	1,710,000	1,710,000
Undiv. profits, less expenses and taxes paid	2,081,709	1,815,615	2,000,457	37,101	43,540	60,0·6	644,926	722,543	838,187
National bank notes issued, less am't on hand	4,769,912	4,561,822	4,827,680	135,000	135,000	135,000	1,853,060	1,574,095	1,617,167
Due to other National banks	7,283,788	8,678,192	8,691,683	391,098	472,101	571,552	15,515,818	19,521,696	17,313,680
Due to State banks and bankers	2,435,799	3,099,405	2,802,167	767,8·5	1,058,969	1,217,524	9,119,843	11,845,547	10,347,436
Dividends unpaid	59,485	56,675	124,967	4	4	4	4,897	2,276	41,460
Individual deposits	41,502,740	46,353,816	43,824,977	2,041,209	2,143,575	2,178,706	21,434,019	22,580,906	22,781,683
U. S. deposits	185,204	106,862	120,838	48,912	48,884	49,031	525,000	525,000	549,833
Deposits of U. S. disbursing officers	68,267	94,444	80,620	349	528	......	......	......	......
Notes and bills rediscounted	......	......	379,358	......	......	......	......	......	......
Bills payable	....	......	......	......	......	......	......	......	......
Liabilities other than those above stated	......	15,845	......	......	......	......	......	1,800	32,200
Total	$80,287,107	$86,975,580	$84,946,145	$3,875,531	$4,356,623	$4,667,345	$59,207,085	$66,383,864	$63,6 1,649
Average reserve held	29.92 p. c.	32.29 p. c.	26.64 p. c.	33.35 p. c.	45.42 p. c.	40.06 p. c.	24.67 p. c.	24.18 p. c.	27.39 p. c.
* Total lawful money reserve	$6,869,814	$7,642,730	$8,444,058	$405,677	$341,796	$454,806	$7,843,401	$8,486,730	$11,182,146

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Resources.	St. Paul, Minn. Dec. 15, 1897.	St. Paul, Minn. Feb. 18, 1898.	St. Paul, Minn. May 5, 1898.	San Francisco, Cal. Dec. 15, 1897.	San Francisco, Cal. Feb. 18, 1898.	San Francisco, Cal. May 5, 1898.	Savannah, Ga. Dec. 15, 1897.	Savannah, Ga. Feb. 18, 1898.	Savannah, Ga. May 5, 1898.
Loans and discounts	$10,899,191	$10,352,501	$10,314,406	$8,408,912	$12,332,857	$13,278,223	$1,174,517	$1,250,397	$1,477,636
Overdrafts	7,525	1,990	4,775	127,877	163,857	181,265	1,215	402	2,823
U. S. bonds to secure circulation	252,000	252,006	252,000	200,000	400,000	700,000	102,000	102,000	102,000
U. S. bonds to secure U. S. deposits	475,000	475,000	475,000	150,000	150,000	150,000	90,000	90,000	90,000
U. S. bonds on hand	......	......	......	......	1,210,000	870,000	......	......	......
Premiums on U. S. bonds	......	......	......	30,301	227,106	212,816	10,650	10,650	10,400
Stocks, securities, etc	1,701,283	1,894,402	1,745,190	668,235	1,328,558	1,445,604	44,600	44,675	44,428
Banking house, furniture and fixtures	702,718	698,218	698,758	345,586	355,067	355,097	67,312	67,312	67,312
Other real estate and mortgages owned	74,138	85,088	87,883	104,740	141,705	141,524	15,964	16,087	16,134
Due from National banks (not reserve agents)	1,015,198	675,170	958,147	231,256	792,904	964,996	94,673	156,092	46,349
Due from State banks and bankers	307,385	138,818	241,065	571,531	1,132,788	1,366,650	32,416	18,541	22,629
Due from approved reserve agents	3,020,461	3,806,981	2,580,194	839,531	896,823	1,274,984	26,749	143,319	52,644
Checks and other cash items	81,548	87,898	99,467	9,606	8,724	9,698	722	675	424
Exchanges for clearing-house	259,801	162,572	300,680	231,853	335,690	471,414	20,220	51,694	22,511
Bills of other National banks	118,500	83,670	202,155	11,400	9,155	14,860	33,000	14,500	20,691
Fractional paper currency, nickels and cents	3,680	2,501	2,466	284	485	810	661	559	746
*Lawful money reserve in bank, viz.:									
Gold coin	1,987,216	1,630,554	1,620,528	3,178,812	5,066,047	4,691,562	3,000	2,000	12,000
Gold Treasury certificates	......	......	......	......	345,000	345,000	3,000	3,000	3,000
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	156,000	115,900	146,500	49,024	41,754	30,171	25,000	41,500	36,000
Silver Treasury certificates	159,905	94,048	220,912	24,360	12,966	24,158	69,451	45,000	22,800
Silver fractional coin	41,743	54,608	58,198	41,938	48,220	32,111	5,800	18,700	12,600
Legal-tender notes	248,908	248,264	457,474	9,564	8,885	17,967	70,000	45,559	40,000
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	11,340	11,338	11,338	6,750	11,250	18,000	4,590	4,590	4,590
Due from U. S. Treasurer	36,269	34,101	46,431	2,400	8,700	12,800	2	2	2
Total	$21,009,816	$20,855,630	$20,523,578	$15,243,967	$25,028,548	$26,639,716	$1,895,545	$2,122,167	$2,107,724
Liabilities.									
Capital stock paid in	$3,800,000	$3,800,000	$3,800,000	$3,000,000	$6,000,000	$6,000,000	$750,000	$750,000	$750,000
Surplus fund	855,000	655,000	655,000	1,500,000	2,225,000	2,225,000	225,000	225,000	225,000
Undiv. profits, less expenses and taxes paid	888,719	764,898	770,412	294,662	210,262	379,786	57,912	51,704	66,056
National bank notes issued, less amt on hand	210,840	210,130	206,730	90,000	90,000	90,000	85,755	85,855	89,495
Due to other National banks	3,238,423	2,777,042	2,127,928	1,090,684	1,887,880	1,461,578	82,728	89,252	97,084
Due to State banks and bankers	2,475,524	2,454,450	2,410,402	1,658,171	2,986,530	4,210,473	104,057	193,823	185,191
Dividends unpaid	2,395	3,346	2,466	375	1,785	1,085	1,318	1,418	435
Individual deposits	9,099,067	9,785,469	10,047,578	7,442,483	11,463,678	12,108,322	449,556	536,513	487,853
U. S. deposits	151,999	175,137	249,851	167,589	163,461	163,470	18,867	29,895	38,712
Deposits of U. S. disbursing officers	287,845	230,660	178,203	......	......	......	68,871	59,708	51,727
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	75,000	......	......	......	100,000	100,000	150,000
Liabilities other than those above stated	......	......	......	......	......	......	1,477	......	16,218
Total	$21,009,816	$20,855,630	$20,523,573	$15,243,967	$25,028,548	$26,639,716	$1,895,545	$2,122,167	$2,107,724
Average reserve held	41.13 p. c.	41.50 p. c.	38.27 p. c.	45.56 p. c.	45.18 p. c.	42.65 p. c.	41.93 p. c.	45.08 p. c.	26.29 p. c.
* Total lawful money reserve	$2,543,772	$2,143,370	$2,503,612	$3,303,699	$5,522,873	$5,150,970	$176,251	$155,759	$126,400

Resources.	Washington, D. C. Dec. 15, 1897.	Washington, D. C. Feb. 18, 1898.	Washington, D. C. May 5, 1898.	The United States. Dec. 15, 1897.	The United States. Feb. 18, 1898.	The United States. May 5, 1898.
Loans and discounts	$9,297,811	$9,286,387	$9,510,626	$2,082,608,324	$2,138,078,280	(The returns of all the banks of the United States were delayed in compilation.)
Overdrafts	10,279	8,248	7,411	17,741,993	14,093,400	
U. S. bonds to secure circulation	929,150	960,400	960,400	222,020,750	212,425,300	
U. S. bonds to secure U. S. deposits	100,000	100,000	100,000	45,367,100	34,760,500	
U. S. bonds on hand	365,400	253,400	271,850	14,915,800	13,184,500	
Premiums on U. S. bonds	114,452	105,445	110,480	18,555,489	17,789,744	
Stocks, securities, etc	1,092,202	983,618	967,023	217,582,980	230,346,748	
Banking house, furniture and fixtures	1,068,046	940,197	940,197	79,254,940	78,894,056	
Other real estate and mortgages owned	54,565	55,421	57,936	29,852,102	30,119,511	
Due from National banks (not reserve agents)	762,309	1,109,103	1,192,705	168,825,189	170,808,109	
Due from State banks and bankers	383,224	369,022	632,912	48,012,498	48,093,430	
Due from approved reserve agents	2,032,836	2,775,588	2,160,586	309,569,861	360,277,020	
Checks and other cash items	242,504	141,214	150,799	14,933,428	13,100,061	
Exchanges for clearing-house	170,151	149,179	214,741	118,415,838	113,590,539	
Bills of other National banks	8,442	6,595	3,670	18,859,116	18,600,745	
Fractional paper currency, nickels and cents	7,854	7,293	7,783	925,465	1,040,901	
*Lawful money reserve in bank, viz.:						
Gold coin	439,601	429,720	395,336	119,747,644	125,710,166	
Gold Treasury certificates	583,800	577,610	574,580	19,484,500	18,062,850	
Gold clearing-house certificates	......	......	......	67,861,000	79,083,000	
Silver dollars	8,529	11,056	9,184	7,509,247	7,459,428	
Silver Treasury certificates	944,092	1,223,250	1,877,897	31,752,596	34,964,289	
Silver fractional coin	46,342	30 884	38,876	5,808,565	6,098,741	
Legal-tender notes	357,543	496,165	803,556	112,564,875	120,265,185	
U. S. certificates of deposit for legal-tender notes	30,000	30,000	660,000	45,840,000	49,250,000	
Five per cent. redemption fund with Treasurer	34,511	38,717	38,717	9,761,568	9,815,860	
Due from U. S. Treasurer	......	......	5,950	1,442,901	1,535,292	
Total	$19,083,650	$20,090,517	$21,693,172	$3,829,213,776	$3,946,947,114	
Liabilities.						
Capital stock paid in	$2,875,000	$2,775,000	$2,775,000	$629,655,365	$628,890,320	
Surplus fund	1,239,500	1,216,000	1,216,000	246,416,688	248,484,530	
Undivided profits, less expenses and taxes paid	339,337	226,438	285,418	95,293,663	86,143,789	
National bank notes issued, less amount on hand	733,105	762,875	760,705	193,783,965	184,106,322	
State bank notes outstanding	......	......	......	60,335	56,018	
Due to other National banks	252,813	370,058	298,840	445,061,154	504,960,175	
Due to State banks and bankers	257,990	267,489	311,819	232,877,503	259,972,293	
Dividends unpaid	3,211	4,438	3,755	943,274	1,071,997	
Individual deposits	18,181,339	14,866,038	15,938,207	1,916,630,252	1,982,660,933	
U. S. deposits	46,515	79,942	82,649	39,939,047	27,562,931	
Deposits of U. S. disbursing officers	56,988	22,241	20,777	4,012,185	3,870,835	
Notes and bills rediscounted	......	......	......	3,161,796	2,681,072	
Bills payable	97,900	......	......	7,722,623	5,579,549	
Liabilities other than those above stated	......	......	......	18,655,901	10,886,344	
Total	$19,083,650	$20,090,517	$21,693,172	$3,829,213,776	$3,946,947,114	
Average reserve held	34.15 p. c.	39.22 p. c.	41.44 p. c.	....	33.23 p. c.	
*Total lawful money reserve	$2,409,908	$2,800,686	$4,359,499	$410,568,427	$440,893,110	

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, June 3, 1898.

THE WAR WITH SPAIN is naturally still the all-absorbing topic of interest in business and financial circles. While little has been done in the way of winning victories since Dewey's brilliant feat at Manila, definite progress towards peace seems to have been made, the final step in that direction possibly being the capture or destruction of Cervera's fleet now bottled up in the Harbor of Santiago de Cuba.

The past month has witnessed a very important change in the tone of business, and it is largely due to the growing confidence not only that our arms will be completely victorious but that the war will end shortly and with but little loss in life or property to this country.

This sentiment has manifested itself to a remarkable degree in the operations of the New York Stock Exchange, which usually takes a prophetic view of coming events. From a state of mid-summer inactivity and weakness the stock market suddenly became both active and strong, and the month closed with all classes of securities advancing in price and transactions double in volume what they were earlier in the month.

One-quarter of the stocks dealt in at the Stock Exchange sold at the highest prices of the year in May. The lowest prices of the year as a rule were recorded in March, about the time when the destruction of the Maine was reported. The recovery since then is partially reflected in the following list of advances, comparing the highest prices in May with the lowest touched prior to May 1 :

	Advance per cent.		*Advance per cent.*
Atchison, preferred	9⅞	Metropolitan Street	38¼
Canadian Pacific	12⅝	Missouri Pacific	14¼
Central New Jersey	10⅛	New York Central	12¾
Chicago, Burlington and Quincy	18⅛	Northern Pacific, preferred	11¼
Chicago, Milwaukee and St. Paul	17¾	Pullman Palace Car	26
Chicago and Northwestern	16⅝	St. Paul, Minnesota and Manitoba	18⅞
Chicago, Rock Island and Pacific	28¼	Western Union	10¾
Chicago, St. Paul, Minnesota & Omaha	14⅛	American Cotton Oil, preferred	11
Consol. Gas	29	American Spirits, preferred	18⅛
Great Northern, preferred	49	American Sugar	33¼
Lake Shore	11	American Tobacco	31¾
Louisville and Nashville	12⅝	U. S. Leather, preferred	15⅛
Manhattan	16⅞	U. S. Rubber, preferred	20⅝

With the advance in prices came an increased volume of transactions resulting in total sales of stocks for the month of more than 9,000,000 shares as compared with less than 6,000,000 shares in April. The dealings in railroad bonds also increased, the total being $64,000,000 as against $27,000,000 in April. The bad effects of the war have not been wholly eliminated, however, for the sales of bonds in February last amounted to nearly $96,000,000, and of stocks in March to nearly 10,000,000 shares.

Another evidence of improved sentiment is to be found in the increase in bank clearings of the country. Seventy-seven cities report an increase of nearly 7½ per cent. over April and of 28 per cent. over May last year. January alone this year recorded a larger total than May, while only once before, in 1890, were the May clearings as large as those of this year. Chicago makes a notable illustration, its clearings in May being the largest for any month in its history, the total being $502,000,000, an increase of nearly $136,000,000 over May last year.

It is a generally accepted fact that but for our trouble with Spain this country would now be experiencing an era of prosperity such as was never before known. Even in spite of this drawback general trade is active as testified to by the fact that the first five months of 1898 show larger aggregate bank clearings than any similar period in previous years, and 8½ per cent. larger than in 1893 when the total was the largest until now.

The substantial basis for prosperity is to be found in our large supply of wheat accompanied by a deficient supply abroad. For the first time in years the American wheat grower has had complete control of the European grain markets, and this country has not only been able to market its surplus but to get high prices.

The Bureau of Statistics recently published estimates of the world's production of wheat in 1897 with comparisons with that of previous year. They explain the situation fully. We give a recapitulation of the figures for the last five years:

YEAR.	*North America.*	*Europe.*	*Asia.*	*Total world.*
	Bushels.	Bushels.	Bushels.	Bushels.
1893	453,782,000	1,514,298,009	432,384,000	2,562,918,000
1894	522,850,000	1,521,029,000	429,702,000	2,676,651,000
1895	538,563,000	1,437,050,000	404,578,000	2,546,494,000
1896	476,493,000	1,484,301,000	339,397,000	2,430,497,000
1897	590,149,168	1,118,400,000	285,000,000	2,189,549,168
Average five years	516,367,434	1,414,015,600	378,212,200	2,471,220,834

The world's yield of wheat in 1897 was nearly 332,000,000 bushels less than the average of the past five years, although the United States and Canada had an increase of about 74,000,000 bushels. The falling off for the rest of the world was nearly 406,000,000 bushels.

Commercial estimates make the wheat production of the United States 50,000,000 bushels larger in 1897 than the Government estimates, and it is generally believed that last year's crop was 580,000,000 bushels instead of 530,000,000 bushels as estimated. For the past five years the yield has probably been underestimated nearly 250,000,000 bushels. These revisions only made the position of the United States in the wheat market stronger, as we had the wheat to sell when Europe was compelled to buy it.

The advantage which we gained is made apparent in the following statement of our wheat (including flour) exports for the ten months ended April 30, 1898, compared with those of previous full years:

YEAR ENDED JUNE 30.	*Bushels.*	*Value.*	*Average export price.*	
			Wheat per bushel.	*Flour. per barrel.*
1880	180,304,180	$225,879,502	$1.25	$5.88
1881	186,321,514	212,745,742	1.11	5.67
1892	225,665,798	236,761,415	1.03	4.96
1895	147,812,718	95,457,591	.58	3.38
1896	126,443,968	91,735,085	.65	3.56
1897	145,124,972	115,834,525	.75	3.84
1898*	230,290,717	171,143,531	.94	4.41

* Ten months.

For the ten months of the present fiscal year our exports of wheat and flour exceed by nearly 55,000,000 bushels the largest aggregate for any entire year in the history of the country. The average price is not so high as in 1892, but with that exception is the highest since 1884. This year's average will be increased by the exports in May and June, the April price averaging $1.01 as compared with 80 cents in April, 1897.

In our own markets the price of wheat advanced to extraordinary figures last month. On May 9 cash wheat sold in New York at $1.93 and on May 28, next to the last business day in the month, May wheat sold at $1.75. In the last few days wheat has declined, but good prices for the coming crop are expected.

The estimates of the wheat yield this year all point to record-breaking figures. The increased value of wheat naturally caused an enlargement of acreage which, however, has been offset by unfavorable conditions in some States, but the average condition of the winter wheat crop now shortly to be harvested is high, being reported on May 1 at 86.5 per cent. as compared with 80.2 per cent. in 1897, 82.7 per cent. in 1896, 82.9 per cent. in 1895, 81.4 per cent. in 1894 and 75.3 per cent, in 1893. The condition is the highest reported since 1891. It is possible that the wheat crop of 1898 will approximate 700,000,000 bushels, exceeding by 25,000,000 bushels the unofficial estimate of the bumper crop of 1891.

Beside the large export movement in bread stuffs our exports of general merchandise continue to be in excess of all previous records. April exports fell slightly below those of March but with two months of the year yet to be included, the total exports for the current fiscal year have reached $1,025,000,000 and the net exports $514,000,000. Only twice—in 1892 and 1897—have the total exports of merchandise in a full year reached $1,000,000,000, while the largest excess of exports over imports in a single year until now was $286,000,000 recorded last year.

The merchandise movement justified large imports of gold and nearly $32,000,000 arrived in May, making $89,000,000 for the ten months ended April 30. The receipts at New York in May aggregated $10,000,000 more while a considerable quantity was shipped to San Francisco from Australia. For the first time the net imports of gold in a single year will exceed $100,000,000 this year, the largest amount in any previous year being about $97,500,000 in 1881.

Gold has become so prominent a factor in our circulating medium that it is more or less a burden. Some relief might be had were the Government to resume the issue of gold certificates, but the Treasury Department has given no hint of such an intention. The supply of gold in the country is now about $860,000,000, an amount unequalled at any previous time. More than $650,000,000 is in actual circulation, while $35,000,000 more is represented by gold certificates.

The increase in the gold resources both in European banks and in this country in recent years has been noteworthy, and we believe no parallel exists for it in any previous time. We show here the estimated gold holdings of the principal foreign banks adding the gold in the United States Treasury and in circulation in this country on or about May 1 of each of the past six years.

JUNE 1.	*1893.*	*1894.*	*1895.*	*1896.*	*1897.*	*1898.*
England.......	$133,800,000	$180,400,000	$180,200,000	$232,800,000	$175,800,000	$181,000,000
France.........	333,600,000	346,400,000	398,800,000	391,500,000	387,000,000	364,200,000
Austro-Hun'y.	50,400,000	50,100,000	98,400,000	133,000,000	140,000,000	142,000,000
Germany......	161,600,000	162,100,000	181,500,000	149,300,000	149,200,000	141,800,000
Belgium.......	13,300,000	14,600,000	14,300,000	12,700,000	13,600,000	13,900,000
Netherlands...	13,700,000	22,000,000	20,100,000	12,800,000	12,700,000	13,900,000
Spain..........	37,500,000	38,500,000	39,000,000	40,900,000	42,500,000	47,800,000
Italy...........	76,800,000	82,500,000	85,200,000	85,700,000	85,700,000	74,200,000
Russia.........	290,500,000	288,700,000	299,300,000	436,300,000	458,500,000	545,000,000
	$1,111,200,000	$1,185,300,000	$1,316,800,000	$1,495,000,000	$1,464,500,000	$1,523,800,000
U. S. Treasury.	95,000,000	78,700,000	99,200,000	108,300,000	144,300,000	172,000,000
In circulation.	509,500,000	566,200,000	532,300,000	498,800,000	557,600,000	685,000,000
In U. S.........	$604,500,000	$644,900,000	$631,500,000	$607,100,000	$701,900,000	$857,000,000

The gold in the foreign banks has increased fifty per cent. since 1892 and in the United States nearly twenty-six per cent.

The imports of gold have been checked, the principal cause being the large supply of money combined with declining rates of interest. The Bank of England has ceased its efforts to prevent the gold movement, the occasion for it having ceased to exist, and the rate of discount of four per cent. made on April 7 was reduced to 3½ per cent. on May 26 and again to three per cent. on June 2. The Bank is now well supplied with gold and does not depend upon the American production for supplying its needs.

The sudden change in the local money market is one of the most striking features of the situation. Once more rates for money are very low and again money is accumulating in our banks. In our review last month we noted the heavy withdrawal of deposits from the New York banks with which we connected the currency movement to interior points. Money is again returning to New York and outside banks are redepositing the funds they withdrew when the war scare began to develop.

Since our May number was issued we have received from the Comptroller of the Currency a statement of the condition of the National banks of New York city as of May 5. This verifies our suggestion that the amount due other banks was probably greatly reduced since the previous statement of February 18. It appears that between the two dates, a period of less than eleven weeks, outside banks withdrew $61,000,000 from the local National banks. In the following table we show the individual and bank deposits, lawful money reserve and loans on each date that the banks made reports to the Comptroller of the Currency since October 1896:

MONTH.	*Individual Deposits.*	*Due banks.*	*Lawful money reserve.*	*Loans.*
October 6, 1896	$274,373,014	$170,297,098	$108,114,684	$314,156,682
December 17, 1896	299,912,326	208,951,342	135,431,598	339,983,264
March 9, 1897	297,028,713	249,682,886	164,460,772	354,979,532
May 14, 1897	316,669,249	233,605,249	152,949,355	355,090,811
July 23, 1897	337,515,801	253,462,483	158,782,047	381,543,610
October 5, 1897	341,886,866	264,861,121	136,506,525	408,335,475
December 15, 1897	365,899,774	287,695,910	156,068,084	429,709,003
February 18, 1898	382,535,476	334,301,228	178,860,395	470,938,724
May 5, 1898	386,405,341	273,033,197	176,785,095	396,948,326

The individual deposits of the New York National banks increased $108,000,000 from October 6, 1896, to February 18, 1898, and the deposits of other banks $164,000,000. During the recent drain upon the banks individual deposits further increased nearly $4,000,000 while the amount due other banks was reduced $61,000,000.

The banks of this city can not fairly be charged with ungenerous treatment of their borrowers when the extent and character of the drain of deposits are understood. Loans were reduced $74,000,000, but a large amount of loans on sterling exchange were voluntarily paid off, while the demand made by banks outside left our local institutions no alternative but to restrict loans.

The drain, however, is over, and money is coming in from the West and the South to fill the vaults of the New York banks and to reduce the rate of interest until increased activity in business brings stringency or another scare causes an outflow of the money the country is now lending to the banks of this city.

Financial interests have been deeply interested in the attempt of Congress to enact a revenue law. The Government began its war with Spain with a balance of about $240,000,000 in the Treasury and so far it has had no difficulty in meeting the extraordinary expenditures involved in the carrying on of hostilities. But it will take a very short time to exhaust the surplus and it is the duty of Congress to see to it that ample revenue is provided.

All sorts of financial and currency schemes have been presented from the coinage of the seigniorage to the issue of greenbacks and the imposition of an income tax. Corporations, particularly railroad, telegraph and insurance companies and the banks have been aimed at, apparently more with the purpose of hurting them than of raising revenue. But there is a conservative element in Congress which may be able to eliminate the bad features and amplify the good ones of the measure now under consideration.

The cost of the war has not yet exerted its full effect upon the Government expenditures, still the last three months have witnessed a considerable increase. The following comparative statement for five months past shows the trend :

MONTH.	*War.*	*Navy.*	*Total war and navy.*	*Other expenses.*	*Total expenses.*
January	$4,946,098	$3,230,107	$8,176,205	$28,520,506	$36,696,711
February	3,780,750	2,056,766	5,837,516	20,761,740	26,599,256
March	5,159,571	5,241,443	10,401,014	21,481,430	31,882,444
April	6,223,814	12,556,933	18,780,747	25,533,815	44,314,062
May	17,093,596	9,093,577	26,187,173	21,662,736	47,849,909

Our war expenses in May exceeded all other expenses and were nearly five times what they were in February. While interest payments in June are small, in July they will be nearly $7,000,000, and other expenditures are usually larger in the first month of the fiscal year, so in another month the deficit will likely increase although in the past two months it was nearly $30,000,000.

Compared with the country we are fighting our national finances are in excellent shape. Spain is impoverished as a Government and as a people. Its latest trouble is a run on the Bank of Spain, which may be compelled to suspend specie payments.

THE MONEY MARKET.—The local money market has again relapsed into a state of ease and rates have fallen. Money is returning to New York from interior points, the Government is making large disbursements and more gold has come from abroad. Call money has dropped to 1½ per cent. and has been as low as 1 per cent., time money for almost any period is no higher than three per cent. and commercial paper from less than 4 to 6 per cent. At the close of the month call money ruled at 1 to 1¼ per cent. the average rate being about 1⅜ per cent. Banks and trust companies quote 1½ per cent. as the minimum, some banks however obtaining 2 per cent. Time money on Stock Exchange collateral was quoted at 2¼ per cent. for 30 days, 2½ per cent. for 60 days, 3 per cent. for 90 days to four months and 3½ per cent. for five to seven months. For commercial paper the rates are 3¾ per cent., for 60 to 90 days endorsed bills receivable, 4 @ 4½ per cent. for first-class four to six months single names, and 5 @ 6 per cent. for good paper having the same length of

MONEY RATES IN NEW YORK CITY.

	Jan. 1.	*Feb. 1.*	*March 1.*	*April 1.*	*May 1.*	*June 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances	2½–4	1½–2	1½–2½	1½–5	2¼– 3½	1 –1¾
Call loans, banks and trust companies	3½–4	1½–2	2½–	2 –2½	4 –	1½–2
Brokers' loans on collateral, 30 to 60 days	3½–	2½–	3 –3½	4 –4½	6 –	2¼–2½
Brokers' loans on collateral, 90 days to 4 months	3½–4	2½–3	3½–4	5 –6	6 –	3 –
Brokers' loans on collateral, 5 to 7 months	3½–4	3 –	4 –	5 –6	6 –	3½–
Commercial paper, endorsed bills receivable, 60 to 90 days	3½–4	3 –	3½–	5 –	6 –	3¾–
Commercial paper prime single names, 4 to 6 months	4 –5	3¼–4	3½–4	5½–6	6½–7	4 –4½
Commercial paper, good single names, 4 to 6 months	5 –6	4 –5	4½–5	6½–7½	7 –9	5 –6

time to run. The rates for money in this city on or about the first of the month for the past six months are shown in the following table:

NEW YORK CITY BANKS.—The drain of deposits from New York banks ceased at the close of April and during the past week the accumulation of funds in those institutions has proceeded at a rapidly accelerated rate. Deposits increased $1,000,000 in the first week of the month, $7,000,000 in the second week, $14,000,000 in the third week and $15,000,000 in the fourth week. Since April 30 there has been an increase of $37,500,000 and it is possible that in the very near future there will be a new record made as to the aggregate deposits, which reached their maximum on February 11 last. The total is now within $42,000,000 of the amount recorded on that date. Loans were expanded nearly $20,000,000, which with an increase of about $100,000,000 in the average weekly clearings over April, is suggestive of improvement in the business situation. The banks gained nearly $15,500,000 in specie and $3,000,000 in legal tenders in May.

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
Apr. 30...	$570,198,100	$158,392,800	$50,737,700	$658,508,300	$44,504,675	$14,254,200	$631,658,500
May 7...	571,085,200	159,791,500	49,029,200	659,616,900	43,916,475	14,596,600	778,748,600
" 14...	573,667,200	163,439,300	50,237,900	666,719,900	46,997,225	13,693,000	819,487,000
" 21...	581,525,000	169,402,800	51,559,400	680,987,800	50,715,250	14,744,000	756,408,500
" 28...	589,721,400	178,862,000	53,844,200	696,006,400	53,704,600	14,787,200	706,878,300

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

MONTH.	*1896.*		*1897.*		*1898.*	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$501,089,300	$15,939,675	$530,785,000	$33,286,950	$675,064,200	$15,788,750
February......	490,447,200	39,623,400	563,331,800	59,148,250	722,484,200	35,609,450
March.........	489,612,200	24,442,150	573,769,300	57,520,975	729,214,800	22,729,125
April..........	481,795,700	17,005,975	569,226,500	47,666,575	682,236,800	35,720,800
May...........	495,004,100	22,944,275	576,863,900	48,917,625	658,508,300	44,504,675
June..........	498,874,100	22,230,675	575,600,000	46,616,100	696,006,400	53,704,600
July..........	499,046,900	20,328,275	604,983,700	41,384,875		
August........	485,014,000	17,728,600	623,045,000	45,720,150		
September....	451,934,800	8,836,200	636,996,000	39,517,700		
October.......	454,733,100	16,526,025	619,353,200	15,550,400		
November....	446,445,900	17,463,225	625,339,000	24,271,800		
December.....	490,634,300	31,411,625	666,278,600	22,122,950		

Deposits reached the highest amount, $738,683,800 on February 11, 1898, and the surplus reserve $111,623,000 on February 3, 1894.

NON-MEMBER BANKS—NEW YORK CLEARING-HOUSE.

Dates.	*Loans and Investments.*	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Surplus.*
Apr. 30.....	$60,842,900	$64,425,100	$3,478,200	$4,249,400	$7,545,000	$2,196,000	$1,362,325
May 7.....	60,926,000	65,644,000	3,677,200	4,399,500	7,910,000	1,877,000	1,452,700
" 14.....	59,965,300	64,131,100	3,756,100	4,324,000	7,322,800	2,040,000	1,410,125
" 21.....	59,047,500	64,488,400	3,660,100	4,184,600	8,601,400	2,844,200	2,668,200
" 28.....	59,094,200	66,208,100	3,722,500	4,081,800	9,573,000	3,196,600	4,021,875

BOSTON AND PHILADELPHIA BANKS.—The changes in the condition of the clearing-house banks of Boston and Philadelphia are shown in the following tables:

BOSTON BANKS.

Dates.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
Apr. 30........	$171,690,000	$172,618,000	$13,596,000	$6,889,000	$5,880,000	$88,000,800
May 7........	171,308,000	174,491,000	13,728,000	6,247,000	5,971,000	103,258,800
" 14........	171,390,000	176,705,000	13,994,000	6,544,000	6,093,000	101,018,100
" 21........	171,257,000	177,058,000	14,488,000	6,475,000	6,205,000	95,897,900
" 28........	171,641,000	176,886,000	14,735,000	6,424,000	6,290,000	90,410,700

PHILADELPHIA BANKS.

Dates.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
Apr. 30..................	$111,209,000	$118,218,000	$33,707,000	$5,963,000	$54,149,300
May 7..................	110,698,000	118,622,000	34,674,000	5,920,000	69,363,500
" 14..................	110,779,000	121,180,000	35,894,000	5,925,000	68,957,700
" 21..................	110,562,000	122,430,000	37,771,000	5,926,000	70,178,800
" 28..................	110,349,000	124,540,000	39,997,000	5,925,000	69,080,400

EUROPEAN BANKS.—The Bank of England gained $27,000,000 gold last month, the special inducements offered to attract the metal having been entirely successful. But little change in the stocks of the other European banks occurred, the Bank of France gaining about $2,000,000 and the Bank of Germany the same, while the Bank of Austro-Hungary lost about $5,000,000.

GOLD AND SILVER IN THE EUROPEAN BANKS.

	January 1, 1898.		*May 1, 1898.*		*June 1, 1898.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
England............	£30,453,493	....	£31,780,643	....	£37,191,952	....
France............	78,114,972	£48,230,367	74,373,145	£48,614,718	74,790,720	£49,043,960
Germany............	29,316,000	15,102,000	28,767,000	14,819,000	29,152,000	15,017,000
Austro-Hungary...	36,475,000	12,334,000	36,014,000	12,555,000	34,930,000	12,562,000
Spain............	9,431,000	10,300,000	9,819,000	8,728,000	9,834,000	4,605,000
Netherlands........	2,629,000	6,820,000	2,879,000	6,940,000	2,858,000	6,952,000
Nat. Belgium.......	2,824,000	1,412,000	2,847,000	1,423,000	2,860,000	1,430,000
Totals...........	£189,243,465	£94,198,367	£186,479,788	£93,079,718	£191,616,672	£89,609,960

MONEY RATES ABROAD.—The rates for money in European centers have been tending downward of late, the most notable decline being in London where open market rates have been reduced 1½ per cent., while the Bank of England on May 26 reduced its rate of discount to 3½ per cent. from 4 per cent., the rate made on April 7. The Bank of France maintains its rate of 2 per cent. Discounts of 60 to

MONEY RATES IN FOREIGN MARKETS.

	Dec. 10.	*Jan. 14.*	*Feb. 11.*	*Mar. 18.*	*Apr. 1.*	*Apr. 29.*
London—Bank rate of discount.....	3	3	3	3	3	4
Market rates of discount:						
60 days bankers' drafts......	2⅞	2½	2¾	2⅞—3	2⅞	3½—⅝
6 months bankers' drafts....	2¾—	2⅜	2½—⅝	2⅞	2⅞	3½—⅝
Loans—Day to day...........	2	1½	2	2	2	2½
Paris, open market rates...........	2	2	1¾	1¾	1⅞	2
Berlin, "	4½	3¼	2⅝	2¾	2¾	3¼
Hamburg, "	4⅝	3½	2⅞	2⅞	2¾	3⅜
Frankfort, "	4¾	3¼	2 11/16	2⅞	2⅝	3¾
Amsterdam, "	2½	2⅝	2⅝	2½	2⅝	2⅞
Vienna, "	3⅞	3½	3⅜	3⅜	3⅝	4
St. Petersburg, "	5	5	5	5	4¾	4¾
Madrid, "	4	4	4	4	4	5
Copenhagen, "	5	5	4	4	4	4

90 day bills in London at the close of the month were 2¼ per cent. against 3¾ per cent. a month ago. The open rate at Paris was 1¾ per cent. as against 2 per cent. a month ago; at Berlin and Frankfort 3⅛ per cent., a decline of ¼ @ ⅜ per cent.

Bank of England Statement and London Markets.

	Feb. 13, 1898.	*Mar. 16, 1898.*	*Apr. 13, 1898.*	*May 11, 1898.*
Circulation (exc. b'k post bills)	£26,600,235	£26,429,470	£27,802,810	£27,556,645
Public deposits	15,417,084	18,909,253	11,996,514	11,403,473
Other deposits	35,961,137	36,272,556	35,906,140	43,516,141
Government securities	13,999,565	14,158,120	13,197,958	13,187,958
Other securities	32,329,262	35,816,210	34,067,675	35,775,252
Reserve of notes and coin	23,245,676	23,717,099	18,433,658	23,812,767
Coin and bullion	33,045,911	33,316,569	29,486,468	34,569,412
Reserve to liabilities	45 1/16%	42⅞%	38⅝%	43¼%
Bank rate of discount	3%	3%	4%	4%
Market rate, 3 months' bills	2¾%	2⅞@3%	2⅞@3¼%	3¾%
Price of Consols (2¾ per cents.)	112 3/16	111 11/16	110⅝	111
Price of silver per ounce	26 1/16d.	25⅝d.	26d.	26 1/16d.
Average price of wheat	34s. 10d.	35s. 10d.	35s. 2d.	42s. 4d.

Foreign Exchange.—Sterling exchange was dull and heavy early in the month, but rapidly advanced as money became easier in New York. There was considerable buying of long sterling for investment to hold until it runs too short, while selling of American securities for foreign account, which until recently was extensive also strengthened rates. About $9,000,000 of gold arrived at New York from abroad during the month and sterling was bought to cover these imports. Sixty day sterling advanced 4½ cents and sight 2½ cents since April 21, when the lowest for the year was reached.

RATES FOR STERLING AT CLOSE OF EACH WEEK.

Week ended	Bankers' Sterling. *60 days.*	Bankers' Sterling. *Sight.*	*Cable transfers.*	*Prime commercial. Long.*	*Documentary Sterling. 60 days.*
April 29	4.80¾ @ 4.81	4.84 @ 4.84¼	4.84¾ @ 4.85	4.80 @ 4.80¼	4.79½ @ 4.80½
May 7	4.80¾ @ 4.81	4.84 @ 4.84¼	4.84½ @ 4.84¾	4.80 @ 4.80¼	4.79½ @ 4.80½
" 14	4.81¾ @ 4.82	4.85¼ @ 4.85½	4.85¾ @ 4.86	4.81¼ @ 4.81½	4.80¾ @ 4.81¾
" 21	4.83¼ @ 4.83½	4.86¼ @ 4.86½	4.86¾ @ 4.87	4.82¾ @ 4.83	4.82 @ 4.83
" 28	4.84 @ 4.84¼	4.86¼ @ 4.86½	4.86¾ @ 4.87	4.83½ @ 4.83¾	4.83 @ 4.83¼

Foreign Exchange—Actual Rates on or about the First of Each Month.

	Feb. 1.	*March 1.*	*April 1.*	*May 1.*	*June 1.*
Sterling Bankers—60 days	4.82¼— ½	4.81¾— 2	4.80¾— 1	4.80¾— 1	4.84 — ¼
" " Sight	4.84½— ¾	4.84 — ½	4.83¾— 4	4.84 — ¼	4.86¼— ½
" " Cables	4.84¾— 5	4.84½— ¾	4.84¼— ½	4.84¾— 5	4.86½— ¾
" Commercial long	4.81½— 2	4.80½— 1½	4.80 — ¼	4.80 — ¼	4.83¼— ½
" Docu'tary for paym't.	4.81½— 2	4.80½— 1½	4.79½—80½	4.79½—80½	4.82¾— 8¼
Paris—Cable transfers	5.20 — 9⅜	5.21¼—20⅝	5.22½— 1⅞	5.21⅞— ¼	5.19⅜—
" Bankers' 60 days	5.21⅞— 1¼	5.23⅛—	5.24⅜—	5.23¾—	5.21⅞— ¼
" Bankers' sight	5.20 1/16—20	5.21⅞— ¼	5.23⅛— 2½	5.22½— 1⅞	5.20 1/16—
Antwerp—Commercial 60 days.	5.24⅜— 3¾	5.25⅝—25	5.27½— 6⅞	5.28⅛— 7½	5.24⅜— 3¾
Swiss—Bankers' sight	5.22½— 1⅞	5.23¾— ⅛	5.25 — 4⅜	5.24⅜— ¾	5.21⅞— ¼
Berlin—Bankers' 60 days	94 7/16— ½	94 5/16— ⅜	93 15/16— 4	93 13/16— ⅞	94 9/16— ⅝
" Bankers' sight	94 15/16— 5	94⅝— 11/16	94⅜— 7/16	94 5/16— ⅜	95 — 1/16
Brussels—Bankers' sight	5.20⅝—	5.22½— 1⅞	5.23¾—	5.23⅛—	5.20⅝—
Amsterdam—Bankers' sight	40 3/16— ¼	40⅛— 3/16	39 15/16—40	40 — 1/16	40¼— 5/16
Kronors—Bankers' sight	26 13/16— ⅞	26¾— 13/16	26¾— 13/16	26 11/16— ¾	26 13/16— ⅞
Italian lire—sight	5.47¾—44	5.49⅜— 6⅞	5.52⅝—49⅜	5.60 —57	5.59⅜— 2¾

Silver.—The London silver market was strong in May and the price advanced to the highest point reached since last December. The range was from 25⅝d. on May 2 to 26⅞d. on May 31. The price closed in May 1 9-16d. per ounce higher than it did on April 30.

MONTHLY RANGE OF SILVER IN LONDON—1895, 1896, 1897.

MONTH.	1896.		1897.		1898.		MONTH.	1896.		1897.		1898.	
	High	*Low.*	*High*	*Low.*	*High*	*Low.*		*High*	*Low.*	*High*	*Low.*	*High*	*Low.*
January..	30 1/8	30 7/8	29 13/16	29 11/16	26 3/4	26 1/16	July......	31 5/8	31 3/8	27 11/16	26 3/8		
February	31 3/16	30 3/4	29 3/4	29 11/16	26 1/4	25 3/16	August ..	31 5/8	30 5/8	26 1/2	23 3/4		
March....	31 11/16	31 1/8	29 5/8	28 5/16	26 1/16	25	Septemb'r	30 11/16	30	27 1/4	23 3/4		
April.....	31 5/16	30 11/16	28 5/8	28 3/16	26 5/16	25 11/16	October..	30 5/16	29 3/4	27 1/2	26		
May......	31 5/16	30 15/16	28 5/16	27 5/8	26 7/8	25 5/8	Novemb'r	30 5/16	29 3/4	27 1/2	26 3/8		
June.....	31 7/16	31 3/16	27 3/4	27 1/8			Decemb'r	30	29 11/16	27 3/4	25 5/16		

GOLD AND SILVER COINAGE.—The mints of the United States last month coined $7,717,500 of gold, making the total since January 1 nearly $29,000,000. The silver coinage in May amounted to $1,433,000 of which $1,296,000 was in standard dollars. The minor coinage consisted exclusively of one cent pieces and amounted to $58,670.

COINAGE OF THE UNITED STATES.

	1897.		1898.	
	Gold.	*Silver.*	*Gold.*	*Silver.*
January..	$7,803,420	$1,964,800	$3,420,000	$1,624,000
February...	10,152,000	1,519,794	4,085,302	1,167,564
March..	13,770,900	1,617,654	5,385,463	1,488,139
April...	8,800,400	1,535,000	8,211,400	948,000
May..	4,489,950	1,600,000	7,717,500	1,433,000
June..	2,100,547	1,856,754		
July..	377,000	260,000		
August...	8,756,250	701,436		
September.......................................	8,762,375	1,050,092		
October..	3,845,000	2,301,000		
November..	3,544,000	2,103,000		
December..	3,626,642	1,977,167		
Year...	$76,028,484	$18,486,697	$28,819,665	$6,660,708

NATIONAL BANK CIRCULATION.—There was an increase in the total amount of bank notes outstanding during May of $1,582,709, the amount based on Government bonds increasing $2,017,208, while the lawful money on deposit to retire circulation was reduced $439,494. This latter item is now $31,456,910, an increase as compared with a year ago of $6,806,140. The bank notes outstanding are $4,177,306 less than on May 31, 1897.

NATIONAL BANK CIRCULATION.

	Feb. 28, 1898.	*Mar. 31, 1898.*	*Apr. 30, 1898.*	*May 31, 1898.*
Total amount outstanding...............	$224,747,032	$224,398,019	$226,030,136	$227,612,845
Circulation based on U. S. bonds........	191,056,818	191,611,600	194,138,732	196,155,935
Circulation secured by lawful money....	33,690,214	32,786,419	31,891,404	31,456,910
U. S. bonds to secure circulation:				
Four per cents. of 1895..................	25,556,150	26,446,650	27,654,150	28,859,150
Pacific RR. bonds, 6 per cent..........	2,725,000	2,528,000	3,081,000	3,665,000
Funded loan of 1891, 2 per cent........	22,259,250	22,194,250	22,301,750	22,268,000
" " 1907, 4 per cent........	146,897,100	146,794,350	147,014,600	147,387,100
Five per cents. of 1894..	15,977,150	16,402,150	17,111,150	17,708,650
Total	$213,414,650	$214,365,400	$217,162,650	$219,877,900

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1895, $4,660,000; Pacific Railroad 6 per cents., $311,000; 2 per cents of 1891, $1,459,500; 4 per cents of 1907, $17,479,000; 5 per cents. of 1894, $4,060,000; a total of $27,969,500.
The circulation of National gold banks, not included in the above statement, is $83,525.

GOVERNMENT REVENUES AND DISBURSEMENTS.—The War and Navy expenditures of the Government alone last month were within $4,000,000 of the total revenues, while more than $12,000,000 was disbursed for pensions, $3,000,000 for interest and nearly $6,000,000 for other expenses, the consequence being a deficit of

$17,775,000. The revenues are quite large, and in May exceeded those of any corresponding month in the past seven years with the exception of 1893, but the war expenditures will make the deficit for the fiscal year which ends this month considerable. For the eleven months ended May 31, a deficit of $24,521,337 is now shown, but the receipts were swelled by $64,750,223 on account of the sale of the Union Pacific and Kansas Pacific, and the expenditures by $5,449,368 on the same account. Allowing for these the deficit for the eleven months is $83,822,192 of which about $35,000,000 is chargeable to disbursements on account of the war. A deficit of $100,000,000 for the full year is reasonably certain.

United States Treasury Receipts and Expenditures.

Receipts.			Expenditures.		
Source.	*May, 1898.*	*Since July 1, 1897.*	*Source.*	*May, 1898.*	*Since July 1, 1897.*
Customs	$13,466,534	$135,263,865	Civil and mis	$5,706,900	$90,332,674
Internal revenue	14,492,209	153,259,674	War	17,093,596	72,233,997
Miscellaneous	2,116,075	82,478,229	Navy	9,093,577	49,342,742
			Indians	566,438	10,538,150
Total	$30,074,818	$371,001,768	Pensions	12,382,085	136,382,990
			Interest	8,007,313	36,692,622
Excess of expenditures	$17,775,091	$24,521,337	Total	$47,849,909	$395,523,105

United States Treasury Cash Resources.

	Feb. 28.	*Mar. 31.*	*April 30.*	*May 31.*
Net gold	$167,434,000	$173,686,764	$180,983,631	$171,922,142
Net silver	15,898,079	9,498,663	5,733,488	9,006,464
U.S. notes	33,808,491	41,277,632	31,621,433	30,208,559
Miscellaneous assets (less current liabilities)	*21,736,630	*29,587,008	*28,217,044	*40,061,586
Deposits in National banks	31,825,573	31,281,277	28,817,446	28,731,883
Available cash balance	$227,224,513	$226,157,827	$218,938,954	$199,807,462

* Excess of liabilities.

United States Government Receipts and Expenditures and Net Gold in the Treasury.

Month.	1897.			1898.		
	Receipts.	*Expenditures.*	*Net Gold in Treasury.*	*Receipts.*	*Expenditures.*	*Net Gold in Treasury.*
January	$24,316,994	$30,269,389	$144,800,493	$37,333,628	$36,696,711	$164,236,793
February	24,400,997	28,796,056	148,661,209	28,572,358	26,599,256	167,623,183
March	36,217,662	27,212,998	152,786,464	32,958,750	31,882,444	174,584,116
April	37,812,135	32,072,097	153,340,889	33,012,943	44,814,062	181,238,137
May	29,797,390	29,109,259	144,819,562	30,074,818	47,849,909	*171,922,142
June	36,584,708	22,934,694	140,790,738			
July	39,027,364	50,100,909	140,817,699			
August	19,023,615	33,588,047	144,216,377			
September	21,933,098	25,368,815	147,663,105			
October	24,391,415	33,701,512	153,573,147			
November	48,363,605	37,810,839	157,363,851			
December	59,646,698	27,634,092	160,911,547			

* This balance as reported in the Treasury sheet on the last day of the month.

United States Public Debt.—While the Government has not yet borrowed any money for the conduct of the war, it is rapidly making inroads upon the surplus, which at the beginning of the year exceeded $235,000,000 but is now less than $196,000,000. There was $20,000,000 of it used in May and $10,000,000 in April, while in the near future the reduction will show a larger increase. The net debt less cash in Treasury is $1,037,773,000 as compared with $999,111,000 on January 1. There was no important change in the principal of the public debt during the month, the bonded debt being unchanged and the certificates issued showing a slight decrease.

UNITED STATES PUBLIC DEBT.

	Jan. 1, 1898.	*April 1, 1898.*	*May 1, 1898.*	*June 1, 1898.*
Interest bearing debt:				
Funded loan of 1891, 2 per cent	$25,364,500	$25,364,500	$25,364,500	$25,364,500
" " 1907, 4 "	559,641,500	559,644,050	559,644,950	559,645,900
Refunding certificates, 4 per cent	44,220	42,730	42,160	41,610
Loan of 1904, 5 per cent	100,000,000	100,000,000	100,000,000	100,000,000
" 1925, 4 "	162,315,400	162,315,400	162,315,400	162,315,400
Total interest-bearing debt	$847,365,620	$847,366,680	$847,367,010	$847,367,410
Debt on which interest has ceased	1,330,270	1,283,780	1,280,680	1,264,850
Debt bearing no interest:				
Legal tender and old demand notes	346,735,363	346,735,363	346,735,363	346,735,363
National bank note redemption acct	32,268,146	32,612,218	31,974,969	31,275,699
Fractional currency	6,886,937	6,885,252	6,885,252	6,885,252
Total non-interest bearing debt	$385,890,446	$386,232,834	$385,595,584	$384,896,315
Total interest and non-interest debt	1,234,586,337	1,234,883,294	1,234,243,274	1,233,528,575
Certificates and notes offset by cash in the treasury:				
Gold certificates	38,128,149	37,927,149	37,555,149	37,486,149
Silver "	387,925,504	394,630,504	396,325,504	397,732,504
Certificates of deposit	44,555,000	41,230,000	27,735,000	26,600,000
Treasury notes of 1890	106,348,280	103,615,280	102,691,280	101,981,280
Total certificates and notes	$576,956,933	$577,402,933	$564,306,933	$563,799,933
Aggregate debt	1,811,543,270	1,812,286,227	1,798,550,207	1,797,328,508
Cash in the Treasury:				
Total cash assets	861,391,370	853,798,468	831,117,862	821,070,369
Demand liabilities	625,916,601	627,631,525	615,307,240	625,315,554
Balance	$235,474,769	$226,166,943	$215,810,622	$195,754,815
Gold reserve	100,000,000	100,000,000	100,000,000	100,000,000
Net cash balance	135,474,769	126,166,943	115,810,622	95,754,815
Total	$235,474,769	$226,166,943	$215,810,622	$195,754,815
Total debt, less cash in the Treasury	999,111,568	1,008,716,351	1,018,432,652	1,037,773,760

COIN AND BULLION QUOTATIONS.—Following are the ruling quotations in New York for foreign and domestic coin and bullion:

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	*Asked.*		*Bid.*	*Asked.*
Trade dollars	$ .60	......	Twenty marks	$4.74	$4.78
Mexican dollars	.45¼	$ .46½	Spanish doubloons	15.50	15.70
Peruvian soles, Chilian pesos	.42	.43½	Spanish 25 pesos	4.78	4.82
English silver	4.82	4.85	Mexican doubloons	15.50	15.70
Victoria sovereigns	4.84	4.87	Mexican 20 pesos	19.50	19.60
Five francs	.93	.95	Ten guilders	3.95	3.99
Twenty francs	3.83	3.87			

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 26⅞d. per ounce. New York market for large commercial silver bars, 58½ @ 59c. Fine silver (Government assay), 58⅝ @ 59⅝c.

FOREIGN TRADE.—The exports of merchandise in April were $13,000,000 less than in March, although approximating $100,000,000, or about $22,000,000 more than in April last year. The imports also fell off and were less than $56,000,000 or $45,-000,000 less than in April, 1897, when the immense sugar imports swelled the total. The net exports for the month were $43,500,000, making for the ten months ended April 30 a total of $514,000,000; such a balance has never before been approached. Until 1897 the largest balance for a full year was about $265,000,000, in 1878–9. In that year our total exports were only $710,000,000 while for the ten months of this year they are $1,025,000,000. We imported nearly $32,000,000 of gold, making $89,-000,000 for the ten months. This may also be counted a record breaker, for the largest net imports for a full fiscal year were $97,500,000 in 1880–1, which the imports of May and June may cause to be exceeded this year.

Exports and Imports of the United States.

Month of April.	Merchandise. Exports.	Imports.	Balance.	Gold Balance.	Silver Balance.
1893	$59,873,346	$77,018,701	Imp., $17,140,355	Exp., $18,344,979	Exp., $1,426,789
1894	64,124,812	60,090,037	Exp., 4,034,775	" 9,402,110	" 3,489,488
1895	65,255,641	68,749,958	Imp., 3,494,317	Imp., 2,177,404	" 2,711,301
1896	71,091,747	58,649,579	Exp., 12,442,168	Exp. 2,512,524	" 3,010,969
1897	77,648,786	101,322,406	Imp., 23,673,620	" 5,659,710	" 2,714,917
1898	99,426,460	55,923,658	Exp., 43,502,802	Imp., 31,692,874	" 2,008,075
Ten Months.					
1893	713,263,277	720,751,144	Imp., 7,487,867	Exp., 70,599,159	Exp., 13,820,525
1894	773,592,502	546,398,183	Exp., 227,194,319	Imp., 40,971,968	" 31,564,095
1895	688,303,156	604,279,067	" 84,024,089	Exp., 35,710,687	" 22,387,991
1896	749,332,804	666,300,075	" 83,032,729	" 54,552,191	" 26,663,070
1897	899,929,246	600,189,244	" 299,740,002	Imp., 59,703,776	" 27,726,925
1898	1,025,426,681	511,181,186	" 514,245,495	" 89,220,698	" 19,620,803

Money in Circulation in the United States.—During May the volume of money in circulation increased more than $33,000,000, making an increase of nearly $84,000,000 in the last two months and of $113,000,000 since March 1. The increase last month was almost exclusively in gold coin, which amounted to $32,500,000. There were small decreases in silver coin and certificates and increases in Treasury notes of 1890, $637,885, in United States notes, $2,154,669 and in National bank notes $1,224,846. The per capita of circulation increased 40 cents in May and $1.40 since March 1.

Money in Circulation in the United States.

	Jan. 1, 1898.	April 1, 1898.	May 1, 1898.	June 1, 1898.
Gold coin	$547,568,360	$582,129,742	$617,038,510	$649,571,881
Silver dollars	61,491,073	58,562,597	58,561,008	57,596,423
Subsidiary silver	65,720,308	64,618,802	64,586,273	64,042,000
Gold certificates	36,557,689	36,319,199	35,951,999	35,883,209
Silver certificates	376,695,592	387,770,898	392,686,574	391,225,265
Treasury notes, Act July 14, 1890	103,443,936	99,709,432	99,588,970	100,226,855
United States notes	262,480,927	267,305,587	288,048,318	290,202,987
Currency certificates, Act June 8, 1872	43,315,000	37,900,000	26,915,000	26,540,000
National bank notes	223,827,755	221,742,388	223,384,790	224,609,636
Total	$1,721,100,640	1,756,058,645	$1,806,761,442	$1,839,898,256
Population of United States	73,725,000	74,122,000	74,255,000	74,389,000
Circulation per capita	$23.34	$23.69	$24.33	$24.73

Money in the United States Treasury.—The United States Treasury gained none of the gold which came into the country by import during May, on the contrary it held $9,500,000 less gold on June 1 than it did a month ago. Its holdings of silver increased about $1,000,000, but it lost $2,000,000 of legal-tender notes. There was a reduction in certificates outstanding of about $1,000,000 and the net cash in the Treasury fell from $236,000,000 on May 1 to $227,000,000 on June 1.

Money in the United States Treasury.

	Jan. 1, 1898.	Apr. 1, 1898.	May 1, 1898.	June 1, 1898.
Gold coin	$151,910,176	$147,256,076	$133,518,601	$110,702,400
Gold bullion	45,559,060	63,647,258	83,671,535	96,998,864
Silver Dollars	394,327,049	400,637,825	401,323,414	403,583,999
Silver bullion	102,284,736	99,829,432	99,551,902	98,443,952
Subsidiary silver	10,679,899	11,965,278	12,018,967	12,[illegible]44,089
United States notes	84,200,089	79,375,429	58,632,698	56,478,029
National bank notes	5,186,886	2,739,491	2,728,961	3,086,734
Total	$794,147,895	$805,450,789	$791,446,078	$781,338,067
Certificates and Treasury notes, 1890, outstanding	560,012,217	561,699,529	555,142,543	553,875,329
Net cash in Treasury	$234,135,678	$243,751,260	$236,303,535	$227,462,738

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of May, and the highest and lowest during the year 1898, by dates, and also, for comparison, the range of prices in 1897:

	YEAR 1897.		HIGHEST AND LOWEST IN 1898.				MAY, 1898.		
	High.	*Low.*	*Highest.*		*Lowest.*		*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	17	9⅛	18⅝—Feb.	7	10¼ · Apr.	21	13¼	11	12⅞
" preferred	35½	17	32¾—May	31	22⅞—Mar.	12	32¾	26¼	32¾
Baltimore & Ohio	21⅛	9	20 —May	11	12⅜—Jan.	25	20	16	18¾
Bay State Gas	16¾	3⅞	5⅛—Jan.	21	2⅜—Mar.	21	3⅝	2¾	3⅝
Brooklyn Rapid Transit	37⅝	18⅝	48⅞—May	31	35 —Mar.	12	48⅞	38¼	48½
Canadian Pacific	82	46½	90½—Jan.	20	72 —Apr.	21	84⅝	81¾	84⅛
Canada Southern	62⅛	44⅛	57⅝—Feb.	5	44½—Mar.	12	53	48	52⅞
Central of New Jersey	103¼	68¼	98¼—Jan.	7	86½—Mar.	26	97	93	96½
Central Pacific	18	7⅛	14½—May	28	11 —Apr.	23	14½	12	14½
Ches. & Ohio vtg. ctfs	27⅛	15⅝	24⅞—Feb.	1	17¼—Mar.	26	22½	19½	21⅞
Chicago & Alton	170	140	166⅞—Jan.	14	150 —Mar.	14	160	157	157
Chicago, Burl. & Quincy	102¼	69⅜	104 —May	31	85⅞—Mar.	26	104	94⅞	104
Chicago & E. Illinois	61	37¼	61 —May	31	49 —Apr.	19	61	54½	61
" preferred	103	95	113½—Feb.	1	102 —Jan.	7	109	106½	109
Chicago Gas	108¾	73¼	....		....		....	....	....
Chicago, Great Western	20⅜	3⅝	16¼—Jan.	8	9⅛—Feb.	24	15	11	14⅞
Chic., Indianapolis & Lou'ville	13	8	10¼—Jan.	14	7 —Feb.	24	9⅝	8	9½
" preferred	38¼	26	33⅜—Feb.	2	23 —Apr.	16	32	26½	31
Chic., Milwaukee & St. Paul	102	69¼	101 —May	31	83¼—Apr.	21	101	89⅛	101
" preferred	146	130½	149½ · Feb.	16	140 —Apr.	25	149	142	149
Chicago & Northwestern	132½	101¾	130½—Feb.	11	113¼—Mar.	12	129⅝	120¾	129⅛
" preferred	165½	153	174 —Feb.	19	163 —Jan.	3	171	169	169
Chicago, Rock I. & Pacific	97¼	60¼	108¼—May	31	80 —Mar.	25	108¼	86	107¾
Chic., St. Paul, Minn. & Om	89½	47	79½ - May	25	65 —Mar.	12	79½	72	79½
" preferred	150⅝	133	155 —Feb.	28	148 —Jan.	5	150	148	148
Clev., Cin., Chic. & St. Louis	41½	21½	38¼—Jan.	31	25 —Mar.	12	35⅜	28⅞	35
" preferred	86½	63	87 —Feb.	1	77½—Mar.	9	....	....	....
Col. Coal & Iron Devel. Co	2	⅜	⅞—Jan.	28	¼—Apr.	7	....	....	....
Col. Fuel & Iron Co	27⅞	15¾	28⅝—Jan.	11	17 —Mar.	12	23¼	20	22½
Col. Hocking Val. & Tol	18	1½	8¼—Feb.	10	5 —Mar.	18	6½	5⅛	5⅞
" preferred	46	14	27½—Feb.	10	17 —Jan.	7	23	21	22½
Consolidated Gas Co	241½	136½	196 —May	20	167 —Mar.	26	196	176	172
Delaware & Hud. Canal Co	123	99⅝	114½—Feb.	3	104 —Apr.	21	111⅞	108	111⅞
Delaware, Lack. & Western	164	146½	159 —Feb.	5	144¼—Apr.	21	155	151	153
Denver & Rio Grande	14¾	9¼	13 —Jan.	12	10 —Apr.	26	12	12	12
" preferred	50½	36	52¾—Feb.	9	40 —Apr.	21	48½	44	48½
Edison Elec. Illum. Co., N. Y.	132½	101¾	135 —Jan.	20	119 —Apr.	8	....	....	....
Erie	19	11½	16¼—Feb.	4	11 —Apr.	21	13⅝	12	13¼
" 1st pref	46⅝	27	43⅜—Feb.	11	29¼—Apr.	22	36⅝	33½	36¼
" 2d pref	25⅝	15½	21⅜—Feb.	11	15½—Apr.	22	19¼	16½	19¼
Evansville & Terre Haute	34	20	26 —May	11	22 —May	9	26	22	26
Express Adams	165	147¼	180 —Feb.	10	97¼—Apr.	29	103	99	100
" American	119½	109½	130 —Feb.	14	116 —Jan.	5	129	123½	129
" United States	48	37	45 —Feb.	9	38 —Apr.	14	44	40	40
" Wells, Fargo	120	97	120 —Feb.	14	112½—May	5	119	112½	119
Great Northern, preferred	141	120	179 —May	31	130 —Jan.	12	179	155	178¾
Illinois Central	110¾	91½	108⅞—Jan.	31	96 —Apr.	21	106	99½	105⅞
Iowa Central	13¾	6	9¾—May	11	7¼—Mar.	18	9¾	8½	9¾
" preferred	41¾	23	35 —Jan.	8	25 —Apr.	28	31½	28	31½
Laclede Gas	49¾	22	49⅛—May	31	37½—Mar.	25	49⅛	44	49
" preferred	96	70¼	94½—Jan.	14	85 —Mar.	12	91	85	90
Lake Erie & Western	22½	13	18⅝—Feb.	8	12½—Mar.	14	15¾	15	15
" preferred	79⅞	58¼	76¼—Feb.	8	66 —Mar.	14	73½	71	73
Lake Shore	181	152	194¾—Jan.	29	170¾—Jan.	4	190	182½	190
Long Island	55	38	50 —Feb.	9	40 —Jan.	20	43	43	43
Louisville & Nashville	63⅞	40⅛	60½—Jan.	31	44 —Apr.	21	56⅝	48¾	56¼
Manhattan consol	113	81¾	120¼—Jan.	14	91 —Mar.	26	107⅞	96	105¾
Metropolitan Street	133½	99¾	171½—Feb.	14	125¼—Mar.	26	163½	149½	160
Michigan Central	111⅞	90	114⅞—Feb.	8	99½—Mar.	12	106	103	105⅛
Minneapolis & St. Louis	31½	16	30⅞—Feb.	15	24 · Mar.	11	29⅜	26	29⅜
" 1st pref	90	77¾	88¼—Feb.	15	84 —May	14	87	84	87
" 2d pref	62¾	46	59¾—Feb.	15	46 —Mar.	26	59½	50½	59
Missouri, Kan. & Tex	16⅞	10	14¼—Jan.	26	10 —Apr.	13	11⅝	10¾	11⅝
" preferred	42	24¾	41 —Jan.	28	28¾—Mar.	12	36⅞	32½	35¼

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1897.		Highest and Lowest in 1898.		May, 1898.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Missouri Pacific	40¼	10	36¼—May 31	22 —Mar. 12	36¼	27⅛	35⅝
Mobile & Ohio	32	18	32½—Feb. 7	24¾—Apr. 19	29	27	29
N. Y. Cent. & Hudson River	115½	92½	119¾—Jan. 28	105 —Mar. 26	117¾	111¼	117½
N. Y. Chicago & St. Louis	17⅝	11	15⅝—Jan. 31	11⅝—Mar. 14	13⅞	13	13
" 1st preferred	81½	67⅝	76 —Jan. 31	65 —May 10	65	65	65
" 2d preferred	43½	24	40¼—Jan. 29	28 —Mar. 25	34	31	34
N. Y., New Haven & Hartf'd.	186	160	195½—Feb. 2	178½—Jan. 7	192	184¾	190
N. Y., Ontario & Western	20½	12¾	18⅞—Feb. 2	13⅜—Apr. 25	15¾	14½	15⅝
N. Y., Sus. & Western	20	6½	18 —Jan. 5	8 —Jan. 8	....	....	....
" preferred	45	18¼	38 —Feb. 11	23 —Jan. 10	....	....	....
Norfolk & Western	17¼	9	17 —Feb. 7	11½—Apr. 21	15	13⅝	15
" preferred	48½	17	56¼—Feb. 7	42½—Mar. 12	52½	46	52
North American Co	6⅛	3⅝	6½—May 12	4¼—Jan. 15	6½	5½	5⅞
Northern Pacific tr. receipts.	22⅜	11	28⅞—Jan. 31	19 —Feb. 24	27⅜	25	27½
" pref tr. receipts	61⅝	32½	69 —Jan. 31	56⅞—Mar. 12	68⅛	63⅜	67½
Oregon Railway & Nav	41	10	54¼—Feb. 1	35½—Jan. 7	52⅜	45¾	51¾
" preferred	73½	37⅞	72½—Jan. 20	65½—Mar. 29	72	67	72
Oregon Short Line	23¾	10⅞	33¾—Feb. 17	19⅜—Jan. 3	32	29½	30¾
Pacific Mail	39¼	24	32⅜—Feb. 4	21 —Apr. 21	29¼	23⅜	28½
Pennsylvania R. R.	119	103½	120⅝—Feb. 7	110¾—Mar. 12	117½	112¼	117½
Pitts., Cin. Chic. & St. Louis	30½	11½	47½—May 1	38⅞—Jan. 5	47½	43	44¼
" preferred	70½	44½	71 —Feb. 7	57 —Mar. 23	65¾	64	65½
Pullman Palace Car Co	185	152	191 —May 31	165 —Mar. 12	191	175¼	189½
Reading Voting Tr. ctfs	29¼	16¼	23⅝—Jan. 6	15½—Mar. 25	19¼	17	18¾
" 1st prefered	57¾	38½	54⅛—Feb. 3	36 —Mar. 12	46⅛	40⅛	45¾
" 2d preferred	35⅞	22½	29 —Jan. 6	18⅞—Mar. 26	24	20⅞	22½
Rome, Wat. Ogdens' g	122½	117	123 —Jan. 4	116¼—Mar. 26	120	118	120
St. Louis & San Francisco	9	4	7¾—Jan. 8	6 —Mar. 26	7¾	6¼	7⅝
" 1st preferred	59⅜	37	62¼—May 31	52½—Mar. 12	62¼	56	62¼
" 2d preferred	27½	12	31 —May 31	22½—Feb. 24	31	25⅛	31
St. Louis & Southwestern	7	1	5 —Feb. 1	3¾—Jan. 24	5	4½	5
" preferred	14⅜	3½	11⅝—May 11	7¾—Mar. 12	11⅝	9½	10½
St. Paul & Duluth	30	20	25 —Jan. 8	20½—Jan. 6	....	....	....
" preferred	87½	75	87½—Feb. 14	78 —Apr. 20	80	80	80
St. Paul, Minn. & Manitoba	125	114	142 —May 27	123⅞—Jan. 12	142	132¾	142
Southern Pacific Co	23½	13½	22 —Jan. 12	12 —Apr. 18	17¾	13	17¾
Southern Railway	12¼	7	9⅞—Feb. 10	7 —Apr. 21	9	8	8⅞
" preferred	38⅜	22⅞	33¼—Feb. 11	23⅝—Mar. 26	31½	26¾	31¼
Tennessee Coal & Iron Co	35⅛	17	28½—Jan. 11	17 —Mar. 12	26⅝	20½	26
Texas & Pacific	15	8	12⅝—Feb. 15	8⅞—Mar. 12	12	10	12
Union Pacific trust receipts	27¾	4½	36½—Feb. 1	16⅛—Mar. 25	24¼	20	24
Union Pac., Denver & Gulf	11⅜	1	10¼—Feb. 18	5⅜—Apr. 20	8½	6¼	7½
Wabash R. R	9¾	4⅝	7⅞—Jan. 12	6¼—Mar. 26	7⅞	6¾	7½
" preferred	24⅜	11½	20½—May 9	14¼—Mar. 7	20½	16	20
Western Union	96¾	77¼	93⅝—Jan. 10	82¼—Mar. 26	92½	87	92⅝
Wheeling & Lake Erie	6½	½	3¾—Jan. 11	1⅞—Mar. 12	3½	2	2⅞
" preferred	29	2⅝	16 —Jan. 12	9¼—Mar. 12	14⅝	10	13¼
Wisconsin Central	4⅜	1	3⅞—Jan. 17	⅞—Jan. 6	3	2	3
"Industrial" Stocks:							
American Co. Oil Co	26⅞	9¼	23½—Jan. 10	15½—Mar. 25	22¾	17¾	22¼
" preferred	80½	52¼	77¼—Feb. 1	66 —Mar. 14	77	72	75½
American Spirits Mfg Co	15⅞	6½	12¾—May 26	6½—Jan. 20	12¾	10½	12⅝
" preferred	36	15	34½—May 31	16 —Mar. 26	34½	26	34½
American Sugar Ref. Co	159½	109½	145 —Jan. 7	107½—Mar. 26	140¾	126¾	139⅝
" preferred	121½	100¼	116 —Jan. 6	103 —Mar. 25	115	110	115
American Tobacco Co	96⅜	67½	117 —Apr. 14	83¾—Jan. 24	115½	108½	109¼
" preferred	115	100	119½—May 24	112¼—Mar. 26	119½	116½	119½
General Electric Co	41⅜	28⅝	39¾—Feb. 7	29¼—Mar. 12	37⅜	32¼	36¼
National Lead Co	44	21⅞	37⅞—Jan. 7	26¼—Mar. 26	33⅞	30	33½
" preferred	109¾	88⅝	109½—Feb. 10	99 —Apr. 22	108	105½	105⅝
National Linseed Oil Co	23½	10	21⅞—May 23	15 —Mar. 25	21⅞	18	21½
National Starch Manfg. Co	13	3	9 —Feb. 10	5 —Apr. 25	6¼	5	6¼
Standard Rope & Twine Co	11¾	2¾	7 —May 23	3¼—Jan. 3	7	4	6⅝
U. S. Leather Co	10¼	8¼	8⅞—May 24	5¼—Apr. 25	8⅞	6	8⅛
" preferred	72	50½	69¼—May 25	53¾—Mar. 26	69¼	59½	68
U. S. Rubber Co	25¼	10	22⅜—May 18	14¼—Mar. 12	22⅜	19	21
" preferred	76⅞	50	80⅝—May 18	60 —Mar. 12	80⅝	67¼	79

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

LAST SALE, PRICE AND DATE AND HIGHEST AND LOWEST PRICES AND TOTAL SALES FOR THE MONTH.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	May Sales. High.	May Sales. Low.	May Sales. Total.
Ala. Midland 1st gold 6s	1928	2,800,000	M & N	91	Jan. 20,'98	....	....	....
Ann Arbor 1st g 4's	1995	7,000,000	Q J	85	May 31,'98	85	83	56,000
Atch., Top. & S. F.								
Atch Top & Santa Fe gen g 4's	1995	116,417,000	A & O	91¾	May 31,'98	91¾	86¼	2,549,000
" registered		....	A & O	89⅝	Mar. 22,'98	....	....	....
" adjustment, g. 4's	1995	51,728,000	NOV	64⅛	May 31,'98	64⅞	59½	7,930,000
" registered		....	NOV	....	....	....	....	....
" Equip. tr. ser. A. g. 5's	1902	1,000,000	J & J	....	....	....	....	....
" Chic. & St. L. 1st 6's	1915	1,500,000	M & S	....	....	....	....	....
Atlan. av. of Brook'n imp. g. 5's	1934	1,500,000	J & J	82½	Feb. 8,'96	....	....	....
Atlanta & Danville 1st g. 5's	1950	1,238,000	J & J	97	Apr. 21,'98	....	....	....
B. & O. 1st 6's (Parkersburg br.)	1919	3,000,000	A & O	107	May 31,'98	107	100½	295,000
" 5's, gold	1885–1925			104½	May 25,'98	104½	100¼	13,000
" coupons off		3,021,000	F & A	....	....	....	....	....
" registered			F & A	102	May 25,'98	102	102	10,000
" eng. ctfs of deposit		6,979,000	......	100½	May 28,'98	100½	98	31,000
B. & O. con. mtge. gold 5's	1988	5,265,000	F & A	104⅞	May 27,'98	104⅞	104⅞	3,000
" registered			F & A	103½	May 24,'98	103½	103	3,000
" J.P.M. & Co. cfs. dep'it		6,713,000	......	97	Apr. 6,'98	....	....	....
Balti. Belt, 1st g. 5's int. gtd.	1990	6,000,000	M & N	90	May 20,'98	90	90	5,000
W. Virginia & Pitts. 1st g. 5's	1990	4,000,000	A & O	111	Dec. 12,'95	....	....	....
Monongahela River 1st g. g., 5's	1919	700,000	F & A	104½	July 1,'92	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s	1930	2,500,000	M & S	99	Jan. 27,'98	....	....	....
Colo. & Cin. Midl'd 1st ext 4½'s	1939	2,000,000	J & J	92½	Aug. 30,'92	....	....	....
Ak. & Chic. Junc. 1st g. s. g. 5's	1930	1,500,000	M & N	102½	Nov. 21,'95	....	....	....
" coupons off		....	......	80	Nov. 1,'97	....	....	....
Pittsb. & Connellsville 1st g. 4's	1946	2,536,000	J & J	103½	Oct. 8,'97	....	....	....
B & O. Southwest'n 1st g. 4½'s	1990	10,667,000	J & J	99½	May 26,'98	100	99½	43,000
" 1st c. g. 4½'s	1993	10,511,000	J & J	60	June 9,'97	....	....	....
" 1st inc. g. 5's "A"	2043	8,651,000	NOV	25	Aug. 18,'94	....	....	....
" "B"	2043	9,655,000	DEC	8	May 28,'98	8	8	15,000
B. & O. Sw. Term Co. gtd g 5's	1942	1,200,000	M & N	....	....	....	....	....
Ohio & Miss. 1st con. 4's	1947	2,615,000	J & J	105¼	Feb. 1,'98	....	....	....
" 2d con. 7's	1911	2,952,000	A & O	102	May 10,'98	102	102	2,000
" 1st Spr'gfield div. 7's	1905	1,984,000	M & N	103¾	May 31,'98	104	102½	26,000
" 1st gen. 5's	1932	405,000	J & D	98	Apl. 2,'92	....	....	....
Brooklyn City 1st con. 5's	1941	4,373,000	J & J	113	May 27,'98	113	113	2,000
Brooklyn E. Tr. Co. cfs 1st g. 6s's	1924	3,464,000	......	83½	May 23,'98	85	80¼	49,000
" Tr. Co. ctfs. 2d g. 5's	1915	1,246,000	......	....	....	....	....	....
" 3d instal. paid			......	68	May 24,'98	68	68	2,000
Seas. & B. B. Tr. Co. cfs. 1st g. g. 5's	1942	1,357,000	......	70½	Dec. 14,'97	....	....	....
" 3d instal. paid			......	....	....	....	....	....
Union Ele. Tr. Co. ctfs. 1st g. g. 6's	1937	6,124,000	......	84¾	May 31,'98	84¾	80	61,000
Brooklyn Rapid Transit g. 5's	1945	6,398,000	A & O	95½	May 31,'98	95¾	92½	522,000
Brunswick & Western 1s g. 4's	1938	3,000,000	J & J	74	Sept. 1,'96	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's	1937	4,407,000	M & S	103	May 12,'98	103	102	10,000
" deb. 6's	1947	1,000,000	J & J	....	....	....	....	....
Rochester & Pittsburg. 1st 6's	1921	1,300,000	F & A	127	Mar. 2,'98	....	....	....
" cons. 1st 6's	1922	3,920,000	J & D	123	Apr. 12,'98	....	....	....
Clearfield & Mah. 1st g. g. 5's	1943	650,000	J & J	121¼	May 26,'96	....	....	....
Buffalo & Susquehanna 1st g. 5's	1913	1,211,500	A & O	100	Feb. 27,'96	....	....	....
" registered			A & O	....	....	....	....	....
Burlington, Cedar R. & N. 1st 5's	1906	6,500,000	J & D	107	May 17,'98	108	105¾	9,000
" con. 1st & col. tst 5's	1934	6,425,000	A & O	103	May 19,'98	103	103	2,000
" registered			A & O	97	Feb. 9,'93	....	....	....
Minneap's & St. Louis 1st 7's. g.	1927	150,000	J & D	140	Aug. 24,'95	....	....	....
Ced. Rap Ia. Falls & Nor. 1st 6's	1920	825,000	A & O	108	Dec. 10,'97	....	....	....
" 1st 5's	1921	1,905,000	A & O	105	Jan. 4,'98	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest price and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	*Principal Due*	*Amount.*	*Int'st Paid.*	LAST SALE.		MAY SALES.		
				Price.	*Date.*	*High.*	*Low.*	*Total.*
Canada Southern 1st int. gtd 5's	1908	13,920,000	J & J	110⅛	May 31,'98	110⅛	108¾	73,000
″ 2d mortg. 5's	1913	5,100,000	M & S	108⅛	May 24,'98	108⅛	107	24,000
″ registered			M & S	106½	May 22,'97	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's	1937	4,880,000	M & N	87	Apr. 21,'98	....	....	....
Central R'y of Georgia, 1st g. 5's	1945	7,000,000	F & A	115	Apr. 16,'98	....	....	....
″ registered $1,000 & $5,000			F & A	....	....	....	....	....
″ con. g. 5's	1945	16,500,600	M & N	87⅛	May 31,'98	87⅛	86	50,000
″ con. g. 5's, reg. $1,000 & $5,000			M & N	....	....	....	....	....
″ 1st. pref. inc. g. 5's	1945	4,000,000	OCT 1	38	May 25,'98	39¼	38	42,000
″ 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	13⅜	May 13,'98	13½	13	20,000
″ 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	5	May 26,'98	5	5	1,000
″ Macon & Nor. Div. 1st g. 5's	1946	840,000	J & J	92	Jan. 6,'98	....	....	....
″ Mobile div. 1st g. 5's	1946	1,000,000	J & J	95⅜	Jan. 19,'98	....	....	....
″ Mid. Ga. & Atl. div. g 5s	1947	413,000	J & J	....	....	....	....	....
Central Railroad of New Jersey,								
″ 1st consolidated 7's	1899	3,836,000	Q J	104½	Mar. 22,'98	....	....	....
″ convertible 7's	1902	1,167,000	M & N	112¼	Dec. 3,'97	....	....	....
″ deb. 6's	1908	466,000	M & N	110½	Feb. 15,'98	....	....	....
″ gen. g. 5's	1987	43,924,000	J & J	113	May 26,'98	114	111½	138,000
″ registered			Q J	112¼	May 31,'98	112¾	111½	29,000
Lehigh & W.-B. con. assd. 7's	1900	5,500,000	Q M	101½	May 31,'98	101½	99½	79,000
″ mortgage 5's	1912	2,691,000	M & N	90	Mar 15,'98	....	....	....
Am. Dock & Improvm't Co. 5's	1921	4,987,000	J & J	112⅛	May 17,'98	112⅛	112⅛	1,000
N. J. Southern int. gtd 6's	1899	411,000	J & J	104	Nov. 13,'96	....	....	....
Cen. Pac. Speyer & Co. cfs. dep. A.	1898	3,210,000	......	108	Feb. 18,'98	....	....	....
″ ″ ″ B C D.	1899		......	103	Feb. 18,'98	....	....	....
″ ext g 5's series E.	1898		J & J	103	Feb. 24,'98	....	....	....
″ Speyer & Co. cfs. dep. E.	1900		......	101¾	May 5,'98	101¾	101¾	6,000
″ ″ F G H I.	1901		......	....	....	....	....	....
″ San Joaquin br. g 6's	1900	6,080,000	A & O	105	Feb. 23,'97	....	....	....
″ gtd. g 5's	1939	4,279,000	A & O	84½	Sept. 16,'96	....	....	....
″ Speyer & Co. eng. ctfs.		8,004 0 0	......	....	....	....	....	....
″ land grant g 5's	1900	2,294,000	A & O	102	Mar. 19,'98	....	....	....
″ Cal. & O. div. ex. g. 7's	1918	4,358,000	J & J	101⅛	Dec. 6,'97	....	....	....
Western Pacific bonds 6's	1899	2,735,000	J & J	103⅛	May 12,'98	103⅛	102⅛	7,000
North. Ry. (Cal.) 1st g. 6's, gtd.	1907	3,964,000	J & J	94	Nov. 30,'97	....	....	....
″ gtd. g. 5's	1938	4,800,000	A & O	101¼	May 31,'98	101¼	100	65,000
Cent. Wash. Tr. Co. cts. 1st g. 6's	1938	1,497,000	......	40	Feb. 2,'98	....	....	....
Charleston & Sav. 1st g. 7's	1936	1,500,000	J & J	108¾	Dec. 13,'96	....	....	....
Ches. & Ohio pur. money fd.	1898	879,000	J & J	101⅛	Jan. 7,'98	....	....	....
″ 6's, g., Series A	1908	2,000,000	A & O	119½	Mar. 3,'98	....	....	....
″ Mortgage gold 6's	1911	2,000,000	A & O	119	May 28,'98	119	118	5,000
″ 1st con. g. 5's	1939	24,979,000	M & N	113	May 31,'98	113½	111	88,000
″ registered			M & N	114	Feb. 7,'98	....	....	....
″ Gen. m. g. 4½'s	1992	23,722,000	M & S	81¼	May 31,'98	81¼	76½	874,000
″ registered			M & S	85	Dec. 30,'93	....	....	....
″ (R. & A. d.) 1st c. g. 4's	1989	6,000,000	J & J	103	May 31,'98	103	100½	37,000
″ 2d con. g. 4's	1989	1,000,000	J & J	94	May 25,'98	94	93¾	2,000
″ Craig Val. 1st g. 5's	1940	650,000	J & J	95⅛	May 27,'98	95⅛	95	2,000
″ Warm S. Val. 1st g. 5's	1941	400,000	M & S	98	Dec. 21,'93	....	....	....
″ Elz. Lex. & B. S. g. g. 5's	1902	3,007,000	M & S	100	May 24,'98	100¼	99	34,000
Chicago & Alton s'king fund 6's	1903	1,722,000	J & J	113⅛	Apr. 21,'98	....	....	....
Louisiana & Mo. Riv. 1st 7's	1900	1,785,000	F & A	107⅛	May 16,'98	107⅛	107⅛	6,000
″ 2d 7's	1900	300,000	M & N	112	June 17,'96	....	....	....
St. Louis, J. & C. 2d gtd 7's	1898	188,000	J & J	104¼	Apr. 25,'97	....	....	....
Miss. Riv. Bdge 1st s. f'd g. 6's	1912	512,000	A & O	105½	Oct. 30,'95	....	....	....
Chicago, Burl. & Quincy con. 7's	1903	28,924,000	J & J	117	May 26,'98	117	114	49,000
″ 5's, sinking fund	1901	2,315,000	A & O	107	Feb. 24,'98	....	....	....
″ 5's, debentures	1913	9,000,000	M & N	106	May 26,'98	106	104⅞	48,000
″ convertible 5's	1903	15,203,900	M & S	109¼	May 27,'98	109¼	107⅛	48,000
″ (Iowa div.) sink. f'd 5's	1919	2,818,000	A & O	102	Mar. 12,'97	....	....	....
″ 4's	1919	9,050,000	A & O	101	May 24,'98	101	101	1,000
″ Denver div. 4's	1922	5,959,000	F & A	100	May 20,'98	100	99	6,000
″ 4's	1921	3,200,000	M & S	93¾	Dec. 3,'98	....	....	....
″ Chic. & Iowa div. 5's	1905	2,320,000	F & A	107½	Jan. 18,'96	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due.	Amount.	Int's paid.	Last Sale. Price.	Last Sale. Date.	May Sales. High.	May Sales. Low.	May Sales. Total.
" Nebraska extensi'n 4's	1927	26,411,000	M & N	97½	May 27,'98	98¼	97	256,000
" registered	....		M & N	97	May 9,'98	97	97	21,000
" Han. & St. Jos. con. 6's	1911	8,000,000	M & S	120½	May 23,'98	120½	120½	4,000
Chic. Burl. & Northern, 1st 5's	1926	8,241,000	A & O	105	Mar. 25,'98	....	....	....
Chicago & E. Ill. 1st s. f'd c'y. 6's	1907	2,989,000	J & D	116	May 23,'98	116	116	2,000
" small bonds	...		J & D	112	Apr. 2,'96	....	....	....
" 1st con. 6's, gold	1934	2,653,000	A & O	122	Apr. 19,'98	....	....	....
" gen. con. 1st 5's	1937	9,767,000	M & N	105½	May 27,'98	105½	102	51,000
" registered	....		M & N	102	May 5,'98	102	102	2,000
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	105	May 18,'98	105	105	1,000
Chicago, Indianapolis & Louisville.								
Louisv. N. Alb. & Chic. 1st 6's	1910	3,000,000	J & J	113½	May 20,'98	113½	112¾	5,000
Chic. Ind. & Louisv. ref. g. 5's	1947	2,900,000	J & J	82	May 5,'98	82	82	1,000
" refunding g. 6's	1947	4,700,000	J & J	103	May 26,'98	103	100	11,000
Chicago, Milwaukee & St. Paul.								
Mil. & St. Paul 1st 7's $ g, R.d.	1902	3,040,000	J&J	142½	May 23,'98	142½	142½	2,000
" 1st 7's £	1902		J&J	120	Feb. 8,'94	....	....	....
" 1st m. Iowa & D. 7's	1899	285,000	J & J	140½	Mar. 17,'98	....	....	....
" 1st m. C. & M. 7's	1903	2,145,000	J & J	141	Apr. 6,'98	....	....	....
Chicago Mil. & St. Paul con. 7's	1905	10,327,000	J & J	145	May 27,'98	145	142	10,000
" 1st 7's, Iowa & D. ex.	1908	3,339,000	J & J	143	May 25,'98	143	143	1,000
" 1st 6's, Southw'n div.	1909	4,000,000	J & J	117½	May 23,'98	117½	116	12,000
" 1st 5's, La. C. & Dav.	1919	2,500,000	J & J	110	Mar. 14,'98	....	....	....
" 1st So. Min. div. 6's	1910	7,432,000	J & J	119	May 31,'98	119½	115½	74,000
" 1st H'st & Dk. div. 7's	1910	5,680,000	J & J	130	Feb. 3,'98	....	....	....
" 5's	1910	990,000	J & J	109	Oct. 5,'97	....	....	....
" Chic. & Pac. div. 6's	1910	3,000,000	J & J	118	Mar. 17,'98	....	....	....
" 1st Chic. & P. W. 5's	1921	25,340,000	J & J	115½	May 24,'98	115¼	113	87,000
" Chic. & M. R. div. 5's	1926	3,083,000	J & J	116	May 31,'98	116	110⅝	34,000
" Mineral Point div. 5's	1910	2,840,000	J & J	109½	Apr. 16,'98	....	....	....
" Chic. & Lake Sup. 5's	1921	1,360,000	J & J	112	Apr. 21,'98	....	....	....
" Wis. & Min. div. 5's	1921	4,755,000	J & J	111	Apr 29,'98	....	....	....
" terminal 5's	1914	4,748,000	J & J	113	May 25,'98	113	113	4,000
" Far. & So. 6's assu.	1924	1,250,000	J & J	127¼	Jan. 27,'98	....	....	....
" cont. si'k. f'd 5's	1916	1,291,000	J & J	106½	July 9,'97	....	....	....
" Dakota & Gt. S. 5's	1916	2,856,000	J & J	110	Apr. 12,'98	....	....	....
" g. m. g. 4's, series A	1989	23,676,000	J & J	103⅞	May 31,'98	104	102	162,000
" registered	....	....	Q J	105½	Feb. 19,'98	....	....	....
" Mil. & N. 1st M. L. 6's	1910	2,155,000	J & D	120	Mar. 18,'98	....	....	....
" 1st convt. 6's	1913	5,092,000	J & D	117	Apr. 30,'98	....	....	....
Chic. & Northwestern cons. 7's	1915	12,771,000	Q F	138½	May 23,'98	140	138	4,000
" coupon gold 7's	1902	10,792,000	J & D	116	May 25,'98	116	114¾	5,000
" registered d. gold 7's	1902		J & D	112¼	May 27,'98	113¾	112¼	15,000
" sinking fund 6's	1879–1929	5,591,000	A & O	117	Mar. 23,'98	....	....	....
" registered	....		A & O	115	Nov. 17,'97	....	....	....
" 5's	1879–1929	7,237,000	A & O	106½	May 16,'98	106½	106½	2,000
" registered	....		A & O	109½	Dec. 30,'97	....	....	....
" debenture 5's	1933	9,800,000	M & N	115¼	May 26,'98	115¼	114	13,000
" registered	....		M & N	117	Mar. 8,'98	....	....	....
" 25 year deben. 5's	1909	6,000,000	M & N	108½	May 26,'98	108½	107½	6,000
" registered	....		M & N	109½	Mar. 19,'97	....	....	....
" 30 year deben. 5's	1921	10,000,000	A & O	112	May 11,'98	112	112	30,000
" registered	....		A & O	107	Nov. 20,'95	....	....	....
" extension 4's	1886–1926	18,632,000	F A 15	104½	May 31,'98	104½	104	34,000
" registered	....		F A 15	100	Nov. 10,'96	....	....	....
" gen. g. 3½'s	1987	4,960,000	M & N	101	May 28,'98	101	99	22,000
" " registered	....		Q F	....	....	....	....	....
Escanaba & L. Superior 1st 6's	1901	455,000	J & J	107¼	May 26,'98	107¾	107¾	1,000
Des Moines & Minn. 1st 7's	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Iowa Midland 1st mortg. 8's	1900	1,128,000	A & O	116	July 9,'96	....	....	....
Chic. & Milwaukee 1st mtg. 7's	1987	1,641,000	J & J	102¼	Apr. 12,'98	....	....	....
Winona & St. Peters 2d 7's	1907	1,592,000	M & N	127	Apr. 17,'96	....	....	....
Milwaukee & Madison 1st 6's	1905	1,600,000	M & S	117	Jan. 12,'98	....	....	....
Ottumwa C. F. & St. P. 1st 5's	1909	1,600,000	M & S	109	Mar. 3,'98	....	....	....
Northern Illinois 1st 5's	1910	1,500,000	M & S	105	Apr. 22,'98	....	....	....
Mil., Lake Shore & We'n 1st 6's	1921	5,000,000	M & N	132½	May 31,'98	134	132½	5,000
" con. deb. 5's	1907	436,000	F & A	105½	Feb. 24,'07	....	....	....
" ext. & impt. s.f'd g. 5's	1929	4,148,000	F & A	113½	May 26,'98	113½	113½	5,000
" Michigan div. 1st 6's	1924	1,281,000	J & J	134	Mar. 23,'98	....	....	....
" Ashland div. 1st 6's	1925	1,000,000	M & S	133	May 13,'98	133	133	6,000
" income	....	500,000	M & N	112	Apr. 27,'96	....	....	....
Chic., Rock Is. & Pac. 6's coup.	1917	12,100,000	J & J	131	May 26,'98	131	131	8,000
" 6's registered	1917		J & J	130¼	May 13,'98	130¼	130¼	5,000

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Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	May Sales. High.	May Sales. Low.	May Sales. Total.
" debenture 5's	1921	4,500,000	M & S	106¼	May 31,'98	106¼	105¼	28,000
" registered		....	M & S	....		....	....	....
" gen. g. 4's	1988	31,494,000	J & J	104⅝	May 31,'98	105	102⅝	582,500
" registered			J & J	....		....	....	....
Des Moines & Ft. Dodge 1st 4's	1905	1,200,000	J & J	92	Feb. 14,'98	....	....	....
" 1st 2½'s	1905	1,200,000	J & J	70	Feb. 28,'98	....	....	....
" extension 4 s		672,000	J & J	83	Mar. 15,'97	....	....	....
Keokuk & Des M. 1st mor. 5's	1923	2,750,000	A & O	108	Apr. 21,'98	....	....	....
" small bond	1923	....	A & O	100	Apr. 15,'97	....	....	....
Chic., St.P., Minn.& Oma.con. 6's	1930	13,730,000	J & D	135½	May 26,'98	135½	133	53,000
Chic., St. Paul & Minn. 1st 6's	1918	2,683,000	M & N	130	May 31,'98	130	128	2,000
North Wisconsin 1st mort. 6's	1930	800,000	J & J	125	May 4,'88	....	....	....
St. Paul & Sioux City 1st 6's	1919	6,070,000	A & O	127	Apr. 22,'98	....	....	....
Chic., Term. Trans. R. R. g. 4's	1947	18,000,000	J & J	85½	May 31,'98	85½	82	188,000
Chic. & Wn. Ind. 1st s'k. f'd g. 6's	1919	972,000	M & N	106	June 22,'97	....	....	....
" gen'l mortg. g. 6's	1932	9,868,000	Q M	118½	May 31,'98	118½	118½	3,000
Chic. & West Michigan R'y 5's	1921	5,753,000	J & D	98½	Mar. 13,'93	....	....	....
" coupons off		....	......	....		....	....	....
Cin., Ham. & Day. con. s'k. f'd 7's	1905	996,000	A & O	119	Oct. 26,'96	....	....	....
" 2d g. 4½'s	1937	2,000,000	J & J	103½	Mar. 13,'97	....	....	....
Cin., Day. & Ir'n 1st gtd. g. 5's	1941	3,500,000	M & N	107½	May 10,'98	107½	107½	3,000
City Sub. R'y, Balto. 1st g. 5's	1922	2,430,000	J & D	105⅝	Apr. 17,'95	....	....	....
Clev., Ak'n & Col. eq. and 2d g. 6's	1930	730,000	F & A	....		....	....	....
Clev. & Can. Tr. Co. ctfs. 1st 5's for.	1917	1,907,000	......	69½	May 3,'98	69½	69½	1,000
Clev., Cin., Chic. & St.L. gen.m. 4's	1993	7,574,000	J & D	82	May 13,'98	82	82	1,000
" do Cairo div. 1st g. 4's	1939	5,000,000	J & J	90	Jan. 12,'98	....	....	....
St. Louis div. 1st col. trust g. 4's	1990	9,750,000	M & N	92¾	May 31,'98	92¾	90¼	52,000
" registered				90	Mar. 24,'97	....	....	....
Sp'gfield & Col. div. 1st g. 4's	1940	1,035,000	M & S	87	Oct. 22,'95	....	....	....
White W. Val. div. 1st g. 4's	1940	650,000	J & J	88½	Jan. 13,'98	....	....	....
Cin., Wab. & Mich. div. 1st g. 4's	1991	4,000,000	J & J	9[illegible]	Apr. 12,'98	....	....	....
Cin., Ind., St. L. & Chic. 1st g. 4's	1936	7,685,000	Q F	99½	May 26,'98	99½	98	21,000
" registered				95	Nov. 15,'94	....	....	....
" con. 6's	1920	731,000	M & N	104	Mar. 29,'93	....	....	....
Cin., S'dusky & Clev. con. 1st g. 5's	1928	2,571,000	J & J	114	Oct. 7,'97	....	....	....
Ind. Bloom. & W., 1st pfd. 7's	1900	1,000,000	J & J	107¼	Feb. 19,'97	....	....	....
Ohio, Ind. & W., 1st pfd. 5's	1938	500,000	Q J	....		....	....	....
Peoria & Eastern 1st con. 4's	1940	8,103,000	A & O	75	May 31,'98	76	74	75,000
" income 4's	1990	4,000,000	A	14	May 7,'98	14	14	2,000
Clev., C., C. & Ind. 1st 7's s'k. f'd.	1899	3,000,000	M & N	102½	May 31,'98	102½	102	23,000
" consol mortg. 7's	1914	3,991,000	J & D	135½	May 26,'98	135½	135	45,000
" sink. fund 7's	1914		J & D	119⅝	Nov. 19,'89	....	....	....
" gen. consol 6's	1934	3,205,000	J & J	127¾	May 11,'98	127¾	127¾	2,000
" registered			J & J	....		....	....	....
Cin., Sp. 1st m. C., C., C. & Ind. 7's	1901	1,000,000	A & O	107½	Oct. 16,'97	....	....	....
Clev., Lorain & Wheel'g con. 1st 5's	1933	4,300,000	A & O	108	May 10,'98	108	108	1,000
Clev., & Mahoning Val. gold 5's	1938	2,936,000	J & J	108	Apr. 14,'97	....	....	....
" registered			Q J	....		....	....	....
Col. Midld Ry. 1st g. 2-3-4's	1947	6,250,000	J & J	56	May 26,'98	60	56	51,000
" 1st g. 4's	1947	861,000	J & J	....		....	....	....
Col., Hock. Val. & Tol. con. g. 5's	1931	406,000	M & S	74	Aug. 10,'97	....	....	....
" J. P. M. & Co. eng ctf. $45 pd.		7,694,000	......	77	May 31,'98	76¾	72¼	112,000
" gen. mort. g. 6's	1904	2,000,000	J & D	61	Feb. 14,'98	....	....	....
" gen. lien g. 4's	1996	852,000	J & J	....		....	....	....
" registered, $5,000			J & J	....		....	....	....
Conn., Passumpsic Riv's 1st g. 4's	1943	1,900,000	A & O	102	Dec. 27,'93	....	....	....
Delaware, Lack. & W. mtge 7's	1907	3,067,000	M & S	122	Apr. 4,'98	....	....	....
Syracuse, Bing. & N. Y. 1st 7's	1906	1,966,000	A & O	125¼	Mar. 2,'98	....	....	....
Morris & Essex 1st m 7's	1914	5,000,000	M & N	137¼	May 21,'98	139	137	21,000
" bonds, 7's	1900	281,000	J & J	109	Nov. 23,'97	....	....	....
" 7's	1871-1901	4,991,000	A & O	109	May 2,'98	109	109	10,000
" 1st c. gtd 7's	1915	12,151,000	J & D	142½	May 26,'98	142½	140	90,000
" registered			J & D	136	June 4,'93	....	....	....
N. Y., Lack. & West'n. 1st 6's	1921	12,000,000	J & J	138	Apr. 18,'98	....	....	....
" const. 5's	1923	5,000,000	F & A	118½	Nov. 17,'97	....	....	....
Warren 2d 7's	1900	750,000	A & O	113¼	Nov. 6,'95	....	....	....

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	MAY SALES. *High.*	MAY SALES. *Low.*	MAY SALES. *Total.*
Delaware & Hudson Canal.								
" 1st Penn. Div. c. 7's	1917	5,000,000	M & S	143	May 8,'97	143	143	8,000
" reg	1917		M & S	143	May 4,'96	....	....	....
Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	120½	May 6,'98	120½	120½	2,000
" registered			A & O	128⅞	Feb. 12,'94	....	....	....
" 6's	1906	7,000,000	A & O	114	May 13,'98	114	113	7,000
" registered			A & O	116½	Mar. 22,'97	....	....	....
Rens. & Saratoga 1st c. 7's	1921	2,000,000	M & N	148¾	Aug. 18,'97	....	....	....
" 1st r 7's	1921		M & N	141	May 6,'98	141	141	1,000
Denver Con. T'way Co. 1st g. 5's	1933	730,000	A & O	....	....	....	....	....
Denver T'way Co. con. g. 6's	1910	1,219,000	J & J	....	....	....	....	....
Metropol'n Ry Co. 1st g. g. 6's	1911	913,000	J & J	....	....	....	....	....
Denver & Rio G. 1st con. g. 4's	1936	28,465,000	J & J	93½	May 27,'98	93½	89¾	190,500
" 1st mortg. g. 7's	1900	6,382,500	M & N	108	Apr. 5,'98	....	....	....
" impt. m. g. 5's	1928	8,103,500	J & D	91½	May 27,'98	92	91½	2,000
Des Moines Union Ry 1st g. 5's	1917	628,000	M & N	98¼	May 7,'98	98¼	98¼	5,000
Detroit & Mack. 1st lien g. 4s	1995	900,000	J & D	67	Mar. 24,'95	....	....	....
" g. 4s	1995	1,250,000	J & D	....	....	....	....	....
Duluth & Iron Range 1st 5's	1937	6,332,000	A & O	106½	May 24,'98	106½	104	30,000
" registered			A & O	101½	July 23,'89	....	....	....
" 2d l m 6s	1916	1,000,000	J & J	....	....	....	....	....
Duluth, Red Wing & S'n 1st g. 5's	1928	500,000	J & J	92¼	Feb. 11,'98	....	....	....
Duluth So. Shore & At. gold 5's	1937	4,000,000	J & J	105	May 12,'98	105	101	6,000
Erie, 1st mortgage ex. 7's	1897	2,482,000	M & S	113	Feb. 28,'98	....	....	....
" 2d extended 5's	1919	2,149,000	M & N	116½	May 20,'98	116½	116½	8,000
" 3d extended 4½'s	1923	4,618,000	M & S	109¼	May 23,'98	109¼	109	30,000
" 4th extended 5's	1920	2,926,000	A & O	113½	May 23,'98	113½	113	25,000
" 5th extended 4's	1928	709,500	J & D	105	May 23,'98	105	105	5,000
" 1st cons gold 7's	1920	16,890,000	M & S	142½	May 26,'98	142½	138	137,000
" 1st cons. fund c. 7's	1920	3,705,977	M & S	140	May 27,'98	140	140	2,000
Long Dock consol. 6's	1953	7,500,000	A & O	133½	Apr. 12,'98	....	....	....
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	141	Sept. 10,'97	....	....	....
Buffalo & Southwestern m 6's	1908	1,500,000	J&J	....	....	....	....	....
" small			J&J	....	....	....	....	....
Jefferson R. R. 1st gtd g 5's	1909	2,800,000	A & O	106	Feb. 11,'98	....	....	....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	110	May 31,'98	110	108	29,000
N. Y. L. E. & W. Coal & R. R. Co. 1st g currency 6's	1922	1,100,000	M&N	....	....	....	....	....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	102	Aug. 31,'96	....	....	....
N. Y. & Greenw'd Lake gt g 5's	1946	1,452,000	M&N	105½	Oct. 2,'97	....	....	....
" small								
Erie R.R. 1st con. g-4s prior bds.	1996	30,000,000	J&J	91¾	May 31,'98	91¾	87	398,000
" registered			J&J	....	....	....	....	....
" gen. lien 3-4s	1996	30,927,000	J&J	73¾	May 31,'98	73¾	68½	158,000
" registered			J&J	....	....	....	....	....
N.Y., Sus. & W. 1st refdg. g. 5's	1937	3,750,000	J & J	105	May 26,'98	105	104½	6,000
" 2d g. 4½'s	1937	453,000	F & A	90	Mar. 8,'98	....	....	....
" gen. g. 5's	1940	2,547,000	F & A	92	May 25,'98	92	85	97,000
" term. 1st g. 5's	1943	2,000,000	M & N	110	Apr. 29,'98	....	....	....
" registered......$5,000 each			M & N	....	....	....	....	....
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	98⅞	May 27,'98	98⅞	97	36,000
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	119	May 26,'98	119	116	23,000
Eureka Springs R'y 1st 6's, g	1933	500,000	F & A	65	Nov. 10,'97	....	....	....
Evans. & Terre Haute 1st con. 6's	1921	3,000,000	J & J	112	May 20,'98	112	112	1,000
" 1st General g 5's	1942	2,223,000	A & O	86½	May 31,'98	86½	82	86,000
" Mount Vernon 1st 6's	1923	375,000	A & O	110	May 10,'93	....	....	....
" Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	95	Sep. 15,'91	....	....	....
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	77½	Feb. 16,'98	....	....	....
Flint & Pere Marquette m 6's	1920	3,999,000	A & O	114¼	May 31,'98	114¼	110	21,000
" 1st con. gold 5's	1939	2,[illegible]00,000	M & N	91½	May 31,'98	91½	91½	1,000
" Port Huron d 1st g 5's	1939	3,083,000	A & O	90	May 27,'98	91	88½	41,000
Florida Cen. & Penins. 1st g 5's	1918	3,000,000	J & J	103	Aug. 14,'96	....	....	....
" 1st land grant ex. g 5's	1930	423,000	J & J	....	....	....	....	....
" 1st con. g 5 s	1943	4,370,000	J & J	80½	May 14,'96	....	....	....
Ft. Smith U'n Dep. Co. 1st g 4½'s	1941	1,000,000	J & J	105	Mar. 11,'98	....	....	....

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Ft. Worth & D. C. ctfs. dep. 1st 6's	1921	8,176,000	......	73⅛	May 31,'98	73¾	70⅛	183,000
Ft. Worth & Rio Grande 1st g 5's	1928	2,863,000	J & J	59	May 31,'98	59	55	47,000
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	91¼	May 31,'98	91¼	91¼	1,000
Geo. & Ala. Ry. 1st pref. g. 5's	1945	2,250,000	A & O	103	Aug. 11,'97	....	....	....
Ga. Car. & N. Ry. 1st gtd. g. 5's	1927	5,360,000	J & J	83	June 23,'97	....	....	....
Illinois Central 1st g. 4's 1894								
total outstanding $13,950,000								
" g. 4's	1951	1,500,000	J&J	101⅝	Apr. 15,'98	....	....	....
" registered			J&J	112½	July 13,'97	....	....	....
" gold 3½'s	1951	2,499,000	J&J	105	Mar. 16,'98	....	....	....
" registered			J&J	102½	Apr. 15,'98	....	....	....
" 1st g 3s sterl. £500,000	1951	2,500,000	M & S	92½	July 13,'96	....	....	....
" registered			M & S	....	....	....	....	....
" 2-10 g. 4's	1904	15,000,000	A & O	100⅛	May 19,'98	102	100	5,000
" 2-10 g. 4's registered			A & O	103	Apr. 15,'98	....	....	....
" collat. trust gold 4's	1952	24,679,000	M & N	99	May 27,'98	99⅞	98½	80,000
" regist'd			M & N	101	Mar. 19,'98	....	....	....
" col. t. g. 4s L. N. O. & Tex.	1953	4,806,000	J & J	99	Sept. 29,'97	....	....	....
" registered			J & J	....	....	....	....	....
" West'n Line 1st g. 4's,	1951	3,550,000	F & A	101	May 20,'98	101	101	10,000
" registered			F & A	....	....	....	....	....
" Cairo Bridge 4's g	1950	3,000,000	J & D	101⅛	Sept. 10,'95	....	....	....
" registered			......	....	....	....	....	....
Middle div. registered 5's	1921	600,000	F & A	116½	Aug. 16,'95	....	....	....
Chic., St. L. & N. O. gold 5's	1951	16,526,000	J D 15	115½	Apr. 23,'98	....	....	....
" gold 5's, registered			J D 15	118¼	Apr. 1,'97	....	....	....
" Memph. div. 1st g. 4's,	1951	3,500,000	J & D	103½	Jan. 24,'98	....	....	....
" registered			J & D	....	....	....	....	....
St. Louis, A. & T. H. 1st 2T. g. 5's,	1914		J & D	105	Dec. 28,'97	....	....	....
" registered		2,200,000	J & D	....	....	....	....	....
Belleville & Carodt 1st 6's	1923	485,000	J & D	115	June 22,'96	....	....	....
St. Louis, South. 1st gtd. g. 4's,	1931	550,000	M & S	90	Nov. 12,'97	....	....	....
Carbond'e & Shawt'n 1st g. 4's,	1932	250,000	M & S	....	....	....	....	....
Ind., Dec. & West. 1st g. 5's	1935	1,824,000	J & J	101	May 20,'98	101	97	13,000
Indiana, Ill. & Iowa 1st g. 4's	1939	800,000	J & D	86	Jan. 22,'98	....	....	....
" 1st ext. g. 5's	1943	500,000	M & S	94¼	Nov. 21,'95	....	....	....
Internat. & Gt. N'n 1st. 6's, gold	1919	7,954,000	M & N	118	May 12,'98	118	116	11,000
" 2d g. 5's	1909	6,593,000	M & S	82	May 9,'98	82	80	22,000
" 3d g. 4's	1921	2,717,500	M & S	55	May 26,'98	55	48	26,000
Iowa Central 1st gold 5's	1938	6,322,000	J & D	102	May 28,'98	102	98	60,000
Kansas C. & M. R. & B. Co. 1st gtd g. 5's	1929	3,000,000	A & O	....	....	....	....	....
Kan. C. Pitt. & Gulf 1st & col. g. 5's	1923	21,828,000	A & O	68⅞	May 31,'98	71	68	282,000
Kings Co. El. series A. 1st g. 5's	1925	3,177,000	J & J	43	May 31,'98	44	40	56,000
Fulton El. 1st m. g. 5's series A	1929	1,979,000	M & S	25	Mar. 11,'98	....	....	....
Lake Erie & Western 1st g. 5's	1937	7,250,000	J & J	116	May 20,'98	116	115	3,000
" 2d mtge. g. 5's	1941	2,600,000	J & J	100⅛	May 18,'98	100⅛	97	18,000
Northern Ohio 1st gtd g 5's	1945	2,500,000	A & O	100⅛	Jan. 6,'98	....	....	....
Lake Shore & Mich. Southern.								
Detroit, Mon. & Toledo 1st 7's	1906	924,000	F & A	121	Apr. 28,'98	....	....	....
Lake Shore division b. 7's	1899	1,063,500	A & O	106	Feb. 15,'98	....	....	....
" con. co. 1st 7's	1900	9,825,000	J&J	109	May 25,'98	109	108¼	11,000
" con. 1st registered	1900		Q J	107	May 23,'98	107	105½	26,000
" con. co. 2d 7's	1903	9,081,000	J&D	116½	Apr. 21,'98	....	....	....
" con. 2d registered	1903		J&D	119	May 13,'98	119	119	50,000
" g 3½s	1997	25,125,000	J & D	105	May 31,'98	105	103	218,000
" " registered			J & D	103	Mar. 29,'98	....	....	....
Cin. Sp. 1st gtd L. S. & M. S. 7's	1901	1,000,000	A & O	108¼	Dec. 1,'97	....	....	....
Kal., A. & G. R. 1st gtd g. 5's	1938	840,000	J & J	....	....	....	....	....
Mahoning Coal R. R. 1st 5's	1934	1,500,000	J & J	125	Dec. 9,'97	....	....	....
Lehigh Val. (Pa.) coll. g. 5's	1997	5,000,000	M & N	....	....	....	....	....
" registered			M & N	....	....	....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s	1940	15,000,000	J&J	100¾	May 10,'98	101	99	11,000
" registered		....	J&J	....	....	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's	1941	10,000,000	A & O	107	Apr. 20,'98	....	....	....
" registered			A & O	109½	July 1,'97	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's	1933	10,280,000	J & J	92½	Mar. 22,'98	....	....	....
" registered	1933		J & J	....	....	....	....	....

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Lehigh & N. Y., 1st gtd g. 4's	1945	2,000,000	M&S	92	Feb. 23,'98	....	....	....
• registered			M&S	....		....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	....		....	....	....
" " g. gtd 5's	1914	1,250,000	A & O	101	Sept. 16,'97	....	....	....
Litchfield Car'n & W. 1st g. 5's	1916	400,000	J & J	95	Feb. 25,'98	....	....	....
Lit. Rock & M., tr. co. ctfs. for 1st g. 5's	1937	3,145,000	......	25	Apr. 29,'96	....	....	....
Long Island 1st cons. 5's	1931	3,610,000	Q J	117	May 13,'98	117	117	5,000
Long Island gen. m. 4's	1938	3,000,000	J & D	89	May 27,'98	89	88¾	8,000
• Ferry 1st g. 4½'s	1922	1,500,000	M & S	86¼	Apr. 6,'98	....	....	....
• g. 4's	1932	325,000	J & D	91	Sept. 27,'97	....	....	....
• deb. g. 5's	1934	1,500,000	J & D	100	May 25,'97	....	....	....
N. Y. & Rock'y Beach 1st g. 5's	1927	984,000	M & S	100	Mar. 3,'98	....	....	....
• 2d m. inc	1927	1,000,000	S	106½	July 9,'97	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's	1935	1,726,000	A & O	107¼	Dec. 15,'97	....	....	....
Brooklyn & Montauk 1st 6's	1911	250,000	M & S	....		....	....	....
• 1st 5's	1911	750,000	M & S	107½	July 16,'96	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's	1932	1,075,000	QJAN	103¼	June 17,'95	....	....	....
N. Y. B. Ex. R. 1st g. g'd 5's	1943	250,000	J & J	....		....	....	....
Montauk Extens. gtd. g. 5's	1945	300,000	J & J	....		....	....	....
Louisv'e Ev. & St. Louis								
• 1st con. TrCo. ct. gold 5's	1939	3,406,000	J & J	33	Feb. 18,'98	....	....	....
• Gen. mtg. g. 4's	1943	2,432,000	M & S	9½	Aug. 21,'97	....	....	....
Louis. & Nash. Cecilian brch. 7's	1907	490,000	M & S	106	Nov. 11,'97	....	....	....
• N. O. & Mobile 1st 6's	1930	5,000,000	J & J	124½	May 3,'98	124½	123¼	13,000
• 2d 6's	1930	1,000,000	J & J	107½	Feb. 3,'97	....	....	....
• E., Hend. & N. 1st 6's	1919	2,080,000	J & D	113	Apr. 5,'98	....	....	....
• general mort. 6's	1930	10,058,000	J & D	120½	May 27,'98	120½	117¾	45,000
• Pensacola div. 6's	1920	580,000	M & S	103½	Sept. 24,'97	....	....	....
• St. Louis div. 1st 6's	1921	3,500,000	M & S	121	July 12,'97	....	....	....
• 2d 3's	1980	3,000,000	M & S	67	May 25,'95	....	....	....
• Nash. & Dec. 1st 7's	1900	1,900,000	J & J	110	Dec. 23,'97	....	....	....
• So. & N. Ala. si'g fd. 6s	1910	1,942,000	A & O	92¼	Sept. 30,'96	....	....	....
• con. gtd. g. 5's	1936	3,673,000	F & A	100	May 31,'98	100	98	23,000
• gold 5's	1937	1,764,000	M & N	103	May 19,'98	103	100½	2,000
• Unified gold 4's	1940	14,994,000	J & J	90	May 27,'98	90	85½	272,000
• registered	1940		J & J	83	Feb. 27,'98	....	....	....
• Pen. & At. 1st 6's, g. g.	1921	2,753,000	F & A	99½	May 13,'98	100	99	14,000
• collateral trust g. 5's	1931	5,129,000	M & N	102¼	May 12,'98	102¾	102	10,000
• L. & N. & Mob. & Montg 1st. g. 4½s	1945	4,000,000	M & S	108	May 5,'98	108	108	10,000
• N. Fla. & S. 1st g. g. 5's	1937	2,096,000	F & A	93	May 31,'98	93	88	19,000
Kentucky Cent. g. 4's	1987	6,742,000	J & J	85	Apr. 12,'98	....	....	....
L. & N. Louv. Cin. & Lex. g. 4½'s	1931	3,258,000	M & N	103	Jan. 18,'98	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's	1945	3,000,000	M & S	....		....	....	....
Louisville Railw'y Co. 1st c. g. 5's	1930	4,600,000	J & J	109	Mar. 19,'98	....	....	....
Manhattan Railway Con. 4's	1990	24,065,000	A & O	94½	May 31,'98	94¾	9[illegible]¾	169,000
Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	118¼	May 27,'98	118¼	116	138,000
• 2d 6's	1899	4,000,000	M & N	102½	May 21,'98	102½	101	15,000
Manitoba Swn. Coloniza'n g. 5's	1934	2,544,000	J & D	....		....	....	....
Market St. Cable Railway 1st 6's	1913	3,000,000	J & J	....		....	....	....
Metro. St. Ry. gen. col. tr. g. 5's	1997	12,500,000	F & A	113¼	May 31,'98	113¼	109	275,000
B'way & 7th ave. 1st con. g. 5's	1997	7,650,000	J & D	120	May 19,'98	120	118	78,000
• registered			J & D	112½	May 29,'95	....	....	....
Columb. & 9th ave. 1st gtd g 5's	1993	3,000,000	M & S	117¾	May 28,'98	118	117	18,000
• registered			M & S	....		....	....	....
Lex ave & Pav F'r 1st gtd g 5's	1993	5,000,000	M & S	118¼	May 28,'98	118¼	117½	11,000
• registered			M & S	....		....	....	....
Mexican Central.								
• con. mtge. 4's	1911	58,993,000	J & J	63	Apr. 25,'98	....	....	....
• 1st con. inc. 3's	1939	17,072,000	JULY	19	Jan. 20,'96	....	....	....
• 2d 3's	1939	11,310,000	JULY	9	Jan. 30,'96	....	....	....
• equip. & collat. g. 5's	1917	950,000	A & O	....		....	....	....
Mexican Internat'l 1st con g. 4's	1942	4,635,000	M & S	73	May 31,'98	76	73	380,000
Mexican Nat. 1st gold 6's	1927	11,416,000	J & D	90	Mar. 6,'95	....	....	....
• 2d inc. 6's "A" 1917 coup. due March 1, 1889, stamped 1% paid		12,265,000	M & S	42⅜	Nov. 12,'96	....	....	....
• 2d inc. 6's "B"	1917	12,265,000	A	13	July 9,'97	....	....	....

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Mexican Northern 1st g. 6's	1910	1,313,000	J & D	97	Feb. 11,'97	....	....	....
" registered			J & D	....	....	....	....	....
Michigan Cent. 1st con. 7's	1902	8,000,000	M & N	110	May 25,'98	110	110	5,000
" 1st con. 5's	1902	2,000,000	M & N	102¼	May 25,'98	102¼	102¼	2,000
" 6's	1909	1,500,000	M & S	122	Feb. 25,'98	....	....	....
" coup. 5's	1931	3,576,000	M & S	125½	Jan. 20,'98	....	....	....
" reg. 5's	1931		Q M	121	Dec. 6,'97	....	....	....
" mort. 4's	1940	2,600,000	J & J	106	Feb. 25,'98	....	....	....
" mtge. 4's reg			J & J	108	Jan. 7,'98	....	....	....
Battle C. Sturgis 1st g. g. 6's	1989	476,000	J & D	....	....	....	....	....
Mil. Elec. R. & Light con. 30yr. g. 5's	1926	6,103,000	F & A	....	....	....	....	....
Minneapolis & St. Louis 1st g. 7's	1927	950,000	J & D	135½	Aug. 4,'97	....	....	....
" 1st con. g. 5's	1934	5,000,000	M & N	106	May 28,'98	106	101	20,000
" Iowa ext. 1st g. 7's	1909	1,015,000	J & D	127	Nov. 22,'97	....	....	....
" Southw. ext. 1st g. 7's	1910	636,000	J & D	129	May 16,'96	....	....	....
" Pacific ext. 1st g. 6's	1921	1,382,000	J & A	121¼	Aug. 31,'97	....	....	....
Minneapolis & Pacific 1st m. 5's	1936	3,208,000	J & J	102	Mar. 26,'87	....	....	....
" stamped 4's pay. of int. gtd.				....	....	....	....	....
Minn., S. S. M. & Atlan. 1st g. 4's	1926	8,280,000	J & J	94	Apl. 2,'95	....	....	....
" stamped pay. of int. gtd.				89¾	June 18,'91	....	....	....
Minn., S. P. & S. S. M., 1st c. g. 4's	1838	6,710,000	J & J	....	....	....	....	....
" stamped pay. of int. gtd.				....	....	....	....	....
Minn. St. R'y 1st con. g. 5's	1919	4,050,000	J & J	97	Dec. 18,'95	....	....	....
Missouri, K. & T. 1st mtge g. 4's	1990	39,718,000	J & D	90	May 31,'98	90	87	296,500
" 2d mtge. g. 4's	1990	20,000,000	F & A	62	May 31,'98	62¾	59	428,000
" 1st ext gold 5's	1944	998,000	M & N	83	Jan. 31,'98	....	....	....
" of Texas 1st gtd g. 5's	1942	2,685,000	M & S	82¼	May 13,'98	82¾	80	22,000
" Kan. C. & P. 1st g. 4's	1990	2,500,000	F & A	73	May 12,'98	74½	71	8,000
" Dal. & Waco 1st g. g. 5's	1940	1,340,000	M & N	80	May 13,'98	80	80	1,000
Booneville Bdg. Co. gtd. 7's	1906	558,000	M & N	....	....	....	....	....
Tebo. & Neosho 1st 7's	1903	187,000	J & D	....	....	....	....	....
Mo Kan. & East'n 1st gtd. g. 5's	1942	4,000,000	A & O	95	May 20,'98	97¼	95	12,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	100	May 31,'98	100	94	591,000
" 3d mortgage 7's	1906	3,828,000	M & N	108¼	May 24,'98	108¼	104	110,000
" trusts gold 5's	1917	14,376,000	M & S	78	May 31,'98	78	73	179,000
" registered			M & S	....	....	....	....	....
" 1st collateral gold 5's	1920	7,000,000	F & A	71⅞	May 31,'98	72	65	74,000
" registered			F & A	....	....	....	....	....
Pacific R. of Mo. 1st m. ex. 4's	1938	7,000,000	M & S	103¼	May 27,'98	103¼	100	32,000
" 2d extended g. 5's	1938	2,573,000	F & A	104	May 9,'98	104	104	2,000
Verdigris V'y Ind. & W. 1st 5's	1926	750,000	M & S	....	....	....	....	....
Leroy & Caney Val. A. L. 1st 5's	1926	520,000	J & J	....	....	....	....	....
St. L. & I'rn. Mt. 1st ex. 4½'s	1897	4,000,000	F & A	108	May 28,'98	108	107½	26,000
" 2d. ext g. 5's	1946	6,000,000	M & N	104	May 24,'98	104	102½	20,000
" Ark'nsas b'nch ext 5's	1895	2,500,000	J & D	104¼	Apr. 25,'98	....	....	....
" g. con. R.R. & l. gr. 5's	1931	18,274,000	A & O	94¼	May 31,'98	95	88¾	1,071,000
" stamped gtd gold 5's	1931	6,945,000	A & O	93	May 24,'98	93½	90	115,000
Mob. & Birm., prior lien, g. 5's	1945	374,000	J & J	....	....	....	....	....
" small		226,000	J & J	....	....	....	....	....
" inc. g. 4's	1945	700,000	J & J	....	....	....	....	....
" small		500,000	......	....	....	....	....	....
Mobile & Ohio new mort. g. 6's	1927	7,000,000	J & J	118½	May 24,'98	118½	118½	2,000
" 1st entension 6's	1927	974,000	J & D	119	Dec. 6,'97	....	....	....
" gen. g. 4's	1938	9,450,500	Q J	78	May 27,'98	78¼	75	309,000
" Montg'rydiv. 1st g. 5's	1947	4,000,000	F & A	97½	May 31,'98	97½	97½	29,000
St. Louis & Cairo gtd g. 4's	1931	4,000,000	M & S	86	Dec. 17,'95	....	....	....
Nashville, Chat. & St. L. 1st 7's	1913	6,300,000	J & J	131⅝	May 24,'98	131½	129½	15,000
" 2d 6's	1901	1,000,000	J & J	105¾	Nov. 9,'97	....	....	....
" 1st cons. g. 5's	1928	5,913,000	A & O	102	May 13,'98	102	100	13,000
" 1st 6's T. & Pb	1917	300,000	J & J	....	....	....	....	....
" 1st 6's McM. M. W. & Al.	1917	750,000	J & J	108	Mar. 24,'96	....	....	....
" 1st g. 6's Jasper Branch	1923	371,000	J & J	....	....	....	....	....
N. O. & N. East. prior lien g. 6's	1915	1,320,000	A & O	108½	Aug. 13,'94	....	....	....

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N. Y. Cent. & Hud. R. 1st c. 7's..	1903	30,000,000	J & J	118	May 31,'98	118	116	34,000
• 1st registered..........	1903		J & J	118	May 31,'98	118	116¾	50,000
• debenture 5's..........	1904	10,000,000	M & S	109⅝	May 19,'98	109⅝	109⅝	14,000
• debenture 5's reg..........			M & S	109¼	May 17,'98	109¼	109¼	1,000
• reg. deben. 5's....	1889-1904	1,000,000	M & S	108⅛	Feb. 21,'98	....	....	....
• debenture g. 4's.....	1905	15,000,000	J & D	105	May 18,'98	105	102⅛	16,000
• registered...........			J & D	104¾	Feb. 5,'98	....	....	....
• deb. cert. ext. g. 4's...	1905	6,450,000	M & N	105⅛	May 31,'98	105⅛	100⅛	3,500
• registered.................			M & N	104	Mar. 20,'98	....	....	....
Harlem 1st mortgage 7's c.....	1900	12,000,000	M & N	107⅛	May 25,'98	107⅛	107⅛	1,000
• 7's registered..........	1900		M & N	109⅛	Jan. 27,'98	....	....	....
N. Jersey Junc. R. R. g. 1st 4's.	1986	1,650,000	F & A	108	May 7,'97	....	....	....
• reg. certificates...........			F & A	....		....	....	....
West Shore 1st guaranteed 4's.....		50,000,000	J & J	108	May 28,'98	108	106¾	260,000
• registered.................			J & J	107⅛	May 25,'98	107⅛	106	136,500
Beech Creek 1st. g. gtd. 4's.....	1936	5,000,000	J & J	108½	Nov. 16,'97	....	....	....
• registered			J & J	105⅛	June 12,'96	....	....	....
• 2d gtd. 5's..............	1936	500,000	J & J	....		....	....	....
• registered		....	J & J	....		....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd g. 4's ser. A.	1940	770,000	J & J	86	Nov. 15,'97	....	....	....
• small bonds series B......		33,100	J & J	....		....	....	....
Gouv. & Oswega. 1st gtd g. 5's	1942	300,000	J & D	....		....	....	....
R. W. & Og. con. 1st ext. 5's...	1922	9,081,000	A & O	121	May 25,'98	121	119⅛	38,000
coup. g. bond currency..........			A & O	....		....	....	....
Nor. & Montreal 1st g. gtd 5's..	1916	130,000	A & O	....		....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's.	1918	375,000	M & N	....		....	....	....
Oswego & Rome 2d gtd gold 5's.	1915	400,000	F & A	110	Oct. 16,'94	....	....	....
Utica & Black River gtd g. 4's..	1922	1,800,000	J & J	107⅛	Oct. 14,'97	....	....	....
Mohawk & Malone 1st gtd g. 4's.	1991	2,500,000	M & S	100	Mar. 14,'94	....	....	....
Carthage & Adiron 1st gtd g. 4's	1981	1,100,000	J & D	....		....	....	....
N. Y. & Putnam 1st gtd g. 4's.	1993	4,000,000	A & O	103	May 22,'96	....	....	....
N. Y. & Northern 1st g. 5's.....	1927	1,200,000	A & O	128	Feb. 14,'9	....	....	....
N.Y., Chic. & St. Louis 1st g. 4's.	1937	19,425,000	A & O	104¼	May 31,'98	104¼	102⅛	74,000
• registered................			A & O	104	Apr. 21,'97	....	....	....
N. Y., N. Haven & H. 1st reg. 4's.	1903	2,000,000	J & D	104⅛	Oct. 7,'97	....	....	....
• con. deb. receipts.....$1,000		15,007,500	A & O	152	May 28,'98	152	150⅛	7,000
• small certifs............$100		1,430,000	......	145	May 10,'98	145	145	100
Housatonic R. con. g. 5's.........	1937	2,838,000	M & N	125¼	Feb. 6,'97	....	....	....
New Haven and Derby con. 5's..	1918	575 000	M & N	115⅛	Oct. 15,'94	....	....	....
N. Y. & New England 1st 7's......	1905	6,000,000	J & J	119	Feb. 11,'98	....	....	....
• 1st 6's....................	1905	4,000,000	J & J	114	May 27,'97	....	....	....
N. Y., Ontario & W'n con. 1st g. 5's	1939	5,600,000	J & D	109	May 31,'98	109	107	119,500
• Refunding 1st g. 4's.....	1992	8,375,000	M & S	98⅛	May 26,'98	98⅛	96½	60,000
• Registered......$5,000 only.		....	M & S	83⅝	Aug. 25,'92	....	....	....
N.P. 1st m. R.R. & L.G.S.F. g.c. 6's..	1921	9,199,000	J & J	116⅛	May 25,'98	116⅛	114⅛	11,000
• registered..................			J & J	115	May 3,'98	115	114	35,000
St. Paul & N. Pacific gen 6's....	1923	7,985,000	F & A	126	May 10,'98	126	126	2,000
• registered certificates....			Q F	126	Nov. 3,'97	....	....	....
N. P. Ry prior ln reg. & ld. gt. g. 4's.	1997	85,088,000	Q J	96	May 31,'98	96⅛	91⅝	1,393,000
• registered.................			Q J	93½	May 5,'98	93½	93½	3,000
• gen. lien g. 3's..........	2047	56,000,000	Q F	61½	May 31,'98	61⅝	59	1,578,500
• registered.................			Q F	....		....	....	....
Nor. Pacific Term. Co. 1st g. 6's..	1933	3,910,000	J & J	110⅛	May 31,'98	110⅛	107	22,000
Norfolk & Southern 1st g. 5's....	1941	750,000	M & N	105	Mar. 7,'98	....	....	....
Norfolk & Western gen. mtg. 6's.	1931	7,283,000	M & N	120	Mar. 17,'98	....	....	....
• New River 1st 6's..	1932	2,000,000	A & O	118	Mar. 17,'98	....	....	....
• imp'ment and ext. 6's...	1934	5,000,000	F & A	117	Feb. 9,'98	....	....	....
• Sci'o Val & N.E. 1st g. 4's,	1989	5,000,000	J & N	86	May 25,'98	86	82½	40,000
• C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	101	Feb. 23,'97	....	....	....
Norfolk & West. Ry 1st con. g. 4s.	1996	23,199,400	A & O	82¼	May 31,'98	82¼	77⅛	374,500
• registered........			A & O	....		....	....	....
• small bonds................			A & O	....		....	....	....

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Ogdb'g & L. Chapl. 1st con. 6's	1920	3,500,000	A & O	49	Apr. 13,'96	....	....	....
Ogdensburg & Lake Chapl. inc.	1920	800,000	O	....	....	....	....	....
" inc.	small	200,000	O	82	Feb. 26,'87	....	....	....
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	102¼	Jan. 26,'98	....	....	....
" gen. mortg. g 6's	1937	2,428,000	A & O	85	Dec. 16,'96	....	....	....
Ohio Southern 1st mortg. 6's	1921	3,924,000	J & D	84⅝	Feb. 21,'96	....	....	....
" gen. mortg. g 4's	1921	1,548,000	M & N	14½	Feb. 11,'98	....	....	....
" gen. eng. Trust Co. certs.		1,255,000	......	10	Mar. 31,'98	....	....	....
Omaha & St. Lo. 1st g 4's	1901	2,376,000	J & J	76	May 20,'98	76	76	14,000
Oregon Improvement Co. 1st 6's	1910	254,000	J & D	109	Feb. 25,'98	....	....	....
" eng. Tr. Co. ctfs. of dep.		3,717,000	......	110	May 31,'98	110	106	56,000
" " std. int. pd. to Dec. 1,'97		....	......	....	....	....	....	....
" con. mortg. g 5's	1939	652,000	A & O	32½	Aug. 24,'97	....	....	....
" Trust Co. reor cts all ins pd.		5,897,000	......	60	May 31,'98	60¾	53½	593,000
Oregon Ry. & Nav. 1st s. f. g. 6's	1909	1,605,000	J & J	113½	May 12,'98	113½	113½	20,000
Oregon R. R. & Nav. Co. con. g 4's	1946	18,550,000	J & D	93½	May 31,'98	96½	92	261,000
Oregon Short Line 1st g. 6's	1922	13,651,000	F & A	124	May 31,'98	124	120	76,000
{ Utah & Northern 1st 7's	1908	4,993,000	J & J	120	Dec. 15,'97	....	....	....
" g. 5's	1926	1,877,000	J & J	102	May 24,'94	....	....	....
Oreg. Short Line 1st con. g. 5's	1946	10,337,000	J & J	103½	May 31,'98	103½	99	270,000
" non-cum. inc. A 5's	1946	7,185,000	SEPT.	69¾	May 31,'98	70	60	298,000
" non-cum. inc. B. & col. trust		14,841,000	OCT.	49¾	May 31,'98	50	45	257,000
Panama 1st sink fund g. 4½'s	1917	2,070,000	A & O	....	....	....	....	....
" s. f. subsidy g 6's	1910	1,732,000	M & N	101½	Dec. 21,'91	....	....	....
Pennsylvania Railroad Co.								
{ Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	111¼	May 31,'98	111¼	108½	50,000
" reg	1921		J & J	112¼	Dec. 21,'97	....	....	....
" gtd. 3½ col. tr. reg. cts.	1937	5,000,000	M & S	....	....	....	....	....
Pitts., C. C. & St. Louis con. g 4½'s								
" Series A	1940	10,000,000	A & O	110	May 27,'98	110	109½	12,000
" Series B	1942	10,000,000	A & O	109⅞	May 31,'98	109⅞	108	33,000
" Series C	1942	2,000,000	M & N	105	Jan. 16,'97	....	....	....
" Series D gtd. 4's	1945	4,863,000	M & N	102	Oct. 9,'97	....	....	....
Pitts., C. & St. Louis 1st c. 7's	1900	6,863,000	F & A	106¾	Mar. 1,'98	....	....	....
" 1st reg. 7's	1900		F & A	109¼	Apr. 23,'97	....	....	....
Pitts., Ft. Wayne & C. 1st 7's	1912	2,917,000	J & J	140	May 3,'98	140	140	1,000
" 2d 7's	1912	2,546,000	J & J	140	May 9,'98	140	140	5,000
" 3d 7's	1912	2,000,000	A & O	128	Aug. 26,'95	....	....	....
Chic., St. Louis, & P. 1st c. 5's	1932	1,506,000	A & O	113	May 14,'96	....	....	....
" registered		....	A & O	110	May 3,'92	....	....	....
Cleve. & Pitts. con. s. fund 7's	1900	1,310,000	M & N	107	May 25,'98	107	107	1,000
" gen. gtd. g. 4½'s Ser. A	1942	3,000,000	J & J	113	Apr. 18,'95	....	....	....
" Series B	1942	1,628,000	A & O	....	....	....	....	....
G. R. & Ind. Ex. 1st gtd. g 4½ g	1941	4,434,000	J & J	107	May 18,'96	....	....	....
Allegh. Valley gen gtd. g. 4's	1942	5,389,000	M & S	102	Nov. 10,'97	....	....	....
Newp. & Cin. Bge Co. gtd g. 4's	1945	1,400,000	J & J	....	....	....	....	....
Penn. RR. Co. 1st Rl Est. g 4's	1923	1,675,000	......	108	May 12,'97	....	....	....
{ con. sterling gold 6 per cent	1905	22,762,000	J & D	....	....	....	....	....
con. currency, 6's registered	1905	4,718,000	Q M 15	....	....	....	....	....
con. gold 5 per cent	1919	4,998,000	M & S	....	....	....	....	....
" registered			Q Mch	....	....	....	....	....
con. gold 4 per cent	1943	3,000,000	M & N	....	....	....	....	....
con. Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	111	July 8,'97	....	....	....
U'd N. J. RR. & Can Co. g 4's	1944	5,646,000	M & S	115½	Feb. 14,'98	....	....	....
Del. R. RR. & Bge Co 1st gtd g. 4's	1936	1,300,000	F & A	....	....	....	....	....
Peo., Dec. & Ev. Tr. Co. ctf. 1st g. 6's	1920	1,140,000	J & J	98	May 20,'98	98	98	10,000
" Ev. div. Tr. Co. cf 1st g. 6's	1920	1,430,000	M & S	96	May 28,'98	96	96	22,000
" Tr. Co. ctfs. 2d mort 5 s.	1926	1,851,000	M & N	17	May 23,'98	17	15	24,000
" " 1st instal. paid		....	......	....	....	....	....	....
Peoria & Pekin Union 1st 6's	1921	1,500,000	Q F	120	May 11,'98	120	120	1,000
" 2d m 4½'s	1921	1,499,000	M & N	85½	May 25,'98	85½	85½	15,000
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov. 17,'93	....	....	....

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Pittsburg, Clev. & Toledo 1st 6's	1922	2,400,000	A & O	108½	Apr. 5,'93	....	....	....
Pittsburg, Junction 1st 6's	1922	1,440,000	J & J	124	Mar. 12,'96	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A	1928	2,000,000	A & O	112	Mar. 25,'93	....	....	....
Pittsburg, McK'port & Y. 1st 6's	1932	2,250,000	J & J	117	May 31,'89	....	....	....
" 2d g. 6's	1934	900,000	J & J	....	....	....	....	....
McKspt & Bell. V. 1st g. 6's	1918	600,000	J & J	....	....	....	....	....
Pittsburg, Pains. & Fpt. 1st g. 5's	1916	1,000,000	J & J	95½	Apr. 2,'95	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's	1940	3,000,000	A & O	105⅞	May 18,'98	106	105⅛	34,000
" 1st cons. 5's	1943	523,000	J & J	98	July 14,'97	....	....	....
Pittsburg & West'n 1st gold 4's	1917	9,700,000	J & J	84	May 31,'98	83½	80	172,000
" Mort. g. 5's	1891-1941	3,500,000	M & N	33½	Mar. 1,'97	....	....	....
Pittsburg, Y & Ash. 1st cons. 5's	1927	1,562,000	M & N	....	....	....	....	....
Reading Co. gen. g. 4's	1997	58,668,000	J & J	84¼	May 31,'98	84¼	80	1,235,000
" registered			J & J	....	....	....	....	....
Rio Grande West'n 1st g. 4's	1939	15,200,000	J & J	86½	May 31,'98	86½	80	301,000
Rio Grande Junc'n 1st gtd. g. 5's	1939	1,850,000	J & D	94¼	Feb. 16,'98	....	....	....
Rio Grande Southern 1st g. 3-4	1940	4,510,000	J & J	54	Feb. 2,'98	....	....	....
Salt Lake City 1st g. sink fu'd 6's	1913	297,000	J & J	....	....	....	....	....
St. Jo. & Gr. Isl. 1st g. 2.3.4	1947	3,500,000	J & J	75¼	May 28,'98	75¼	72	46,000
St. Louis & San F. 2d 6's, Class A	1906	500,000	M & N	111	May 15,'98	111	111	7,000
" 2d g. 6's, Class B	1906	2,719,000	M & N	114	May 31,'98	114	111⅛	42,000
" 2d g. 6's, Class C	1906	2,400,000	M & N	113	May 24,'98	113	113	15,000
" 1st g. 6's P. C. & O.	1919	1,030,000	F & A	118	May 23,'92	....	....	....
" gen. g. 6's	1931	7,807,000	J & J	118½	May 31,'98	118½	115½	106,000
" gen. g. 5's	1931	12,293,000	J & J	103⅞	May 27,'98	103⅞	102	203,000
" 1st Trust g. 5's	1987	1,099,000	A & O	92½	Apr. 14,'98	....	....	....
Ft. Smith & Van B. Bdg. 1st 6's	1910	319,000	A & O	105	Oct. 4,'96	....	....	....
Kansas, Midland 1st g. 4's	1937	1,608,000	J & D	....	....	....	....	....
St. Louis & San F. R. R. g. 4's	1996	6,388,000	J & D	76⅞	May 31,'98	77	72½	204,000
" South'n div. 1st g. 5's	1947	1,500,000	A & O	93½	May 31,'98	93½	91	17,000
St. Louis S. W. 1st g. 4's Bd. ctfs.	1989	20,000,000	M & N	72⅝	May 27,'98	74⅞	72½	134,000
" 2d g. 4's inc. Bd ctfs.	1989	8,000,000	J & J	29½	May 27,'98	30¼	28⅞	93,000
St. Paul City Ry. Cable con. g. 5's	1937	2,480,000	J&J15	90	Nov. 8,'27	....	....	....
" gtd. gold 5's	1937	1,138,000	J & J	90	Mar. 20,'96	....	....	....
St. Paul & Duluth 1st 5's	1913	1,000,000	F & A	117	Mar. 14,'98	....	....	....
" 2d 5's	1917	2,000,000	A & O	109	Feb. 21,'98	....	....	....
St. Paul, Minn. & Manito'a 2d 6's	1909	8,000,000	A & O	122¾	Jan. 29,'98	....	....	....
" Dakota ext'n 6's	1910	5,676,000	M & N	118½	Mar. 25,'98	....	....	....
" 1st con. 6's	1933	13,344,000	J & J	128	Feb. 26,'98	....	....	....
" 1st con. 6's, registered			J & J	120	Aug. 19,'95	....	....	....
" 1st c. 6's, red'd to 4½'s		21,196,000	J & J	106⅝	May 27,'98	106⅝	105½	52,000
" 1st cons. 6's register'd			J & J	105	Nov. 4,'95	....	....	....
" Mont. ext'n 1st g. 4's	1937	7,805,000	J & D	97	May 20,'98	97	97	33,000
" registered			J & D	96	Feb. 19,'97	....	....	....
Minneapolis Union 1st 6's	1922	2,150,000	J & J	127¼	Feb. 8,'98	....	....	....
Montana Cent. 1st 6's int. gtd.	1937	6,000,000	J & J	125	May 26,'98	125	118½	10,000
" 1st 6's, registered			J & J	115	Apr. 24,'97	....	....	....
" 1st g. g. 5's	1937	2,700,000	J & J	109½	May 24,'98	109½	109½	5,000
" registered			J & J	....	....	....	....	....
Eastern Minn. 1st d. 1st g. 5's	1908	4,700,000	A & O	105½	Apr. 12,'98	....	....	....
" registered			A & O	....	....	....	....	....
Willmar & Sioux Falls 1st g. 5's	1938	3,625,000	J & D	111	Mar. 9,'98	....	....	....
" registered			J & J	....	....	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's	1919	3,872,000	J & J	100¼	Oct. 20,'97	....	....	....
Sav. Florida & Wn. 1st c. g. 6's	1934	4,056,000	A & O	106⅝	Aug. 2,'97	....	....	....
" 1st g. 5's	1934	1,780,000	A & O	104½	Oct. 1,'97	....	....	....
Seaboard & Roanoke 1st 5's	1926	2,500,000	J & J	104¾	Feb. 5,'98	....	....	....
Sodus Bay & Sout'n 1st 5's, gold	1924	500,000	J & J	105	Sept. 4,'86	....	....	....
South Caro'a & Georgia 1st g. 5's	1919	5,250,000	M & N	95	May 24,'98	95	92	93,000

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	MAY SALES. High.	MAY SALES. Low.	MAY SALES. Total.
Southern Pacific Co.								
Gal. Harrisb'gh & S.A. 1st g 6's	1910	4,756,000	F & A	107	Jan. 20,'98			
• 2d g 7's	1905	1,000,000	J & D	105½	May 17,'98	105½	105	9,000
• Mex. & P. div 1st g 5's	1931	13,118,000	M & N	93	May 31,'98	94½	92¾	139,000
Houst. & T C 1st Waco & N 7's	1903	1,140,000	J & J	125	June 29,'92			
• 1st g 5's int. gtd	1937	7,107,000	J & J	110½	May 31,'98	110¾	107½	11,000
• con. g 6's int. gtd	1912	3,455,000	A & O	105	May 11,'98	105	105	2,000
• gen. g 4's int. gtd	1921	4,297,000	A & O	81½	May 31,'98	81½	78	132,000
Morgan's La & Tex. 1st g 6's	1920	1,494,000	J & J	120½	Feb. 17,'98			
• 1st 7's	1918	5,000,000	A & O	127	Apr. 30,'98			
N. Y. Tex. & Mex. gtd. 1st g 4's	1912	1,442,500	A & O					
Oreg. & Cal. 1st gtd. g 5's	1927	18,842,000	J & J	75	Jan. 6,'98			
San Ant. & Aran Pass 1st gtd g 4's	1943	18,886,000	J & J	61½	May 31,'98	61½	57¼	255,000
Tex. & New Orleans 1st 7's	1905	1,620,000	F & A	111	Mar. 1,'97			
• Sabine div. 1st g 6's	1912	2,575,000	M & S	106¼	Nov. 17,'97			
• con. g 5's	1943	1,620,000	J & J	98¼	May 28,'98	98¼	98	75,000
South'n Pac. of Ariz. 1st 6's	1909–1910	10,000,000	J & J	105	May 25,'98	105	102½	151,000
South. Pac. of Cal. 1st g 6's	1905–12	30,577,500	A & O	106¾	May 20,'98	106¾	106¼	1,000
• 1st con. gtd. g 5's	1937	19,671,000	M & N	96¼	May 31,'98	96¼	93½	183,000
Austin & Northw'n 1st g 5's	1941	1,920,000	J & J	83¼	May 27,'98	83¼	82¼	77,000
So. Pacific Coast 1st gtd. g. 4's	1937	5,500,000	J & J					
So. Pacific of N. Mex. c. 1st 6's	1911	4,180,000	J & J	107½	May 24,'98	107¾	107	83,000
Southern Railway 1st con. g 5's	1994	26,962,000	J & J	93¼	May 31,'98	93⅝	89½	866,000
• registered			J & J					
East Tenn. reorg. lien g 4's	1938	4,500,000	M & S	100	Feb. 16,'98			
• registered			M & S					
Alabama Central, 1st 6's	1918	1,000,000	J & J	112¾	Aug. 17,'97			
Atl. & Char. Air Line, income	1900	750,000	A & O	104	May 24,'95			
Col. & Greenville, 1st 5–6's	1916	2,000,000	J & J	119	Dec. 22,'97			
East Tenn., Va. & Ga. 1st 7's	1900	3,123,000	J & J	106¼	Mar. 16,'98			
• divisional g 5's	1930	3,106,000	J & J	114	May 27,'98	114	113	16,000
• con. 1st g 5's	1956	12,770,000	M & N	109	May 31,'98	109	107½	130,000
Ga. Pacific Ry. 1st g 5–6's	1922	5,660,000	J & J	122	May 31,'98	122	121	10,000
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	116	May 25,'98	116	114	35,000
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	118	Apr. 16,'98			
• equip. sink. f'd g 5's	1909	897,000	M & S	101	Nov. 2,'97			
• deb. 5's stamped	1927	3,368,000	A & O	95	May 3,'98	95	95	1,000
Vir. Midland serial ser. A 6's	1906	600,000	M & S					
• small			M & S					
• ser. B 6's	1911	1,900,000	M & S					
• small			M & S					
• ser. C 6's	1916	1,100,000	M & S					
• small			M & S					
• ser. D 4–5's	1921	950,000	M & S					
• small			M & S					
• ser. E 5's	1926	1,775,000	M & S					
• small			M & S					
• ser. F 5's	1931	1,310,000	M & S					
Virginia Midland gen. 5's	1936	2,392,000	M & N	102⅛	Apr. 14,'98			
• gen. 5's. gtd. stamped	1926	2,466,000	M & N	102	Apr. 14,'98			
W. O. & W. 1st cy. gtd. 4's	1924	1,025,000	F & A	84	Aug. 10,'97			
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	113	May 9,'98	113	113	10,000
Spokane Falls & North. 1st g. 6's	1939	2,812,000	J & J					
Staten Island Ry 1st gtd. g 4½s	1943	500,000	J & D					
Sunbury & Lewiston 1st g. 4's	1936	500,000	J & J					
Ter. R. R. Assn. St. Louis 1g 4½'s	1939	7,000,000	A & O	109	May 18,'98	109	109	1,000
• 1st con. g. 5's	1894–1944	4,500,000	F & A	107	May 23,'98	107	105½	26,000
St. L. Mers. bdg. Ter. gtd g. 5's	1930	3,500,000	A & O	103	Oct. 27,'96			
Terre Haute Elec. Ry. gen. g 6's	1914	444,000	Q JAN	105⅝	Dec. 18,'95			
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th	1905	3,784,000	M & S	110½	Feb. 14,'98			
• 1st gold 5's	2000	21,049,000	J & D	105½	May 31,'98	105½	99¾	253,000
• 2d gold income, 5's	2000	23,227,000	MAR.	86¼	May 31,'98	86⅜	82	1,559,000
Third Avenue 1st g 5's	1937	5,000,000	J & J	120	May 18,'98	120	120	2,000

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	MAY SALES. *High.*	MAY SALES. *Low.*	MAY SALES. *Total.*
Toledo & Ohio Cent. 1st g 5's	1935	3,000,000	J & J	104½	Apr. 26,'98	....	....	....
• 1st M. g 5's West. div.	1935	2,500,000	A & O	100¾	May 26,'98	100¾	100¾	1,000
• gen. g. 5's	1935	1,500,000	J & D	....	....	....	....	....
• Kanaw & M. 1st g. g. 4's	1990	2,340,000	A & O	76	May 26,'98	76	76	1,000
Toledo, Peoria & W. 1st g 4's	1917	4,[illegible]00,000	J & D	72	May 10,'98	72	70	7,000
Tol., St.L.&K.C. Tr. Rec. 1st g 6's	1916	8,234,000	M & N	88	May 27,'98	88	88	10,000
Ulster & Delaware 1st c. g 5's	1928	1,852,000	J & D	101	May 31,'98	101½	101	2,000
Union Elevated (Chic.) 1st g. 5's	1945	4,212,000	A & O	....	....	....	....	....
Union Pacific R. R. & ld gt g 4s	1947	84,235,000	J & J	94⅝	May 31,'98	94½	91¾	7,641,000
• registered			J & J	....	....	....	....	....
Union Pac. Tr. Co. cts. g. 4½s	1918	2,000,000	M & N	48	May 28,'98	48	45	43,000
U.P. Den.&GT.Co.cf.1stc.g.5's	1939	15,288,000	J & D	58⅛	May 31,'98	58½	51¼	5,800,000
Wabash R.R. Co., 1st gold 5's	1939	31,664,000	M & N	108½	May 31,'98	108½	105	439,000
• 2d mortgage gold 5's	1939	14,000,000	F & A	83⅛	May 31,'98	83⅛	77¾	498,000
• deben. mtg series A	1939	3,500,000	J & J	....	....	....	....	....
• series B	1939	25,740,000	J & J	28¾	May 28,'98	28¾	25¼	229,000
• 1st g. 5's Det.& Chi. ex.	1940	3,500,000	J & J	103¼	May 28,'98	103½	100¾	10,000
St. L., Kan. C. & N. St. Chas. B. • 1st 6's	1908	1,000,000	A & O	108½	Mar. 12,'98	....	....	....
Western N.Y. & Penn. 1st g. 5's	1937	10,000,000	J & J	108	May 20,'98	108	107	15,000
• gen g. 2-3-4's	1943	10,000,000	A & O	52½	May 10,'98	52½	51⅛	26,000
• inc. 5's	1943	10,000,000	Nov.	13	May 19,'98	14½	12½	114,000
West Chic. St. 40 yr. 1st cur. 5's	1928	3,969,000	M & N	....	....	....	....	....
• 40 years con. g. 5's	1936	6,031,000	M & N	99	Dec. 28,'97	....	....	....
West Va. Cent'l & Pac. 1st g. 6's	1911	3,000,000	J & J	108	Feb. 18,'96	....	....	....
Wheeling & Lake Erie 1st 5's	1926	1,265,000	A & O	101½	Mar. 7,'98	....	....	....
• Trust Co. certificates		1,755,000	......	100	Mar. 18,'98	....	....	....
• Wheeling div. 1st g. 5's	1928	1,500,000	J & J	90	May 26,'98	90	90	25,000
• exten. and imp. g. 5's	1930	1,624,000	F & A	92½	Mar. 11,'98	....	....	....
• consol mortgage 4's	1992	1,600,000	J & J	62¼	July 20,'96	....	....	....
Wisconsin Cent. Co. 1st trust g. 5's	1937	1,987,000	J & J	34	Nov. 16,'97	....	....	....
• eng. Trust Co. certificates.		10,013,000	......	43½	May 31,'98	43⅞	38½	649,000
• income mortgage 5's	1937	7,775,000	A & O	6½	Jan. 19,'98	....	....	....

UNITED STATES GOVERNMENT SECURITIES.

NAME	*Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1898 *High.*	YEAR 1898 *Low.*	MAY SALES. *High.*	MAY SALES. *Low.*	MAY SALES. *Total.*
United States 2's registered	Opt'l	25,364,500	Q M	98½	98	....	....	......
• 4's registered	1907	559,634,000	J A J&O	113⅝	106	109	106¾	168,500
• 4's coupon	1907		J A J&O	114¾	107	111¼	108	80,500
• 4's registered	1925	162,315,400	Q F	129½	116¾	123⅛	122¼	10,500
• 4's coupon	19.5		Q F	129¾	117⅝	123¼	120	58,500
• 5's registered	1904	100,000,000	Q F	115	103¾	110¾	109¾	116,000
• 5's coupon	1904		Q F	115	109¾	111	109¾	17,000
• 6's currency	1899	14,004,560	J & J	104	102⅞	....	....	......
• 4's reg. cer. ind. (Cherokee)	1899	1,660,000	MAR	....	....	....	....	......
District of Columbia 3-65's	1924	14,033,600	F & A	....	....	....	....	......
• small bonds			F & A	....	....	....	....	......
• registered.			F & A	....	....	....	....	......
• funding 5's	1899	800,400	J & J	....	....	....	....	......
• • small			J & J	....	....	....	....	......
• • registered			J & J	....	....	....	....	......

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MISCELLANEOUS BONDS.

NAME.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	May Sales. High.	May Sales. Low.	May Sales. Total.
American Cotton Oil deb. g. 8's	1900	3,068,000	Q F	105	May 27,'98	105	105	10,000
Am. Spirit Mfg. Co. 1st g. 6's	1915	2,000,000	M & S	77	May 17,'98	77	72	35,000
Atlanta Gas Light Co. 1st g. 5's	1947	1,150,000	J & D	....		....	....	....
Barney & Smith Car Co. 1st g. 6's	1942	1,000,000	J & J	....		....	....	....
Bost. Un. Gas tst ctfs s'k f'd g. 5's	1939	7,000,000	J & J	90¼	Jan. 26,'98	....	....	....
B'klyn Union Gas Co. 1st con. g. 5's	1945	18,081,000	M & N	114	May 28,'98	114¼	111¼	45,000
B'klyn Wharf & Wh. Co. 1st g. 5's	1945	17,500,000	F & A	95	May 27,'98	95	92	83,000
Chic. Junc. & St'k Y'ds col. g. 5's	1915	10,000,000	J & J	109½	Feb. 9,'97	....	....	....
" non-cum. inc. 5's	1907	2,610,000	J & J	....		....	....	....
Colo. Coal & Iron 1st con. g. 6's	1900	2,954,000	F & A	99	May 7,'98	99	99	7,000
Colo. C'l & I'n Devel. Co. gtd g. 5's	1909	700,000	J & J	81	Feb. 11,'97	....	....	....
" Coupon off		....		....		....	....	....
Colo. Fuel Co. gen. g. 6's	1919	1,043,000	M & N	104	Jan. 13,'98	....	....	....
Col. Fuel & Iron Co. gen. sf g 5's	1943	2,021,000	F & A	80	May 27,'98	81	80	29,000
Columbus Gas Co., 1st g. 5's	1932	1,175,000	J & J	104½	Jan. 28,'98	....	....	....
Commercial Cable Co. 1st g. 4's	2397	13,000,000	Q & J	101⅛	Apr. 28,'98	....	....	....
" registered			Q & J	104	Feb. 16,'98	....	....	....
Detroit City Gas Co. g. 5's	1923	3,885,000	J & J	92¾	May 31,'98	94	89	277,000
Detroit Gas Co. 1st con. g. 5's	1918	1,049,000	F & A	90	May 20,'98	90	90	4,000
Det. Mack. & Mar. ld. gt. 3½ S A	1911	3,024,000	A & O	16⅞	May 23,'98	17	16⅞	22,000
Edison Elec. Illu. 1st conv. g. 5's	1910	4,312,000	M & S	109¼	May 13,'98	109½	109	102,000
" 1st con. g. 5's	1995	2,156,000	J & J	118¾	May 28,'98	118¾	114¾	115,000
" Brooklyn 1st g. 5's	1940	1,500,000	A & O	110⅛	Feb. 4,'97	....	....	....
" registered			A & O	....		....	....	....
Equitable Gas Light Co. of N. Y. " 1st con. g. 5's	1932	2,500,000	M & S	102	Feb. 14,'98	....	....	....
Erie Teleg. & Tel. col. tr. g s fd 5's	1926	1,960,000	J & J	98¼	Mar. 9,'98	....	....	....
General Electric Co. deb. g. 5's	1922	6,000,000	J & D	104	May 27,'98	104	101	21,000
Grand Riv. Coal & Coke 1st g. 6's	1919	780,000	A & O	90	Nov. 26,'95	....	....	....
Grand Rapids Gas Light Co. 1st " g. 5's	1915	1,225,000	F & A	92½	Mar. 11,'95	....	....	....
Hackensack Wtr Reorg. 1st g. 5's	1926	1,090,000	J & J	107½	June 3,'92	....	....	....
Hend'n Bdg Co. 1st s'k. f'd g. 6's	1931	1,728,000	M & S	111	Aug. 23,'97	....	....	....
Hoboken Land & Imp. g. 5's	1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Illinois Steel Co. debenture 5's	1910	6,200,000	J & J	86	May 8,'96	....	....	....
" non. conv. deb. 5's	1910	7,000,000	A & O	70	Apl. 23,'97	....	....	....
Iron Steamboat Co. 6's	1901	500,000	J & J	75½	Dec. 4,'95	....	....	....
Jefferson & Clearfield Coal & Ir. " 1st g. 5's	1926	1,975,000	J & D	107	May 27,'97	....	....	....
" 2d g. 5's	1926	1,000,000	J & D	80	May 4,'97	....	....	....
Kansas City Mo. Gas Co. 1st g 5's	1922	3,750,000	A & O	....		....	....	....
Lac. Gas L't Co. of St. L. 1st g. 5's	1919	10,000,000	Q F	103	May 25,'98	103	100	41,000
" small bonds				97½	Nov. 1,'95	....	....	....
Madison Sq. Garden 1st g. 5's	1919	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim. gen. g. 4's	1940	1,300,000	M & N	55	Aug. 27,'95	....	....	....
Metrop. Tel & Tel. 1st s'k f'd g. 5's	1918	2,000,000	M & N	103¼	Jan. 5,'92	....	....	....
" registered			M & N			....	....	....
Mich. Penins. Car Co. 1st g 5's	1942	2,000,000	M & S	65	June 5,'97	....	....	....
Nat. Starch Mfg. Co., 1st g 6's	1920	3,837,000	J & J	106	Mar. 14,'98	....	....	....
Newport News Shipbuilding & Dry Dock 5's	1890-1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. & N. J. Tel. gen. g 5's cnv.	1920	1,261,000	M & N	100	June 4,'95	....	....	....
N. Y. & Ontario Land 1st g 6's	1910	443,000	F & A	92¼	May 5,'93	....	....	....
Peop's Gas & C. Co. C. 1st g. g 6's	1904	2,100,000	M & N	114¾	Dec. 18,'97	....	....	....
" 2d gtd. g. 6's	1904	2,500,000	J & D	106	May 26,'98	106	106	500
" 1st con. g 6's	1943	4,900,000	A & O	116	May 28,'98	116	116	5,000
" refunding g. 5's	1947	2,500,000	M & S	....		....	....	....
" refuding registered			M & S	....		....	....	....
Chic. Gas Lt & Coke 1st gtd g. 5's	1937	10,000,000	J & J	104	May 13,'98	104	104	11,000
Con. Gas Co. Chic. 1st gtd. g. 5's	1936	4,346,000	J & D	101	Apr. 19,'98	....	....	....
Eq. Gas & Fuel, Chic. 1st gtd. g. 6's	1905	2,000,000	J & J	106	May 19,'98	108	106	8,000
Peoria Water Co. g 6's	1889-1919	1,254,000	M & N	100	June 23,'92	....	....	....
Pleasant Valley Coal 1st g 6's	1920	590,000	M & N	106½	Oct. 14,'95	....	....	....

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MISCELLANEOUS BONDS—*Continued.*

NAME.	*Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE.		MAY SALES.		
				Price.	*Date.*	*High.*	*Low.*	*Total.*
Procter & Gamble, 1st g 6's......	1940	2,000,000	J & J	113	Apr. 4,'98	....	....	....
Roch & Pitts.Cl&Ir.Co.pur my5's.	1946	1,100,000	M & N	....		....	....	....
St. Louis Terml. Cupples Station. & Property Co. 1st g 4½'s 5-20..	1917	2,000,000	J & D	....		....	....	....
So. Y. Water Co. N. Y. con. g 6's..	1923	478,000	J & J	101	Feb. 19,'97	....	....	....
Spring Valley W. Wks. 1st 6's....	1906	4,975,000	M & S	....		....	....	....
Standard Rope & Twine 1st g. 6's.	1946	2,955,000	F & A	70	May 31,'98	70	57½	140,000
" " inc. g. 5's.	1946	7,500,000	......	16¼	May 31,'98	17	13½	515,000
Sun. Creek Coal 1st sk. fund 6's..	1912	400,000	J & D	....		....	....	....
Ten. Coal, I. & R. T. d. 1st g 6's...	1917	1,244,000	A & O	82	May 11,'98	82	79	10,000
" Bir. div. 1st con. 6's...	1917	3,399,000	J & J	85	May 23,'98	85	82	37,000
Cab. Coal M. Co. 1st gtd. g 6's..	1922	1,000,000	J & D	84	May 2,'95	....	....	....
De Bard. C & I Co. gtd. g 6's...	1910	2,428,000	F & A	83	Jan. 26,'98	....	....	....
U. S. Leather Co. 6% g s. fd deb..	1915	6,000,000	M & N	114	May 27,'98	114	111¼	71,000
Vermont Marble, 1st s. fund 5's..	1910	640,000	J & D	....		....	....	....
Western Gas Co. col. tr. g. 5's...	1933	3,805,500	M & N	101	Mar. 16,'98	....	....	....
Western Union deb. 7's.....	1875-1900	3,680,000	M & N	105¼	Feb. 25,'96	....	....	....
" 7's, registered..........	1900		M & N	105	Mar. 11,'98	....	....	....
" debenture, 7's......	1884-1900	1,000,000	M & N	105½	July 7,'97	....	....	....
" registered..................			M & N	104½	Nov. 12,'97	....	....	....
" col. trust cur. 5's	1938	8,502,000	J & J	109	May 31,'98	109	106	20,000
Mutual Union Tel. s. fd. 6's....	1911	1,95[illegible],000	J & J	111	Mar. 16,'93	....	....	....
Northwestern Telegraph 7's...	1904	1,250,000	J & J	....		....	....	....
Wheel L. E. & P. Cl Co. 1st g 5's.	1919	846,000	J & J	68	Dec. 23,'96	....	....	....
Whitebrst Fuel gen. s. fund 6's..	1908	570,000	J & D	....		....	....	....

BANKERS' OBITUARY RECORD.

Bennett.—Edward Bennett, until recently President of the Buffalo (N. Y.) Savings Bank, died May 11. He was born in Buffalo February 21, 1827. After receiving an education he entered a dry goods store as a clerk. In 1848 he joined the California gold-seekers, returning to Buffalo after a year's absence. He successfully engaged in the real estate business, and in 1877 was elected a trustee of the Buffalo Savings Bank. He was elected Vice-President in 1890 and President in 1893. His interest in the business and charitable enterprises of the city was extensive.

Dick.—Frederick Dick, President of the Citizens' Bank, Huntington, Ind., and one of the wealthy citizens of that place, died May 4, aged seventy years.

Hoyt.—Lucius P. Hoyt, who was for thirty years President of the Danbury (Conn.) National Bank, died May 6 at the age of eighty-three.

Hyde.—Hon. James F. C. Hyde, President of the Newton (Mass.) Savings Bank, a director of the Newton National Bank and of the First National Bank, Boston, died May 1. Mr. Hyde was born at Newton Highlands, Mass., July 26, 1825. He was the first Mayor of Newton and had held many other offices, including a term in the Legislature.

Johnson.—Edgar M. Johnson, President of the Bank of Palmyra, Wis., died May 17, at the age of fifty years.

Keefer.—Stephen Keefer, former Cashier of the First National Bank, Hanover, Pa., and connected with a number of local business enterprises, died April 27.

Leake.—Frederick Leake, a retired banker, died at Williamstown, Mass., May 23.

Macleod.—Wm. Macl od, President of the St. Petersburg (Fla.) State Bank since 1895, died May 21. His body was found on a railway track, death having been caused by four pistol shot wounds. The murderers are unknown. Mr. Macleod, who was a native of Edinburgh, went to Florida in 1884 as representative of a syndicate engaged in railroad building.

Matthews.—L. Matthews, President of the Montour (Iowa) Exchange Bank, and prominent in the financial affairs of Central Iowa, died May 8, aged seventy years.

McCoy.—H. E. McCoy, President of the Dominion National Bank, Bristol, Va., and also President of the Merchants and Farmers' Bank, Marion, Va., died recently at the age of thirty-five years.

Montgomery.—George B. Montgomery, formerly Cashier of the Mechanics' Savings Bank, of Rochester, N. Y., and previously associated with other banks of that city, died April 29, aged forty-nine years.

Nutt.—N. B. Nutt, Treasurer of the Eastport (Me.) Savings Bank and editor and owner of the "Eastport Sentinel," died May 10, aged seventy-four years.

Phillips.—John Phillips, formerly engaged in banking at Waynesboro, Pa., died May 6, in his seventy-ninth year. Mr. Phillips was President of the Frick Co. for a number of years and Cashier of the first National Bank of Waynesboro, from the time it was organized in 1863, until it went into liquidation in 1895. He organized three banks—the Waynesboro Savings Bank, in 1853; the State National Bank of Waynesboro, in 1863, and the Bank of Waynesboro, in 1895.

Phinizy.—Charles H. Phinizy, died at Augusta, Ga., April 28, aged sixty-three years. He became President of the Georgia Railroad and Banking Co., May 12, 1880, and continued in this position until November 9, 1897, when he resigned on account of feeble health. He was in the late Civil War, serving on the Confederate side, earning the rank of Colonel. At the close of the war he engaged in the cotton business, which he conducted successfully until his election as President of the Railroad and Banking Co.

Richardson.—Albert P. Richardson, Cashier of the People's National Bank of Roxbury, Boston, died May 25, aged fifty-two years.

Sanders.—M. M. Sanders, Vice-President of the State Banking Co., Gainesville, Ga., and a prominent and wealthy merchant, died recently. He was the largest stockholder in the bank, and its Vice-President from the time of its organization.

Scott.—Major Frederick R. Scott, Vice-President of the Merchants' National Bank, Richmond, Va., from the time of its organization in 1870, died May 16. He was a native of Ireland, but had resided in this country for about fifty years. Some years ago he became a member of the banking and brokerage firm of Thomas Branch & Co., then at Petersburg, Va. During the late war he served on the Confederate side. At the close of the war he went to Richmond, as a member of the above-named firm, which had removed to that city. Besides being Vice-President of the Merchants' National Bank he was identified with many other important business enterprises.

Straub.—August W. Straub, President of the International Bank, St. Louis, Mo., died May 23. He was born in Allegheny City, Pa., in 1845, and located in St. Louis in 1873. Mr. Straub was elected a director of the International Bank in 1874. In 1884 he succeeded to the Vice-Presidency of that institution, on the resignation of August Leisse, and in 1886, on the death of William C. Lange, he became President of the bank.

Todd.—Robert L. Todd, Cashier of the Exchange National Bank, Columbia, Mo., died May 11, aged seventy-six years.

Traut.—Paul Traut, President of the German Trust and Savings Bank, Dubuque, Iowa, died May 23, aged forty-seven years. He had held a number of local offices, including several terms as city and county treasurer, and had been President of the bank since 1894.

Vaux.—Jacob Waln Vaux, President of the Trust Company of North America of Philadelphia, died May 16 at his country seat near Penllyn, Pa. He was born in 1849. He was the son of the late Richard Vaux, former Mayor of the city, and Mary Waln, daughter of Jacob S. Waln, one of Philadelphia's historic old-time merchants. He succeeded John Cadwallader as President of the trust company in February, 1897.

White.—Henry K. and Phineas White, brothers, were killed while driving across a railway track at Lapeer, Mich., May 12. The former gentleman was President of the First National Bank and of the State Savings Bank, Lapeer; Phineas White was also a director of both banks. He was eighty-eight years of age at the time of his death. Henry K. was seventy-eight years of age. He raised a company with which he served in the late Civil War. Both had resided at Lapeer since 1838, and were among the oldest and most respected citizens of the town.
